



SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

**FY 2020 ADOPTED BUDGET &  
FY 2021 APPROVED CONCEPTUAL BUDGET**

SAN DIEGO, CALIFORNIA

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# Introductory Letter & Executive Summary



August 28, 2019

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Colonel Charles B. Dockery

Dear Board Members:

Establishing the budget is a deliberative process reflecting the Board's continuous leadership and direction as expressed through the San Diego County Regional Airport Authority's (SDCRAA, or Airport Authority) five-year Strategic Plan. This five-year Strategic Plan enables the Airport Authority to sustain its leadership position as a business-driven, passenger-centered, community-minded enterprise. It does so by aligning leadership and staff over a five-year period in their efforts to plan and build an enduring, resilient enterprise through effective management of financial, social and environmental risks, opportunities and obligations.

Submitted herein are the Airport Authority's adopted operating and capital budget for Fiscal Year (FY) 2020 and approved Conceptual Budget for FY 2021. 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 operating and capital improvement needs and obligations of the organization. The budget ensures adherence to the requirements of the master and subordinate bond indentures governing the Airport Authority's outstanding indebtedness and takes into account its obligations under state and federal law.

The goal of multiyear budgeting is to facilitate the integration of strategic and financial planning and resource allocation. Last year, the Board approved a FY 2020 Conceptual Budget that was revised through this year's budget process, and subsequently adopted, as the FY 2020 Budget. The FY 2021 Conceptual Budget was approved and will be revised to reflect any changes in initiatives, as well as industry, economic and geopolitical events next year. After completion of the Airport Authority's budget preparation and evaluation process, a revised FY 2021 Budget will be presented and discussed with the Board in May and June 2020 for review and formal adoption. A FY 2022 Conceptual Budget will also be presented for approval at that time.

The budget supports operating San Diego International Airport (SAN) 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 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 current and future facility requirements at SAN, including the Airport Development Plan (ADP) (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 meets or exceeds customer expectations while simultaneously executing its legislative mandates and regulatory requirements.

The FY 2020 and Conceptual FY 2021 Operating Budget ("Budget") of \$317.6 million and \$335.1 million, respectively, marks the Authority's seventeenth fiscal year operating budget. The Budget reflects continued modest economic and industry growth. It supports continued efforts to be a passenger-focused, business-driven and community-centered enterprise and recognizes the importance of improving ground transportation access to SAN.

The FY 2020 and Conceptual FY 2021 total revenue budgets are \$476.8 million and \$496.1 million, respectively. These budgets reflect the newly signed 10-year Airline Operating Lease Agreement (AOLA) with our airline partners.

The Capital Improvement Program (CIP) is a rolling five-year program, which provides for critical improvements and asset preservation for the Authority. The program includes projects that address airfield safety and capacity, environmental protection, terminal enhancements, and landside infrastructure and access improvements. The FY 2020 – FY 2024 Capital Program total is \$955.4 million.

Additional details are provided in the **Executive Summary**.

Every effort has been made to ensure that the FY 2020 Budget and the FY 2021 Conceptual Budget both reflect the resources required to execute the Airport Authority's strategies and initiatives as supported and directed by the Board, while meeting all federal safety and security mandates and legislative requirements. This budget also allows the Airport Authority to fulfill its mission of providing air transportation for the San Diego region and supports the continued operation of SAN while maintaining a strong fiscal foundation to support the organization well into the future.

Respectfully submitted,



**Kimberly J. Becker**  
President | Chief Executive Officer



**Scott M. Brickner, CPA**  
Vice President | Chief Financial Officer



## Executive Summary

As SAN launches a new fiscal year, we have also embarked on a new journey to ignite our brand and renew our commitment to providing a first-class experience for our customers. In fact, the new brand brings with it a bold new promise: We pledge to bring good feelings to everyone, nonstop.

At SAN, we know we are the first feeling and last feeling that every passenger will experience. We have a responsibility to deliver an authentic San Diego experience to everyone—visitor or resident, business or leisure, customer or employee. To make our community proud of its airport and all that it does. To drive our local economy. To connect the world to San Diego and its more than three million people. We accept that responsibility with open arms and are honored to do so.

Therefore, we make a pledge to bring good feelings to the over 24 million people who experience our airport each year. This is a daily responsibility lived out in every aspect of our business. From quick, efficient service to intuitive signage and information; from experiential artwork and friendly volunteers to innovations that bring new amenities to travelers; from our small business programs to our nationally-recognized sustainability efforts; from our authentic San Diego flair to the ocean air you breathe in every time you take that first step outside, we pledge to make you feel good about this airport, this city, this destination.

We pledge to bring good feelings to everyone, nonstop.

## Organizational Goals

The strategic goals in our five-year Strategic Plan set targets to measure the success of the Airport Authority. Each goal has a set of associated initiatives that guide development and execution of the organization's annual plans and budgets. Collectively, they ensure our focus to continue evolving the Authority into a passenger-focused, business-driven, community-centered enterprise that effectively manages our financial, social and environmental sustainability. The five strategic goals are as follows:

1. Exceed our customers' expectations by introducing innovative service and facility enhancements.
2. Grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.
3. Enhance community understanding of SAN as an economic engine and a portal for prosperity that enhances our quality of life.
4. Develop leaders and a workforce aligned to the needs of our Strategic Plan and an inclusive environment that reflects the diversity of our community.
5. Execute a Plan of Finance that provides the financial resources necessary to achieve the 2022 Future State while maintaining the enterprise's strong financial position.

Guided by the above strategic goals, the FY20 and FY21 Conceptual Budgets reflect our aligned efforts based on three over-arching focus areas: **Advance the ADP, Transform the Customer Journey, and Optimize Ongoing Business.**

As annual plans are executed by our highly skilled and engaged workforce, we are achieving milestones that bring us closer to goal attainment. Throughout these efforts we are communicating SAN's story as a regional economic driver that generates an estimated \$12 billion annually in economic impact; positioning our airport to assure continued safe, secure, environmentally sound, and efficient operations; providing optimal air service options for the region; maintaining a strong financial position while funding the Airport Development Plan; and introducing airport service options that are innovative and support a stress-free customer journey.

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

## Executive Summary

### Passenger Satisfaction

The Airport Authority places a high priority on the passenger experience as evidenced by our Strategic Plan goal to exceed our customers' expectations by introducing innovative service and facility enhancements. One measure of success is sustaining or improving satisfaction with San Diego International Airport as measured by the Airports Council International's Airport Service Quality (ASQ) Survey.

Since opening the Green Build, the Airport Authority has been able to sustain Customer Satisfaction above 4.00 on a five-point scale. Last year was no exception with a score of 4.09 overall satisfaction. This sustained overall customer satisfaction score was achieved despite aging Terminal 1 infrastructure placing downward pressure on overall satisfaction. When comparing the two terminals, Terminal 1's scores are not surprisingly significantly lower in overall satisfaction at 3.92 than Terminal 2 at 4.31.

Key infrastructure constraints that are driving the lower score include comfort of the waiting/gate area, ambiance of the airport, business/executive lounges, and cleanliness of the airport terminal and shopping facilities. As we advance the ADP, a key driver of that effort is our ability to continue to meet current and future demand for air transportation in the region. A replacement for Terminal 1 that meets the needs of all stakeholders is central to that plan.

### 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. The enplaned passenger projections used in the preparation of this budget were determined by evaluating Federal Aviation Administration (FAA) forecasts, recent trends and airline schedules and service announcements.

The U.S. economy continues to strengthen. Gross Domestic Product (GDP) grew at annualized pace of 3.1%, reflecting continued moderate growth in the national economy (see *Figure 64* in **Supplemental Data**). In addition, employment, equity market performance, and consumer confidence have been strong and inflation (including jet fuel prices) has been moderate.

The Air Trade Area for SAN includes San Diego County as well as portions of neighboring Orange and Riverside Counties, and Baja California del Norte, Mexico. The Census Bureau estimates the population of San Diego County to be 3.34 million as of July 2018. 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 has enjoyed a relatively stable economic climate during the past few years. The U.S. Bureau of Labor Statistics notes that the county's average unemployment rate for June 2019 was 2.9% compared to 4.3% for the State of California. This reflects the nature of the region's diverse economy, providing an attractive mix of leisure, business sectors and government. The county is home to more than 150 publicly traded companies.

For Calendar Year (CY) 2018, domestic airlines generated \$12.7 billion in profit, up from \$11.9 billion the previous year. Despite increased fuel prices in 2018, U.S. carriers are offsetting higher costs with higher revenues, driven by investment in better planes, improved service, and new technologies. According to Moody's, the most likely scenario in 2019 is that aggregate enplanement growth for the US airport sector, comprising all airports with commercial airline service, will slow to 3.2% based on expectations that growth in seat capacity will come in at 4.1%, and that GDP growth will be 2.3%.

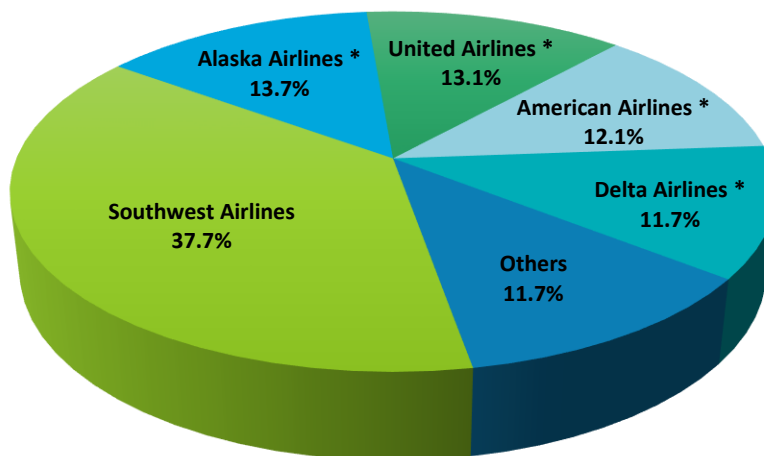
## Executive Summary

Based on experience, future airline traffic at SAN will most likely continue to be affected by a variety of forces and events. These include local, national and international economic policies, geopolitical events, world health emergencies, federal regulatory and legislative actions, financial health of the airline industry, fuel prices, and natural disasters. The Airport Authority is unable to predict with absolute certainty the long-term operational and financial effect these factors may have 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 one carrier dominates, and where a significant number of low-cost carriers serve the market. In CY 2018, air service was provided by 17 passenger airlines. Southwest Airlines, the largest carrier, served 37.7% of the passengers who traveled through SAN (see *Figure 1*); its lead in market share is expected to continue.

In CY 2018, low-cost carriers accounted for 47.2% of seat capacity and 45.7% of enplaned passengers. Their presence in certain markets serves to stimulate pricing competition among all carriers, which typically stimulates demand through lower fares.

**SAN Enplaned Passengers in CY 2018**



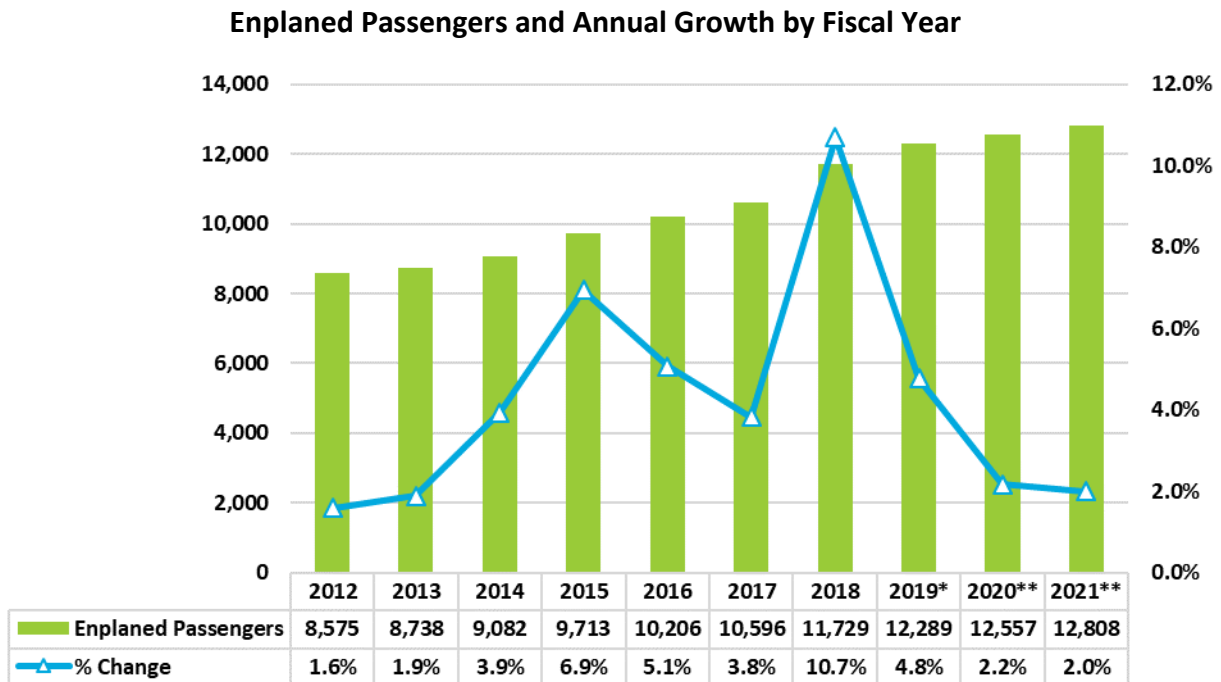
\* Including regional affiliates

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

Passengers departing from SAN can now fly non-stop to 67 domestic and 11 international destinations, with one-stop connections to over 300 international destinations around the world. FY 2019 saw the addition of new non-stop air service to Everett/Paine Field, WA; Norfolk, VA; and Raleigh, NC. The Airport Authority's Air Service Development department continues to build upon this success and pursue expanded international and domestic opportunities.

All of these economic and industry factors together with additional air service are reflected in the FY 2020 Budget and the FY 2021 Conceptual Budget, which are predicated on modest passenger growth as shown in Figure 2. In FY 2020, enplaned passenger traffic at SAN is projected to reach 12.6 million, which represents an increase of 2.2% from the 12.3 million enplanements used in the FY 2019 Forecast. Enplaned passengers are projected to increase by 2.0% to 12.8 million in the FY 2021 Conceptual Budget.

## Executive Summary



\* Forecasted FY 2019

\*\* Budgeted FY 2020 & FY 2021

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

## Budget Process

The Airport Authority operates on a July 1st through June 30th Fiscal Year. The annual budget cycle includes the preparation of two budgets: one to be adopted by the Board for the next fiscal year and a conceptual budget for the subsequent fiscal year that the Board approves, but does not adopt. The budget process usually begins in October with senior management collaborating with the Board to update, review and formulate the strategies and initiatives that will drive business performance. From October to January, the management team engages in cross-functional discussions to arrive at key decisions and agreements. The effort is designed to align divisional requirements with the Airport Authority’s overall strategies and initiatives. The Airport Authority Board is consulted continually to solicit input and direction throughout the process. As appropriate, strategic planning workshops and detailed briefings on the proposed Operating and Capital Program Budgets are held with the Board.

In January, the budget staff reviews financial results of the first six months of the then-current fiscal year. In February and March departments submit budget requests reflecting operating needs and programs to achieve the Airport Authority’s strategies and initiatives. Meetings are held with each division to review their budget requests and weigh the cost/benefit impact, where appropriate.

To ensure that the budget is funded adequately and to maintain the Airport Authority’s strong financial condition, the Finance Management team prepares a revenue budget that incorporates budget expenditure requests into the rate setting formula to determine projected rates, fees and charges to the airlines and other tenants.

## Executive Summary

From April to June, proposed operational and capital program budgets are distributed to the Airport Authority Board and a budget workshop is held to review the budgets for input and guidance. The Board adopts the budget as a whole, and it may be amended as required, with Board approval, at any time during the year.

Calendar Period	Action
<b>October – February</b>	<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>
<b>February – March</b>	<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>
<b>March – April</b>	<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>
<b>April – June</b>	<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, which includes the FY 2020 Budget and the FY 2021 Conceptual Budget, is influenced by several factors. Primarily, the San Diego County Regional Airport Authority Act, which is the Airport Authority's enabling legislation, and costs associated with near-term improvements at SAN. Other major factors affecting the Airport Authority's financial planning include the airline operating lease agreement (AOLA), master and subordinate bond indentures, Memorandum of Understanding with the California Attorney General, and various levels of federal funding.

The Airport Authority reached a new 10-year agreement with its airline partners effective July 1, 2019. The AOLA establishes how the signatory and non-signatory airlines will be assessed annual rates and charges for their use of the airport. Additional details are provided on page xviii.

The Airport Authority derives its operating revenue from two sources: 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 derived by analyzing the current agreements, recent trends, projected future events, enplanements 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), Build America Bonds (BAB) interest rebate and grant reimbursements.

The Airport Authority's debt management policy was developed 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. Funding of the required reserve balances affects the fund equity portion of the budget and rate-setting process.

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 2020 Budget and FY 2021 Conceptual Budget before depreciation, bond principal repayment and capital equipment outlays.

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 Budget vs FY19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change
<b>Operating Revenue</b>								
<b>Airline Revenue</b>								
Landing Fees	\$ 31,734	\$ 35,839	\$ 47,170	\$ 11,332	31.6%	\$ 52,348	\$ 5,178	11.0%
Aircraft Parking Fees	3,236	3,223	11,839	8,616	267.3%	13,087	1,248	10.5%
Building Rentals	86,711	97,557	115,057	17,500	17.9%	122,221	7,164	6.2%
Common Use Fees	1,293	1,378	9,688	8,310	602.8%	13,309	3,621	37.4%
Other Aviation Revenue	184	182	185	2	1.2%	185	-	0.0%
<b>Total Airline Revenue</b>	<b>123,157</b>	<b>138,180</b>	<b>183,939</b>	<b>45,760</b>	<b>33.1%</b>	<b>201,150</b>	<b>17,211</b>	<b>9.4%</b>
<b>Non-Airline Revenue</b>								
Terminal Rent Non-Airline	2,036	2,133	2,158	25	1.2%	2,163	5	0.2%
Terminal Concessions	28,363	27,935	30,211	2,275	8.1%	31,379	1,169	3.9%
Rental Car License Fees	31,464	30,651	35,676	5,025	16.4%	36,450	774	2.2%
License Fees - Other	5,782	5,821	6,531	710	12.2%	6,580	48	0.7%
Parking Revenue	43,519	45,956	43,010	(2,946)	-6.4%	42,712	(298)	-0.7%
Ground Transportation Permits and Citations	9,735	14,937	20,312	5,375	36.0%	23,845	3,532	17.4%
Ground Rentals	20,073	19,982	17,328	(2,654)	-13.3%	18,497	1,169	6.7%
Grant Reimbursements	541	517	307	(210)	-40.6%	296	(11)	-3.6%
Other Operating Revenue	1,409	770	1,055	285	37.0%	1,061	6	0.6%
<b>Total Non-Airline Revenue</b>	<b>142,922</b>	<b>148,703</b>	<b>156,588</b>	<b>7,885</b>	<b>5.3%</b>	<b>162,983</b>	<b>6,395</b>	<b>4.1%</b>
<b>Total Operating Revenue</b>	<b>266,079</b>	<b>286,882</b>	<b>340,527</b>	<b>53,645</b>	<b>18.7%</b>	<b>364,133</b>	<b>23,606</b>	<b>6.9%</b>
<b>Operating Expenses</b>								
Personnel Costs	47,866	49,241	52,533	3,292	6.7%	55,670	3,137	6.0%
Contractual Services	45,249	49,764	47,994	(1,770)	-3.6%	48,774	780	1.6%
Safety and Security	30,733	33,144	34,004	860	2.6%	35,195	1,191	3.5%
Space Rental	10,190	10,191	10,191	-	0.0%	10,191	-	0.0%
Utilities	12,510	13,357	14,385	1,028	7.7%	15,189	804	5.6%
Maintenance	12,603	13,788	13,189	(599)	-4.3%	14,890	1,701	12.9%
Operating Equipment & Systems	598	353	335	(18)	-5.1%	373	38	11.4%
Operating Supplies	656	542	630	87	16.1%	631	1	0.2%
Insurance	1,098	1,248	1,506	258	20.7%	1,591	85	5.7%
Employee Development	1,248	1,160	1,264	104	9.0%	1,277	13	1.0%
Business Development	3,246	3,045	3,155	110	3.6%	3,176	21	0.7%
Equipment Rentals and Repairs	2,464	3,364	3,805	441	13.1%	3,797	(7)	-0.2%
Tenant Improvements	661	800	800	-	0.0%	800	-	0.0%
<b>Total Operating Expenses before Depreciation &amp; Amortization</b>	<b>169,120</b>	<b>179,996</b>	<b>183,790</b>	<b>3,794</b>	<b>2.1%</b>	<b>191,553</b>	<b>7,764</b>	<b>4.2%</b>
<b>Income from Operations before Depreciation &amp; Amortization</b>	<b>96,959</b>	<b>106,886</b>	<b>156,738</b>	<b>49,851</b>	<b>46.6%</b>	<b>172,580</b>	<b>15,842</b>	<b>10.1%</b>
<b>Non-Operating Revenue/(Expenses)</b>								
Passenger Facility Charges	46,953	46,627	49,629	3,002	6.4%	50,622	993	2.0%
Customer Facility Charges	41,037	40,204	41,509	1,305	3.2%	42,339	830	2.0%
Quieter Home Program (Net) & Joint Studies	(2,861)	(3,095)	(3,095)	(0)	0.0%	(3,095)	-	0.0%
BAB Interest Rebate	4,666	4,631	4,686	55	1.2%	4,686	-	0.0%
Interest Income	13,374	14,006	17,835	3,829	27.3%	18,630	795	4.5%
Interest Expense	(74,102)	(79,717)	(92,756)	(13,039)	16.4%	(97,469)	(4,714)	5.1%
Bond Amortization Costs	5,690	5,682	5,521	(161)	-2.8%	5,355	(166)	-3.0%
Other Non Operating Revenue/(Expense)	(13,229)	(10)	(20)	(10)	100.0%	(20)	-	0.0%
<b>Total Other Non-Operating Revenue, Net</b>	<b>21,528</b>	<b>28,329</b>	<b>23,310</b>	<b>(5,019)</b>	<b>-17.7%</b>	<b>21,049</b>	<b>(2,261)</b>	<b>-9.7%</b>
<b>Income before Capital Grant Contributions</b>	<b>118,487</b>	<b>135,215</b>	<b>180,048</b>	<b>44,833</b>	<b>33.2%</b>	<b>193,629</b>	<b>13,581</b>	<b>7.5%</b>
Capital Grant Contributions	13,079	8,149	10,642	2,493	30.6%	3,704	(6,938)	-65.2%
<b>Net Income before Depreciation, Principal &amp; Capital Outlay</b>	<b>\$ 131,566</b>	<b>\$ 143,364</b>	<b>\$ 190,690</b>	<b>47,326</b>	<b>33.0%</b>	<b>\$ 197,333</b>	<b>6,643</b>	<b>3.5%</b>

## Executive Summary

Total Operating revenues for FY 2020 are budgeted at \$340.5 million, an increase of \$53.6 million (18.7%) over the FY 2019 Budget. This revenue reflects two sources: 1) Airline revenue of \$183.9 million and 2) Non-Airline revenue of \$156.6 million. Airline revenue is derived primarily from landing fees, aircraft parking fees, building rentals, common use fees and other aviation revenue. Non-Airline revenue is comprised of public parking and ground transportation fees, terminal and other concessions, rental car fees, ground rents and other operating revenues. FY 2021 Operating revenues are budgeted at \$364.1 million, an increase of \$23.6 million (6.9%), of which \$201.2 million represents Airline revenue and \$163.0 million is from Non-Airline revenue.

Total FY 2020 Airline revenue includes an increase of \$45.8 million (33.1%), as compared to the FY 2019 Budget. This result is mostly driven by implementation of the new AOLA that established a major maintenance fund (MMF). It is also due to an increase in debt service, additional cash-funded projects, and higher operating and maintenance expenses.

Total FY 2021 Airline revenue is budgeted to increase by \$17.2 million (9.4%) compared to FY 2020 mainly for increased building rental fees and landing fees.

Total FY 2020 Non-Airline revenue projects a net increase of \$7.9 million (5.3%) from the FY 2019 Budget. This is primarily driven by: 1) an increase of \$5.4 million in ground transportation permits and citations revenue due to an increase in trip fees and Transportation Network Company (TNC) trips; 2) an increase of \$5.0 million in Rental Car License Fees revenue due to increased enplanements and gross sales per enplaned passenger (SEP); and 3) an increase in terminal concessions revenue of \$2.3 million, primarily due to increased passenger traffic and stronger SEP partially offset by: 1) a decrease of \$2.9 million in parking revenue reflecting full year closure of the Economy lot that is partially offset by an increase in employee Parking revenue; and 2) a decrease of \$2.6 million in ground rentals due to transfer of the cargo carriers' apron rent to the landing fees based on new AOLA terms and the completion of cost recovery for the Fuel Farm.

Total FY 2021 Non-Airline revenue is budgeted to increase by \$6.4 million (4.1%) compared to FY 2020. This increase reflects several factors including: 1) an increase in ground transportation permits and citations revenue of \$3.5 million due to increased trip fees; 2) an increase of \$1.2 million in terminal concessions revenue due to increased enplanements; and 3) an increase of \$1.2 million in ground rentals revenue due to the planned opening of the new Airport Support Building.

The divisional and departmental operating expense budgets of \$183.8 million, which address the Airport Authority's overall strategies, initiatives and mandated obligations, reflect an increase of \$3.8 million (2.1%) in the FY 2020 operating expense budget from the FY 2019 Budget. FY 2021 operating expenses are projected to increase by \$7.8 million (4.2%) over the FY 2020 Budget.

The FY 2020 Operating Expense increase of \$3.8 million (2.1%) is driven by a variety of factors. Salaries and Wages, including overtime and benefits, are projected to increase by \$1.9 million (3.4%) over the FY 2019 Budget, reflecting a net increase of six (6) positions, wage and salary increases required under union contract agreements and pay-for-performance increases for non-union employees. Together with lower capitalized labor expenses, personnel expenses resulted in a net increase of \$3.3 million (6.7%) in the FY 2020 Budget over the FY 2019 Budget for personnel expenses.

In FY 2020, Contractual Services are budgeted to have a net decrease of \$1.8 million (-3.6%) from the FY 2019 Budget reflecting a decrease of the Authority share in janitorial expenses based on new AOLA terms, partially offset by higher Rental Car Center (RCC) buses costs. Utilities in FY 2020 are budgeted to increase by \$1.0 million due to higher rates and an increase in usage due to enplanement growth. Additionally, FY 2020 security costs



## Executive Summary

are projected to increase by \$0.9 million (2.6%) over the FY 2019 Budget, reflecting an increase in Aircraft Rescue and Firefighting, and guard services.

FY 2021 Operating Expenses are budgeted to increase by \$7.8 million (4.2%); this increase reflects a net increase of five (5) positions, wage and salary increases required under union contract agreements and pay-for-performance increases for non-union employees. In addition, the non-personnel expenses increase is primarily driven by maintenance, and safety and security costs.

FY 2020 Non-Operating revenue/(expense) is projected to decrease by \$5.0 million (-17.7%) from the FY 2019 Budget, primarily reflecting an increase in interest expense of \$13.0 million (16.4%) partially offset by increases in interest income of \$3.8 million and PFC revenue of \$3.0 million (6.4%).

FY 2021 Non-Operating revenue/(expense) is budgeted to decrease by \$2.3 million versus the FY 2020 Budget.

Capital Grant Contributions are FAA grant awards from the federal Airport Improvement Program (AIP) that provides funding for certain approved capital improvement projects. FY 2020 Capital Grant Contributions increased by \$2.5 million (30.6%) due to continued rehabilitation of cross-taxiways and the purchase of new electrical buses partially offset by the completion of other grant eligible projects. FY 2021 Capital Grant Contributions are budgeted to decrease by \$6.9 million (-65.2%) due to the completion of cross-taxiways rehabilitation offset by the progress of the apron pavement rehabilitation project.

## 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 2020 cash and investments will increase by \$134.3 million to \$787.5 million versus the FY 2019 Projected of \$653.1 million. This increase of 20.6% from the FY 2019 Projected is mostly due to projected bond issuance and proceeds. FY 2021 cash and investments are projected to decrease by \$1.2 million (-0.2%) to \$786.2 million, mainly reflecting decrease in bond proceeds.

## Capital Program

The Airport Authority maintains a five-year Capital Program that is intended to address critical improvements and asset preservation of SAN. The Airport Authority's current Capital Program includes projects started prior to FY 2020, as well as new projects to be undertaken at SAN between FY 2020 and FY 2024 at an estimated total cost of approximately \$955.4 million.

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

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

## Executive Summary

Anticipated funding sources for the projects in the Capital Program include AIP and Transportation Security Administration (TSA) grants, PFCs, CFCs (including CFC-backed Special Facility Bonds), airport cash, the MMF established under the new AOLA, airport revenue bonds and a short-term variable-rate commercial loan.

### Sources of Funds

*In thousands*

Airport Revenue Bonds	\$ 527,214
Airport Cash	193,694
Federal Grants	74,348
Passenger Facility Charges	63,357
Major Maintenance Fund	61,834
Customer Facility Charges	2,953
Other	32,048
<b>Total Sources of Funds</b>	<b>\$ 955,448</b>

### Uses of Funds

*In thousands*

FY 2019 – 2023 Carryover	\$ 868,192
FY 2020 – 2024 New Projects & Allowances	87,257
<b>Total Use of Funds</b>	<b>\$ 955,448</b>

Projected FY 2020 Capital Program expenditures total \$273.4 million, and projected FY 2021 expenditures are \$131.7 million. Further discussion of these expenditures along with detailed descriptions can be found in the section titled **Capital Program**.

### Airport Development Plan

The ADP is the Airport Authority's master planning effort to determine the facilities needed at SAN to meet the region's air travel demand for decades to come. One of the major components of the ADP is the replacement of the 50-plus-year-old Terminal 1 with an attractive, modern and more efficient terminal. The ADP will also include other airfield enhancements, major improvements to roadways serving the airport, and a designated transit station area on airport property that will allow the airport to connect to any regional transportation solution ultimately identified by our regional partners. The ADP will optimize the 661-acre airport site to accommodate demand while maintaining high levels of passenger satisfaction.

The Airport Authority is currently preparing to release the revised draft environmental impact report. The California Environmental Quality Act (CEQA) requires agencies to complete a comprehensive study of all potential impacts to the environment associated with projects like the ADP. The estimated cost for this project is no more than \$3 billion. The Airport Authority is evaluating a variety of funding structures to finance construction that will be reflected in future years' budgets once the ADP is environmentally certified and the project is approved by the Airport Authority Board.

## Executive Summary

### Airline Operating Lease Agreement

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

The new agreement establishes the following fees for signatory airlines:

	Unit	FY 2020 Budget	FY 2021 Conceptual Budget
Landing Fee	1,000 lbs	\$3.21	\$3.47
Aircraft Parking Position Rental Rate	per space	\$169,818	\$187,721
Aircraft Parking Position Turn Fee	per turn	\$71.43	\$78.96
Aircraft Parking Position Overnight Fee	per overnight	\$214.28	\$236.87
Terminal Rental Rate	sq ft.	\$210.57	\$223.90
Joint Use Fee (90%)	per enplanement	\$5.17	\$5.39
Joint Use Charges - 10% Share (MORE THAN 1% OF ENPLANEMENTS)	per airline	\$609,772	\$649,025
Joint Use Charges - 10% Share (1% OR LESS ENPLANEMENTS)	per airline	\$144,496	\$153,797
Common Use Fee	per enplanement	\$1.24	\$1.67
Federal Inspection Services (FIS) Fee	per available seat	\$10.00	\$10.00

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

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

Based on the fees above, the airline cost per enplaned passenger is forecasted to be \$14.16 for FY 2020 and \$15.18 for the FY 2021 Conceptual Budget.

Additional details regarding the agreement and rates, fees and charges are provided in the section titled **Budget Overview: Revenue**.

The agreement has no provisions that grant the airlines direct approval rights over capital projects, with the limited exception of certain transportation projects that exceed a \$300 million threshold, as defined in the AOLA. It also allows flexibility to meet the demands of changing airline activity and to accommodate new entrant carriers. Terms of the new agreement financially support the execution of the ADP.

### Outstanding Debt

As of July 1, 2019, the Airport Authority's outstanding long-term debt will consist of \$798.5 million of subordinate airport revenue bonds (Series 2010 Bonds and Series 2017), \$368.8 million of senior airport revenue bonds (Series 2013 Bonds) and \$294.7 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

## Executive Summary

reserves and to maintain net revenues (after the payment of operation and maintenance expenses) equal to at least 1.25x annual senior lien debt service and subordinate net revenues at 1.10x annual subordinate lien debt service. The Board-approved debt policy calls for minimum aggregate debt service coverage of 1.40x. The Board approved target includes PFCs used to pay debt service and the Federal Interest Subsidy as Net Revenues (rather than deducting these items from debt service).

Further discussion of the Airport Authority’s debt can be found in the Debt Service section of this document. Debt service coverage (generally consisting of operating revenue less operating expenses divided by principal and interest requirements for the fiscal year) is displayed in *Figure 5*. For FY 2020, debt service coverage on aggregate debt is projected to be 3.41x and 3.53x for FY 2021. The Airport Authority’s outstanding variable rate debt will consist of \$13.7 million of Series B (Alternative Minimum Tax (AMT)). The authorized variable debt consists of the revolving line of credit, which provides for borrowings up to \$125.0 million and the revolving draw down bonds, which provide for borrowings up to \$100.0 million. The revolving line of credit and revolving draw down bonds are secured by a pledge of net airport revenues, subordinated to the payment of the Series 2013 Bonds, but on parity with the Series 2010 and 2017 Bonds. The Revolving Credit Agreements require that charges for services be set each year at rates sufficient to produce Pledged Revenues of at least 1.10x debt service on subordinate obligations for that year.

The following table shows debt service coverage on aggregate, senior and subordinate lien debt. The subordinate lien debt includes Series 2010 and 2017 Bonds and the revolving line of credit. FY 2020 and FY 2021 budgets reflect future anticipated debt issuance.

	FY 2018 Actuals	FY 2019 Budget	FY 2020 Budget	FY 2021 Conceptual Budget
Aggregate Debt Service Coverage (x)	2.40	2.45	3.41	3.53
Senior Lien Debt Service Coverage (x)	10.93	11.57	12.31	13.45
Subordinate Lien Debt Service Coverage (x)	2.80	2.84	5.12	4.90

**Figure 5 – Debt Service Coverage**

## Executive Summary

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

The Airport Authority received its fourteenth consecutive Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for its annual budget for the fiscal year beginning July 1, 2018. The GFOA established the Distinguished Budget Presentation Awards Program (Budget Awards Program) in 1984 to encourage and assist state and local governments to prepare 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.

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

This award is valid for a period of one year only. 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.



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# Airport Authority Overview



## **Airport Authority Overview**

### **Board of Directors**

**C. April Boling, Board Chair**

**Paul Robinson, Vice Chair**

**Greg Cox**

**Jim Desmond**

**Mark Kersey**

**Robert T. Lloyd**

**Johanna Schiavoni**

**Michael Schumacher**

**Mark B. West**

### **Ex-Officio Members**

**Cory Binns**

**Gayle Miller**

**Col. Charles B. Dockery**



## 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*

**Domenico D'Ambrosio**

VICE PRESIDENT / CHIEF REVENUE OFFICER

*Revenue Management & Innovation Division*

**Angela Shafer-Payne**

VICE PRESIDENT / CHIEF OPERATIONS OFFICER

*Operations Division*

**Dennis Probst**

VICE PRESIDENT / CHIEF DEVELOPMENT OFFICER

*Development Division*

## Airport Authority Overview

### Director Staff

**Rick Belliotti**

DIRECTOR

*Innovation & Business Development*

**Jessica Bishop**

DIRECTOR

*Information & Technology Services*

**Bob Bolton**

DIRECTOR

*Airport Design & Construction*

**Michelle Brega**

SENIOR DIRECTOR

*External Relations*

**Hampton Brown**

SENIOR DIRECTOR

*Marketing, Arts & Air Service Development*

**Natasha Collura**

DIRECTOR

*Revenue Generation & Partnership Development*

**John Dillon**

DIRECTOR

*Finance & Risk Management*

**Kurt Gering**

DIRECTOR

*Talent, Culture & Capability*

**Matt Harris**

DIRECTOR

*Government Relations*

**Jonathan Heller**

DIRECTOR

*Communications*

**Kathy Kiefer**

SENIOR DIRECTOR

*Finance, Accounting & Airline Relations*

**David LaGuardia**

DIRECTOR

*Facilities Management*

**Marc Nichols**

DIRECTOR

*Ground Transportation*

**Jeff Rasor**

DIRECTOR

*Airside & Terminal Operations*

**Brendan Reed**

DIRECTOR

*Planning & Environmental Affairs*

**Tony Russell**

DIRECTOR / AUTHORITY CLERK

*Board Services*

**Jana Vargas**

DIRECTOR

*Procurement*

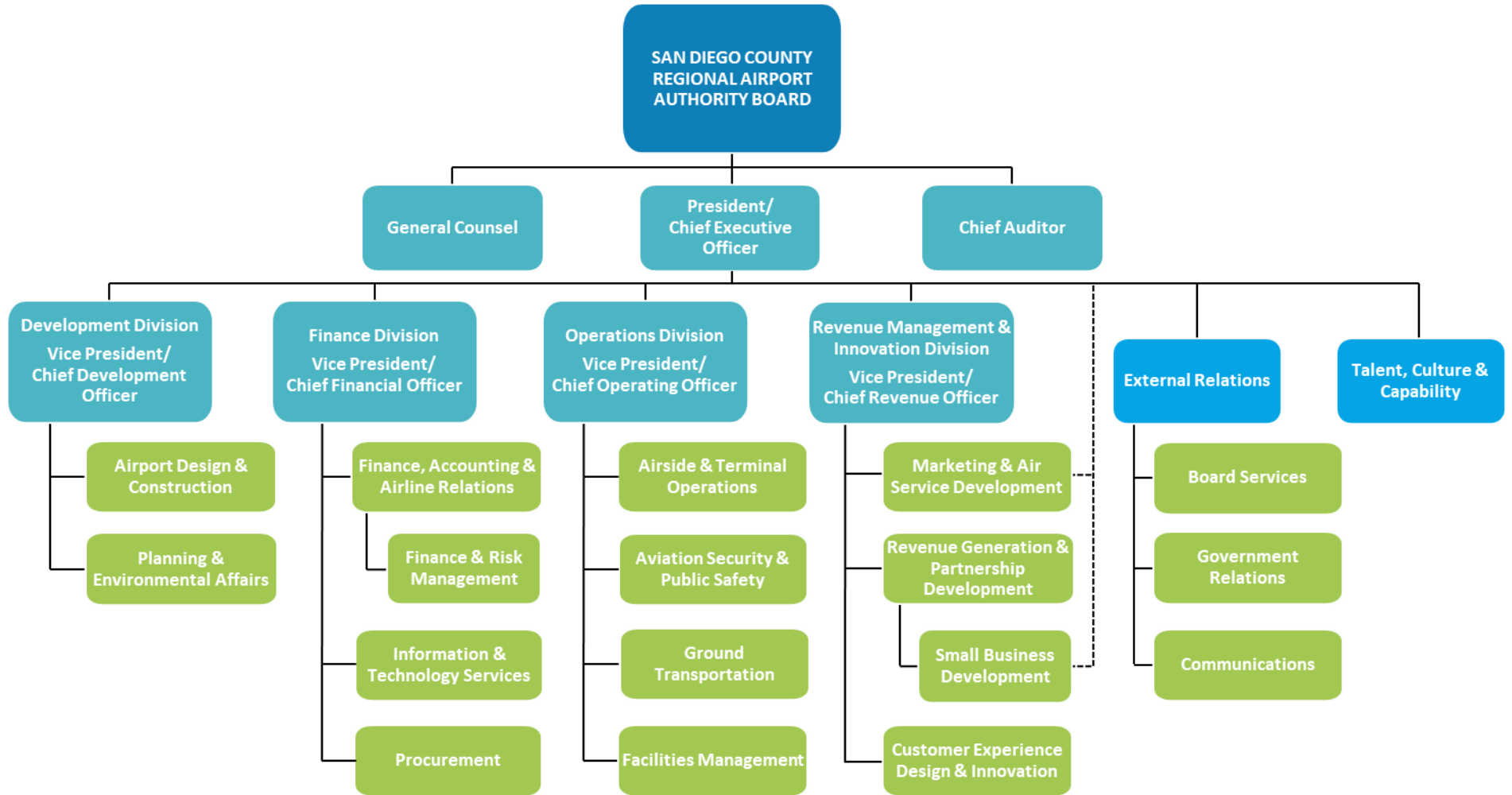
**Clint Welch**

DIRECTOR

*Aviation Security & Public Safety*

# Airport Authority Overview

## SDCRAA Organizational Structure



## Organizational Strategies and Initiatives

The Airport Authority continues to make significant progress in executing its five-year strategic plan that reaffirmed its long-term strategies and sets out a series of multi-year initiatives associated with each. The five strategies and their associated goals are the guiding principles used for the allocation of scarce and restricted resources to SAN programs as part of the annual budget process.



### Community

Enhance community understanding of SAN as an economic engine and portal for prosperity.



### Financial

Execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise's strong financial position.



### Customer

Exceed our customers' expectations by introducing innovative service and facility enhancements.



### Operations

Grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.



### Employee

Develop leaders and a workforce aligned to the needs of our Strategic Plan and an inclusive environment that reflects the diversity of our community.

## Organizational Initiatives

Guided by the above strategies and goals, the Airport Authority aims to sustain its leadership position as a business-driven, passenger-centered, community-minded enterprise. It will do so by aligning leadership and staff in our commitment to build an enduring and resilient enterprise that effectively manages our financial, social, and environmental risks, obligations and opportunities. In the FY20 and FY21 Conceptual Budgets, we have aligned our efforts and allocated resources based on three over-arching focus areas that require integrated, cross-functional action plans. The focus areas are:

1. Advance the ADP
2. Transform the Customer Journey
3. Optimize Ongoing Business

These multi-year focus areas integrate multiple strategic initiatives in the plan, offering a unifying message that increases alignment and focus. They have guided each department's planning efforts, espoused goals and proposed actions

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# 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 one fund with many 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 is performance-based and focused on strategies, 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 financial 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.

## Financial Policies and Guidelines

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:

- 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



## Financial Policies and Guidelines

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 for the Airport Authority to use derivatives to increase its financing flexibility.
- Insures 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 insure that the Airport Authority maintains maximum flexibility and security when negotiating a specific derivative agreement.
- Provides for 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).

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019 Projected
Unrestricted & Undesignated Cash and Available Funds	\$ 147,781	\$ 149,719	\$ 161,358	\$ 209,652	\$ 256,469	\$ 229,731	\$ 203,390
Unrestricted & Designated for Specific Capital Projects & Other Commitments	\$ 9,566	\$ 17,145	\$ 22,588	\$ 31,271	\$ 25,792	\$ 39,294	\$ 42,370
O&M and R&R Reserves	\$ 52,007	\$ 54,943	\$ 56,868	\$ 57,872	\$ 60,780	\$ 62,346	\$ 64,316
Total Unrestricted & Available Funds per Board Policy	\$ 209,354	\$ 221,807	\$ 240,814	\$ 298,795	\$ 343,041	\$ 331,371	\$ 310,077
Operating Expenses	\$ 126,796	\$ 136,821	\$ 142,933	\$ 151,519	\$ 154,748	\$ 157,674	\$ 167,154
<b>Days Cash on Hand</b>	<b>603</b>	<b>592</b>	<b>615</b>	<b>720</b>	<b>809</b>	<b>767</b>	<b>677</b>

**Figure 6 – FY 2013 to FY 2019 Projected and Historical Liquidity**

## Financial Policies and Guidelines

**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.

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 trust and confidence from 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 2020 cash and investments will increase by \$134.3 million to \$787.5 million versus the FY 2019 Projected of \$653.1 million. This increase of 20.6% from the FY 2019 Projected is mostly due to projected bond issuance and proceeds. FY 2021 cash and investments are projected to decrease by \$1.2 million (-0.2%) to \$786.2 million, mainly reflecting decrease in bond proceeds.

<i>(in thousands)</i>	FY 2018 Actuals	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget	FY 2021 Conceptual Budget
<b>Beginning Fund Balance:</b>	\$ 620,178	\$ 754,498	\$ 788,579	\$ 653,146	\$ 787,485
<b>Source of Funds</b>					
<b>Operating Revenue:</b>					
Receipts from customers	269,163	286,882	293,274	340,527	364,133
<b>Total Operating Revenue</b>	<b>269,163</b>	<b>286,882</b>	<b>293,274</b>	<b>340,527</b>	<b>364,133</b>
<b>Non-Operating Revenue &amp; Other Financing:</b>					
Federal Grants received (excluding Quieter Home Program)	8,692	8,149	9,585	10,642	3,704
Passenger Facility Charges Receipts	46,473	46,627	48,576	49,629	50,622
Customer Facility Charges Receipts	40,656	40,204	41,558	41,509	42,339
Bond Proceeds	339,634	-	-	311,052	-
Principal Payments received on Notes Receivable	1,802	1,903	1,903	2,006	2,124
Interest Received from Notes Receivable & Investments	10,964	14,006	16,767	17,835	18,630
Other Funding Sources	343	44,128	31,778	44,500	8,229
BAB Interest Rebate	4,666	4,631	4,686	4,686	4,686
<b>Total Non-Operating Revenue</b>	<b>453,230</b>	<b>159,649</b>	<b>154,853</b>	<b>481,861</b>	<b>130,335</b>
<b>Total Revenues</b>	<b>722,392</b>	<b>446,532</b>	<b>448,127</b>	<b>822,388</b>	<b>494,469</b>
<b>Use of Funds</b>					
<b>Operating Expenses:</b>					
Payments to Suppliers & Employees	(214,166)	(172,246)	(167,987)	(173,370)	(180,882)
<b>Total Operating Expenses</b>	<b>(214,166)</b>	<b>(172,246)</b>	<b>(167,987)</b>	<b>(173,370)</b>	<b>(180,882)</b>
<b>Non-Operating Expenses:</b>					
Capital Expenditures	(62,116)	(95,544)	(143,676)	(25,037)	(52,818)
Capital Expenditures Financed from Bond Proceeds	(146,288)	(60,874)	(145,657)	(188,302)	(66,560)
Capital Expenditures Financed from Special Facility Bonds	(35)	-	-	-	-
Capital Expenditures Financed from Major Maintenance Fund	-	-	-	(3,890)	(7,538)
Debt refundings	-	-	-	(125,000)	(45,000)
Quieter Home Program, net and Joint Studies	(5,711)	(3,095)	(3,132)	(3,095)	(3,095)
Customer Facility Charges (CFC) Expenditures	(11,195)	(10,032)	(11,195)	(12,291)	(12,640)
Passenger Facility Charges (PFC) Expenditures (excluding QHP)	(7,729)	(44,192)	(4)	(41,109)	(8,389)
Principal on Bonds and Variable rate debt paid	(28,935)	(26,240)	(29,304)	(30,605)	(35,385)
Interest and Debt Fees Paid (excl PFC funding)	(77,519)	(81,931)	(80,053)	(80,158)	(78,372)
Capitalized Interest Debt Service Payment	-	(421)	(1,641)	(4,294)	(4,136)
Other Miscellaneous Payments	-	(10)	-	(20)	(20)
Payment of capital lease	(298)	(877)	(912)	(877)	(877)
<b>Total Non-Operating Expenses</b>	<b>(339,826)</b>	<b>(327,711)</b>	<b>(415,572)</b>	<b>(514,679)</b>	<b>(314,830)</b>
<b>Total Expenses</b>	<b>(553,992)</b>	<b>(499,956)</b>	<b>(583,559)</b>	<b>(688,049)</b>	<b>(495,712)</b>
<b>Excess (Deficit) of Source over Use of Funds</b>	<b>168,400</b>	<b>(53,424)</b>	<b>(135,432)</b>	<b>134,339</b>	<b>(1,243)</b>
<b>Ending Fund Balance</b>	<b>\$ 788,579</b>	<b>\$ 701,074</b>	<b>\$ 653,146</b>	<b>\$ 787,485</b>	<b>\$ 786,242</b>
Unrestricted Cash and Investments	\$ 269,024	\$ 319,329	\$ 245,760	\$ 230,969	\$ 243,500
Total Bonds Reserves	340,069	204,786	200,670	322,707	255,917
Total Other Restricted Funds	179,485	176,959	206,716	233,809	286,825
<b>Ending Fund Balance</b>	<b>\$ 788,579</b>	<b>\$ 701,074</b>	<b>\$ 653,146</b>	<b>\$ 787,485</b>	<b>\$ 786,242</b>

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# Financial Projections



## Financial Projections

Based on the actual results experienced by the Airport Authority during FY 2018 and the budgets for FY 2019, FY 2020 and FY 2021, the following table shows projections for FY 2022.

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.

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	FY2021 Conceptual Budget	FY2022 Projected
<b>Total Airline Revenue</b>	\$ 123,157	\$ 138,180	\$ 183,939	\$ 201,150	\$ 207,595
<b>Total Non-Airline Revenue</b>	<b>142,922</b>	<b>148,703</b>	<b>156,588</b>	<b>162,983</b>	<b>165,255</b>
<b>Total Operating Revenue</b>	<b>266,079</b>	<b>286,882</b>	<b>340,527</b>	<b>364,133</b>	<b>372,850</b>
<b>Total Operating Expenses before Depreciation &amp; Amortization</b>	<b>169,120</b>	<b>179,996</b>	<b>183,790</b>	<b>191,553</b>	<b>198,924</b>
<b>Income from Operations before Depreciation &amp; Amortization</b>	<b>96,959</b>	<b>106,886</b>	<b>156,738</b>	<b>172,580</b>	<b>173,926</b>
<b>Non-Operating Revenue/(Expenses)</b>					
Passenger Facility Charges	46,953	46,627	49,629	50,622	51,634
Customer Facility Charges	41,037	40,204	41,509	42,339	43,186
Quieter Home Program (Net) & Joint Studies	(2,861)	(3,095)	(3,095)	(3,095)	11,981
BAB Interest Rebate	4,666	4,631	4,686	4,686	4,686
Interest Income	13,374	14,006	17,835	18,630	22,491
Interest Expense	(74,102)	(79,717)	(92,756)	(97,469)	(91,708)
Bond Amortization Costs	5,690	5,682	5,521	5,355	-
Other Non Operating Revenue/(Expense)	(13,229)	(10)	(20)	(20)	(10)
<b>Total Other Non-Operating Revenue, Net</b>	<b>21,528</b>	<b>28,329</b>	<b>23,310</b>	<b>21,049</b>	<b>42,262</b>
<b>Income before Capital Grant Contributions</b>	<b>118,487</b>	<b>135,215</b>	<b>180,048</b>	<b>193,629</b>	<b>216,187</b>
Capital Grant Contributions	13,079	8,149	10,642	3,704	10,223
<b>Net Income before Depreciation, Principal &amp; Capital Outlay</b>	<b>131,566</b>	<b>143,364</b>	<b>190,690</b>	<b>197,333</b>	<b>226,411</b>

## Financial Projections

	Unit	FY 2018 Actuals	FY 2019 Budget
Landing Fee	1,000 lbs	\$1.74	\$1.98
Terminal Rental Rate	sq ft.	\$168.54	\$178.18
Federal Inspection Services (FIS) Fee	per available seat	\$2.00	\$6.00 (Jul-Dec) \$10.00 (Jan-Jun)
Cost Per Enplanement		\$10.35	\$11.57
Debt Service Coverage		2.40	2.45
Enplanements *		11,729	11,801
% Increase in Enplanements		10.7% <sup>(1)</sup>	0.6%

	Unit	FY 2020 Budget	FY 2021 Conceptual Budget	FY 2022 Projected Budget
Landing Fee	1,000 lbs	\$3.21	\$3.47	\$3.56
Aircraft Parking Position Rental Rate	per space	\$169,818	\$187,721	\$196,299
Aircraft Parking Position Turn Fee	per turn	\$71.43	\$78.96	\$82.57
Aircraft Parking Position Overnight Fee	per overnight	\$214.28	\$236.87	\$247.70
Terminal Rental Rate	sq ft.	\$210.57	\$223.90	\$229.39
Joint Use Fee (90%)	per enplanement	\$5.17	\$5.39	\$5.43
Joint Use Charges - 10% Share (MORE THAN 1% OF ENPLANEMENTS)	per airline	\$609,772	\$649,025	\$667,158
Joint Use Charges - 10% Share (1% OR LESS ENPLANEMENTS)	per airline	\$144,496	\$153,797	\$158,094
Common Use Fee	per enplanement	\$1.24	\$1.67	\$1.67
Federal Inspection Services (FIS) Fee	per available seat	\$10.00	\$10.00	\$10.00
Cost Per Enplanement		\$14.16	\$15.18	\$15.36
Debt Service Coverage		3.41	3.53	3.40
Enplanements *		12,557	12,808	13,064
% Increase in Enplanements		6.4% <sup>(2)</sup>	2.0%	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

<sup>2</sup> Comparison to prior year actuals

**Figure 7 – FY 2018 to FY 2022 Financial Projections**



# Budget Overview: Revenue



## Revenue Overview

### FY 2020 Revenue Budget – FY 2021 Conceptual Revenue Budget

<i>(in thousands)</i>	FY 2018 Actuals	FY 2019 Budget	FY 2020 Proposed Budget	Inc / (Dec) FY20 vs FY19 Budget	% Change	FY 2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Revenue</b>								
<b>Airline Revenue</b>								
Landing Fees	\$ 31,734	\$ 35,839	\$ 47,170	\$ 11,332	31.6%	\$ 52,348	\$ 5,178	11.0%
Aircraft Parking Fees	3,236	3,223	11,839	8,616	267.3%	13,087	1,248	10.5%
Building Rentals	86,711	97,557	115,057	17,500	17.9%	122,221	7,164	6.2%
Common Use Fees	1,293	1,378	9,688	8,310	602.8%	13,309	3,621	37.4%
Other Aviation Revenue	184	182	185	2	1.2%	185	-	0.0%
<b>Total Airline Revenue</b>	<b>123,157</b>	<b>138,180</b>	<b>183,939</b>	<b>45,760</b>	<b>33.1%</b>	<b>201,150</b>	<b>17,211</b>	<b>9.4%</b>
<b>Non-Airline Revenue</b>								
Terminal Rent Non-Airline	2,036	2,133	2,158	25	1.2%	2,163	5	0.2%
Terminal Concessions	28,363	27,935	30,211	2,275	8.1%	31,379	1,169	3.9%
Rental Car License Fees	31,464	30,651	35,676	5,025	16.4%	36,450	774	2.2%
Licenses Fees Other	5,782	5,821	6,531	710	12.2%	6,580	48	0.7%
Parking Revenue	43,519	45,956	43,010	(2,946)	-6.4%	42,712	(298)	-0.7%
Ground Transportation Permits and Citations	9,735	14,937	20,312	5,375	36.0%	23,845	3,532	17.4%
Ground Rentals	20,073	19,982	17,328	(2,654)	-13.3%	18,497	1,169	6.7%
Grant Reimbursements	541	517	307	(210)	-40.6%	296	(11)	-3.6%
Other Operating Revenue*	1,409	770	1,055	285	37.0%	1,061	6	0.6%
<b>Total Non-Airline Revenue</b>	<b>142,922</b>	<b>148,703</b>	<b>156,588</b>	<b>7,885</b>	<b>5.3%</b>	<b>162,983</b>	<b>6,395</b>	<b>4.1%</b>
<b>Total Operating Revenue</b>	<b>266,079</b>	<b>286,882</b>	<b>340,527</b>	<b>53,645</b>	<b>18.7%</b>	<b>364,133</b>	<b>23,606</b>	<b>6.9%</b>
<b>Interest Income</b>	<b>13,374</b>	<b>14,006</b>	<b>17,835</b>	<b>3,829</b>	<b>27.3%</b>	<b>18,630</b>	<b>795</b>	<b>4.5%</b>
<b>Non-Operating Revenue</b>								
Passenger Facility Charges	46,953	46,627	49,629	3,002	6.4%	50,622	993	2.0%
Customer Facility Charges (Rental Car Center)	41,037	40,204	41,509	1,305	3.2%	42,339	830	2.0%
Quieter Home Program	8,389	11,981	11,981	(0)	0.0%	11,981	-	0.0%
BAB Interest Rebate	4,666	4,631	4,686	55	1.2%	4,686	-	0.0%
Capital Grant Contributions	13,079	8,149	10,642	2,493	30.6%	3,704	(6,938)	-65.2%
Other Non-operating Revenue	(13,212)	-	(10)	(10)	0.0%	(10)	-	0.0%
<b>Total Non-Operating Revenue</b>	<b>100,911</b>	<b>111,593</b>	<b>118,439</b>	<b>6,845</b>	<b>6.1%</b>	<b>113,323</b>	<b>(5,115)</b>	<b>-4.3%</b>
<b>Total Revenue</b>	<b>\$ 380,365</b>	<b>\$ 412,482</b>	<b>\$ 476,801</b>	<b>\$ 64,320</b>	<b>15.6%</b>	<b>\$ 496,087</b>	<b>\$ 19,286</b>	<b>4.0%</b>

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

## Revenue Overview

### FY 2020 Budget Revenue Increase vs FY 2019 Budget

**\$64.3M (15.6%)**

*(in millions)*

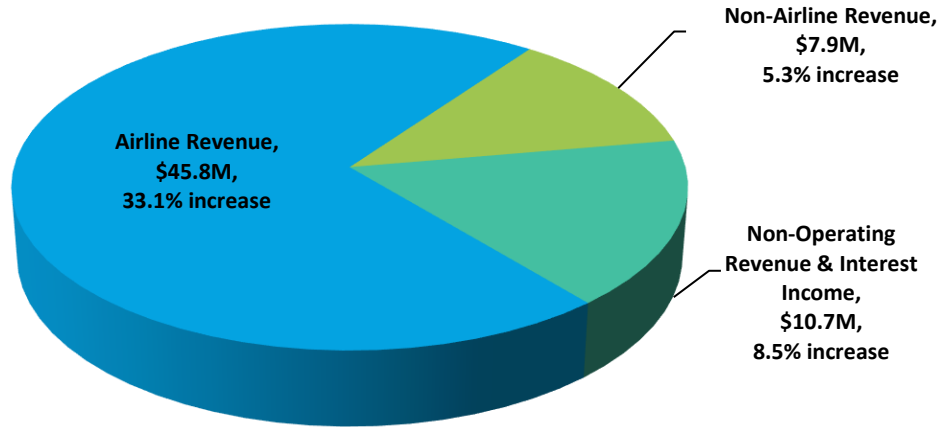


Figure 8 – FY 2020 Revenue Variance

### FY 2021 Budget Revenue Increase vs FY 2020 Budget

**\$19.3M (4.0%)**

*(in millions)*

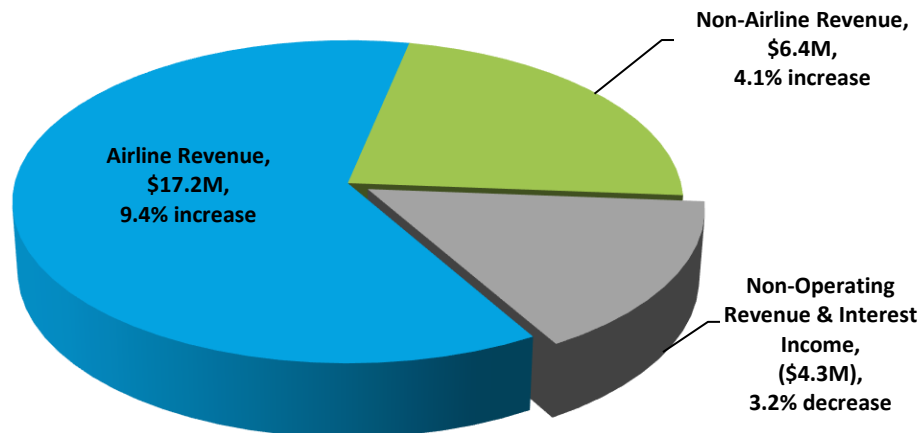


Figure 9 – FY 2021 Revenue Variance

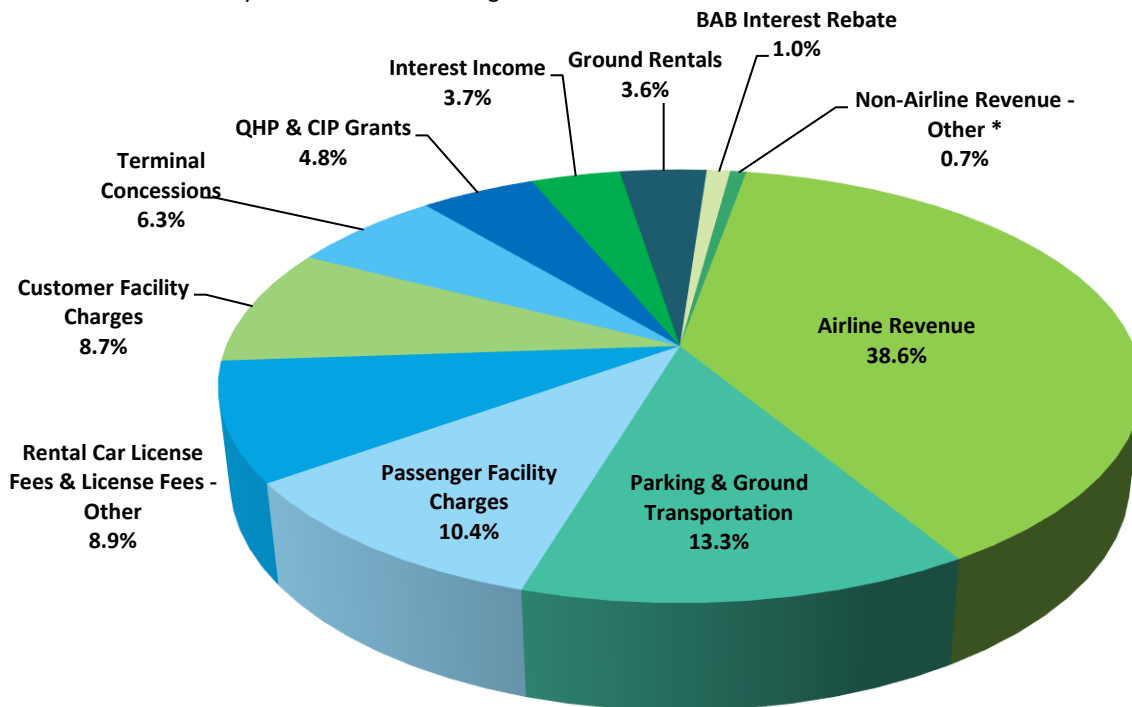
## Revenue Overview

### FY 2020 Revenue Budget by Major Sources

(in thousands)

Revenue by Major Sources	FY 2020 Budget
Airline Revenue	\$ 183,939
Parking & Ground Transportation	63,322
Passenger Facility Charges	49,629
Rental Car License Fees & License Fees - Other	42,207
Customer Facility Charges	41,509
Terminal Concessions	30,211
QHP & CIP Grants	22,931
Interest Income	17,835
Ground Rentals	17,328
BAB Interest Rebate	4,686
Non-Airline Revenue - Other *	3,203
<b>Total Revenue <sup>1</sup></b>	<b>\$ 476,801</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, grant reimbursements and miscellaneous other revenues

Figure 10 – FY 2020 Revenue Budget by Sources

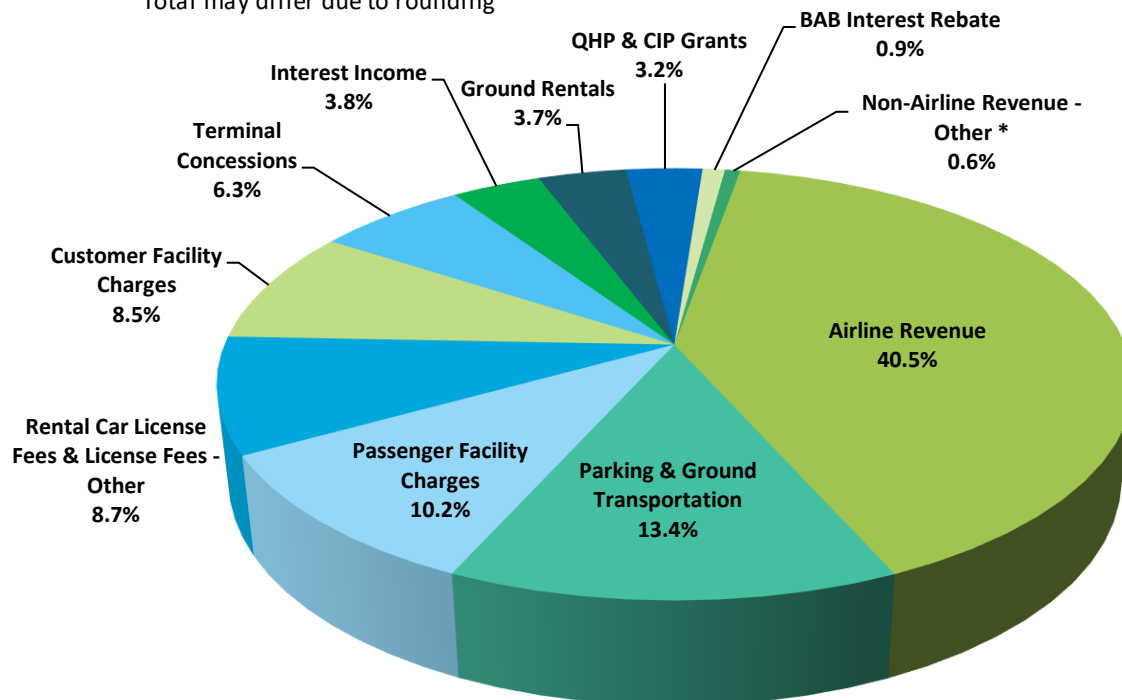
## Revenue Overview

### FY 2021 Revenue Budget by Major Sources

(in thousands)

Revenue by Major Sources	FY 2021 Conceptual Budget
Airline Revenue	\$ 201,150
Parking & Ground Transportation	66,556
Passenger Facility Charges	50,622
Rental Car License Fees & License Fees - Other	43,029
Customer Facility Charges	42,339
Terminal Concessions	31,379
Interest Income	18,630
Ground Rentals	18,497
QHP & CIP Grants	15,982
BAB Interest Rebate	4,686
Non-Airline Revenue - Other *	3,215
<b>Total Revenue <sup>1</sup></b>	<b>\$ 496,087</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, grant reimbursements and miscellaneous other revenues

**Figure 11 – FY 2021 Revenue Budget by Sources**

## Revenue Overview

### Overview

Operating and Non-Operating revenues for FY 2020 are projected to be \$476.8M, an increase of \$64.3M (15.6%) above the FY 2019 Budget. FY 2021 Conceptual Operating and Non-Operating revenues are budgeted to increase by \$19.3M (4.0%) over the FY 2020 Budget.

### Airline Operating Revenue

The Authority has entered into Airline Operating and Lease Agreements with passenger airlines and cargo carriers operating at SAN. The AOLA covers the use of and rate-setting mechanisms for the airfield and terminal facilities at SAN. The AOLA have a term commences 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 calculated based on a residual rate-setting methodology and the terminal rental rates are calculated based on a compensatory rate-setting methodology.

The AOLA includes signatory and non-signatory rate structure. Air Carriers that signed non-signatory agreement will be charged 120% 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 and airfield security costs, debt service and amortization of capital investments, major maintenance fund (MMF) and coverage charges. The balance is recovered from aircraft parking fees (see the following **Aircraft Parking and Turn Fees** section).

In FY 2020, landing fee revenues are projected to increase to \$47.2M, which is \$11.3M (31.6%) over the FY 2019 Budget due to increases in airfield maintenance and establishment of \$15M MMF in the new agreement. Estimated landed weight for FY 2020 is projected to increase to 14,732 (million pound units), a 1.8% increase from 14,020 (million pound units) versus the FY 2019 Budget. The combination of higher landed weight and increased net airfield requirement results in the FY 2020 signatory landing fee rate (per 1,000 pounds of maximum gross landed weight) of \$3.21.

In FY 2021, landing fee revenues are projected to increase by \$5.2M (11.0%) to \$52.3M over the FY 2020 Budget. The increase reflects higher net airfield expenses and increased debt service. The FY 2021 signatory landing fee rate (per 1,000 pounds of maximum gross landed weight) is projected to increase to \$3.47, an 8.4% increase over the FY 2020 budgeted landing fee, mainly reflecting a combination of increased net airfield costs and a 2.0% increase in projected landed weight to 15,027 (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 and airfield security, debt service, amortization of capital investments, MMF and coverage charges. This charge is assessed based on the number of aircraft

## Revenue Overview

parking positions assigned to each air carrier at the terminal gates and in remote positions, as well as the number of turns made on common use gates. With aircraft parking positions a scarce resource at SAN, this cost recovery method rewards carriers who efficiently use their gates and schedule flights with departures outside the morning peak period.

In FY 2020, aircraft parking and turn fees are projected to generate revenues of \$11.8M, an \$8.6M (267.3%) increase over the FY 2019 Budget reflecting the new AOLA. FY 2020 aircraft position rental signatory rate is \$169,818 per space, aircraft parking position signatory turn fee is \$71.43 per turn and aircraft parking position signatory overnight fee is \$214.28 per overnight stay.

In FY 2021, aircraft parking and turn fees are projected to increase by \$1.2M (10.5%) over the FY 2020 Budget.

### Building Rentals

FY 2020 Building Rental revenues reflect recovery of terminal building costs, including terminal security, allocated to airline occupied facilities, debt service, amortization of capital investments, MMF and coverage charges. The FY 2020 Budget projection of \$115.1M is an increase of \$17.5M (17.9%) over the FY 2019 Budget. The FY 2020 signatory terminal rental rate of \$210.57 per square foot, mainly reflects higher operating and maintenance expenses for terminal facilities, an increase in debt service and establishment of \$15M MMF in the new agreement.

In FY 2021, Building Rentals revenue is projected to increase by \$7.2M (6.2%) over the FY 2020 Budget due to higher operating and maintenance expenses and an increase in amortization charges for new terminal projects to be funded with cash. The FY 2021 terminal rental signatory rate is projected to increase to \$223.90 per square foot.

### 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 and will be paid for by the airlines located in common use equipped terminals.

FY 2020 common use fee revenue is projected to be \$9.7M. FY 2020 common use signatory fee is \$1.24 per enplanement. In FY 2021, the charges will increase by \$3.6M (37.4%) over the FY 2020 Budget primary due to increase in terminal rate and increase in amortization charges for cash funded projects

### Other Aviation Revenue

Fuel Franchise Fees includes fees on fuel delivered to aircraft by the Fixed Base Operator (FBO) and to non-participating airlines by the airline fuel consortium.

In FY 2020 and FY 2021, Other Aviation revenue is projected to remain relatively flat over the FY 2019 Budget.

### Non-Airline Operating Revenue

Non-Airline Operating revenue budgeted numbers were derived by analyzing the current agreements, recent trends, projected future events and historic revenue patterns, taking into consideration the

## Revenue Overview

projected FY 2020 enplaned passenger traffic. The FY 2020 Budget assumes 12.6M enplaned passengers, which represents a 6.4% increase from the 11.8M enplanements used in the FY 2019 Budget and a 2.2% increase over the 12.3M FY 2019 year-end projected enplanements. FY 2021 enplanements are projected to grow to 12.8M, a 2.0% increase over the FY 2020 Budget enplanements.

### Terminal Rent Non-Airline

Terminal Rent Non-Airline includes revenue from non-airline tenants like Siemens, U.S. General Services Administration (Drug Enforcement Agency and TSA), MorphoTrust USA and others.

The budget for FY 2020 and FY 2021 will remain relatively flat.

### Terminal Concessions

Terminal Concession revenue is generated from food/beverage and retail (including Duty Free) concessions operated under exclusive agreements with concessionaires. In FY 2015, the Airport Authority completed the Concession Development Program (CDP), which transformed the retail and food/beverage services offered at SAN, ultimately providing a world-class shopping and dining experience for the millions of passengers who use the Airport each year.

Completed CDP expanded from approximately 60,000 square feet to approximately 81,000 square feet of food service and retail space and the number of concession locations increased from 84 to 85.

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 by reimbursement for marketing costs, operations/maintenance costs and 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 2020 Budget for Terminal Concessions is \$30.2M, an increase of \$2.3M (8.1%) over the FY 2019 Budget. This is due to increased enplanements and SEP.

FY 2021 revenues are budgeted at \$31.4M, an increase of \$1.2M (3.9%) over the FY 2020 Budget. This reflects an increase in food/beverage and retail revenue primarily due to increased enplanements.

### 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 Rental Car Center (RCC). The agreement calls for rental car companies to pay the Airport Authority a fee equaling 10% of gross sales.

In FY 2020, rental car license fees are projected at \$35.7M, an increase of \$5.0M (16.4%) over the FY 2019 Budget reflecting increased enplanements and SEP.

FY 2021 revenues are projected at \$36.5M, an increase of \$0.8M (2.2%) due to higher enplanements.

### License Fees – Other

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



## Revenue Overview

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 2020 revenues are budgeted at \$6.5M, an increase of \$0.7M (12.2%) from the FY 2019 Budget due to current trends and higher enplanements.

In FY 2021, license fees revenues are projected to increase by a nominal \$0.1M (0.7%) to \$6.6M due to higher enplanements.

### Parking

Parking revenue is generated from approximately 7,500 spaces located on Airport parking lots, including parking lots in front of the terminals and remote, long-term parking operations located on Harbor Drive.

The FY 2020 revenue is budgeted at \$43.0M, a decrease of \$2.9M (6.4%) from the FY 2019 Budget reflecting a decrease of parking spaces due to the full year closure of Economy lot partially offset by an increase in employee parking revenue.

The FY 2021 Budget is \$42.7M, a projected decrease of \$0.3M (-0.7%), primarily reflecting decreased long-term spaces due to the closure of Harbor Drive Lot partially offset by further increase in employee parking revenue.

### Ground Transportation Trip Fees and Citations

Ground Transportation revenue includes the taxi, shuttles, TNC and courtesy trip fees along with fees for permits issued 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 2020 revenue projections of \$20.3M, an increase of \$5.4M (36.0%) over the FY 2019 Budget mainly due to the increase in trip fees.

In FY 2021, these revenues are budgeted at \$23.8M, an increase of \$3.5M (17.4%) mostly reflecting increased trip fees.

### 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 2020 revenue is budgeted at \$17.3M, a decrease of \$2.7M (-13.3%) over the FY 2019 Budget mainly due to transfer of cargo carriers' apron rent to the landing fees based on new AOLA and the completion of cost recovery for the Fuel Farm.

In FY 2021, revenues are budgeted at \$18.5M, an increase of \$1.2M (6.7%), primarily due to the planned opening of the Airport Support Building.

### Grant Reimbursements (Operating)

Grant Reimbursement revenue is received by the Airport Authority 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 addition, the Airport Authority has received a grant from the FAA for

## Revenue Overview

Sustainability Management Planning. The grant is designed to assist airports in creating a comprehensive and systematic framework for integrating sustainability into their long-range planning and operations in topic areas: Air Quality & Emissions, Transportation, Waste, Wildlife Management, and Climate Resilience.

The FY 2020 budget for Grant Reimbursement revenue decrease is \$0.2M due to the completion of the Sustainability Management Planning Grant.

In FY 2021, revenues are budgeted at \$0.3M due to the completion of the Sustainability Management Planning Grant.

## 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 2020, these revenues are budgeted at \$1.1M, an increase of \$0.3M, due to new Shared Tenants Services revenue.

FY 2021 revenues are budgeted to remain relatively flat.

## 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 2020, interest income is budgeted at \$17.8M, a projected increase of \$3.8M (27.3%) from the FY 2019 Budget reflecting a projected increase in interest rates and cash balances. FY 2021 interest income revenues are projected to increase by \$0.8M (4.5%) over the FY 2020 Budget reflecting a projected increase in interest rates and cash balances.

## Non-Operating Revenue

### Passenger Facility Charges (PFCs)

PFCs 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 board an airplane at the Airport. The FY 2020 and FY 2021 Budget is based on the projected number of enplaned passengers for FY 2020 at an estimated collection rate of 90%. Certain types of passengers, including military, are excluded from paying the PFCs.

FY 2020 PFC revenues are budgeted at \$49.6M, an increase of \$3.0M (6.4%) from the FY 2019 Budget due to higher enplaned passengers. FY 2021 PFC revenue are projected to increase by \$1.0M (2.0%) over the FY 2020 Budget due to an increase in enplaned passengers.

## Revenue Overview

### Customer Facility Charges

CFCs 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 2020, CFC revenues are projected at \$41.5M, an increase of \$1.3M (3.2%) over the FY 2019 Budget reflecting an increase in enplanements. The increase is partially offset by a decrease in passenger transactions.

In FY 2021, CFC revenues are budgeted at \$42.3M, an increase of \$0.8M (2.0%) over the FY 2020 Budget due to higher enplanements.

### Build America Bond (BAB) Interest Rebate

BAB Interest Rebate revenue represents a direct federal subsidy of 33.8% of the interest paid on the Series 2010C revenue bonds.

FY 2020 BAB Interest revenue is budgeted to stay relatively flat at \$4.6M compared to the FY 2019 Budget.

In FY 2021, the estimated revenue is projected to remain flat to FY 2020 Budget.

### Grant Reimbursements (Residential Sound Attenuation Program and Capital)

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 AIP funding of 80.0% for FY 2020. 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 2020 and FY 2021 QHP revenue will be \$12.0M.

Capital grant contributions are FAA grant awards from a federal program that provides funding for approved capital projects. The FY 2020 capital grant contributions increase by \$2.5M (30.6%) due to continued rehabilitation of cross-taxiways and purchase of new electrical buses partially offset by the completion of other grant eligible projects.

FY 2021 capital grant contributions are budgeted to decrease by \$6.9M (-65.2%) due to the completion of cross-taxiways rehabilitation offset by the progress of apron pavement rehabilitation project.

# Budget Overview: Expenses



## Expense Overview

### FY 2020 Expense Budget – FY 2021 Conceptual Expense Budget

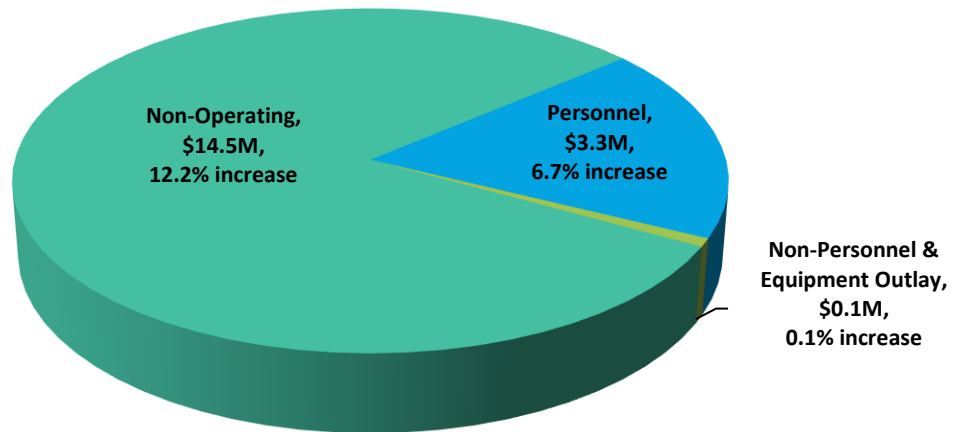
<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 35,175	\$ 37,795	\$ 38,580	\$ 785	2.1%	\$ 40,657	\$ 2,077	5.4%
Overtime	742	713	869	156	21.9%	844	(25)	-2.9%
Benefits	18,237	18,004	18,987	983	5.5%	20,537	1,550	8.2%
Subtotal	54,155	56,512	58,436	1,923	3.4%	62,037	3,602	6.2%
Less: Capitalized Labor Recharge	(5,647)	(6,662)	(5,324)	1,337	-20.1%	(5,765)	(441)	8.3%
Less: QHP Labor Recharge	(642)	(610)	(578)	32	-5.2%	(602)	(24)	4.2%
<b>Total Personnel Costs</b>	<b>47,866</b>	<b>49,241</b>	<b>52,533</b>	<b>3,292</b>	<b>6.7%</b>	<b>55,670</b>	<b>3,137</b>	<b>6.0%</b>
Contractual Services	45,249	49,764	47,994	(1,770)	-3.6%	48,774	780	1.6%
Safety and Security	30,733	33,144	34,004	860	2.6%	35,195	1,191	3.5%
Space Rental	10,190	10,191	10,191	-	0.0%	10,191	-	0.0%
Utilities	12,510	13,357	14,385	1,028	7.7%	15,189	804	5.6%
Maintenance	12,603	13,788	13,189	(599)	-4.3%	14,890	1,701	12.9%
Operating Equipment & Systems	598	353	335	(18)	-5.1%	373	38	11.4%
Operating Supplies	656	542	630	87	16.1%	631	1	0.2%
Insurance	1,098	1,248	1,506	258	20.7%	1,591	85	5.7%
Employee Development	1,248	1,160	1,264	104	9.0%	1,277	13	1.0%
Business Development	3,246	3,045	3,155	110	3.6%	3,176	21	0.7%
Equipment Rentals and Repairs	2,464	3,364	3,805	441	13.1%	3,797	(7)	-0.2%
Tenant Improvements	661	800	800	-	0.0%	800	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>121,255</b>	<b>130,755</b>	<b>131,257</b>	<b>502</b>	<b>0.4%</b>	<b>135,883</b>	<b>4,626</b>	<b>3.5%</b>
<b>Total Operating Expenses</b>	<b>169,120</b>	<b>179,996</b>	<b>183,790</b>	<b>3,794</b>	<b>2.1%</b>	<b>191,553</b>	<b>7,764</b>	<b>4.2%</b>
Joint Studies / Sound Attenuation	11,249	15,077	15,077	-	0.0%	15,077	-	0.0%
Debt Service	68,412	103,585	118,109	14,524	14.0%	127,794	9,685	8.2%
Legal Settlement Expense	-	10	10	-	0.0%	10	-	0.0%
Other Non-Operating Expenses	17	-	-	-	0.0%	-	-	0.0%
<b>Other Non-Operating Expenses</b>	<b>79,678</b>	<b>118,671</b>	<b>133,196</b>	<b>14,524</b>	<b>12.2%</b>	<b>142,881</b>	<b>9,685</b>	<b>7.3%</b>
<b>Total Expenses</b>	<b>248,798</b>	<b>298,667</b>	<b>316,985</b>	<b>18,318</b>	<b>6.1%</b>	<b>334,434</b>	<b>17,449</b>	<b>5.5%</b>
Equipment Outlay Expenditures	2,185	990	628	(362)	-36.6%	694	66	10.5%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 250,983</b>	<b>\$ 299,658</b>	<b>\$ 317,614</b>	<b>\$ 17,956</b>	<b>6.0%</b>	<b>\$ 335,128</b>	<b>\$ 17,515</b>	<b>5.5%</b>

## Expense Overview

### FY 2020 Expense Budget Increase vs FY 2019 Budget

\$18.0M (6.0%)<sup>1</sup>

(in millions)



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

Figure 12 – FY 2020 Expense Variance

## Expense Overview

### Major Drivers of FY 2020 Budget

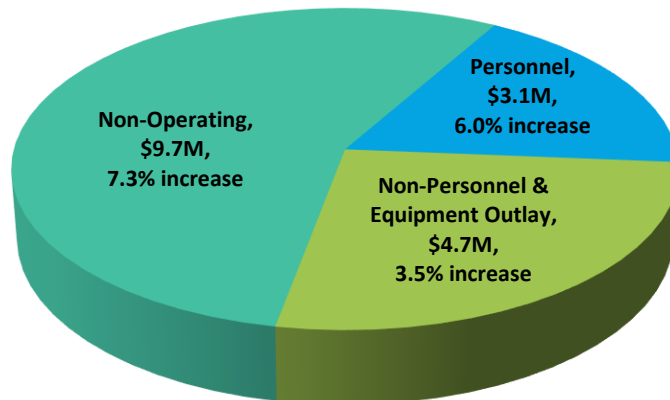
<i>(in thousands)</i>	<b>Total Inc / (Dec) FY20 Budget vs FY19 Budget</b>	<b>Expense Category</b>
<b>Total Increase in Expenses</b>	<b>\$ 17,956</b>	
<b>Personnel:</b>		
Capitalized labor decrease	1,369	Capitalization
Pay-for-Performance and contracted wage increases	1,250	Salaries & Wages
Health Insurance	640	Employee Benefits
6 new positions (salaries & burden), net of capitalized labor	478	Salaries & Wages, Employee Benefits
Retirement	272	Employee Benefits
Savings due to turnover, organizational changes and other, net	(717)	Salaries & Wages, Employee Benefits
<b>Total Increase / (Decrease) in Personnel</b>	<b>3,292</b>	
<b>Debt Service:</b>		
Interest on revolving credit facility	2,198	Debt Service
Interest and principal on proposed 2020 debt issuance	7,994	Debt Service
Cost of issuance for 2020 bonds and refunding of 2010 bonds	4,184	Debt Service
Other, net	148	
<b>Total Increase / (Decrease) in Debt Service</b>	<b>14,524</b>	
<b>Non Personnel:</b>		
<b>Safety and Security</b>		
Aircraft Rescue and Fire Fight (ARFF) and Emergency Medical Services (EMS)	658	Safety and Security
Employee security screening	226	Safety and Security
Guard services	172	Safety and Security
<b>Terminal, Landside Operations and Maintenance</b>		
Rental Car Center (RCC) buses	2,307	Contractual Services
Utilities	1,038	Utilities
Facial biometric exit software implementation and support	251	Contractual Services
Parking and shuttle operations	(393)	Contractual Services
Common use support and maintenance	(402)	Contractual Services
Major and annual maintenance	(599)	Maintenance
Janitorial services	(3,860)	Contractual Services
<b>Other Operating and Non-Operating Expenses</b>		
Software licenses, support, and cyber security	370	Contractual Services, Equipment Rentals
Property insurance	258	Insurance
Ground Transportation planning and improvements	210	Contractual Services, Equipment Rentals
Marketing and messaging services	185	Contractual Services
Parking revenue optimization	150	Contractual Services
Customer experience design preparing for ADP	150	Contractual Services
Temporary staffing	(182)	Contractual Services
Environmental consulting services	(350)	Contractual Services
Equipment outlay expenditures	(362)	Equipment Outlay
<b>Other, net</b>	<b>314</b>	
<b>Total Increase / (Decrease)</b>	<b>\$ 17,956</b>	

## Expense Overview

### FY 2021 Conceptual Expense Budget Increase vs FY 2020 Budget

\$17.5M (5.5%)<sup>1</sup>

(in millions)



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

Figure 13 – FY 2021 Expense Variance



## Expense Overview

### Major Drivers of FY 2021 Conceptual Budget

<i>(in thousands)</i>	Total Inc / (Dec) FY21 Budget vs FY20 Budget	Expense Category
<b>Total Increase in Expenses</b>	<b>\$ 17,515</b>	
<b>Personnel:</b>		
Pay-for-Performance and contracted wage increases	1,436	Salaries & Wages
Retirement	677	Employee Benefits
Health Insurance	660	Employee Benefits
5 new positions (salaries & burden), net of capitalized labor	420	Salaries & Wages, Employee Benefits
Other, net	(56)	Salaries & Wages, Employee Benefits and Capitalization
<b>Total Increase / (Decrease) in Personnel</b>	<b>3,137</b>	
<b>Debt Service:</b>		
Full year of interest and principal on 2020 bonds	10,732	Debt Service
Savings on refunding 2010 bonds	(1,241)	Debt Service
Other, net	194	
<b>Total Increase / (Decrease) in Debt Service</b>	<b>9,685</b>	
<b>Non Personnel:</b>		
<b>Safety and Security</b>		
Port District Harbor Police Department law enforcement	792	Safety and Security
Aircraft Rescue and Fire Fight (ARFF) and Emergency Medical Services (EMS)	368	Safety and Security
<b>Terminal and Landside Operations</b>		
Major and annual maintenance	1,701	Maintenance
Utilities	804	Utilities
Parking and shuttle operations	502	Contractual Services
Rental Car Center (RCC) buses	318	Contractual Services
Janitorial services	180	Contractual Services
Facial biometric exit software implementation	(170)	Contractual Services
Other, net	198	
<b>Total Increase / (Decrease)</b>	<b>\$ 17,515</b>	

## Expense Overview

### Overview

In FY 2020, SDCRAA total expenses, including debt service and equipment outlay, are projected to increase to \$317.6M from \$299.7M in the FY 2019 Budget. This represents an increase of \$18.0M (6.0%). The FY 2021 Conceptual Budget anticipates total expenses increasing to \$335.1M, representing an increase of \$17.5M (5.5%).

### Operating Expenses

#### Personnel Expenses

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

In FY 2020, Salaries and Wages, including overtime, are projected to increase by \$0.9M (2.4%) over the FY 2019 Budget, reflecting a net increase of six (6) positions, wage and salary increases required under union contract agreements and pay-for-performance increases for non-union employees. Employee benefits are projected to increase by \$1.0M (5.5%) from the FY 2019 Budget, primarily reflecting an increase in health insurance cost and retirees' medical benefits. These combined factors, together with higher capitalized labor expenses, resulted in a net increase of \$3.3M (6.7%) in the FY 2020 Budget over the FY 2019 Budget for personnel expenses.

In FY 2021, Salaries and Wages, including overtime, are projected to increase by \$2.1M (5.2%), reflecting a net increase of five (5) 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 \$1.6M (8.2%) primarily reflecting increased costs associated with retirement and health benefits. These combined factors, together with higher capitalized labor expenses are projected to result in a net increase of \$3.1M (6.0%) in FY 2021.

#### Non-Personnel Expenses

##### Contractual Services

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

In FY 2020, Contractual Services are budgeted to have a net decrease of \$1.8M (-3.6%) over the FY 2019 Budget, primarily due to a decrease in janitorial services based on new AOLA partially offset by higher Rental Car Center (RCC) buses costs.

In FY 2021, Contractual Services are budgeted to increase \$0.8M (1.6%), primarily due to an increase in parking and shuttle operations.

##### Safety and Security

Safety and Security expenses are law enforcement, Aircraft Rescue and Fire Fighting (ARFF), paramedic, 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 by the City of San Diego.

## Expense Overview

In FY 2020, Safety and Security costs are projected to increase by \$0.9M (2.6%) over the FY 2019 Budget, primarily reflecting an increase in Aircraft Rescue and Firefighting, and guard services.

FY 2021 Safety and Security costs are projected to increase by \$1.2M (3.5%) over the FY 2020 Budget, reflecting increases in Port District Harbor Police Department law enforcement, Aircraft Rescue and Firefighting, 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) and Harbor Island properties.

FY 2020 and FY 2021 Space Rental costs are projected to remain flat.

### Utilities

Utilities expense includes gas, electric, water and telephone costs.

FY 2020 utilities costs are projected to increase by \$1.0M (7.7%) from the FY 2019 Budget, primarily due to anticipated electricity rate increases from SDG&E and increase in usage due to enplanement growth.

FY 2021 utilities costs are budgeted to increase by \$0.8M (5.6%) from the FY 2020 Budget, primarily due to anticipated electricity rate increases from SDG&E.

### Maintenance

Maintenance expense includes maintenance agreements, major maintenance projects, expendable stock and other material used to operate and maintain the Airport.

FY 2020 Maintenance expense is projected to decrease by \$0.6M (-4.3%) from the FY 2019 Budget, primarily due to delay in oval striping and other major maintenance projects.

FY 2021 Maintenance expense is projected to increase by \$1.7M (12.9%) from the FY 2020 Budget, primarily due to scheduled oval striping and other contractual increases.

### Operating Equipment and Systems

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

FY 2020 Operating Equipment and Systems expenses are projected to decrease slightly by \$0.02M (-5.1%) from the FY 2019 Budget.

FY 2021 Operating Equipment and Systems expenses are projected to increase by \$0.04M (11.4%) from the FY 2020 Budget.

### Operating Supplies

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

FY 2020 Operating Supplies expenses are projected to increase by \$0.09M (16.1%) based on increased actual spend in FY 2019 expected to continue into FY 2020.

FY 2021 Operating Supplies expenses are projected to stay relatively flat.

## Expense Overview

### Insurance

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

FY 2020 Insurance expense is projected to increase by \$0.3M (20.7%) from the FY 2019 Budget, primarily due to increases in property appraisal values.

FY 2021 Insurance expense is projected to increase by \$0.09M (5.7%) over the FY 2020 Budget, reflecting an increase in property values due to phased completion of miscellaneous CIP projects and anticipated changes in market conditions.

### Employee Development

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

FY 2020 Employee Development expense is projected to increase slightly by \$0.1M (9.0%) from the FY 2019 Budget.

FY 2021 Employee Development expense is projected to stay relatively flat.

### Business Development

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

FY 2020 Business Development expense is projected to increase slightly by \$0.1M (3.6%) from the FY 2019 Budget.

FY 2021 Business Development expense is projected to stay relatively flat.

### Equipment Rentals and Repairs

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

FY 2020 Equipment Rentals and Repairs expense is projected to increase by \$0.4M (13.1%) from the FY 2019 Budget, primarily due to an increase in IT-related office equipment, repairs, and systems support.

FY 2021 Equipment Rentals and Repairs expense is projected to stay relatively flat.

### Tenant Improvements

Tenant Improvement costs include airline related costs for gate relocations to other new or renovated facilities and Tenant Improvements costs for other tenants.

FY 2020 and FY 2021 Tenant Improvement expenses are projected to stay flat.

## Expense Overview

### Non-Operating Expenses

#### Joint-Studies/Sound Attenuation

The Joint-Studies/Sound Attenuation expenses are costs associated with Airport facilities studies and QHP.

FY 2020 and FY 2021 costs are projected to stay relatively flat.

#### Debt Service

Debt Service expenditures include interest, letter of credit and dealer fees on Commercial Paper (CP) notes, interest and principal on outstanding Airport revenue bond debt, as well as trustee fees for both CP and revenue bonds.

FY 2020 Debt Service costs are projected to increase by \$14.5M (14.0%) from the FY 2019 Budget, primarily due to the costs associated with the new 2020 bond issuance.

FY 2021 Debt Service costs are projected to increase by \$10.0M (8.2%) from the FY 2020 Budget, primarily due to the full year of interest and principal of the 2020 bonds.

#### Equipment Outlay

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

FY 2020 Equipment Outlay expenses are projected to decrease by \$0.4M (-36.6%) from the FY 2019 Budget, reflecting a decrease in equipment purchases planned.

FY 2021 Equipment Outlay expenses are projected to increase by \$0.1M (10.5%) from the FY 2020 Budget.

## FY 2020 Expense Budget by Division

(in thousands)

Divisions	FY 2020 Budget
Operations	\$ 119,520
Debt Service	118,109
Development	27,557
Revenue Management & Innovation	22,284
Finance	18,786
Executive	11,359
<b>Total <sup>1</sup></b>	<b>\$ 317,614</b>

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

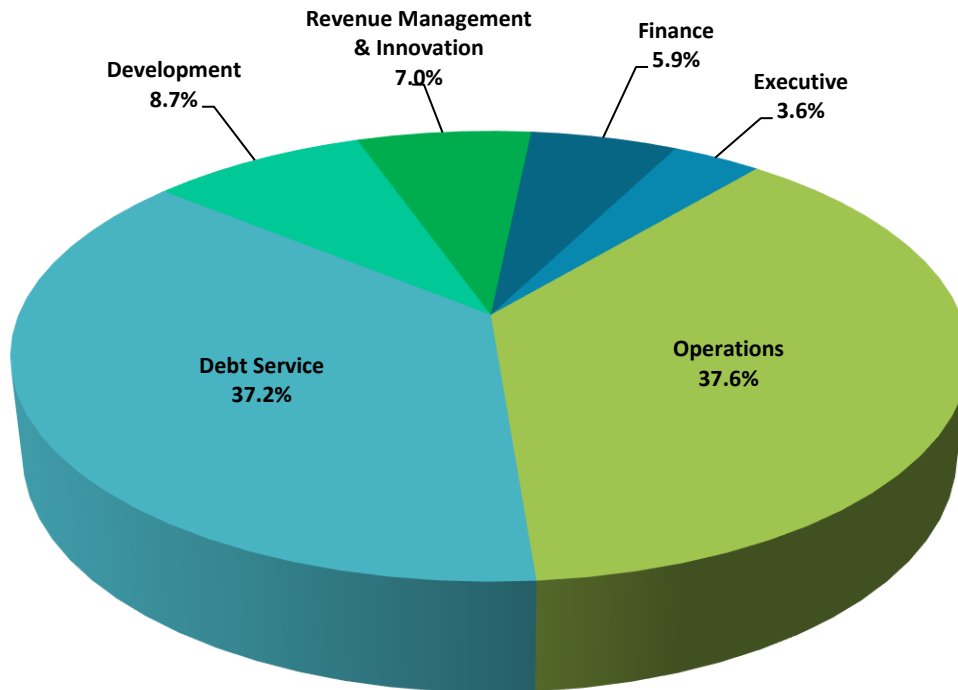


Figure 14 – FY 2020 Expense Budget by Division

## FY 2021 Expense Budget by Division

(in thousands)

Divisions	FY 2021 Conceptual Budget
Operations	\$ 125,408
Debt Service	127,794
Development	27,924
Revenue Management & Innovation	22,767
Finance	19,481
Executive	11,754
<b>Total <sup>1</sup></b>	<b>\$ 335,128</b>

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

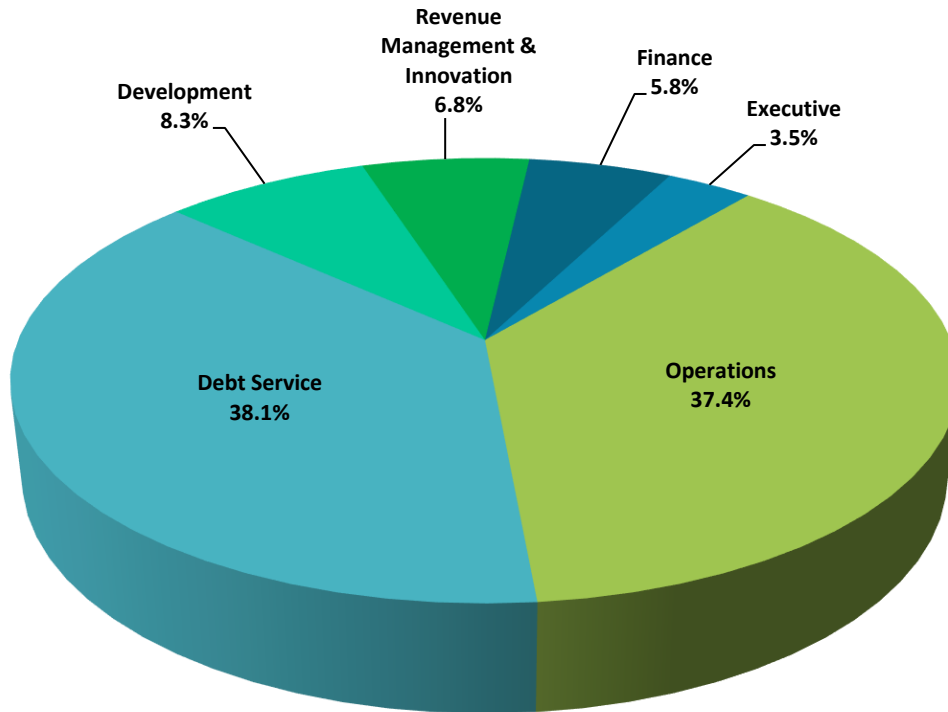


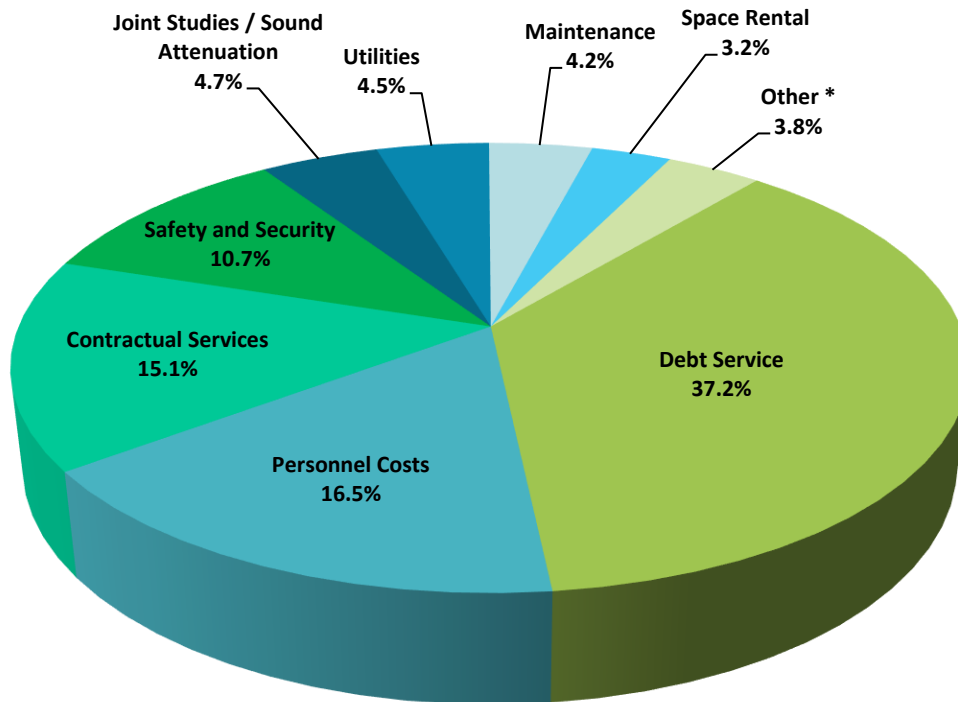
Figure 15 – FY 2021 Expense Budget by Division

## FY 2020 Expense Budget by Category

(in thousands)

Category	FY 2020 Budget
Debt Service	\$ 118,109
Personnel Costs	52,533
Contractual Services	47,994
Safety and Security	34,004
Joint Studies / Sound Attenuation	15,077
Utilities	14,385
Maintenance	13,189
Space Rental	10,191
Other *	12,132
<b>Total <sup>1</sup></b>	<b>\$ 317,614</b>

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



\*Other includes equipment rentals and repairs, business development, employee programs, insurance, tenant improvements, operating equipment and supplies, and equipment outlay.

Figure 16 – FY 2020 Expense Budget by Category

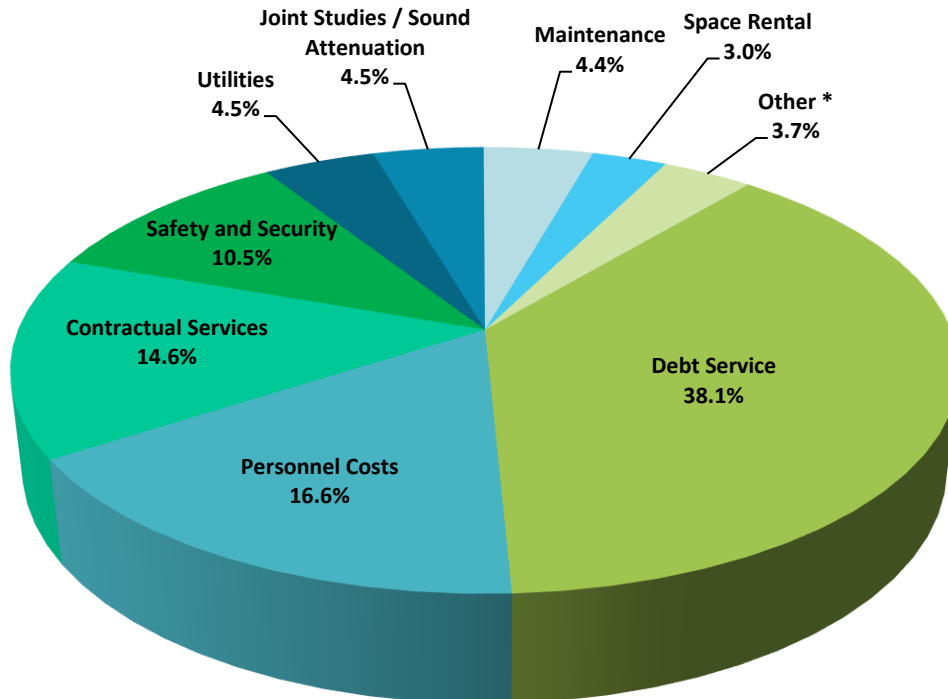


## FY 2021 Expense Budget by Category

(in thousands)

Category	FY 2021 Conceptual Budget
Debt Service	\$ 127,794
Personnel Costs	55,670
Contractual Services	48,774
Safety and Security	35,195
Utilities	15,189
Joint Studies / Sound Attenuation	15,077
Maintenance	14,890
Space Rental	10,191
Other *	12,349
<b>Total <sup>1</sup></b>	<b>\$ 335,128</b>

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



\*Other includes equipment rentals and repairs, business development, employee programs, insurance, tenant improvements, operating equipment and supplies, and equipment outlay.

Figure 17 – FY 2021 Expense Budget by Category

## Division Personnel Summary

	FY 2018 Budget	FY 2019 Budget	FY 2020 Budget Transfers*	FY2020 Budget New/ (Eliminated)	FY 2020 Budget	FY2021 Budget New/ (Eliminated)	FY 2021 Budget
<b>Executive Division</b>							
Board Services	5	5	-	-	5	-	5
Chief Auditor	7	7	-	-	7	-	7
Communications	5	5	2	1	8	-	8
Executive Office	3	3	(1)	-	2	-	2
General Counsel	6	6	-	-	6	-	6
Government Relations	2	2	-	-	2	-	2
Talent, Culture & Capability	21	21	(1)	-	20	-	20
<b>Total</b>	<b>49</b>	<b>49</b>	<b>-</b>	<b>1</b>	<b>50</b>	<b>-</b>	<b>50</b>
<b>Operations Division</b>							
Aviation Security & Public Safety	17	17	-	1	18	-	18
Airside & Terminal Operations	25	25	-	-	25	-	25
Ground Transportation	64	68	-	3	71	2	73
Facilities Management	88	88	-	-	88	-	88
<b>Total</b>	<b>194</b>	<b>198</b>	<b>-</b>	<b>4</b>	<b>202</b>	<b>2</b>	<b>204</b>
<b>Finance &amp; Risk Management Division</b>							
Airline Relations	5	5	(1)	-	4	-	4
Accounting	12	12	-	-	12	-	12
Information & Technology Services	28	28	-	1	29	1	30
Procurement	12	12	-	-	12	-	12
Finance & Risk Management	19	19	-	-	19	-	19
<b>Total</b>	<b>76</b>	<b>76</b>	<b>(1)</b>	<b>1</b>	<b>76</b>	<b>1</b>	<b>77</b>
<b>Development Division</b>							
Airport Design & Construction	49	50	(1)	-	49	-	49
Planning & Environmental Affairs	28	29	-	-	29	-	29
<b>Total</b>	<b>77</b>	<b>79</b>	<b>(1)</b>	<b>-</b>	<b>78</b>	<b>-</b>	<b>78</b>
<b>Revenue Management &amp; Innovation Division</b>							
Customer Experience Design & Innovation	7	7	5	-	12	2	14
Marketing & Air Service Development	16	16	(3)	-	13	-	13
Revenue Generation & Partnership Development	13	13	0	-	13	-	13
Small Business Development	4	4	0	-	4	-	4
<b>Total</b>	<b>40</b>	<b>40</b>	<b>2</b>	<b>-</b>	<b>42</b>	<b>2</b>	<b>44</b>
<b>Total Positions</b>	<b>436</b>	<b>442</b>	<b>-</b>	<b>6</b>	<b>448</b>	<b>5</b>	<b>453</b>

\* Transfers are due to reorganization; see detailed information in the divisional sections

## FY 2020 Personnel Budget by Division

FY 2020 Total Authorized Positions: 448

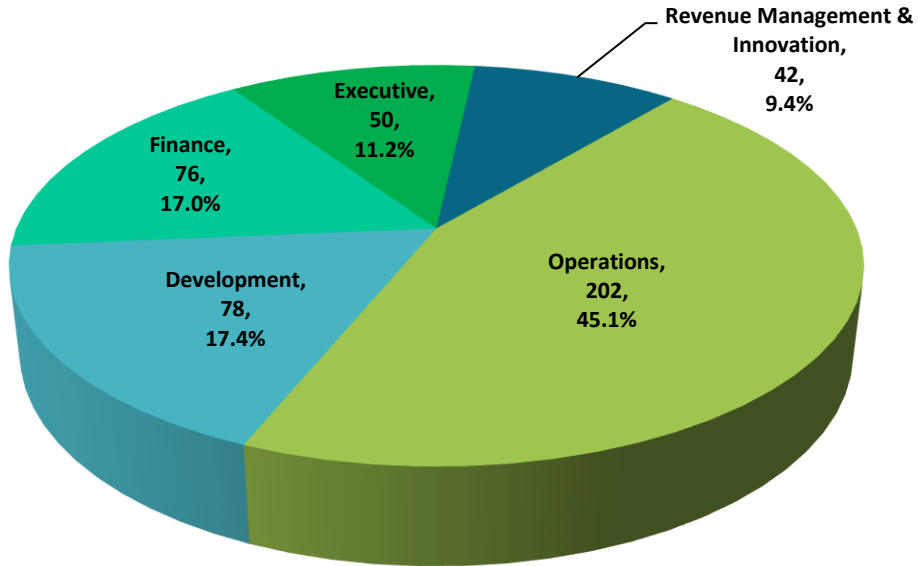


Figure 18 – FY 2020 Personnel Budget by Division

## FY 2021 Personnel Budget by Division

FY 2021 Total Authorized Positions: 453

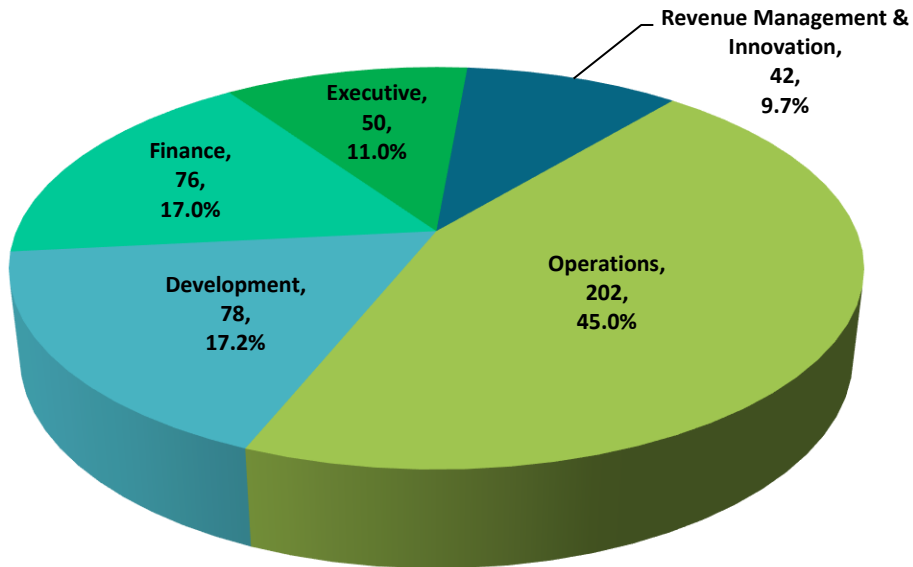


Figure 19 – FY 2021 Personnel Budget by Division

## FY 2020 Budget New Positions

<u>Division</u>	<u>Department</u>	<u>New Position</u>
Operations	Ground Transportation	Air Traffic Officer
Operations	Ground Transportation	Air Traffic Officer
Operations	Aviation Security & Public Safety	Sr. Communication Center Specialist
Operations	Ground Transportation	Project Analyst
Finance	Information & Technology Services	Sr. Application Development Analyst
Executive	Communications	External Relations Specialist
<b>Total FY 2020 New Positions</b>		<b>6</b>

**Figure 20 – FY 2020 Budget New Positions**

## FY 2021 Budget New Positions

<u>Division</u>	<u>Department</u>	<u>New Position</u>
Revenue Management & Innovation	Customer Experience Design & Innovation	Customer Experience Analyst
Revenue Management & Innovation	Customer Experience Design & Innovation	Customer Experience Analyst
Operations	Ground Transportation	Air Traffic Officer
Operations	Ground Transportation	Air Traffic Officer
Finance	Information & Technology Services	Application Development Analyst
<b>Total FY 2021 New Positions</b>		<b>5</b>

**Figure 21 – FY 2021 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** works to foster a cooperative and collaborative relationship among Authority employees, airlines, various business partners, relevant government agencies and stakeholder groups. The Executive Office coordinates and oversees the overall day-to-day operations and development of San Diego International Airport.

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 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.

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 **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.

The **Talent, Culture & Capability (TCC)** department provides talent and workforce planning services and support that inform effective business decisions, enhance organizational capabilities and create a culture of inclusion. The department manages talent acquisition and development; advances employee diversity and safety efforts; executes employee wellness and reward programs; and establishes and maintains the Authority's Records & Information Management program. Through these services, the department assures continued organizational development, workforce engagement and optimization.

## Executive Division

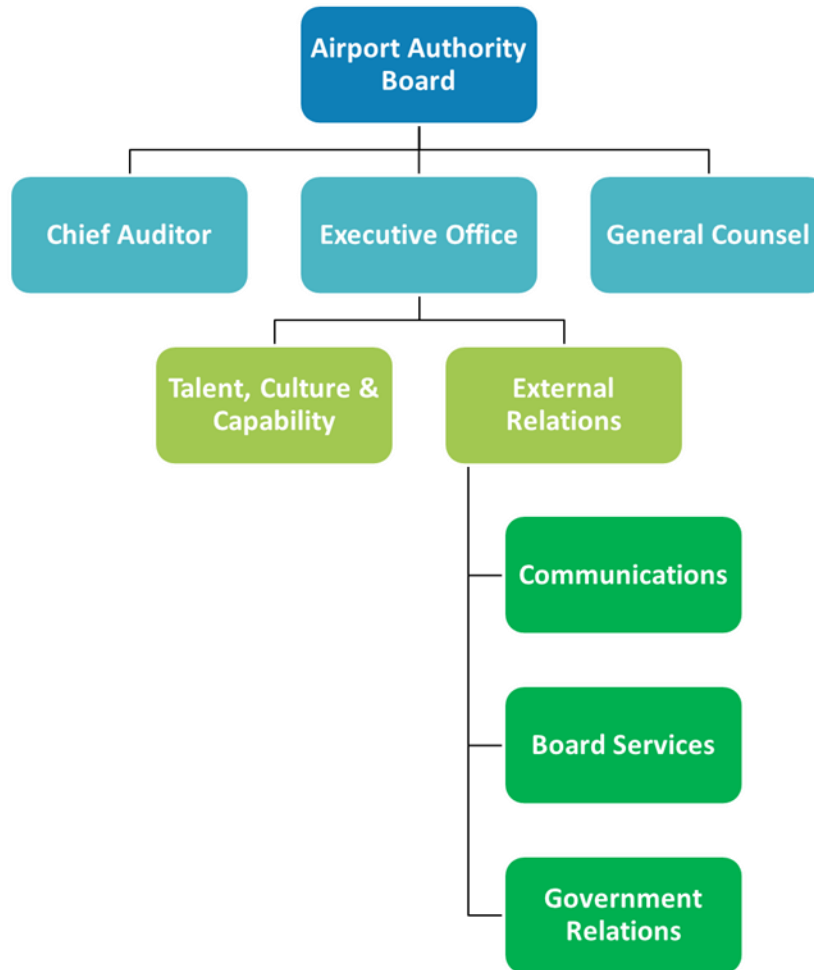
The **Communications** department develops and executes strategies for all communications and is the Airport Authority's designated point of contact for the media. Through public relations and community engagement programs, the department builds external relationships with various constituencies, including 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 **Board Services** 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. The department is also responsible for maintaining Authority Codes and Policies; coordinates communications with the Board of Directors, executive and senior staff; serves as the office of record for Authority contracts, deeds and leases; manages Conflict of Interest Filings, AB 1234 Ethics filings and other filings required by the Political Reform Act; and manages the Authority's lobbyist program.

The **Government Relations** department develops and oversees policy initiatives and objectives designed to represent and protect the Authority's interests with local, state and federal agencies and constituents. 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.

## Executive Division

### FY 2020 – FY 2021 Organizational Structure



### Division Personnel Summary

	FY 2018 Budget	FY 2019 Budget	FY 2020 Budget Transfers	FY2020 Budget New/ (Eliminated)	FY 2020 Budget	FY2021 Budget New/ (Eliminated)	FY 2021 Budget
<b>Executive Division</b>							
Board Services	5	5	-	-	5	-	5
Chief Auditor	7	7	-	-	7	-	7
Communications <sup>1</sup>	5	5	2	1	8	-	8
Executive Office <sup>2</sup>	3	3	(1)	-	2	-	2
General Counsel	6	6	-	-	6	-	6
Government Relations	2	2	-	-	2	-	2
Talent, Culture & Capability <sup>3</sup>	21	21	(1)	-	20	-	20
<b>Total Authorized Funded Positions</b>	<b>49</b>	<b>49</b>	<b>-</b>	<b>1</b>	<b>50</b>	<b>-</b>	<b>50</b>

<sup>1</sup> 2 positions transferred from Executive Office (1) and Airport Design & Construction (1)

<sup>2</sup> 1 position transferred to Communications

<sup>3</sup> 1 position transferred to Revenue Generation and Partnership Development



## Executive Division

### FY 2020 Budget – FY 2021 Expense Conceptual Budget Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 5,263	\$ 5,410	\$ 5,428	\$ 18	0.3%	\$ 5,672	\$ 243	4.5%
Overtime	2	-	-	-	0.0%	-	-	0.0%
Benefits	2,210	2,411	2,421	10	0.4%	2,595	174	7.2%
Subtotal	7,476	7,821	7,850	29	0.4%	8,267	417	5.3%
Less: Capitalized Labor Recharge	0	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>7,476</b>	<b>7,821</b>	<b>7,850</b>	<b>29</b>	<b>0.4%</b>	<b>8,267</b>	<b>417</b>	<b>5.3%</b>
Contractual Services	2,798	2,353	2,119	(234)	-10.0%	2,166	47	2.2%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	1	1	0	(0)	-75.8%	0	0	5.2%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	70	36	30	(6)	-16.5%	65	35	115.3%
Operating Supplies	54	33	36	3	9.0%	36	0	0.1%
Insurance	1,098	1	1	(0)	-47.4%	1	-	0.0%
Employee Development	531	389	427	38	9.7%	429	2	0.5%
Business Development	2,545	730	672	(57)	-7.9%	694	21	3.1%
Equipment Rentals and Repairs	59	66	86	20	29.7%	86	0	0.4%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>7,155</b>	<b>3,609</b>	<b>3,371</b>	<b>(238)</b>	<b>-6.6%</b>	<b>3,477</b>	<b>106</b>	<b>3.1%</b>
<b>Total Operating Expenses</b>	<b>14,632</b>	<b>11,430</b>	<b>11,221</b>	<b>(209)</b>	<b>-1.8%</b>	<b>11,744</b>	<b>523</b>	<b>4.7%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	10	10	-	0.0%	10	-	0.0%
Other Non-Operating Expenses	11	-	-	-	0.0%	-	-	0.0%
<b>Other Non-Operating Expenses</b>	<b>11</b>	<b>10</b>	<b>10</b>	<b>-</b>	<b>0.0%</b>	<b>10</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>14,643</b>	<b>11,440</b>	<b>11,231</b>	<b>(209)</b>	<b>-1.8%</b>	<b>11,754</b>	<b>523</b>	<b>4.7%</b>
Equipment Outlay Expenditures	-	20	128	108	540.3%	-	(128)	-100.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 14,643</b>	<b>\$ 11,460</b>	<b>\$ 11,359</b>	<b>\$ (101)</b>	<b>-0.9%</b>	<b>\$ 11,754</b>	<b>\$ 395</b>	<b>3.5%</b>

## Executive Division

### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY20 vs FY19	Inc/(Dec) FY21 Conceptual vs FY20
<b>FY 2019 Budget / FY 2020 Budget</b>	<b>\$ 11,460</b>	<b>\$ 11,359</b>
<b>Personnel Costs</b>		
1 new position (salary & burden)	65	-
Burden (benefits & employer taxes) for current staff	(1)	174
Salary adjustments and pay-for-performance *	(35)	243
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>29</b>	<b>417</b>
<b>Non-Personnel Costs</b>		
Record Management and On-Boarding software upgrades	128	(128)
Full Employee Survey	36	(36)
Board Room Equipment Upgrades	15	35
Customer Surveys transfer to Customer Experience Design & Innovation department	(57)	-
Safety Consultants	(99)	(1)
Other, net	(153)	108
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(130)</b>	<b>(22)</b>
<b>Total Increase / (Decrease)</b>	<b>(101)</b>	<b>395</b>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<b>\$ 11,359</b>	<b>\$ 11,754</b>

\* 2 positions transferred to Revenue Management & Innovation division (1) and Development division (1)

## Executive Division

### FY 2020 Expense Budget by Department

(in thousands)

Departments	FY 2020 Budget
Talent, Culture & Capability	\$ 3,760
General Counsel	2,126
Communications	1,624
Chief Auditor	1,232
Government Relations	1,016
Board Services	828
Executive Office	775
<b>Total <sup>1</sup></b>	<b>\$ 11,359</b>

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

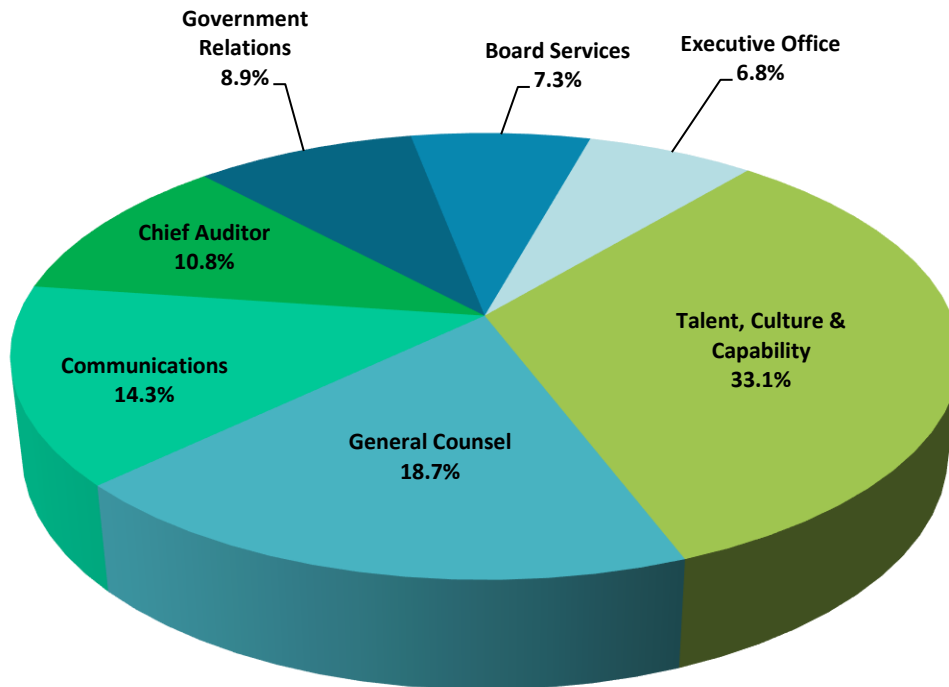


Figure 22 – FY 2020 Expense Budget by Department

## Executive Division

### FY 2021 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2021 Conceptual Budget
Talent, Culture & Capability	\$ 3,714
General Counsel	2,180
Communications	1,839
Chief Auditor	1,285
Government Relations	1,032
Board Services	893
Executive Office	810
<b>Total <sup>1</sup></b>	<b>\$ 11,754</b>

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

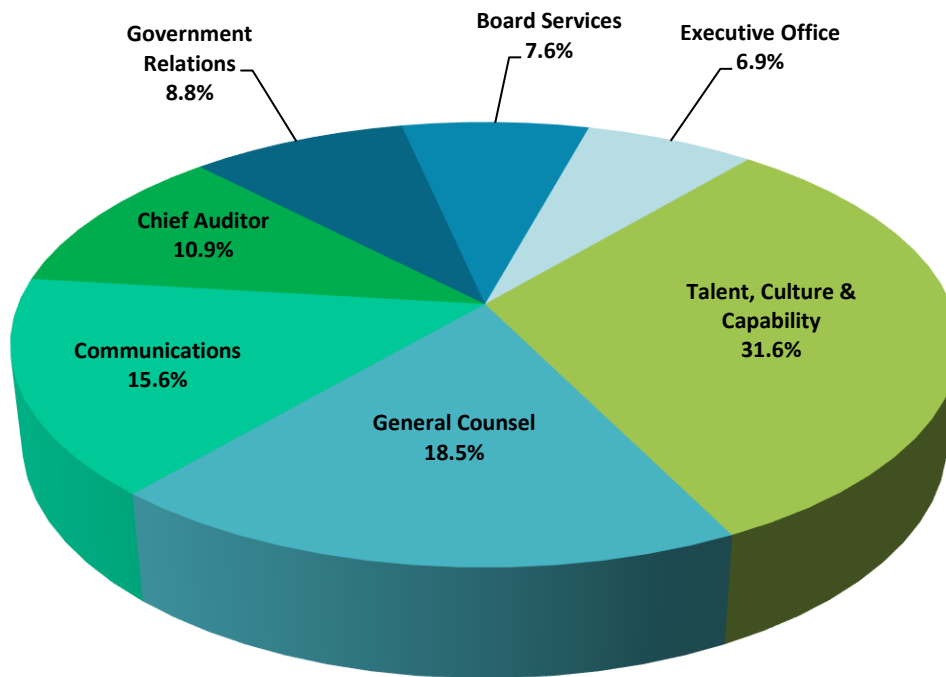


Figure 23 – FY 2021 Expense Conceptual Budget by Department

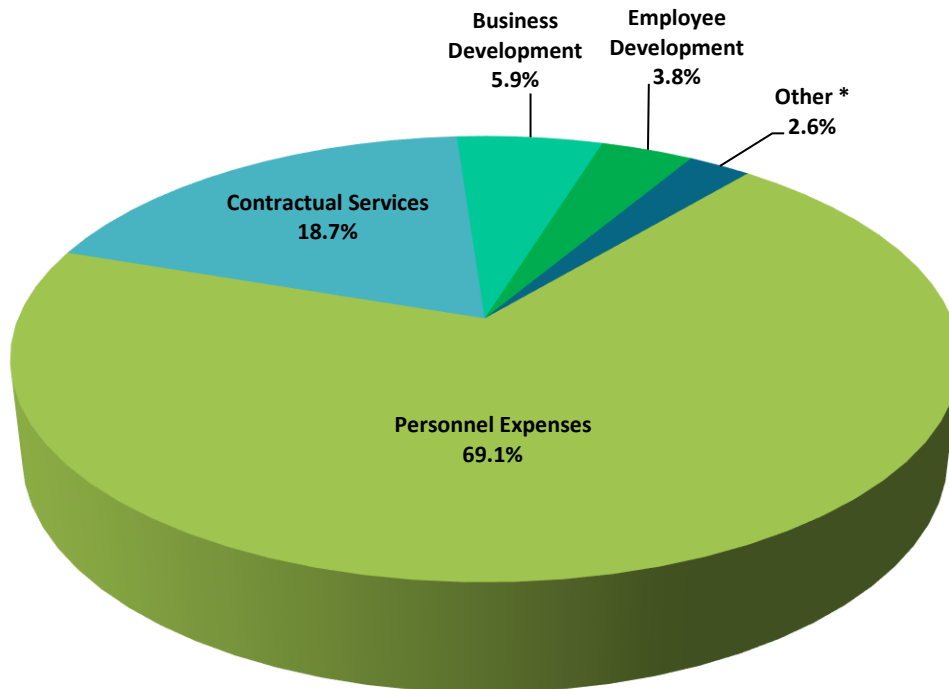
## Executive Division

### FY 2020 Expense Budget by Category

(in thousands)

Category	FY 2020 Budget
Personnel Expenses	\$ 7,850
Contractual Services	2,119
Business Development	672
Employee Development	427
Other *	290
<b>Total <sup>1</sup></b>	<b>\$ 11,359</b>

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



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

Figure 24 – FY 2020 Expense Budget by Category

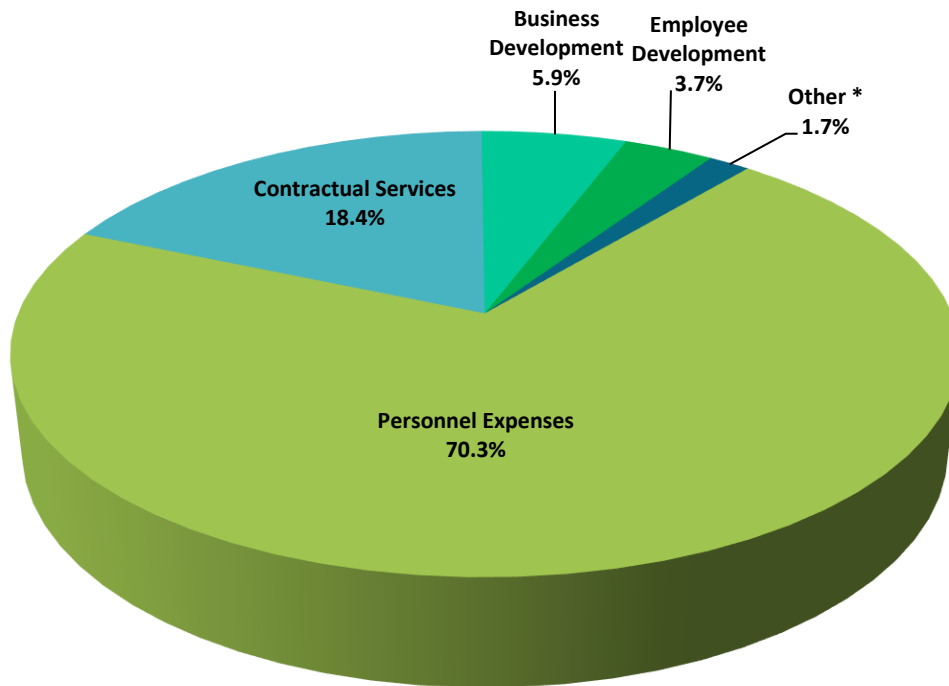
## Executive Division

### FY 2021 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2021 Conceptual Budget
Personnel Expenses	\$ 8,267
Contractual Services	2,166
Business Development	694
Employee Development	429
Other *	198
<b>Total <sup>1</sup></b>	<b>\$ 11,754</b>

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

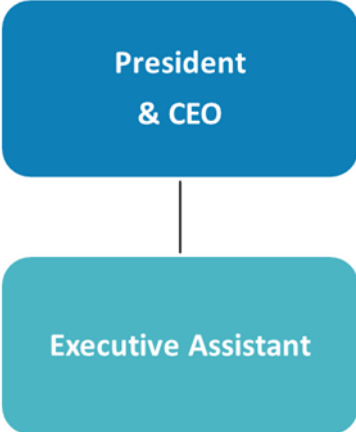


\*Other includes operating equipment & systems, operating supplies, equipment rentals & repairs, legal settlements, etc.

**Figure 25 – FY 2021 Expense Conceptual Budget by Category**

**Executive Division – Executive Office**

**FY 2020 – FY 2021 Organizational Structure**



*No personnel changes in FY 2021.*

## Executive Division – Executive Office

### FY 2020 Budget – FY 2021 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 584	\$ 532	\$ 396	\$ (136)	-25.6%	\$ 409	\$ 13	3.2%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	295	204	133	(71)	-34.8%	141	8	5.8%
Subtotal	879	736	529	(207)	-28.2%	549	20	3.8%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>879</b>	<b>736</b>	<b>529</b>	<b>(207)</b>	<b>-28.2%</b>	<b>549</b>	<b>20</b>	<b>3.8%</b>
Contractual Services	19	3	27	24	810.0%	27	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	0	0	-	(0)	-100.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	4	-	-	-	0.0%	-	-	0.0%
Operating Supplies	3	2	2	(0)	-15.6%	2	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	21	21	23	2	7.8%	24	1	3.5%
Business Development	214	205	193	(11)	-5.5%	208	15	7.5%
Equipment Rentals and Repairs	-	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>262</b>	<b>231</b>	<b>246</b>	<b>14</b>	<b>6.2%</b>	<b>261</b>	<b>15</b>	<b>6.2%</b>
<b>Total Operating Expenses</b>	<b>1,141</b>	<b>967</b>	<b>775</b>	<b>(193)</b>	<b>-19.9%</b>	<b>810</b>	<b>36</b>	<b>4.6%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
<b>Other 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>1,141</b>	<b>967</b>	<b>775</b>	<b>(193)</b>	<b>-19.9%</b>	<b>810</b>	<b>36</b>	<b>4.6%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 1,141</b>	<b>\$ 967</b>	<b>\$ 775</b>	<b>\$ (193)</b>	<b>-19.9%</b>	<b>\$ 810</b>	<b>\$ 36</b>	<b>4.6%</b>



## Executive Division – Executive Office

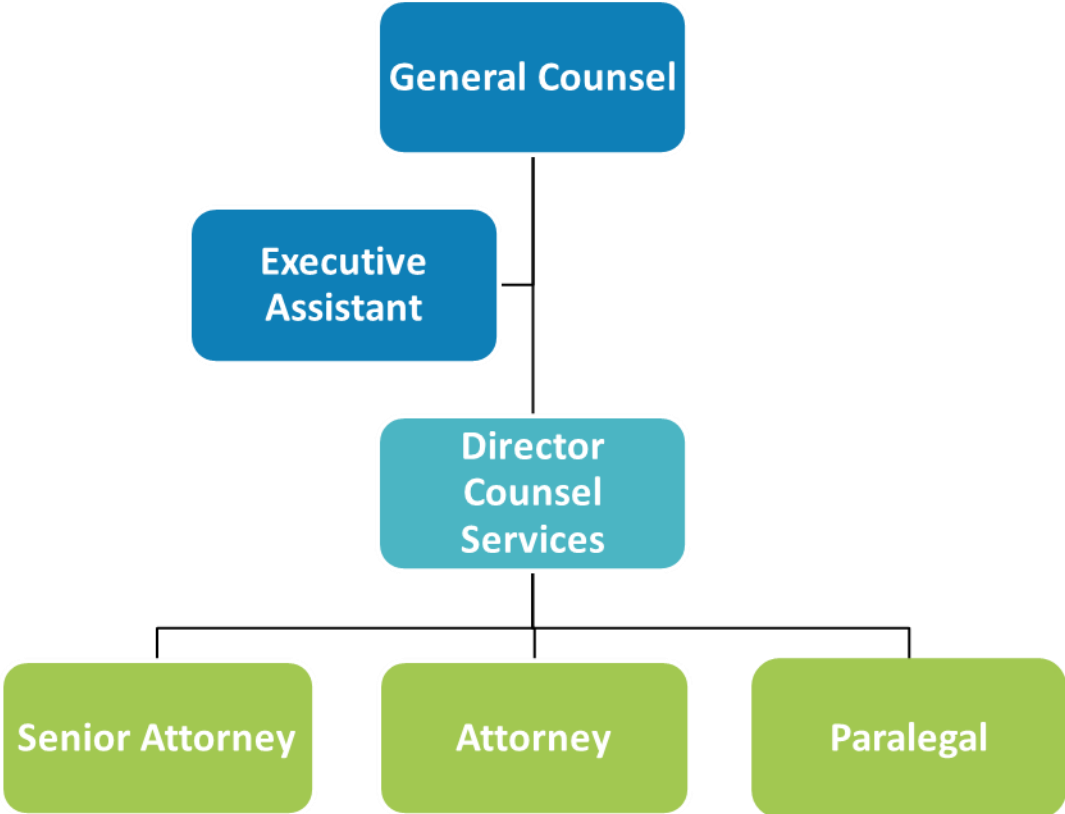
### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY20 vs FY19	Inc/(Dec) FY21 Conceptual vs FY20
<b>FY 2019 Budget / FY 2020 Budget</b>	\$ 967	\$ 775
<b>Personnel Costs</b>		
Burden (benefits & employer taxes) for current staff	(71)	8
Salary adjustments and pay-for-performance *	(136)	13
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>(207)</b>	<b>20</b>
<b>Non-Personnel Costs</b>		
Other, net	14	15
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>14</b>	<b>15</b>
<b>Total Increase / (Decrease)</b>	<b>(193)</b>	<b>36</b>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<b>\$ 775</b>	<b>\$ 810</b>

\* 1 position transferred to Communications

**Executive Division – General Counsel**

**FY 2020 – FY 2021 Organizational Structure**



*No personnel changes in FY 2021.*

## Executive Division – General Counsel

### FY 2020 Budget – FY 2021 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 822	\$ 854	\$ 889	\$ 35	4.1%	\$ 920	\$ 31	3.5%
Overtime	2	-	-	-	0.0%	-	-	0.0%
Benefits	325	356	393	37	10.4%	417	24	6.0%
Subtotal	1,149	1,210	1,282	72	6.0%	1,337	55	4.3%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,149</b>	<b>1,210</b>	<b>1,282</b>	<b>72</b>	<b>6.0%</b>	<b>1,337</b>	<b>55</b>	<b>4.3%</b>
Contractual Services	533	760	750	(10)	-1.3%	750	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	0	0	-	(0)	-100.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	17	11	11	-	0.0%	11	-	0.0%
Operating Supplies	4	4	4	-	0.0%	4	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	53	57	58	1	1.5%	58	-	0.0%
Business Development	7	9	10	1	11.2%	10	-	0.0%
Equipment Rentals and Repairs	0	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>616</b>	<b>841</b>	<b>833</b>	<b>(8)</b>	<b>-1.0%</b>	<b>833</b>	<b>-</b>	<b>0.0%</b>
<b>Total Operating Expenses</b>	<b>1,765</b>	<b>2,051</b>	<b>2,116</b>	<b>64</b>	<b>3.1%</b>	<b>2,170</b>	<b>55</b>	<b>2.6%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	10	10	-	0.0%	10	-	0.0%
Other Non-Operating Expenses	11	-	-	-	0.0%	-	-	0.0%
<b>Other Non-Operating Expenses</b>	<b>11</b>	<b>10</b>	<b>10</b>	<b>-</b>	<b>0.0%</b>	<b>10</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,776</b>	<b>2,061</b>	<b>2,126</b>	<b>64</b>	<b>3.1%</b>	<b>2,180</b>	<b>55</b>	<b>2.6%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 1,776</b>	<b>\$ 2,061</b>	<b>\$ 2,126</b>	<b>\$ 64</b>	<b>3.1%</b>	<b>\$ 2,180</b>	<b>\$ 55</b>	<b>2.6%</b>

## Executive Division – General Counsel

### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY20 vs FY19	Inc/(Dec) FY21 Conceptual vs FY20
<b>FY 2019 Budget / FY 2020 Budget</b>	\$ 2,061	\$ 2,126
<b>Personnel Costs</b>		
Burden (benefits & employer taxes) for current staff	37	24
Salary adjustments and pay-for-performance	35	31
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>72</b>	<b>55</b>
<b>Non-Personnel Costs</b>		
Other, net	(8)	-
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(8)</b>	<b>-</b>
<b>Total Increase / (Decrease)</b>	<b>64</b>	<b>55</b>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<b>\$ 2,126</b>	<b>\$ 2,180</b>

## Executive Division – General Counsel

### FY 2019 Progress Report

1. Provide legal support and guidance regarding environmental issues related to the ADP

**Progress:** On-track. DEIR was issued and circulated; RFQ is final and ready for release once the Board approves the Authority's plan moving forward. Negotiations with partner agencies have begun.

**Strategic Goal:**

- Customer, exceed our customers' expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

- 1B. Advance the ADP

2. Provide legal support and guidance regarding the chosen project delivery method for the ADP.

**Progress:** On-track. A decision has been made by the Board to proceed with a progressive design build delivery method.

**Strategic Goal:**

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise's strong financial position.

**Strategic Initiative:**

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

3. Promote continued education and advancement of staff regarding legal issues facing the Airport.

**Progress:** On-track. Two new attorneys hired.

**Strategic Goal:**

- Employee, develop leaders and a workforce aligned to the needs of our Strategic Plan and an inclusive environment that reflects the diversity of our community.

**Strategic Initiative:**

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

## Executive Division – General Counsel

### FY 2020 – FY 2021 Goals

1. Assist in the preparation of ADP progressive design-build contract and associated procurement documents.

**Strategic Goal:**

- Customer, exceed our customers' expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

- 1B. Advance the ADP

2. Prepare and defend the recirculated ADP EIR.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

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

3. Limit the Authority's exposure to litigation by ensuring strong contract language.

**Strategic Goal:**

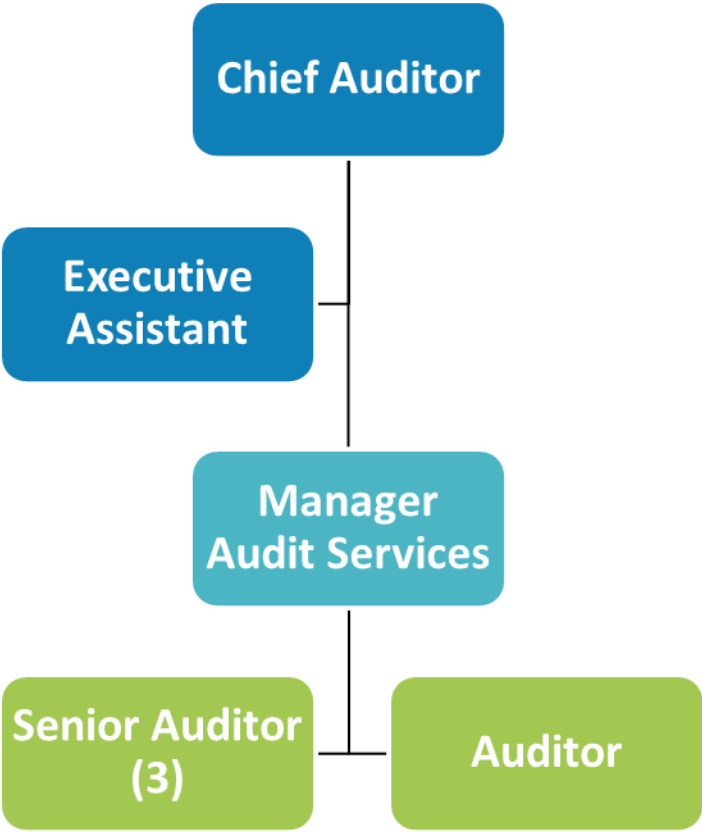
- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise's strong financial position.

**Strategic Initiative:**

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

**Executive Division – Chief Auditor**

**FY 2020 – FY 2021 Organizational Structure**



*No personnel changes in FY 2021.*

## Executive Division – Chief Auditor

### FY 2020 Budget – FY 2021 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 825	\$ 856	\$ 820	\$ (37)	-4.3%	\$ 849	\$ 29	3.6%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	288	388	369	(19)	-5.0%	392	23	6.1%
Subtotal	1,113	1,245	1,189	(56)	-4.5%	1,241	52	4.4%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,113</b>	<b>1,245</b>	<b>1,189</b>	<b>(56)</b>	<b>-4.5%</b>	<b>1,241</b>	<b>52</b>	<b>4.4%</b>
Contractual Services	1	1	1	(0)	-5.9%	1	0	3.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	0	0	0	0	3.3%	0	0	5.2%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	1	-	-	-	0.0%	-	-	0.0%
Operating Supplies	2	3	1	(2)	-60.0%	1	0	3.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	11	26	30	4	16.6%	31	1	2.6%
Business Development	5	5	3	(1)	-24.7%	4	0	2.8%
Equipment Rentals and Repairs	8	7	8	0	5.0%	8	0	5.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>29</b>	<b>41</b>	<b>43</b>	<b>2</b>	<b>4.8%</b>	<b>44</b>	<b>1</b>	<b>3.1%</b>
<b>Total Operating Expenses</b>	<b>1,142</b>	<b>1,286</b>	<b>1,232</b>	<b>(54)</b>	<b>-4.2%</b>	<b>1,285</b>	<b>53</b>	<b>4.3%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
<b>Other 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>1,142</b>	<b>1,286</b>	<b>1,232</b>	<b>(54)</b>	<b>-4.2%</b>	<b>1,285</b>	<b>53</b>	<b>4.3%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 1,142</b>	<b>\$ 1,286</b>	<b>\$ 1,232</b>	<b>\$ (54)</b>	<b>-4.2%</b>	<b>\$ 1,285</b>	<b>\$ 53</b>	<b>4.3%</b>



## Executive Division – Chief Auditor

### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY20 vs FY19	Inc/(Dec) FY21 Conceptual vs FY20
<b>FY 2019 Budget / FY 2020 Budget</b>	\$ 1,286	\$ 1,232
<b>Personnel Costs</b>		
Burden (benefits & employer taxes) for current staff	(19)	23
Salary adjustments and pay-for-performance	(37)	29
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>(56)</b>	<b>52</b>
<b>Non-Personnel Costs</b>		
Other, net	2	1
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>2</b>	<b>1</b>
<b>Total Increase / (Decrease)</b>	<b>(54)</b>	<b>53</b>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<b>\$ 1,232</b>	<b>\$ 1,285</b>

## Executive Division – Chief Auditor

### FY 2019 Progress Report

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

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

**Strategic Goal:**

- Customer, exceed our customers' expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change
- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

2. Achieve an audit department utilization rate equal to 70% for all audit staff.

**Progress:** During the last reporting period, the department had a utilization rate of 60%.

**Strategic Goal:**

- Employee, develop leaders and a workforce aligned to the needs of our Strategic Plan and an inclusive environment that reflects the diversity of our community.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change
- 4E. Determine innovative, flexible organizational staffing needs that reflect the ADP and capital program

3. Provide workable audit recommendations that help improve the Authority's operations, with 95% of audit recommendations agreed to by management.

**Progress:** As of the last reporting period, management has agreed to 100% of the recommendations.

**Strategic Goal:**

- Customer, exceed our customers' expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change
- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

## Executive Division – Chief Auditor

4. Perform audit work in an efficient manner. Complete 80% of all audits within budgeted time, as established in the annual audit plan approved by the Board.

**Progress:** Currently, 38% of the audits have been completed within budget.

**Strategic Goal:**

- Customer, exceed our customers' expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

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

**Progress:** As of the last reporting period, we have achieved an internal customer satisfaction rating of 4.53.

**Strategic Goal:**

- Customer, exceed our customers' expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change
- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

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

**Progress:** As of December 31, 2018, 100% of staff met their Continuing Professional Education (CPE) requirements.

**Strategic Goal:**

- Employee, develop leaders and a workforce aligned to the needs of our Strategic Plan and an inclusive environment that reflects the diversity of our community.

**Strategic Initiative:**

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

## Executive Division – Chief Auditor

### FY 2020 – FY 2021 Goals

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

**Strategic Goal:**

- Customer, exceed our customers' expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change
- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

2. Achieve an audit department utilization rate equal to 70% for all audit staff.

**Strategic Goal:**

- Employee, develop leaders and a workforce aligned to the needs of our Strategic Plan and an inclusive environment that reflects the diversity of our community.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change
- 4E. Determine innovative, flexible organizational staffing needs that reflect the ADP and capital program

3. Provide workable audit recommendations that help improve the Authority's operations, with 95% of audit recommendations agreed to by management.

**Strategic Goal:**

- Customer, exceed our customers' expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change
- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

4. Perform audit work in an efficient manner. Complete 80% of all audits within budgeted time, as established in the annual audit plan approved by the Board.

**Strategic Goal:**

- Customer, exceed our customers' expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

## Executive Division – Chief Auditor

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

**Strategic Goal:**

- Customer, exceed our customers' expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change
- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

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

**Strategic Goal:**

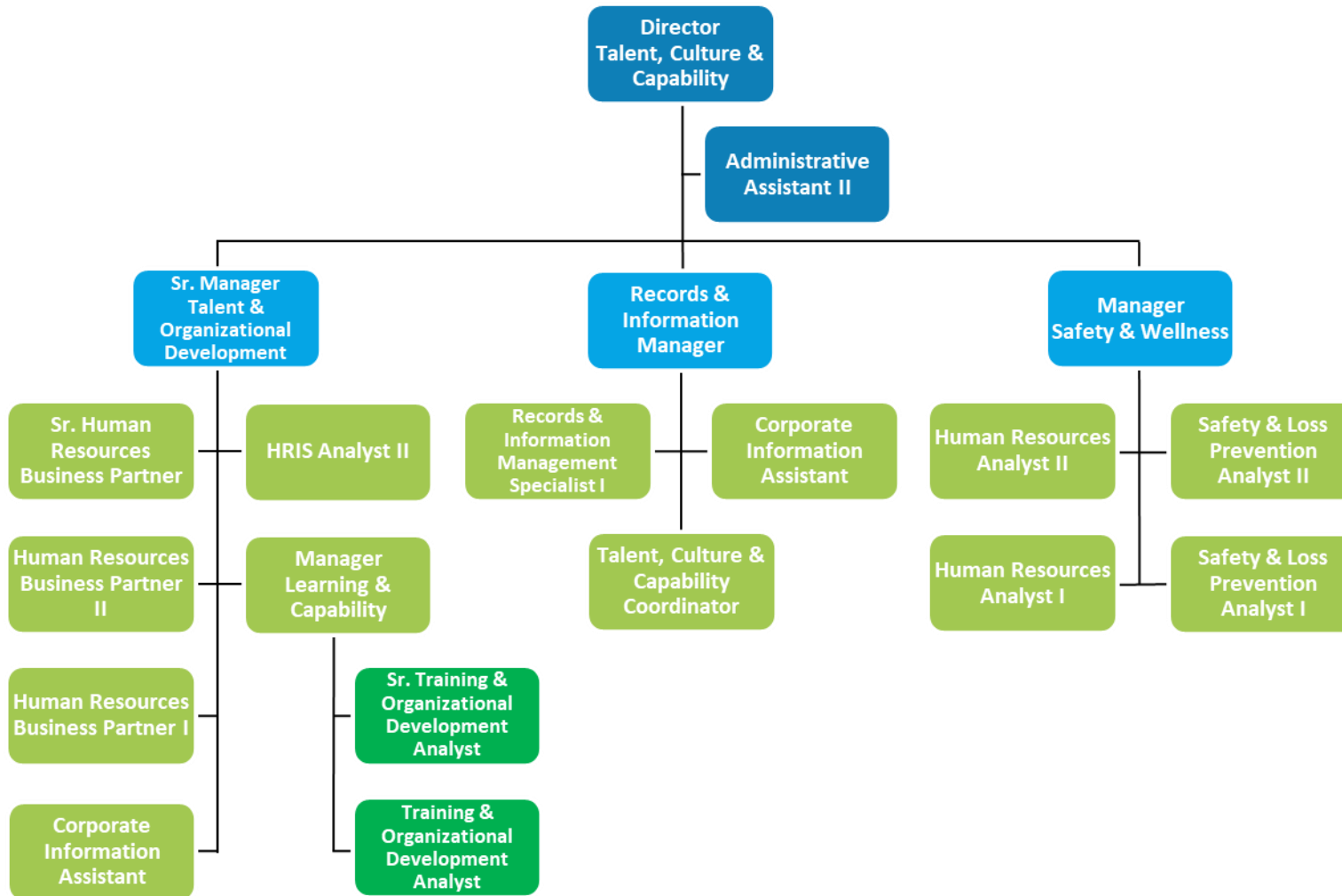
- Employee, develop leaders and a workforce aligned to the needs of our Strategic Plan and an inclusive environment that reflects the diversity of our community.

**Strategic Initiative:**

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

## Executive Division – Talent, Culture & Capability

### FY 2020 – FY 2021 Organizational Structure



*No personnel changes in FY 2021.*

## Executive Division – Talent, Culture & Capability

### FY 2020 Budget – FY 2021 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 1,450	\$ 1,976	\$ 1,924	\$ (52)	-2.6%	\$ 1,991	\$ 66	3.5%
Overtime	0	-	-	-	0.0%	-	-	0.0%
Benefits	643	903	865	(39)	-4.3%	920	56	6.5%
Subtotal	2,093	2,880	2,789	(91)	-3.2%	2,911	122	4.4%
Less: Capitalized Labor Recharge	0	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>2,093</b>	<b>2,880</b>	<b>2,789</b>	<b>(91)</b>	<b>-3.2%</b>	<b>2,911</b>	<b>122</b>	<b>4.4%</b>
Contractual Services	534	630	468	(162)	-25.7%	429	(40)	-8.4%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	0	0	-	(0)	-100.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	5	3	4	1	14.9%	4	-	0.0%
Operating Supplies	9	15	20	5	35.9%	20	-	0.0%
Insurance	-	1	1	(0)	-47.4%	1	-	0.0%
Employee Development	342	224	245	21	9.2%	245	-	0.0%
Business Development	76	81	40	(41)	-50.4%	40	-	0.0%
Equipment Rentals and Repairs	50	46	65	19	41.9%	65	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>1,016</b>	<b>1,001</b>	<b>843</b>	<b>(158)</b>	<b>-15.8%</b>	<b>803</b>	<b>(40)</b>	<b>-4.7%</b>
<b>Total Operating Expenses</b>	<b>3,109</b>	<b>3,881</b>	<b>3,631</b>	<b>(249)</b>	<b>-6.4%</b>	<b>3,714</b>	<b>83</b>	<b>2.3%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
<b>Other 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>3,109</b>	<b>3,881</b>	<b>3,631</b>	<b>(249)</b>	<b>-6.4%</b>	<b>3,714</b>	<b>83</b>	<b>2.3%</b>
Equipment Outlay Expenditures	-	20	128	108	540.3%	-	(128)	-100.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 3,109</b>	<b>\$ 3,901</b>	<b>\$ 3,760</b>	<b>\$ (141)</b>	<b>-3.6%</b>	<b>\$ 3,714</b>	<b>\$ (45)</b>	<b>-1.2%</b>

## Executive Division – Talent, Culture & Capability

### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY20 vs FY19	Inc/(Dec) FY21 Conceptual vs FY20
<b>FY 2019 Budget / FY 2020 Budget</b>	\$ 3,901	\$ 3,760
<b>Personnel Costs</b>		
Burden (benefits & employer taxes) for current staff	(39)	56
Salary adjustments and pay-for-performance *	(52)	66
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>(91)</b>	<b>122</b>
<b>Non-Personnel Costs</b>		
Record Management and On-Boarding software upgrades	128	(128)
Full Employee Survey	36	(36)
HR Membership Dues	(20)	-
Customer Surveys transfer to Customer Experience Design & Innovation department	(57)	-
Safety Consultants	(99)	(1)
Other, net	(38)	(3)
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(50)</b>	<b>(168)</b>
<b>Total Increase / (Decrease)</b>	<b>(141)</b>	<b>(45)</b>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<b>\$ 3,760</b>	<b>\$ 3,714</b>

\* 1 position transferred to Revenue Generation & Partnership Development



## Executive Division – Talent, Culture & Capability

### FY 2019 Progress Report

1. Develop and refine workforce planning practices to anticipate and effectively address staffing and resource needs throughout the execution of the Airport Development Plan.

**Progress:** Workforce plans have been developed and are being executed for multiple departments that address capability and staffing requirements during and beyond the ADP. The organization continues to utilize contingent staffing models, where appropriate, to allow for flexibility and efficiency.

**Strategic Goal:**

- Employee, develop leaders and a workforce aligned to the needs of our Strategic Plan and an inclusive environment that reflects the diversity of our community.

**Strategic Initiative:**

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

2. Execute employee engagement and diversity action plans to assure the Authority attracts and retains highly skilled workers.

**Progress:** Action plans are being implemented to further both recruiting and retention efforts. These have included enhancements to our Veteran’s Fellowship Program, engaging a consultant to conduct a Compensation Philosophy review, improving wellness programming, and delivering both a cultural engagement series and diversity training.

**Strategic Goal:**

- Employee, develop leaders and a workforce aligned to the needs of our Strategic Plan and an inclusive environment that reflects the diversity of our community.

**Strategic Initiative:**

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

3. Deliver leadership and career development opportunities that target skills development in areas identified as critical to sustaining the continued success of the organization.

**Progress:** Leadership development programming has been expanded to nurture skills development in strategic agility, business acumen, cultural leadership, relationship management. A formal career development program has been launched to provide employees at all levels in the organization with the resources necessary to design and execute a personal development plan and encourage preparation for future job opportunities at the Authority and beyond.

**Strategic Goal:**

- Employee, develop leaders and a workforce aligned to the needs of our Strategic Plan and an inclusive environment that reflects the diversity of our community.

**Strategic Initiative:**

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

## Executive Division – Talent, Culture & Capability

4. Continue long-term initiative to enhance workplace safety, reduce hazards, and maintain compliance.

**Progress:** An Injury and Illness Plan has been implemented. Employee safety training is being delivered throughout the year to increase awareness of safety hazards and reduce incidents of recordable injuries. Inspections are ongoing to demonstrate current compliance and remediate any potential issues.

**Strategic Goal:**

- Employee, develop leaders and a workforce aligned to the needs of our Strategic Plan and an inclusive environment that reflects the diversity of our community.

**Strategic Initiative:**

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

5. Explore options for providing access to public documents in the Enterprise Content Management System via the Authority’s website.

**Progress:** Updates to the software and systems for electronic content management have been implemented to facilitate remote access and document sharing. A biennial update to the Authority’s Records Retention Schedule is nearing completion and efforts are underway to conduct compliance audits to assure effective records management practices are in place.

**Strategic Goal:**

- Customer, exceed our customers’ expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

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

## Executive Division – Talent, Culture & Capability

### FY 2020 – FY 2021 Goals

1. Develop and refine workforce planning practices to anticipate and effectively address staffing and resource needs throughout the execution of the Airport Development Plan

**Strategic Goal:**

- Employee, develop leaders and a workforce aligned to the needs of our Strategic Plan and an inclusive environment that reflects the diversity of our community.

**Strategic Initiative:**

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

2. Execute diversity and wellness program plans to foster inclusion, employee wellness, and a commitment to our brand promise.

**Strategic Goal:**

- Employee, develop leaders and a workforce aligned to the needs of our Strategic Plan and an inclusive environment that reflects the diversity of our community.

**Strategic Initiative:**

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

3. Assess and implement any recommendations resulting from an external Compensation Philosophy review to assure the Authority's total rewards package remains competitive in the labor market.

**Strategic Goal:**

- Employee, develop leaders and a workforce aligned to the needs of our Strategic Plan and an inclusive environment that reflects the diversity of our community.

**Strategic Initiative:**

- 4D. Develop compensation and benefits programs for a multi-generational workforce that recognize individual strategic contributions

4. Facilitate process improvement initiatives that result in adoption of new systems and processes to enhance efficiency and cross-functional workflow.

**Strategic Goal:**

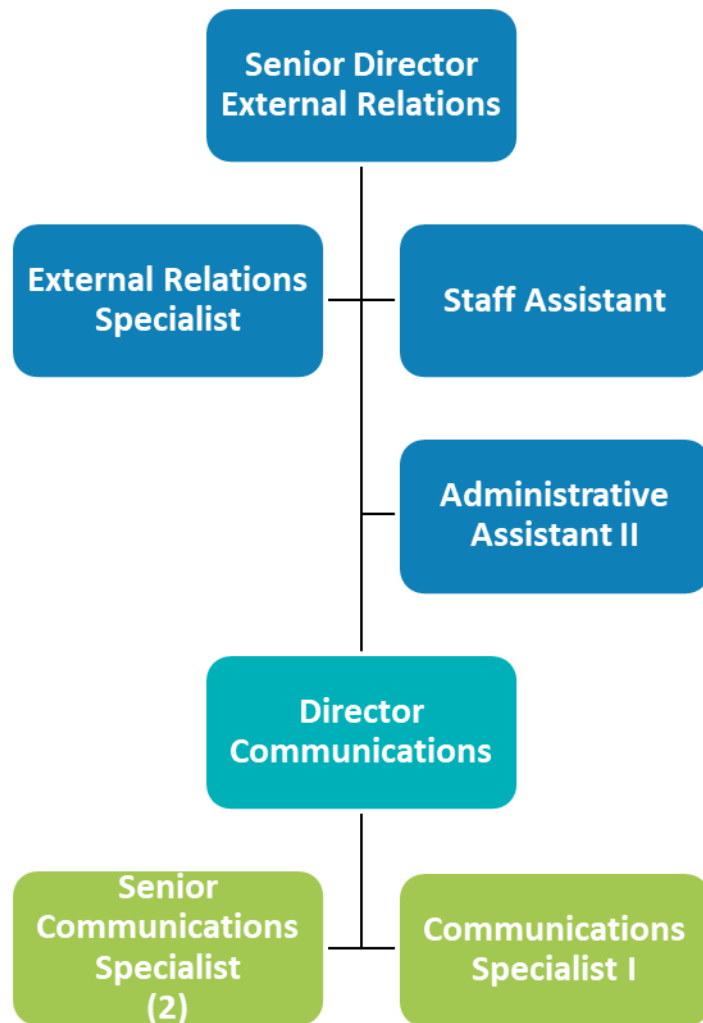
- Employee, develop leaders and a workforce aligned to the needs of our Strategic Plan and an inclusive environment that reflects the diversity of our community.

**Strategic Initiative:**

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

## Executive Division – Communications

### FY 2020 – FY 2021 Organizational Structure



*No personnel changes in FY 2021.*

## Executive Division – Communications

### FY 2020 Budget – FY 2021 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 1,018	\$ 554	\$ 723	\$ 169	30.5%	\$ 799	\$ 77	10.6%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	381	246	331	85	34.4%	373	43	12.9%
Subtotal	1,399	800	1,053	253	31.7%	1,173	119	11.3%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,399</b>	<b>800</b>	<b>1,053</b>	<b>253</b>	<b>31.7%</b>	<b>1,173</b>	<b>119</b>	<b>11.3%</b>
Contractual Services	1,158	579	354	(225)	-38.9%	450	96	27.1%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	0	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	26	2	1	(2)	-75.0%	1	-	0.0%
Operating Supplies	13	3	3	-	0.0%	3	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	35	17	25	8	49.3%	25	-	0.0%
Business Development	2,035	200	188	(12)	-6.2%	188	-	0.0%
Equipment Rentals and Repairs	1	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>3,268</b>	<b>801</b>	<b>571</b>	<b>(231)</b>	<b>-28.8%</b>	<b>667</b>	<b>96</b>	<b>16.8%</b>
<b>Total Operating Expenses</b>	<b>4,667</b>	<b>1,601</b>	<b>1,624</b>	<b>23</b>	<b>1.4%</b>	<b>1,839</b>	<b>215</b>	<b>13.3%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
<b>Other 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>4,667</b>	<b>1,601</b>	<b>1,624</b>	<b>23</b>	<b>1.4%</b>	<b>1,839</b>	<b>215</b>	<b>13.3%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 4,667</b>	<b>\$ 1,601</b>	<b>\$ 1,624</b>	<b>\$ 23</b>	<b>1.4%</b>	<b>\$ 1,839</b>	<b>\$ 215</b>	<b>13.3%</b>

## Executive Division – Communications

### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY20 vs FY19	Inc/(Dec) FY21 Conceptual vs FY20
<b>FY 2019 Budget / FY 2020 Budget</b>	\$ 1,601	\$ 1,624
<b>Personnel Costs</b>		
Salary adjustments and pay-for-performance *	115	77
Burden (benefits & employer taxes) for current staff	74	43
1 new position (salary & burden)	65	-
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>253</b>	<b>119</b>
<b>Non-Personnel Costs</b>		
Local Outreach Consultant transfer to Government Relations department	(120)	-
Other, net	(111)	96
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(231)</b>	<b>96</b>
<b>Total Increase / (Decrease)</b>	<b>23</b>	<b>215</b>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<b>\$ 1,624</b>	<b>\$ 1,839</b>

\* 2 positions transferred from Executive Office (1) and Airport Design & Construction (1)

## Executive Division – Communications

### FY 2019 Progress Report

1. Execute the Airport Development Plan Public Outreach Plan to inform the public on the progress and developments of the ADP.

**Progress:** To inform the public on the progress and developments of the ADP, Communications staff has accomplished the following:

- Issued three letters to the community from the President/CEO describing the progress to date on the Draft Environmental Impact Report (DEIR) of the ADP
- Conducted media briefings/tours regarding DEIR milestones
- Met with the editorial staff of local media outlets
- Published opinion editorials regarding transit to the airport
- Presented to business and community organizations
- Posted updates on the Airport Authority’s social media platforms
- Updated the Airport Development Plan page on san.org with an updated fact sheet and Frequently Asked Questions
- Participated in the Communications subgroup of SANDAG’s Airport Connectivity Subcommittee
- Issued SAN e-news to community members

**Strategic Goal:**

- Community, enhance community understanding of SAN as an economic engine and portal for prosperity.

**Strategic Initiative:**

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

2. Raise awareness of significant projects and their related economic impact to the region through earned media

**Progress:** Communications staff raised awareness of significant projects by placing a minimum of 17 articles to date in various news and organizational publications. Messages about the Airport’s economic impact to the region were included in a year-long campaign celebrating the Airport’s 90<sup>th</sup> anniversary.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

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

## Executive Division – Communications

### FY 2020 – FY 2021 Goals

1. Develop a comprehensive social media plan to communicate major initiatives and strategies, thereby enhancing the Airport Authority’s presence among travelers and regional stakeholders.

**Strategic Goal:**

- Community, enhance community understanding of SAN as an economic engine and portal for prosperity.

**Strategic Initiative:**

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

2. Continue to execute the Airport Development Plan Public Outreach Plan to inform the public on the progress and developments of the ADP.

**Strategic Goal:**

- Community, enhance community understanding of SAN as an economic engine and portal for prosperity.

**Strategic Initiative:**

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

3. Pursue media opportunities on topics that promote the Airport Authority’s initiatives including noise mitigation, sustainability, small business, arts, etc.

**Strategic Goal:**

- Community, enhance community understanding of SAN as an economic engine and portal for prosperity.

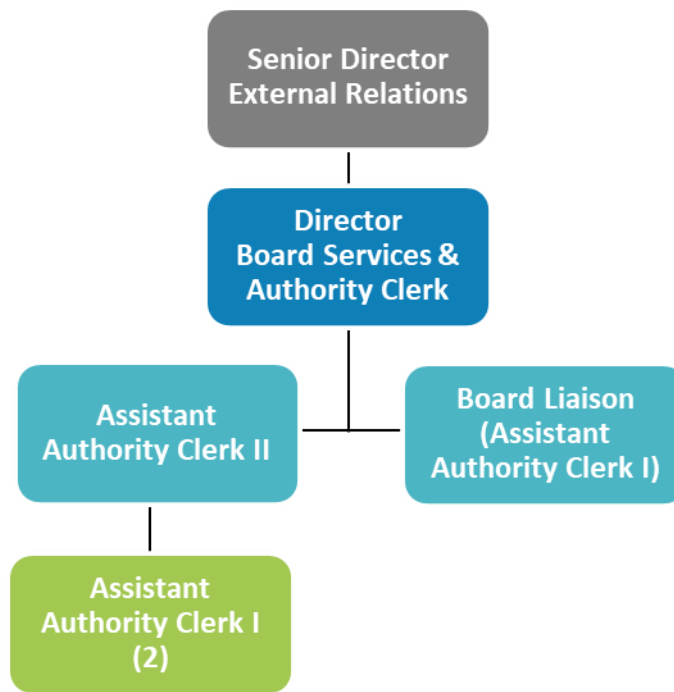
**Strategic Initiative:**

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



## Executive Division – Board Services

### FY 2020 – FY 2021 Organizational Structure



*Position in grey resides in the Communications department and is shown for structural purpose.*

*No personnel changes in FY 2021.*

## Executive Division – Board Services

### FY 2020 Budget – FY 2021 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ -	\$ 415	\$ 412	\$ (3)	-0.8%	\$ 428	\$ 16	4.0%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	-	201	205	5	2.3%	219	14	6.7%
Subtotal	-	616	617	1	0.2%	647	30	4.9%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	-	<b>616</b>	<b>617</b>	<b>1</b>	<b>0.2%</b>	<b>647</b>	<b>30</b>	<b>4.9%</b>
Contractual Services	109	107	107	-	0.0%	107	-	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	-	20	15	(5)	-25.0%	50	35	233.3%
Operating Supplies	1	4	4	-	0.0%	4	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	6	29	29	-	0.0%	29	-	0.0%
Business Development	20	43	43	(0)	0.0%	43	-	0.0%
Equipment Rentals and Repairs	-	13	13	-	0.0%	13	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>135</b>	<b>216</b>	<b>211</b>	<b>(5)</b>	<b>-2.3%</b>	<b>246</b>	<b>35</b>	<b>16.6%</b>
<b>Total Operating Expenses</b>	<b>135</b>	<b>832</b>	<b>828</b>	<b>(4)</b>	<b>-0.5%</b>	<b>893</b>	<b>65</b>	<b>7.9%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
<b>Other Non-Operating Expenses</b>	-	-	-	-	<b>0.0%</b>	-	-	<b>0.0%</b>
<b>Total Expenses</b>	<b>135</b>	<b>832</b>	<b>828</b>	<b>(4)</b>	<b>-0.5%</b>	<b>893</b>	<b>65</b>	<b>7.9%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 135</b>	<b>\$ 832</b>	<b>\$ 828</b>	<b>\$ (4)</b>	<b>-0.5%</b>	<b>\$ 893</b>	<b>\$ 65</b>	<b>7.9%</b>

## Executive Division – Board Services

### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY20 vs FY19	Inc/(Dec) FY21 Conceptual vs FY20
<b>FY 2019 Budget / FY 2020 Budget</b>	\$ 832	\$ 828
<b>Personnel Costs</b>		
Burden (benefits & employer taxes) for current staff	5	14
Salary adjustments and pay-for-performance	(3)	16
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>1</b>	<b>30</b>
<b>Non-Personnel Costs</b>		
Board Room Equipment Upgrades	15	35
Business Continuity Plan Software transferred to Aviation		-
Security & Public Safety	(20)	-
Other, net	(0)	-
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(5)</b>	<b>35</b>
<b>Total Increase / (Decrease)</b>	<b>(4)</b>	<b>65</b>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<b>\$ 828</b>	<b>\$ 893</b>

## Executive Division – Board Services

### FY 2019 Progress Report

1. Automate the agenda and staff report preparation and distribution process to create efficiency and reduce the costs associated with the reproduction of documents.

**Progress:** This goal was completed in October 2018.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

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

## Executive Division – Board Services

### FY 2020 – FY 2021 Goals

1. Purchase new Microsoft Surfaces for Board and Committee meetings to improve meeting management by September 2019.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

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

2. Upgrade the Board Room request to speak and voting capabilities to improve Board and Committee meeting management by January 2021.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

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

## Executive Division – Government Relations

### FY 2020 – FY 2021 Organizational Structure



*Position in grey resides in the Communications department and is shown for structural purpose.*

*No personnel changes in FY 2021.*

## Executive Division – Government Relations

### FY 2020 Budget – FY 2021 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 188	\$ 222	\$ 265	\$ 43	19.3%	\$ 276	\$ 11	4.0%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	110	112	125	13	11.6%	133	8	6.3%
Subtotal	299	335	391	56	16.7%	409	19	4.7%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>299</b>	<b>335</b>	<b>391</b>	<b>56</b>	<b>16.7%</b>	<b>409</b>	<b>19</b>	<b>4.7%</b>
Contractual Services	275	273	412	139	50.7%	402	(9)	-2.3%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	0	0	-	(0)	-100.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	1	-	-	-	0.0%	-	-	0.0%
Operating Supplies	3	3	2	(1)	-20.0%	2	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	30	15	17	2	15.0%	17	0	3.0%
Business Development	179	187	194	7	3.9%	201	6	3.3%
Equipment Rentals and Repairs	-	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>488</b>	<b>478</b>	<b>625</b>	<b>147</b>	<b>30.9%</b>	<b>623</b>	<b>(2)</b>	<b>-0.4%</b>
<b>Total Operating Expenses</b>	<b>787</b>	<b>813</b>	<b>1,016</b>	<b>203</b>	<b>25.0%</b>	<b>1,032</b>	<b>16</b>	<b>1.6%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
<b>Other 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>787</b>	<b>813</b>	<b>1,016</b>	<b>203</b>	<b>25.0%</b>	<b>1,032</b>	<b>16</b>	<b>1.6%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 787</b>	<b>\$ 813</b>	<b>\$ 1,016</b>	<b>\$ 203</b>	<b>25.0%</b>	<b>\$ 1,032</b>	<b>\$ 16</b>	<b>1.6%</b>

## Executive Division – Government Relations

### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	<b>Inc/(Dec) FY20 vs FY19</b>	<b>Inc/(Dec) FY21 Conceptual vs FY20</b>
<b>FY 2019 Budget / FY 2020 Budget</b>	<b>\$ 813</b>	<b>\$ 1,016</b>
<b>Personnel Costs</b>		
Salary adjustments and pay-for-performance	43	11
Burden (benefits & employer taxes) for current staff	13	8
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>56</b>	<b>19</b>
<b>Non-Personnel Costs</b>		
Local Outreach Consultant transfer from Communications department	120	-
Professional Services	18	(9)
Other, net	9	7
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>147</b>	<b>(2)</b>
<b>Total Increase / (Decrease)</b>	<b>203</b>	<b>16</b>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<b>\$ 1,016</b>	<b>\$ 1,032</b>



## Executive Division – Government Relations

### FY 2019 Progress Report

1. Continue to proactively advocate for an increase in the Passenger Facility Charge (PFC) limit, position the Airport Authority to compete for funding in any federal infrastructure initiative that is implemented by Congress and the Administration, and identify and submit applications for state and federal grant opportunities for SDIA projects.

**Progress:** The Department continued a strong push for an increase to the PFC throughout the year. Unfortunately, at the end of 2018, Congress passed a five-year Federal Aviation Administration Reauthorization bill that did not include an increase to the PFC. The focus in the second half of the fiscal year is to ensure inclusion of a PFC increase in any infrastructure bill produced by Congress.

Several Federal grants were received by the Authority in the first half of FY2019, totaling \$13.25 million. The Department worked with the San Diego Association of Governments to apply for a California Department of Transportation (CalTrans) planning grant to assist in the funding of airport connectivity work. Collaborative work continues on a number of other State and Federal grant applications.

#### Strategic Goal:

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise's strong financial position.

#### Strategic Initiative:

- 1B. Advance the ADP
  - 2D. Implement a sustainable 20 year capital plan
  - 5A. Ensure Plan of Finance is flexible, nimble and able to proactively address future changes
  - 5C. Evaluate multiple funding methods for the Capital Program (ADP and CIP)
2. Obtain support from the region's elected officials and community leaders for the Airport Development Plan, related environmental documents, and other airport improvement projects. These efforts will include ensuring that leaders are well informed of the importance and specific economic impact of SDIA to the San Diego region.

**Progress:** The Department facilitated and conducted over 50 ADP briefings for elected officials and community leaders. Additionally, ADP support letters were solicited and received from many individuals and organizations. Subsequent to the Draft Environmental Impact Report comment period, the Department has been highly focused and engaged on a collaborative cross-agency effort to increase connectivity to San Diego International Airport.

#### Strategic Goal:

- Community, enhance community understanding of SAN as an economic engine and portal for prosperity.

#### Strategic Initiative:

- 1B. Advance the ADP
- 3A. Execute regional engagement and education plan to clearly communicate SAN's role in economic growth
- 5A. Ensure Plan of Finance is flexible, nimble and able to proactively address future changes

## Executive Division – Government Relations

### FY 2020 – FY 2021 Goals

1. Advocate for funding for Airport Authority projects at the Federal and State level, including: (a) pursuing an increase in the Passenger Facility Charge limit; (b) seeking inclusion of Authority projects in eligibility criteria for grant programs and other funding mechanisms that may be included in legislation; and (c) identifying, submitting applications, and obtaining letters of support for grant opportunities.

**Strategic Goal:**

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise’s strong financial position.

**Strategic Initiative:**

- 1B. Advance the ADP
- 2D. Implement a sustainable 20 year capital plan

2. Obtain support from the region’s elected officials and community leaders for the Airport Development Plan, related environmental documents, 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.

**Strategic Goal:**

- Community, enhance community understanding of SAN as an economic engine and portal for prosperity.

**Strategic Initiative:**

- 1B. Advance the ADP
- 3A. Executive regional engagement and education plan to clearly communicate SAN’s role in economic growth
- 3B. Solicit champions to tell our story

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# Development Division



## Development Division

### Overview

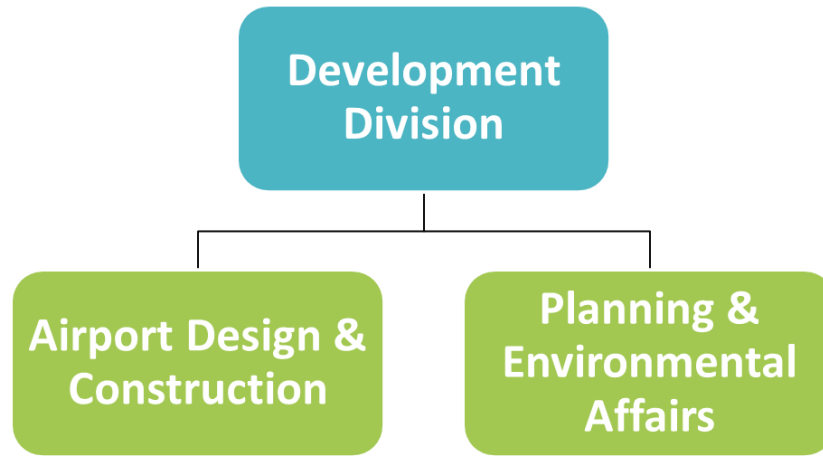
The **Development Division** is responsible for long-term airport facility and infrastructure planning, infrastructure design and construction, and compliance with legislative mandates for environmental and land-use matters. The legislative compliance includes local, state and federal environmental laws, 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 and Construction (ADC)** department implements the Authority's Capital Improvement Program (CIP), including the design and construction of the Airport Development Plan 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 & Environmental Affairs** 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 short and long-range planning, including preparing and maintaining the airport master 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 residential sound insulation efforts ("Quieter Home Program"). 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 2020 – FY 2021 Organizational Structure



### Division Personnel Summary

	FY 2018 Budget	FY 2019 Budget	FY 2020 Budget Transfers	FY2020 Budget New/ (Eliminated)	FY 2020 Budget	FY2021 Budget New/ (Eliminated)	FY 2021 Budget
<b>Development Division</b>							
Airport Design & Construction <sup>1</sup>	49	50	(1)	-	49	-	49
Planning & Environmental Affairs	28	29	-	-	29	-	29
<b>Total Authorized Funded Positions</b>	<b>77</b>	<b>79</b>	<b>(1)</b>	<b>-</b>	<b>78</b>	<b>-</b>	<b>78</b>

<sup>1</sup> 1 position transferred to Communications

## Development Division

### FY 2020 Budget – FY 2021 Expense Conceptual Budget Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 6,996	\$ 7,215	\$ 7,241	\$ 26	0.4%	\$ 7,685	\$ 444	6.1%
Overtime	8	5	5	-	0.0%	5	-	0.0%
Benefits	2,792	3,286	3,400	114	3.5%	3,704	303	8.9%
Subtotal	9,796	10,506	10,646	140	1.3%	11,394	748	7.0%
Less: Capitalized Labor Recharge	(5,481)	(5,896)	(5,324)	572	-9.7%	(5,765)	(441)	8.3%
Less: QHP Labor Recharge	(642)	(610)	(578)	32	-5.2%	(602)	(24)	4.2%
<b>Total Personnel Costs</b>	<b>3,673</b>	<b>4,000</b>	<b>4,744</b>	<b>743</b>	<b>18.6%</b>	<b>5,027</b>	<b>283</b>	<b>6.0%</b>
Contractual Services	4,638	5,223	4,747	(476)	-9.1%	4,833	86	1.8%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	14	14	0.0%	14	-	0.0%
Utilities	2	6	3	(3)	-47.9%	3	-	0.0%
Maintenance	1,350	1,402	1,397	(5)	-0.4%	1,397	-	0.0%
Operating Equipment & Systems	77	5	14	8	167.1%	14	-	0.0%
Operating Supplies	80	55	97	42	76.0%	97	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	262	246	284	38	15.5%	284	1	0.2%
Business Development	140	173	204	31	17.9%	203	(2)	-0.7%
Equipment Rentals and Repairs	233	111	177	66	59.2%	177	-	0.0%
Tenant Improvements	653	800	800	-	0.0%	800	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>7,434</b>	<b>8,021</b>	<b>7,736</b>	<b>(285)</b>	<b>-3.6%</b>	<b>7,821</b>	<b>85</b>	<b>1.1%</b>
<b>Total Operating Expenses</b>	<b>11,107</b>	<b>12,021</b>	<b>12,480</b>	<b>459</b>	<b>3.8%</b>	<b>12,848</b>	<b>368</b>	<b>2.9%</b>
Joint Studies / Sound Attenuation	11,249	15,077	15,077	-	0.0%	15,077	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	5	-	-	-	0.0%	-	-	0.0%
<b>Other Non-Operating Expenses</b>	<b>11,254</b>	<b>15,077</b>	<b>15,077</b>	<b>-</b>	<b>0.0%</b>	<b>15,077</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>22,361</b>	<b>27,098</b>	<b>27,557</b>	<b>459</b>	<b>1.7%</b>	<b>27,924</b>	<b>368</b>	<b>1.3%</b>
Equipment Outlay Expenditures	335	67	-	(67)	-100.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 22,695</b>	<b>\$ 27,165</b>	<b>\$ 27,557</b>	<b>\$ 392</b>	<b>1.4%</b>	<b>\$ 27,924</b>	<b>\$ 368</b>	<b>1.3%</b>

## Development Division

### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY20 vs FY19	Inc/(Dec) FY21 Conceptual vs FY20
<b>FY 2019 Budget / FY 2020 Budget</b>	<b>\$ 27,165</b>	<b>\$ 27,557</b>
<b>Personnel Costs</b>		
Capitalized Labor	604	(465)
Burden (benefits & employer taxes) for current staff	114	303
Salary adjustments and pay-for-performance *	26	444
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>743</b>	<b>283</b>
<b>Non-Personnel Costs</b>		
Geographic Information Systems (GIS) tool upgrade	134	(100)
Coastal Commission Consulting	64	(114)
Stormwater Management Program	-	100
Airport Land Use Compatibility Plan (ALUCP) updates	(250)	125
Air Quality and Carbon Management	(350)	-
Other, net	50	74
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(352)</b>	<b>85</b>
<b>Total Increase / (Decrease)</b>	<b>392</b>	<b>368</b>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<b>\$ 27,557</b>	<b>\$ 27,924</b>

\* 1 position transferred to Executive Office division



## Development Division

### FY 2020 Expense Budget by Department

(in thousands)

Departments	FY 2020 Budget
Planning & Enviromental Affairs	\$ 24,310
Airport Design & Construction	3,246
<b>Total <sup>1</sup></b>	<b>\$ 27,557</b>

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

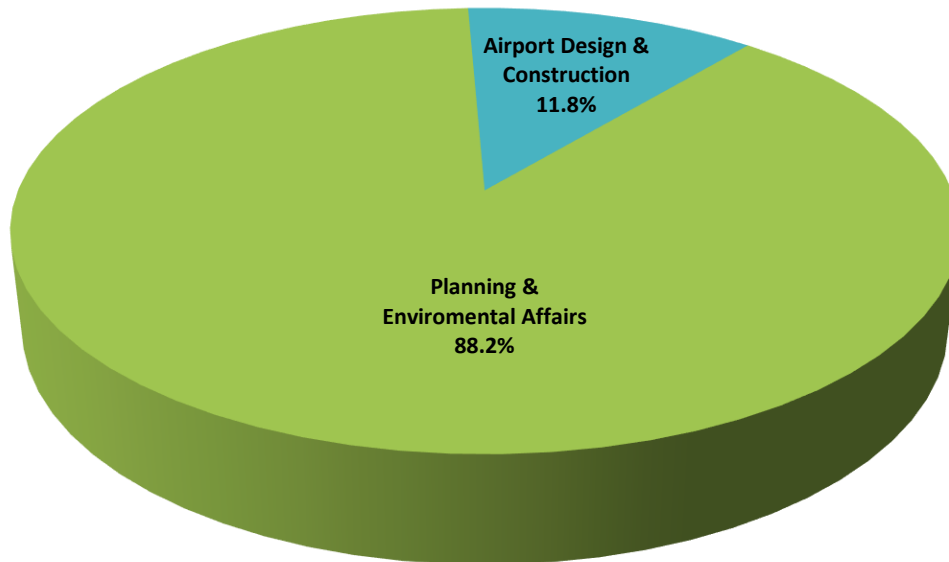


Figure 26 – FY 2020 Expense Budget by Department

## Development Division

### FY 2021 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2021 Conceptual Budget
Planning & Enviromental Affairs	\$ 24,523
Airport Design & Construction	3,401
<b>Total <sup>1</sup></b>	<b>\$ 27,924</b>

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

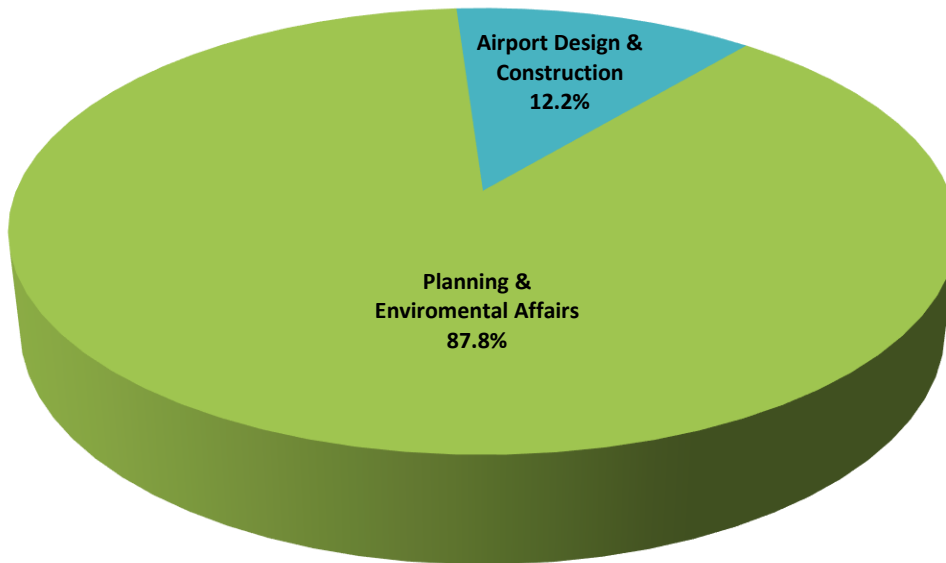


Figure 27 – FY 2021 Expense Conceptual Budget by Department

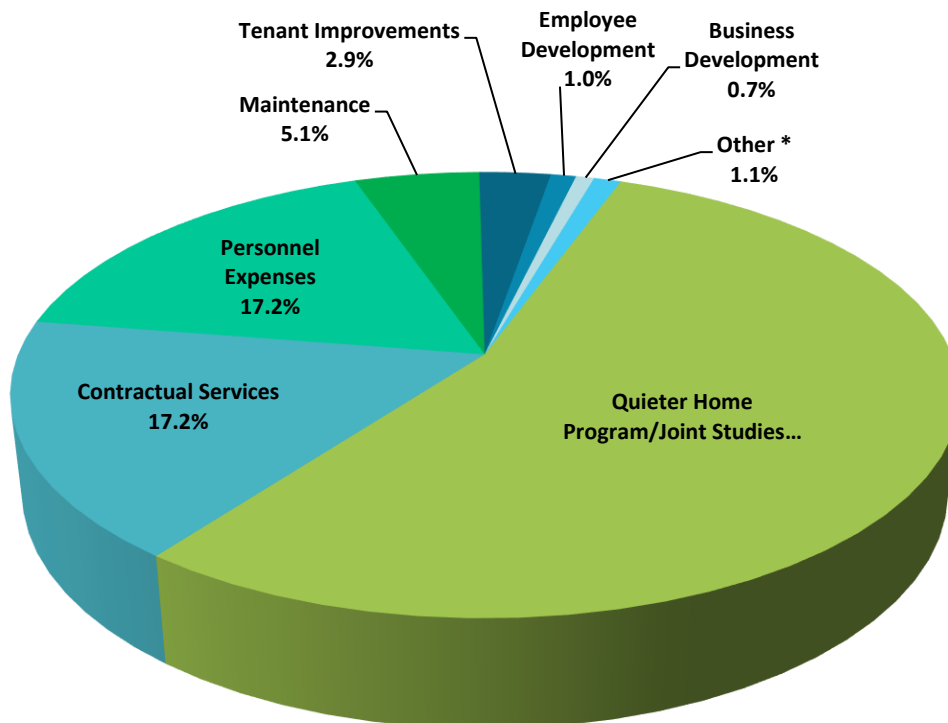
## Development Division

### FY 2020 Expense Budget by Category

(in thousands)

Category	FY 2020 Budget
Quieter Home Program/Joint Studies	\$ 15,077
Contractual Services	4,747
Personnel Expenses	4,744
Maintenance	1,397
Tenant Improvements	800
Employee Development	284
Business Development	204
Other *	304
<b>Total <sup>1</sup></b>	<b>\$ 27,557</b>

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



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

Figure 28 – FY 2020 Expense Budget by Category

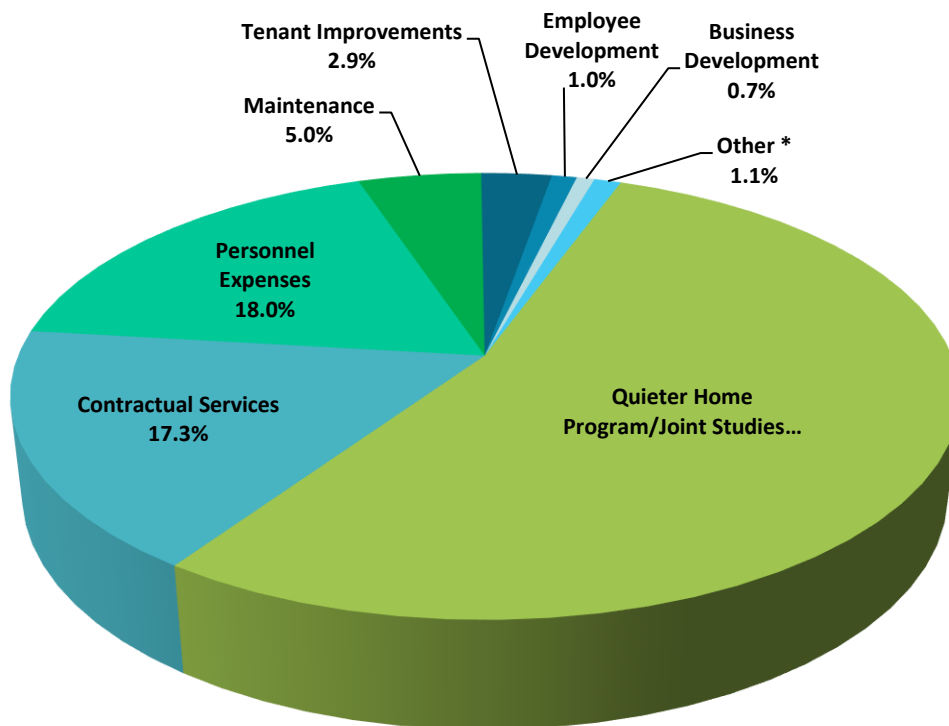
## Development Division

### FY 2021 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2021 Conceptual Budget
Quieter Home Program/Joint Studies	\$ 15,077
Contractual Services	4,833
Personnel Expenses	5,027
Maintenance	1,397
Tenant Improvements	800
Employee Development	284
Business Development	203
Other *	304
<b>Total <sup>1</sup></b>	<b>\$ 27,924</b>

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

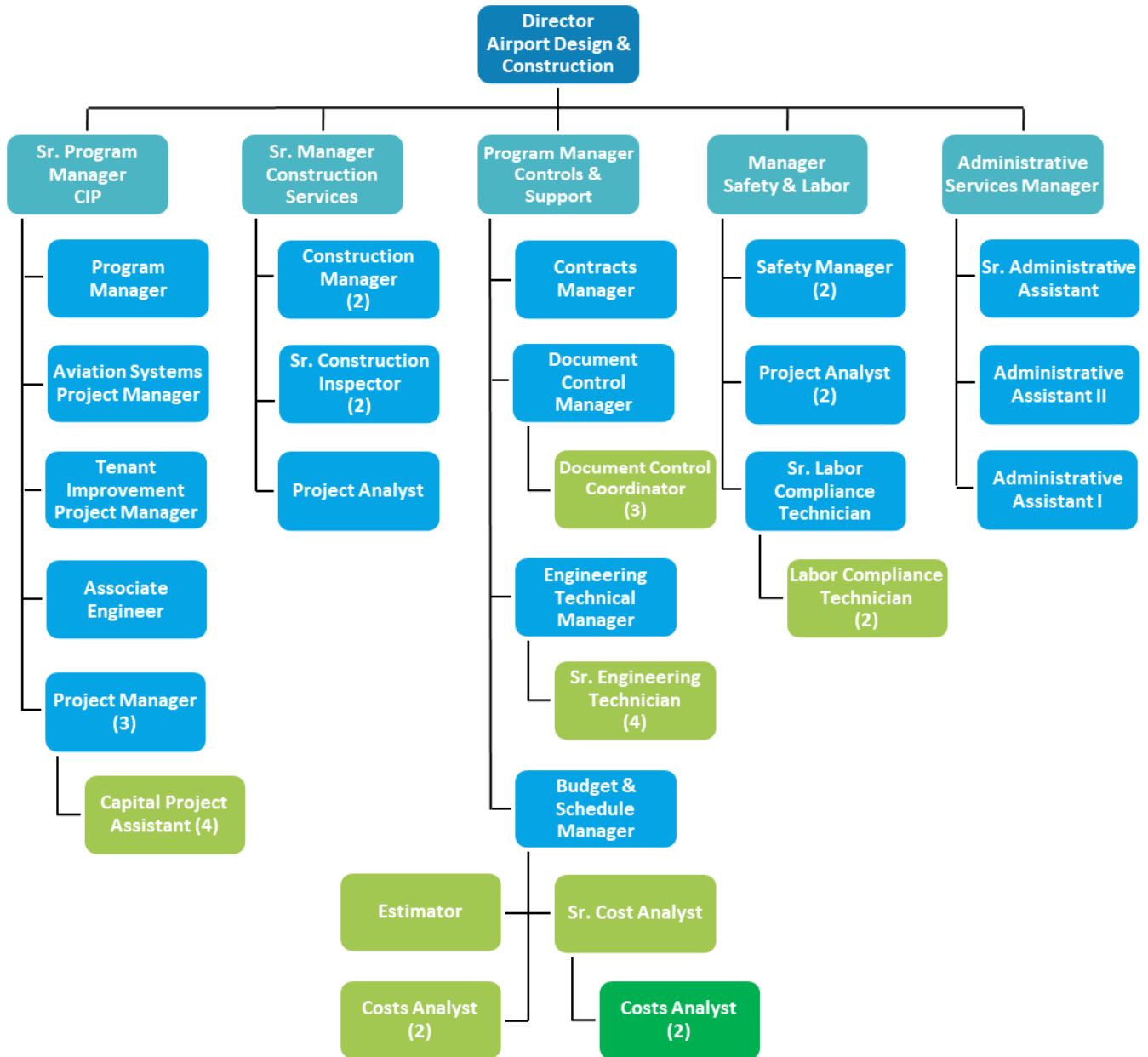


\*Other includes operating equipment & systems, utilities and operating supplies, equipment rentals & repairs, etc.

Figure 29 – FY 2021 Expense Conceptual Budget by Category

# Development Division – Airport Design & Construction

## FY 2020 – FY 2021 Organizational Structure



*No personnel changes in FY 2021.*

## Development Division – Airport Design & Construction

### FY 2020 Budget – FY 2021 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 4,470	\$ 4,584	\$ 4,484	\$ (100)	-2.2%	\$ 4,816	\$ 332	7.4%
Overtime	8	5	5	-	0.0%	5	-	0.0%
Benefits	1,805	2,110	2,166	57	2.7%	2,385	219	10.1%
Subtotal	6,282	6,699	6,656	(43)	-0.6%	7,206	551	8.3%
Less: Capitalized Labor Recharge	(5,481)	(5,896)	(5,324)	572	-9.7%	(5,765)	(441)	8.3%
Less: QHP Labor Recharge	(34)	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>768</b>	<b>803</b>	<b>1,331</b>	<b>528</b>	<b>65.8%</b>	<b>1,441</b>	<b>110</b>	<b>8.3%</b>
Contractual Services	916	744	658	(86)	-11.6%	708	50	7.6%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	1	4	3	(2)	-41.9%	3	-	0.0%
Maintenance	126	100	100	-	0.0%	100	-	0.0%
Operating Equipment & Systems	14	(2)	10	12	-509.0%	10	-	0.0%
Operating Supplies	40	25	66	41	166.2%	66	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	19	34	75	41	121.5%	70	(5)	-6.7%
Business Development	13	33	38	4	12.6%	38	-	0.0%
Equipment Rentals and Repairs	67	2	67	64	2604.1%	67	-	0.0%
Tenant Improvements	653	800	800	-	0.0%	800	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>1,850</b>	<b>1,740</b>	<b>1,815</b>	<b>75</b>	<b>4.3%</b>	<b>1,860</b>	<b>45</b>	<b>2.5%</b>
<b>Total Operating Expenses</b>	<b>2,618</b>	<b>2,543</b>	<b>3,146</b>	<b>604</b>	<b>23.7%</b>	<b>3,301</b>	<b>155</b>	<b>4.9%</b>
Joint Studies / Sound Attenuation	114	100	100	-	0.0%	100	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	5	-	-	-	0.0%	-	-	0.0%
<b>Other Non-Operating Expenses</b>	<b>120</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>0.0%</b>	<b>100</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>2,738</b>	<b>2,643</b>	<b>3,246</b>	<b>604</b>	<b>22.8%</b>	<b>3,401</b>	<b>155</b>	<b>4.8%</b>
Equipment Outlay Expenditures	-	67	-	(67)	-100.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 2,738</b>	<b>\$ 2,710</b>	<b>\$ 3,246</b>	<b>\$ 537</b>	<b>19.8%</b>	<b>\$ 3,401</b>	<b>\$ 155</b>	<b>4.8%</b>

## Development Division – Airport Design & Construction

### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY20 vs FY19	Inc/(Dec) FY21 Conceptual vs FY20
<b>FY 2019 Budget / FY 2020 Budget</b>	\$ 2,710	\$ 3,246
<b>Personnel Costs</b>		
Capitalized Labor	572	(441)
Burden (benefits & employer taxes) for current staff	57	219
Salary adjustments and pay-for-performance *	(100)	332
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>528</b>	<b>110</b>
<b>Non-Personnel Costs</b>		
Other, net	8	45
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>8</b>	<b>45</b>
<b>Total Increase / (Decrease)</b>	<b>537</b>	<b>155</b>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<b>\$ 3,246</b>	<b>\$ 3,401</b>

\* 1 position transferred to Communications department

## Development Division – Airport Design & Construction

### FY 2019 Progress Report

1. ADC will manage construction on the T2-W FIS project to meet construction milestones and a substantial completion date for the program within, or better than, the established “GMP Baseline” schedule. ADC will manage a final cost for the T2-W FIS project within or better than the approved budget of \$229 million.

Measures of success:

- Over the course of the T2-W FIS project, proactively manage the schedule to ensure all milestone schedule dates are met
- Project is completed and processing international passengers on scheduled opening date
- Over the course of the T2-W FIS project, proactively manage added scope, by limiting additional scope to not exceed the total Program Reserve Fund
- Maintain an efficient, lean and cost effective staff that will result in a staff budget cost within the program budget at the end-of-project

**Progress:** Throughout the past FY2019, ADC managed the T2-W FIS project schedule and opened the first phase of the project on time. The ADC team has proactively managed additional scope elements within the established Program Reserve budgets. ADC has maintained a cost effective staff and resultant budget.

#### Strategic Goal:

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise’s strong financial position.
- Operations, grow and efficiently manage capacity, both landside and airside, including international facilities for future demand.

#### Strategic Initiative:

- 1A. Attract domestic and international airlines and passengers
- 1B. Advance the ADP
- 1C. Define and deliver a seamless, unique, consistent airport and product experience.
- 2A. Align facilities to meet demand, both international and domestic

2. Progress and complete the Programmatic Document development for the Airport Development Program (ADP Phase 1), establish a program budget and begin the procurement process for the Contract necessary to deliver the ADP Phase 1 on the schedule set by the Board.

Measures of success:

- Over the course of the Programmatic Document development for the ADP Phase 1, proactively manage the schedule to ensure all milestone schedule dates are met
- Establish the program budget for the ADP Phase 1
- Begin the procurement phase of the ADP by the second quarter of FY 2019
- Coordinate with Authority stakeholders to confirm planning criteria and define program requirements for the ADP Phase 1



## Development Division – Airport Design & Construction

**Progress:** All milestones schedule dates for the ADP Phase 1 Programmatic Document Development were successfully achieved and an associated program budget was established. Authority stakeholders have confirmed the program requirements. The procurement phase of the ADP has been extended one year to allow the completion of a prolonged EIR process.

### Strategic Goal:

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise's strong financial position.
- Operations, grow and efficiently manage capacity, both landside and airside, including international facilities for future demand.
- Community, enhance community understanding of SAN as an economic engine and portal for prosperity.

### Strategic Initiative:

- 1A. Attract domestic and international airlines and passengers
  - 1B. Advance the ADP
  - 1C. Define and deliver a seamless, unique, consistent airport and product experience
  - 2A. Align facilities to meet demand, both international and domestic
3. Throughout the year, ensure 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 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 program updates for Aviation Matters
- 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)

**Progress:** The ADC team successfully completed robust communication efforts for both employees and stakeholders.

### Strategic Goal:

- Community, enhance community understanding of SAN as an economic engine and portal for prosperity.
- Employee, develop leaders and a workforce aligned to the needs of our Strategic Plan that reflects the diversity of our community.

### Strategic Initiative:

- 3B. Solicit champions to tell our story
- 4B. Develop leaders to be better coaches who enable independent decision making
- 4C. Attract a new generation of diverse employees and leaders

## Development Division – Airport Design & Construction

### FY 2020 – FY 2021 Goals

1. Pending the Board certification of the EIR for the Airport Development Program (ADP Phase 1), establish a program budget and complete the procurement process to select the Design-Build partner necessary to deliver the ADP Phase 1 (Terminal 1 Replacement) on the schedule set by the Board.

Measures of success:

- Over the course of the procurement/program validation for the ADP Phase 1, proactively manage the schedule to ensure all milestone dates are met.
- Begin the procurement phase of the ADP, as approved by the Board.
- Begin the Validation of planning criteria, program requirements, and associated budget with the Design-Build team, as approved by the Board.

#### Strategic Goal:

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise's strong financial position.
- Operations, grow and efficiently manage capacity, both landside and airside, including international facilities for future demand.

#### Strategic Initiative:

- 1A. Attract domestic and international airlines and passengers
  - 1B. Advance the ADP
  - 1C. Define and deliver a seamless, unique, consistent airport and product experience
  - 2A. Align facilities to meet demand, both international and domestic
2. ADC will complete and close-out phase 2 construction on the T2-W FIS project to meet the substantial completion date for the program within, or better than, the established "GMP Baseline" schedule. ADC will manage a final cost for the T2-W FIS project within or better than the Board approved budget.

Measures of success:

- Over the course of the T2-W FIS project, proactively manage the schedule to ensure all milestone schedule dates are met.
- Complete project closeout process by December 31, 2019.
- Maintain an efficient, lean and cost effective staff that will result in a staff budget cost within the program budget at the end-of-project.

#### Strategic Goal:

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise's strong financial position
- Operations, grow and efficiently manage capacity, both landside and airside, including international facilities for future demand

## Development Division – Airport Design & Construction

### Strategic Initiative:

- 1A. Attract domestic and international airlines and passengers
  - 1B. Advance the ADP
  - 1C. Define and deliver a seamless, unique, consistent airport and product experience
  - 2A. Align facilities to meet demand, both international and domestic
3. ADC will progress the Airport Support Facilities (ASF) project and the first phase of the Storm Water Capture System on time and within the Board approved budget while achieving project milestones necessary to complete Phase 1 (North Side) by March 2020.

#### Measures of success:

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

### Strategic Goal:

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

### Strategic Initiative:

- 1B. Advance the ADP
4. ADC will progress phase 2 of the Hydrant Fueling system on time and within the Board approved budget while achieving project milestones necessary to complete this phase of the system by July 2020.

#### Measures of success:

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

### Strategic Goal:

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

### Strategic Initiative:

- 1B. Advance the ADP

## Development Division – Airport Design & Construction

5. Throughout the year, continue to develop an efficient high performing ADC team while combining two existing Development departments (CIP/ADP). 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 program updates for Aviation Matters
- 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)

### **Strategic Goal:**

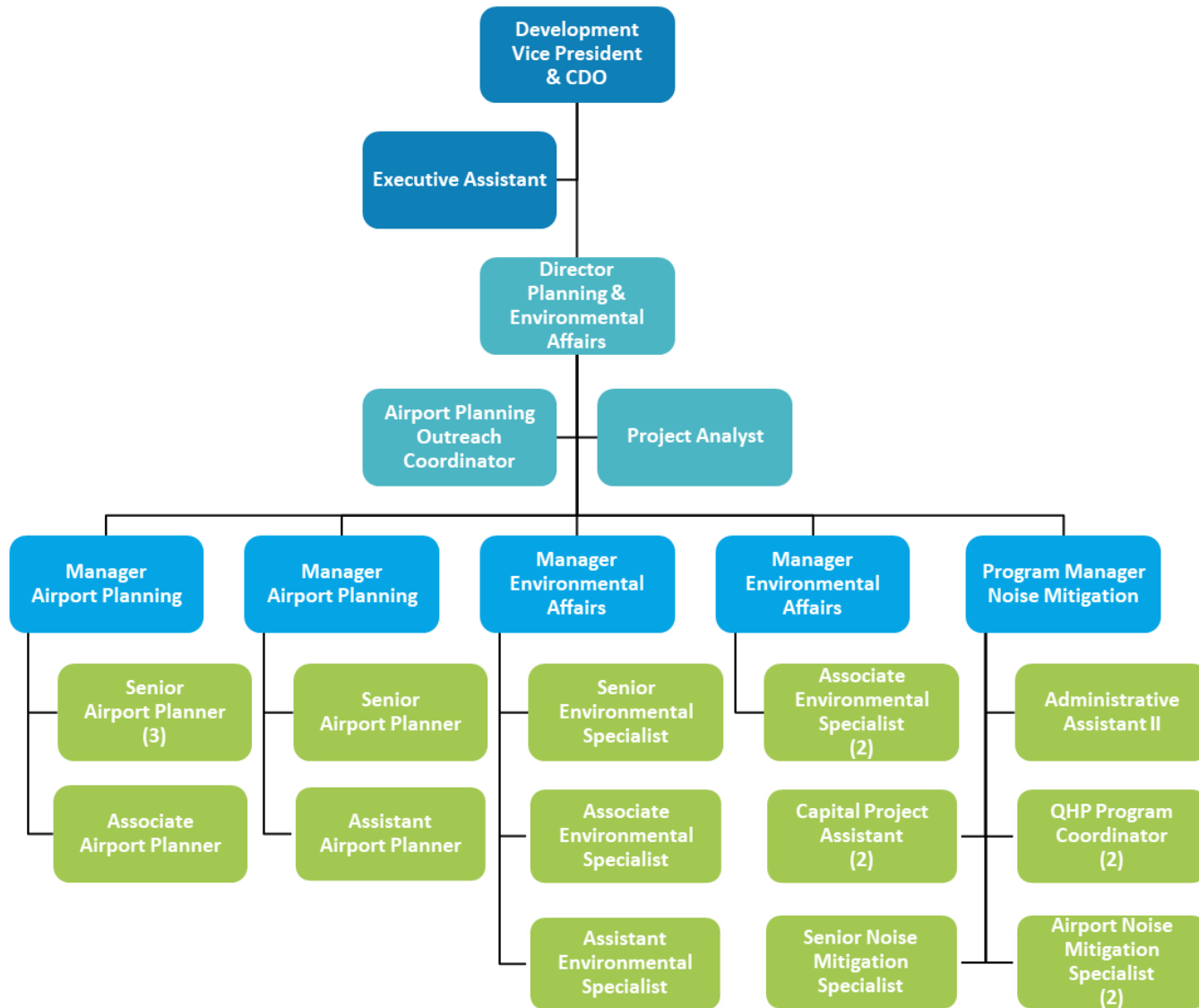
- Community, enhance community understanding of SAN as an economic engine and portal for prosperity.
- Employee, develop leaders and a workforce aligned to the needs of our Strategic Plan that reflects the diversity of our community.

### **Strategic Initiative:**

- 3B. Solicit champions to tell our story
- 4B. Develop leaders to be better coaches who enable independent decision making
- 4C. Attract a new generation of diverse employees and leaders

# Development Division – Planning & Environmental Affairs

## FY 2020 - 2021 Organizational Structure



*No personnel changes in FY 2021.*

## Development Division – Planning & Environmental Affairs

### FY 2020 Budget – FY 2021 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 2,526	\$ 2,630	\$ 2,757	\$ 126	4.8%	\$ 2,869	\$ 112	4.1%
Overtime	0	-	-	-	0.0%	-	-	0.0%
Benefits	987	1,177	1,234	57	4.8%	1,318	85	6.9%
Subtotal	3,514	3,807	3,990	183	4.8%	4,187	197	4.9%
Less: Capitalized Labor Recharge	(0)	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	(609)	(610)	(578)	32	-5.2%	(602)	(24)	4.2%
<b>Total Personnel Costs</b>	<b>2,905</b>	<b>3,198</b>	<b>3,413</b>	<b>215</b>	<b>6.7%</b>	<b>3,585</b>	<b>173</b>	<b>5.1%</b>
Contractual Services	3,722	4,480	4,090	(390)	-8.7%	4,126	36	0.9%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	14	14	0.0%	14	-	0.0%
Utilities	1	2	1	(1)	-64.5%	1	-	0.0%
Maintenance	1,223	1,302	1,297	(5)	-0.4%	1,297	-	0.0%
Operating Equipment & Systems	63	8	4	(4)	-53.3%	4	-	0.0%
Operating Supplies	40	30	31	0	1.7%	31	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	243	212	209	(3)	-1.4%	214	6	2.6%
Business Development	127	140	167	27	19.2%	165	(2)	-0.9%
Equipment Rentals and Repairs	165	109	110	1	1.4%	110	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>5,584</b>	<b>6,281</b>	<b>5,921</b>	<b>(360)</b>	<b>-5.7%</b>	<b>5,961</b>	<b>40</b>	<b>0.7%</b>
<b>Total Operating Expenses</b>	<b>8,489</b>	<b>9,479</b>	<b>9,334</b>	<b>(145)</b>	<b>-1.5%</b>	<b>9,546</b>	<b>213</b>	<b>2.3%</b>
Joint Studies / Sound Attenuation	11,134	14,977	14,977	-	0.0%	14,977	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
<b>Other Non-Operating Expenses</b>	<b>11,134</b>	<b>14,977</b>	<b>14,977</b>	<b>-</b>	<b>0.0%</b>	<b>14,977</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>19,623</b>	<b>24,455</b>	<b>24,310</b>	<b>(145)</b>	<b>-0.6%</b>	<b>24,523</b>	<b>213</b>	<b>0.9%</b>
Equipment Outlay Expenditures	335	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 19,958</b>	<b>\$ 24,455</b>	<b>\$ 24,310</b>	<b>\$ (145)</b>	<b>-0.6%</b>	<b>\$ 24,523</b>	<b>\$ 213</b>	<b>0.9%</b>

## Development Division – Planning & Environmental Affairs

### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY20 vs FY19	Inc/(Dec) FY21 Conceptual vs FY20
<b>FY 2019 Budget / FY 2020 Budget</b>	<b>\$ 24,455</b>	<b>\$ 24,310</b>
<b>Personnel Costs</b>		
Salary adjustments and pay-for-performance	126	112
Burden (benefits & employer taxes) for current staff	57	85
Capitalized Labor	32	(24)
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>215</b>	<b>173</b>
<b>Non-Personnel Costs</b>		
Geographic Information Systems (GIS) tool upgrade	134	(100)
Coastal Commission Consulting	64	(114)
Stormwater Management Program	-	100
Airport Land Use Compatibility Plan (ALUCP) updates	(250)	125
Air Quality and Carbon Management	(350)	-
Other, net	42	29
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(360)</b>	<b>40</b>
<b>Total Increase / (Decrease)</b>	<b>(145)</b>	<b>213</b>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<b>\$ 24,310</b>	<b>\$ 24,523</b>

## Development Division – Planning & Environmental Affairs

### FY 2019 Progress Report

1. Complete state/federal environmental and state coastal review processes for the Airport Development Plan by December 2019.

**Progress:** After releasing the Draft Environmental Impact Report (EIR) for the Airport Development Plan (ADP) in July 2018, the Airport Authority received over 80 comment letters from community members and other public agencies on the proposed project. Impacts of greatest concern were aircraft noise, traffic congestion, transit connectivity, and climate mitigation and adaptation. Planning & Environmental Affairs Department has since been collaborating with partner agencies to refine the ADP's project components, aviation demand forecast, reserving transit options in the terminal areas, circulation/traffic improvements, and climate resiliency and to inform the recirculation of the Draft EIR in late Spring/Summer 2019.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

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

2. Complete outreach to local agencies that have not implemented adopted Airport Land Use Compatibility Plans by June 2019.

**Progress:** The Planning & Environmental Affairs Department has engaged all local agencies in the region that have not implemented their respective Airport Land Use Compatibility Plans (ALUCPs). In particular, the Department has been coordinating regularly with City of San Diego staff, as they prepare to implement the ALUCP for the San Diego International Airport (SDIA) in the near future. The Planning & Environmental Affairs Department has also been developing mechanisms to ensure that the City properly implements the SDIA ALUCP's four compatibility factors – especially related to airspace protection.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

3. Ensure compliance with National Pollution Discharge Elimination System permits, including progress towards the Authority's Water Quality Improvement Plan goals, for the construction and operation of the Airport Support Facilities and Airport Development Plan facilities by June 2020.

**Progress:** The Planning & Environmental Affairs Department has successfully developed a Storm Water Master Plan, which outlines how the Airport Authority will ensure compliance of the Airport Support Facilities and Airport Development Plan facilities with the National Pollution Discharge Elimination System (NPDES) Municipal Stormwater Permit. The initial implementation of this plan has begun with installation of a 3 million-gallon underground storage tank to capture and reuse storm water runoff from the Airport Support Facilities on the Airport's north side. The Plan also includes new storm water infiltration beds being integrated into the future site of the Airline Support Building on the south side.



## Development Division – Planning & Environmental Affairs

### Strategic Goal:

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

### Strategic Initiative:

- 2C. Manage ongoing business effectively through change

4. Facilitate Ground Support Equipment (GSE) emissions reductions by supporting the procurement of renewable diesel and installation of airside charging infrastructure by June 2020.

**Progress:** The Planning & Environmental Affairs Department has been partnering with San Diego Gas & Electric (SDG&E) over the last year to explore opportunities to expand the electric vehicle (EV) charging network at the San Diego International Airport. Both organizations are now initiating a project to upgrade airside-charging infrastructure to support more electric GSE, with the initiative's first phase (retrofit of up to 16 existing chargers) at a 90%-design level. Finally, the Planning & Environmental Affairs Department has completed a feasibility analysis for converting diesel-powered equipment across SDIA to "renewable" diesel, which has a lower carbon intensity.

### Strategic Goal:

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

### Strategic Initiative:

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

5. Complete and present an updated Part 150 Noise Compatibility Program to the Board by December 2019 to ensure continued funding for the Quieter Home Program and to identify community noise abatement opportunities.

**Progress:** The Planning & Environmental Affairs Department formally launched its update process in October 2018 for the Airport's Part 150 Study, which evaluates opportunities to decrease noise exposure within the 65 dB contour. To help guide this effort, a Citizen Advisory Committee and Technical Advisory Committee have been convened. These groups are also providing input on potential flight procedure modifications that could be submitted to the FAA for consideration to help address aircraft noise in neighborhoods outside the 65 dB zone.

### Strategic Goal:

- Community, enhance community understanding of SAN as an economic engine and portal for prosperity.

### Strategic Initiative:

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

## Development Division – Planning & Environmental Affairs

### FY 2020 – FY 2021 Goals

1. Complete federal environmental and state coastal review processes for the Airport Development Plan by May 2021.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

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

2. Engage the City of San Diego, Port District of San Diego, developers, and surrounding communities to solicit feedback on the SDIA Airport Land Use Compatibility Plan update by June 2021.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

3. Ensure compliance with National Pollution Discharge Elimination System (NPDES) permits, including progress towards the Airport Authority’s Water Quality Improvement Plan goals, for the construction and operation of the Airport Support Facilities by June 2020.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

4. Facilitate Ground Support Equipment (GSE) emissions reductions by supporting the procurement of renewable diesel and installation of airside charging infrastructure by June 2020.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

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

5. Reach the 4,000-home milestone for the Quieter Home Program by June 2020, while continuing to engage the community on updating the Part 150 Noise Compatibility Program.

**Strategic Goal:**

- Community, enhance community understanding of SAN as an economic engine and portal for prosperity.

**Strategic Initiative:**

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

# Finance Division



## Finance Division

### Overview

The **Finance Division** provides airline management, accounting, procurement, information technology, financial planning, budgeting, capital funding, and treasury services for the organization. The division assures the successful execution of the Airport Authority's plan of finance with the goal of enhancing the financial position of the Authority Airport Authority; increasing annual operating revenue; and maintaining strong, financial metric 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 maintenance, reporting and management of all General Ledger accounts and provides cost accounting services in support of the Authority's financial goals and objectives. The department is also responsible for timely and accurate reporting that complies with Generally Accepted Accounting Principles; 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 **Airline Management** department negotiates and manages airline and airfield lease and operating agreements to assure effective utilization and management of Authority resources. The department calculates, assess and collects rates, fees and charges; and negotiates landing fees and other revenue from airline, cargo and fixed base operators.

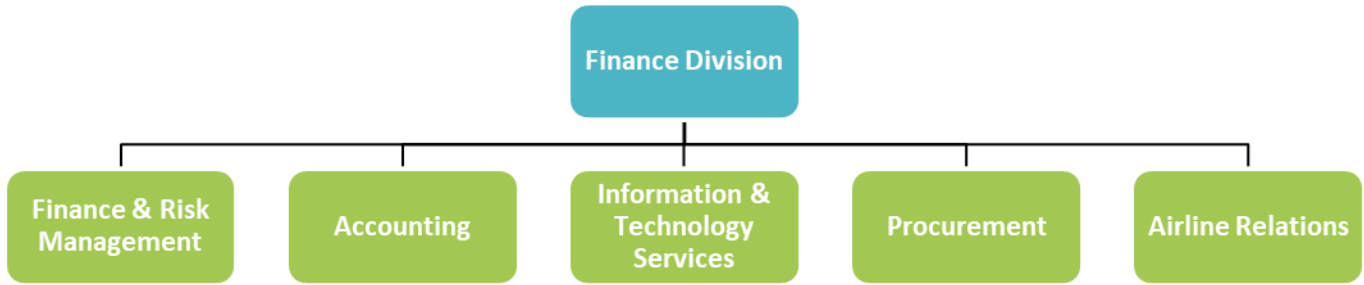
The **Finance & Risk Management** department develops and administers the Operating and Capital Budgets and strives to maintain a fiscally sound and sustainable organization that conforms to financial management best practices. It provides for beneficial treasury management; forecasts revenue and expenditures;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

The **Information & Technology Services (ITS)** 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. ITS provides the airlines with Flight Information Display System (FIDS), Wi-Fi, paging, common use services stations (CUSS) at the elevated departure roadway, gates and ticket counters.

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, and 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, and surplus; and warehouse operations.

## Finance Division

### FY 2020 – FY 2021 Organizational Structure



### Division Personnel Summary

	FY 2018 Budget	FY 2019 Budget	FY 2020 Budget Transfers	FY2020 Budget New/ (Eliminated)	FY 2020 Budget	FY2021 Budget New/ (Eliminated)	FY 2021 Budget
<b>Finance Division</b>							
Airline Relations <sup>1</sup>	5	5	(1)	-	4	-	4
Accounting	12	12	-	-	12	-	12
Information & Technology Services	28	28	-	1	29	1	30
Procurement	12	12	-	-	12	-	12
Finance & Risk Management	19	19	-	-	19	-	19
<b>Total Authorized Funded Positions</b>	<b>76</b>	<b>76</b>	<b>(1)</b>	<b>1</b>	<b>76</b>	<b>1</b>	<b>77</b>

<sup>1</sup> 1 position transferred to Customer Experience Design & Innovation

## Finance Division

### FY 2020 Budget – FY 2021 Expense Conceptual Budget Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 5,757	\$ 6,258	\$ 6,322	\$ 65	1.0%	\$ 6,707	\$ 384	6.1%
Overtime	83	152	152	-	0.0%	152	-	0.0%
Benefits	5,889	2,999	3,206	207	6.9%	3,477	270	8.4%
Subtotal	11,730	9,409	9,681	272	2.9%	10,335	655	6.8%
Less: Capitalized Labor Recharge	-	(503)	-	503	-100.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>11,730</b>	<b>8,906</b>	<b>9,681</b>	<b>775</b>	<b>8.7%</b>	<b>10,335</b>	<b>655</b>	<b>6.8%</b>
Contractual Services	2,805	3,604	3,869	265	7.3%	3,711	(158)	-4.1%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	521	561	556	(5)	-1.0%	556	-	0.0%
Maintenance	(0)	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	278	169	167	(2)	-1.1%	167	-	0.0%
Operating Supplies	116	102	135	33	32.2%	135	(0)	-0.1%
Insurance	-	1,247	1,505	259	20.7%	1,591	85	5.7%
Employee Development	137	152	176	24	16.0%	178	2	1.3%
Business Development	69	79	67	(12)	-15.0%	67	-	0.0%
Equipment Rentals and Repairs	1,968	2,807	2,610	(197)	-7.0%	2,622	11	0.4%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>5,892</b>	<b>8,720</b>	<b>9,085</b>	<b>365</b>	<b>4.2%</b>	<b>9,026</b>	<b>(59)</b>	<b>-0.7%</b>
<b>Total Operating Expenses</b>	<b>17,622</b>	<b>17,626</b>	<b>18,766</b>	<b>1,139</b>	<b>6.5%</b>	<b>19,361</b>	<b>595</b>	<b>3.2%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	(0)	-	-	-	0.0%	-	-	0.0%
<b>Other 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>17,622</b>	<b>17,626</b>	<b>18,766</b>	<b>1,139</b>	<b>6.5%</b>	<b>19,361</b>	<b>595</b>	<b>3.2%</b>
Equipment Outlay Expenditures	761	137	20	(117)	-85.3%	120	100	500.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 18,383</b>	<b>\$ 17,763</b>	<b>\$ 18,786</b>	<b>\$ 1,023</b>	<b>5.8%</b>	<b>\$ 19,481</b>	<b>\$ 695</b>	<b>3.7%</b>

## Finance Division

### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY20 vs FY19	Inc/(Dec) FY21 Conceptual vs FY20
<b>FY 2019 Budget / FY 2020 Budget</b>	\$ 17,763	\$ 18,786
<b>Personnel Costs</b>		
Capitalized labor	503	-
Burden (benefits & employer taxes) for current staff	186	250
1 new position (salary & burden)	126	108
Salary adjustments and pay-for-performance *	(40)	297
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>775</b>	<b>655</b>
<b>Non-Personnel Costs</b>		
Software licenses & support	289	124
Property Insurance Premium	244	67
Transfer of costs from ADC due to re-organization	235	(117)
Common Use support & maintenance	(402)	-
Other, net	(117)	(34)
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>248</b>	<b>41</b>
<b>Total Increase / (Decrease)</b>	<b>1,023</b>	<b>695</b>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<b>\$ 18,786</b>	<b>\$ 19,481</b>

\* 1 position transferred to Revenue Management & Innovation division

## Finance Division

### FY 2020 Expense Budget by Department

(in thousands)

Departments	FY 2020 Budget
Information & Technology Services	\$ 9,203
Finance & Risk Management	6,453
Accounting	1,738
Procurement	1,549
Airline Relations	613
Vacancy Savings & Worker's Compensation Losses	(770)
<b>Total <sup>1</sup></b>	<b>\$ 18,786</b>

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

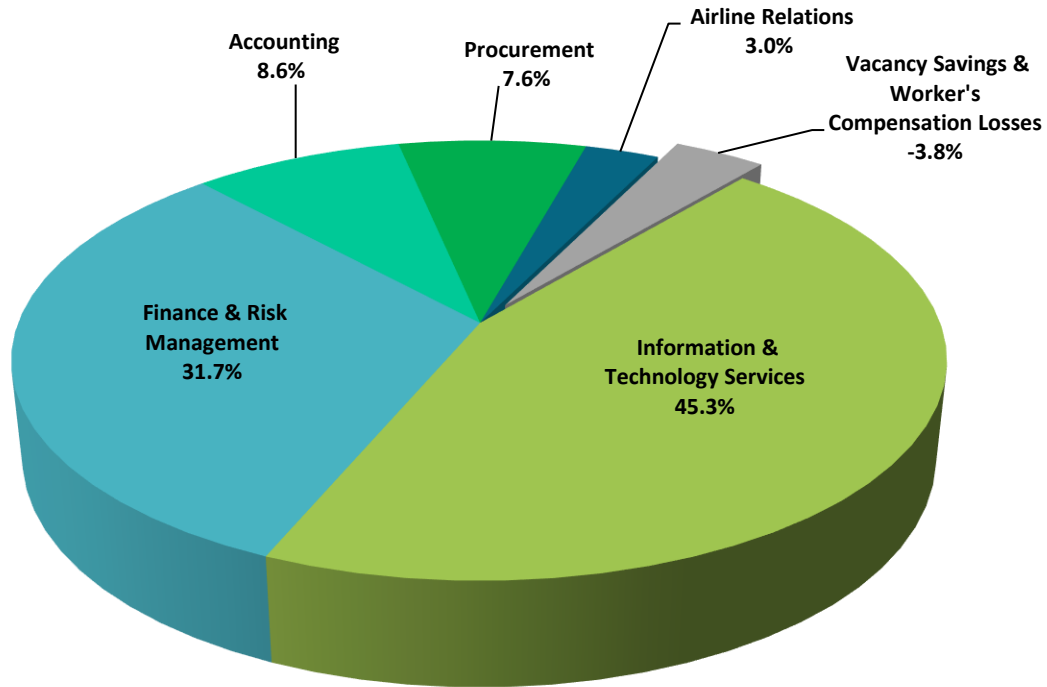


Figure 30 – FY 2020 Expense Budget by Department



## Finance Division

### FY 2021 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2021 Conceptual Budget
Information & Technology Services	\$ 9,523
Finance & Risk Management	6,667
Accounting	1,797
Procurement	1,620
Airline Relations	718
Vacancy Savings & Worker's Compensation Losses	(844)
<b>Total<sup>1</sup></b>	<b>\$ 19,481</b>

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

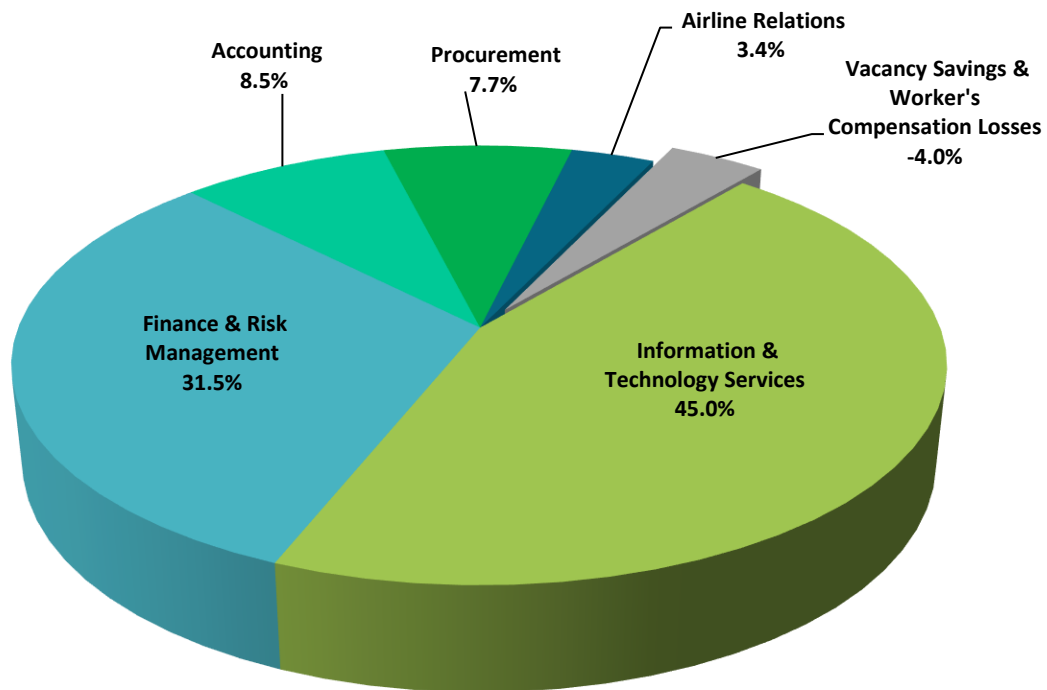


Figure 31 – FY 2021 Expense Conceptual Budget by Department

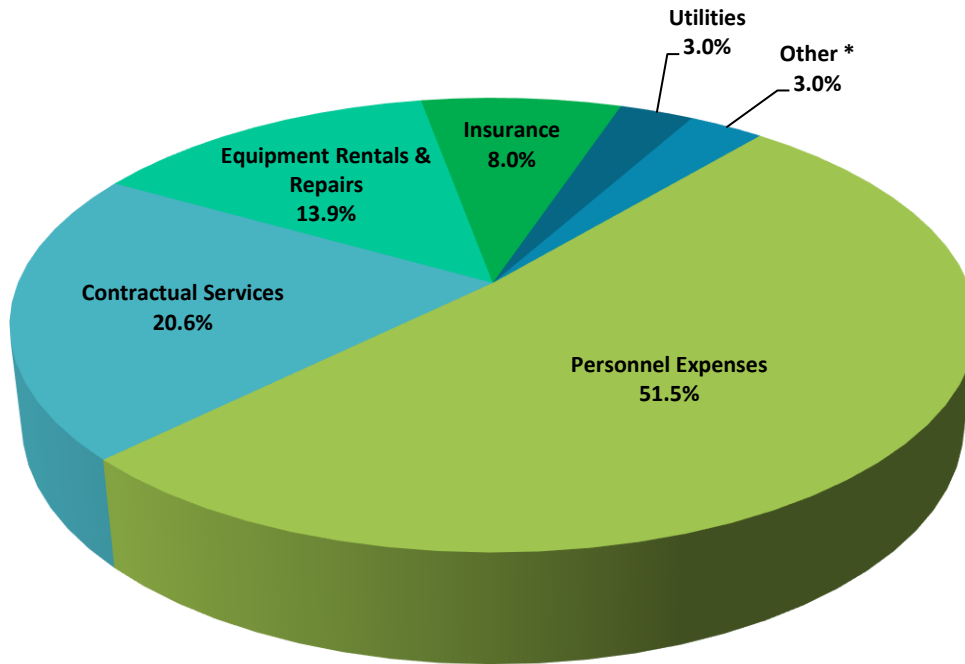
## Finance Division

### FY 2020 Expense Budget by Category

(in thousands)

Category	FY 2020 Budget
Personnel Expenses	\$ 9,681
Contractual Services	3,869
Equipment Rentals & Repairs	2,610
Insurance	1,505
Utilities	556
Other *	565
<b>Total <sup>1</sup></b>	<b>\$ 18,786</b>

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



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

Figure 32 – FY 2020 Expense Budget by Category

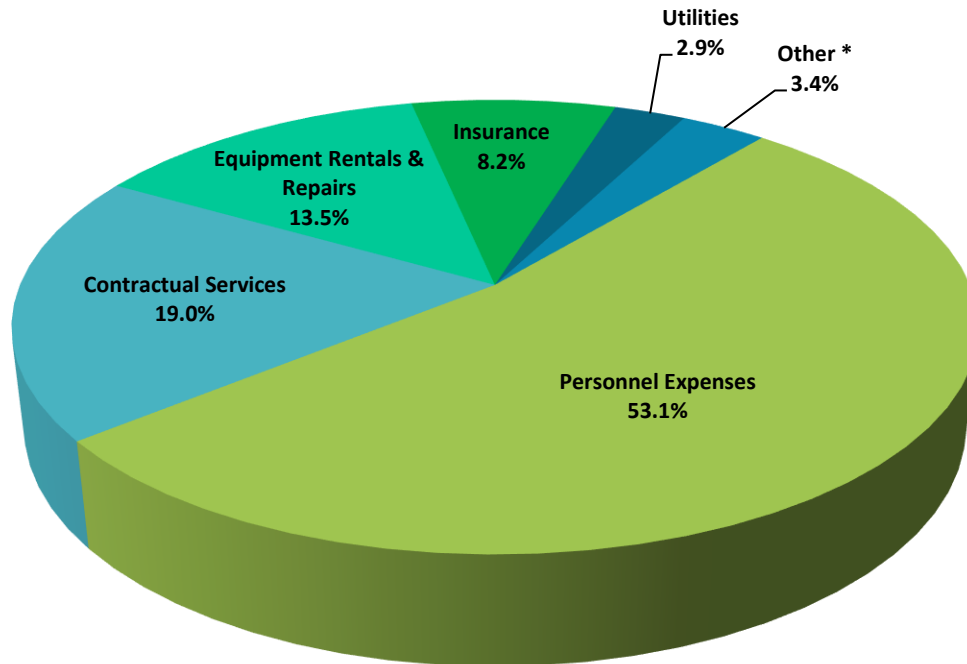
## Finance Division

### FY 2021 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2021 Conceptual Budget
Personnel Expenses	\$ 10,335
Contractual Services	3,711
Equipment Rentals & Repairs	2,622
Insurance	1,591
Utilities	556
Other *	667
<b>Total <sup>1</sup></b>	<b>\$ 19,481</b>

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

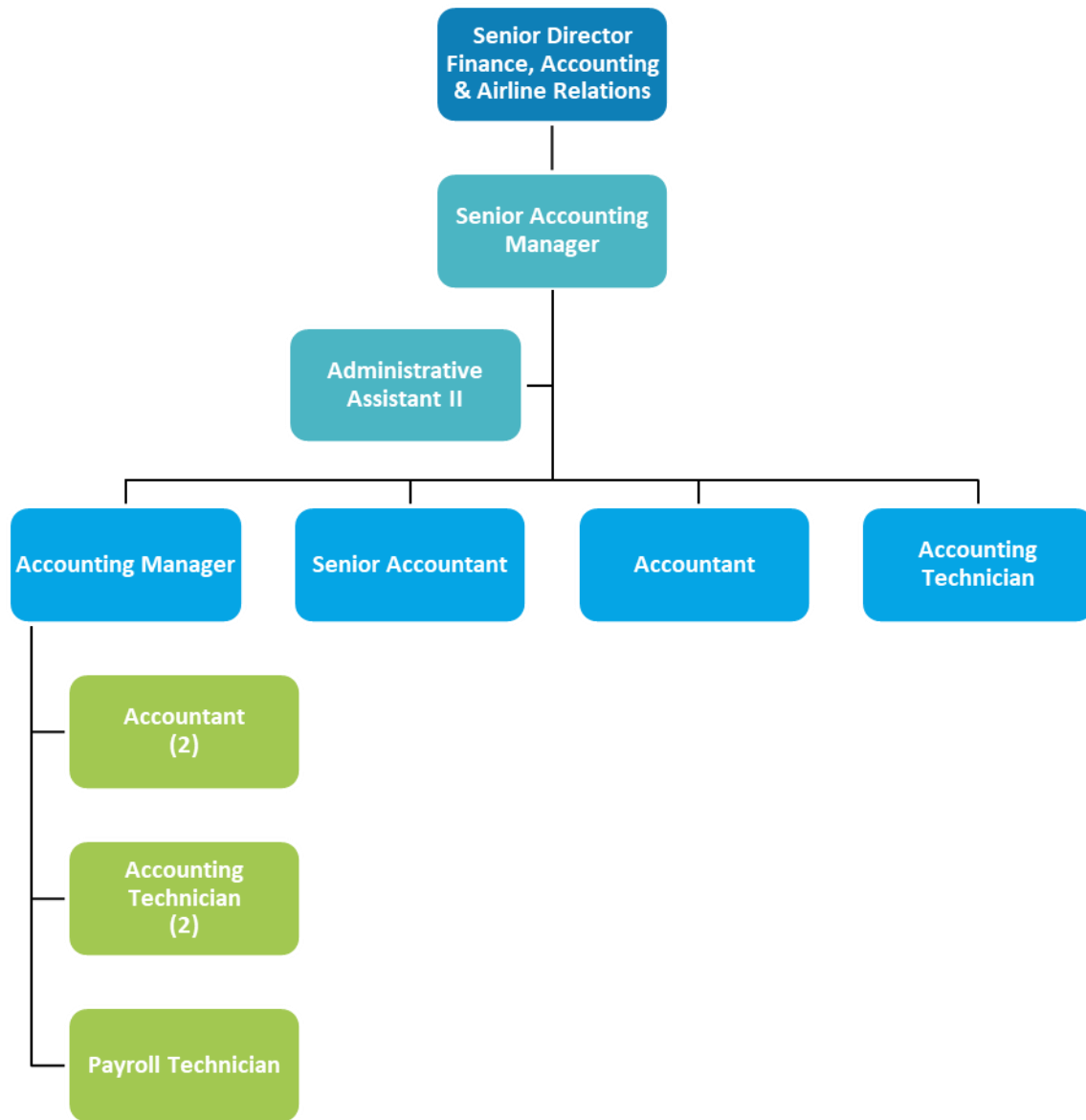


\*Other includes business and employee development, operating supplies, operating equipment & systems, etc.

**Figure 33 – FY 2021 Expense Conceptual Budget by Category**

## Finance Division – Accounting

### FY 2020 – FY 2021 Organizational Structure



*No personnel changes in FY 2021.*

## Finance Division – Accounting

### FY 2020 Budget – FY 2021 Expense Conceptual Budget Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 978	\$ 979	\$ 1,005	\$ 27	2.7%	\$ 1,046	\$ 40	4.0%
Overtime	0	2	2	-	0.0%	2	-	0.0%
Benefits	418	485	512	27	5.6%	548	36	7.0%
Subtotal	1,396	1,466	1,519	54	3.7%	1,595	76	5.0%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,396</b>	<b>1,466</b>	<b>1,519</b>	<b>54</b>	<b>3.7%</b>	<b>1,595</b>	<b>76</b>	<b>5.0%</b>
Contractual Services	184	156	172	16	10.2%	154	(17)	-10.1%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	0	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	7	3	3	-	0.0%	3	-	0.0%
Operating Supplies	12	16	16	-	0.0%	16	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	11	13	13	-	0.0%	13	-	0.0%
Business Development	(5)	15	16	1	8.3%	16	-	0.0%
Equipment Rentals and Repairs	-	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>210</b>	<b>202</b>	<b>219</b>	<b>17</b>	<b>8.4%</b>	<b>202</b>	<b>(17)</b>	<b>-7.9%</b>
<b>Total Operating Expenses</b>	<b>1,605</b>	<b>1,668</b>	<b>1,738</b>	<b>71</b>	<b>4.2%</b>	<b>1,797</b>	<b>59</b>	<b>3.4%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	(0)	-	-	-	0.0%	-	-	0.0%
<b>Other 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>1,605</b>	<b>1,668</b>	<b>1,738</b>	<b>71</b>	<b>4.2%</b>	<b>1,797</b>	<b>59</b>	<b>3.4%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 1,605</b>	<b>\$ 1,668</b>	<b>\$ 1,738</b>	<b>\$ 71</b>	<b>4.2%</b>	<b>\$ 1,797</b>	<b>\$ 59</b>	<b>3.4%</b>

## Finance Division – Accounting

### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY20 vs FY19	Inc/(Dec) FY21 Conceptual vs FY20
<b>FY 2019 Budget / FY 2020 Budget</b>	\$ 1,668	\$ 1,738
<b>Personnel Costs</b>		
Salary adjustments and pay-for-performance	27	40
Burden (benefits & employer taxes) for current staff	27	36
<b>Total Increase / (Decrease) in Personnel Costs</b>	<u>54</u>	<u>76</u>
<b>Non-Personnel Costs</b>		
Other Post Employment Benefits (OPEB) valuation	10	(20)
Other, net	8	2
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<u>17</u>	<u>(17)</u>
<b>Total Increase / (Decrease)</b>	<u>71</u>	<u>59</u>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<u>\$ 1,738</u>	<u>\$ 1,797</u>

## Finance Division – Accounting

### FY 2019 Progress Report

1. Develop an ADP project chart of accounts to be integrated with the Adaptive Insight budget software to provide improved reporting

**Progress:** The current chart of accounts has been evaluated and at this time, no changes are needed. As the ADP progresses, we will continue to look in to how use of the system coding capabilities can facilitate improved reporting.

**Strategic Goal:**

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise’s strong financial position.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

2. Audited financials with no findings.

**Progress:** The FY 2018 audit was completed on time and with no findings.

**Strategic Goal:**

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise’s strong financial position.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

3. Develop chart of accounts that improves tracking, grant compliance requirements, and can be integrated with the Adaptive Insight budget software.

**Progress:** Evaluation and analysis resulted in the determination that there were no efficiencies found in integrating grant funding coding with E1 or Adaptive.

**Strategic Goal:**

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise’s strong financial position.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

## Finance Division – Accounting

### FY 2020 – FY 2021 Goals

1. Continued excellence in financial record keeping and stringent internal controls that result in a clean audit with no findings.

**Strategic Goal:**

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise’s strong financial position.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

2. Develop financial recordkeeping processes and procedures that support the organizational priorities:

- AOLA
- ADP
- New Employee Travel and Business Expense policy
- Innovative business endeavors

**Strategic Goal:**

- Customer, exceed our customers’ expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

3. Plan and prepare for implementation of GASB Statement No. 87 – Leases, for the fiscal year ending June 30, 2021.

**Strategic Goal:**

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise’s strong financial position.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

4. Explore innovative solutions to improve efficiency of accounting functions.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change



## Finance Division – Airline Relations

### FY 2020 - FY 2021 Organizational Structure



*Position in grey resides in Accounting department and is shown for structural purposes.*

*No personnel changes in FY 2021.*

## Finance Division – Airline Relations

### FY 2020 Budget – FY 2021 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ -	\$ 528	\$ 405	\$ (122)	-23.2%	\$ 493	\$ 88	21.7%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	1	209	156	(52)	-25.2%	193	37	23.8%
Subtotal	1	736	561	(175)	-23.7%	686	125	22.3%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1</b>	<b>736</b>	<b>561</b>	<b>(175)</b>	<b>-23.7%</b>	<b>686</b>	<b>125</b>	<b>22.3%</b>
Contractual Services	-	150	40	(110)	-73.3%	20	(20)	-50.0%
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)	-30.0%	1	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	-	5	5	(0)	-10.0%	5	-	0.0%
Business Development	-	11	6	(5)	-46.0%	6	-	0.0%
Equipment Rentals and Repairs	-	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>-</b>	<b>167</b>	<b>51</b>	<b>(116)</b>	<b>-69.3%</b>	<b>31</b>	<b>(20)</b>	<b>-39.0%</b>
<b>Total Operating Expenses</b>	<b>1</b>	<b>903</b>	<b>613</b>	<b>(291)</b>	<b>-32.2%</b>	<b>718</b>	<b>105</b>	<b>17.2%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
<b>Other 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</b>	<b>903</b>	<b>613</b>	<b>(291)</b>	<b>-32.2%</b>	<b>718</b>	<b>105</b>	<b>17.2%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 1</b>	<b>\$ 903</b>	<b>\$ 613</b>	<b>\$ (291)</b>	<b>-32.2%</b>	<b>\$ 718</b>	<b>\$ 105</b>	<b>17.2%</b>

## Finance Division – Airline Relations

### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY20 vs FY19	Inc/(Dec) FY21 Conceptual vs FY20
<b>FY 2019 Budget / FY 2020 Budget</b>	<b>\$ 903</b>	<b>\$ 613</b>
<b>Personnel Costs</b>		
Burden (benefits & employer taxes) for current staff	(52)	37
Salary adjustments and pay-for-performance *	(122)	88
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>(175)</b>	<b>125</b>
<b>Non-Personnel Costs</b>		
Financial Consultants	(110)	(20)
Other, net	(6)	-
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(116)</b>	<b>(20)</b>
<b>Total Increase / (Decrease)</b>	<b>(291)</b>	<b>105</b>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<b>\$ 613</b>	<b>\$ 718</b>

\* 1 position transferred to Revenue Management & Innovation division

## Finance Division – Airline Relations

### FY 2019 Progress Report

1. Negotiate and deliver a signed airline operating lease agreement.

**Progress:** The airline operating lease agreement is on track to be finalized by June 2019. This agreement will support the future financial needs of the Authority over the next ten years.

**Strategic Goal:**

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise's strong financial position.

**Strategic Initiative:**

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

## Finance Division – Airline Relations

### FY 2020 – FY 2021 Goals

1. Implement the new airline agreement upon execution and support the operations division in the enforcement of the agreement and gate rules.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

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

2. Transition agreements and project management responsibilities from Revenue Management to Airline Relations and meet all targeted deadlines.

**Strategic Goal:**

- Customer, exceed our customers' expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

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

3. Maintain good relations and clear communication with airlines and key stakeholders in support of the ADP.

**Strategic Goal:**

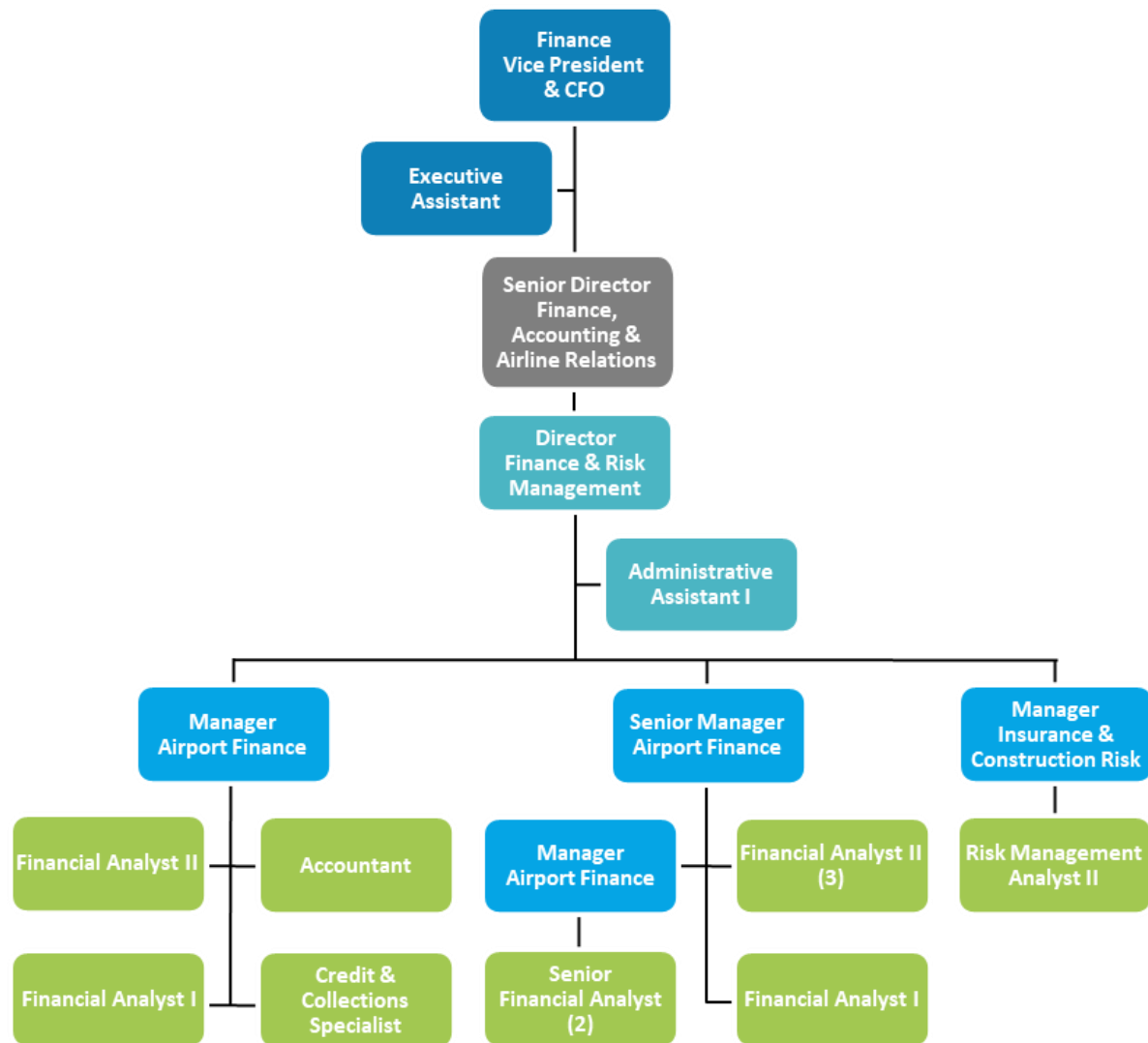
- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise's strong financial position.

**Strategic Initiative:**

- 1B. Advance the ADP

## Finance Division – Finance & Risk Management

### FY 2020 – FY 2021 Organizational Structure



*Position in grey resides in Accounting department and is shown for structural purposes.*

*No personnel changes in FY 2021.*

## Finance Division – Finance & Risk Management

### FY 2020 Budget – FY 2021 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 1,496	\$ 1,919	\$ 1,927	\$ 7	0.4%	\$ 2,004	\$ 77	4.0%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	552	839	865	26	3.1%	920	56	6.5%
Subtotal	2,049	2,758	2,791	33	1.2%	2,924	133	4.8%
Less: Capitalized Labor Recharge	-	(281)	-	281	-100.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>2,049</b>	<b>2,477</b>	<b>2,791</b>	<b>314</b>	<b>12.7%</b>	<b>2,924</b>	<b>133</b>	<b>4.8%</b>
Contractual Services	1,401	1,869	1,917	47	2.5%	1,913	(4)	-0.2%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	0	0	-	(0)	-100.0%	-	-	0.0%
Maintenance	(0)	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	3	3	3	-	0.0%	3	-	0.0%
Operating Supplies	9	12	11	(1)	-5.1%	11	(0)	-1.8%
Insurance	-	1,247	1,505	259	20.7%	1,591	85	5.7%
Employee Development	28	31	52	21	66.9%	52	0	0.4%
Business Development	30	34	25	(10)	-28.7%	25	-	0.0%
Equipment Rentals and Repairs	45	75	130	55	73.3%	130	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>1,516</b>	<b>3,271</b>	<b>3,642</b>	<b>371</b>	<b>11.3%</b>	<b>3,723</b>	<b>82</b>	<b>2.2%</b>
<b>Total Operating Expenses</b>	<b>3,565</b>	<b>5,748</b>	<b>6,433</b>	<b>685</b>	<b>11.9%</b>	<b>6,647</b>	<b>214</b>	<b>3.3%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
<b>Other 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>3,565</b>	<b>5,748</b>	<b>6,433</b>	<b>685</b>	<b>11.9%</b>	<b>6,647</b>	<b>214</b>	<b>3.3%</b>
Equipment Outlay Expenditures	71	37	20	(17)	-45.2%	20	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 3,636</b>	<b>\$ 5,785</b>	<b>\$ 6,453</b>	<b>\$ 668</b>	<b>11.6%</b>	<b>\$ 6,667</b>	<b>\$ 214</b>	<b>3.3%</b>

## Finance Division – Finance & Risk Management

### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY20 vs FY19	Inc/(Dec) FY21 Conceptual vs FY20
<b>FY 2019 Budget / FY 2020 Budget</b>	\$ 5,785	\$ 6,453
<b>Personnel Costs</b>		
Salary adjustments and pay-for-performance	7	77
Burden (benefits & employer taxes) for current staff	26	56
Capitalized labor	281	-
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>314</b>	<b>133</b>
<b>Non-Personnel Costs</b>		
Property Insurance Premium	244	67
Other, net	111	14
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>355</b>	<b>82</b>
<b>Total Increase / (Decrease)</b>	<b>668</b>	<b>214</b>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<b>\$ 6,453</b>	<b>\$ 6,667</b>



## Finance Division – Finance & Risk Management

### FY 2019 Progress Report

1. Complete Plan of Finance for the Airport Development Plan Phase 1. As part of the planning, a review of all potential grant opportunities will be examined. The plan will include a sensitivity analysis and the impacts that could affect the plan in the event of an economic downturn.

**Progress:** The Plan of Finance for Phase 1 of ADP has been completed along with sensitivity analysis. As part of the POA grant opportunities were identified.

**Strategic Goal:**

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise’s strong financial position

**Strategic Initiative:**

- 5A. Ensure Plan of Finance is flexible, nimble and able to proactively address future changes
- 5C. Evaluate multiple funding methods for the Capital Program (ADP and CIP)

2. Provide Financial Analysis & support for new revenue opportunities business plans.

**Progress:** The Financial Analysis team partners on a regular basis with Revenue Generation department on business case development.

**Strategic Goal:**

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise’s strong financial position.

**Strategic Initiative:**

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

3. Provide support and analysis for parking revenue maximization.

**Progress:** The Financial Analysis team partners on a regular basis with Revenue Generation department on business case development.

**Strategic Goal:**

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise’s strong financial position.

**Strategic Initiative:**

- 5E. Develop business plan that evaluates margins on non-airline operating revenue streams

4. Identify risk mitigation/risk financing opportunities at the Authority to meet the changing landscape of how the airport conducts its construction and operational programs.

**Progress:** Instituted a new owner controlled insurance program-general liability only which reduced the Authorities costs for our Capital Program.

**Strategic Goal:**

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise’s strong financial position.

**Strategic Initiative:**

- 1B. Advance the ADP

## Finance Division – Finance & Risk Management

5. Build upon the Authority’s insurance broker relationships on a national level in anticipation of marketing and placing an ADP insurance program throughout the lead-up and actual application, submission and underwriting process associated with a project of this magnitude, scope, duration and overall complexity.

**Progress:** This is still in progress.

**Strategic Goal:**

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise’s strong financial position.

**Strategic Initiative:**

- 1B. Advance the ADP

## Finance Division – Finance & Risk Management

### FY 2020 – FY 2021 Goals

1. Work in collaboration with Airline Relations and Accounting departments to implement new Airline Operating Lease Agreement. This will include setting new billing, training airlines on new activity report and building new rates, fees and charges model.

**Strategic Goal:**

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise’s strong financial position.

**Strategic Initiative:**

- 1B. Advance the ADP

2. Implement a Debt and Credit Strategy that facilitates Financial and Risk Management’s execution of proposed FY 2020 Debt Issue for projects including the Airport Support Facilities and 2010 Bond refunding; and replacement for the current Variable Debt instruments.

**Strategic Goal:**

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise’s strong financial position.

**Strategic Initiative:**

- 1B. Advance the ADP

3. Create and implement with the new Construction Insurance Broker a new OCIP program that will provide the needed coverage for the ADP and the ongoing CIP.

**Strategic Goal:**

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise’s strong financial position.

**Strategic Initiative:**

- 1B. Advance the ADP

4. Optimize the ADP Plan of Finance through identifying additional funding and financing solutions.

**Strategic Goal:**

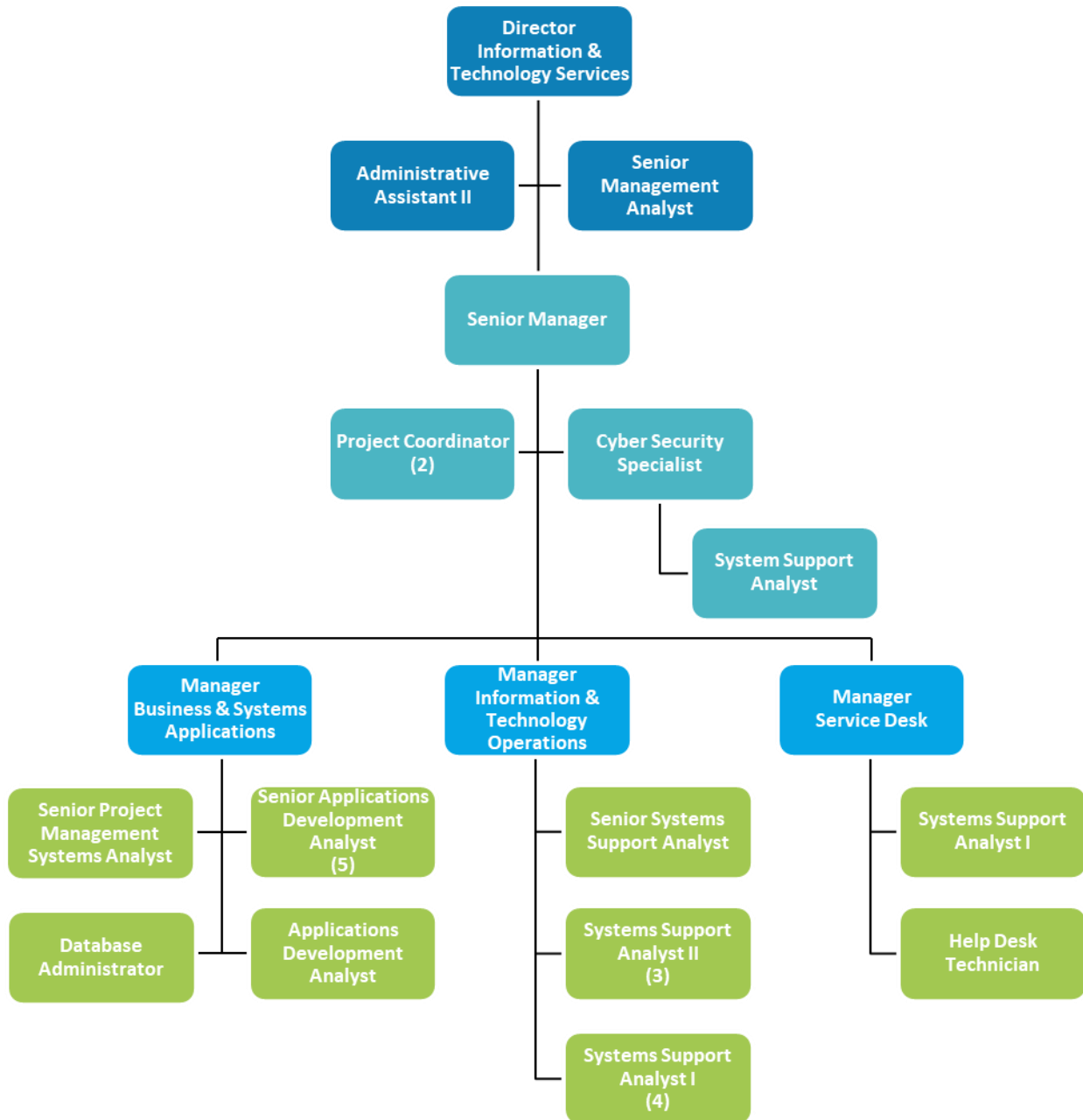
- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise’s strong financial position.

**Strategic Initiative:**

- 1B. Advance the ADP

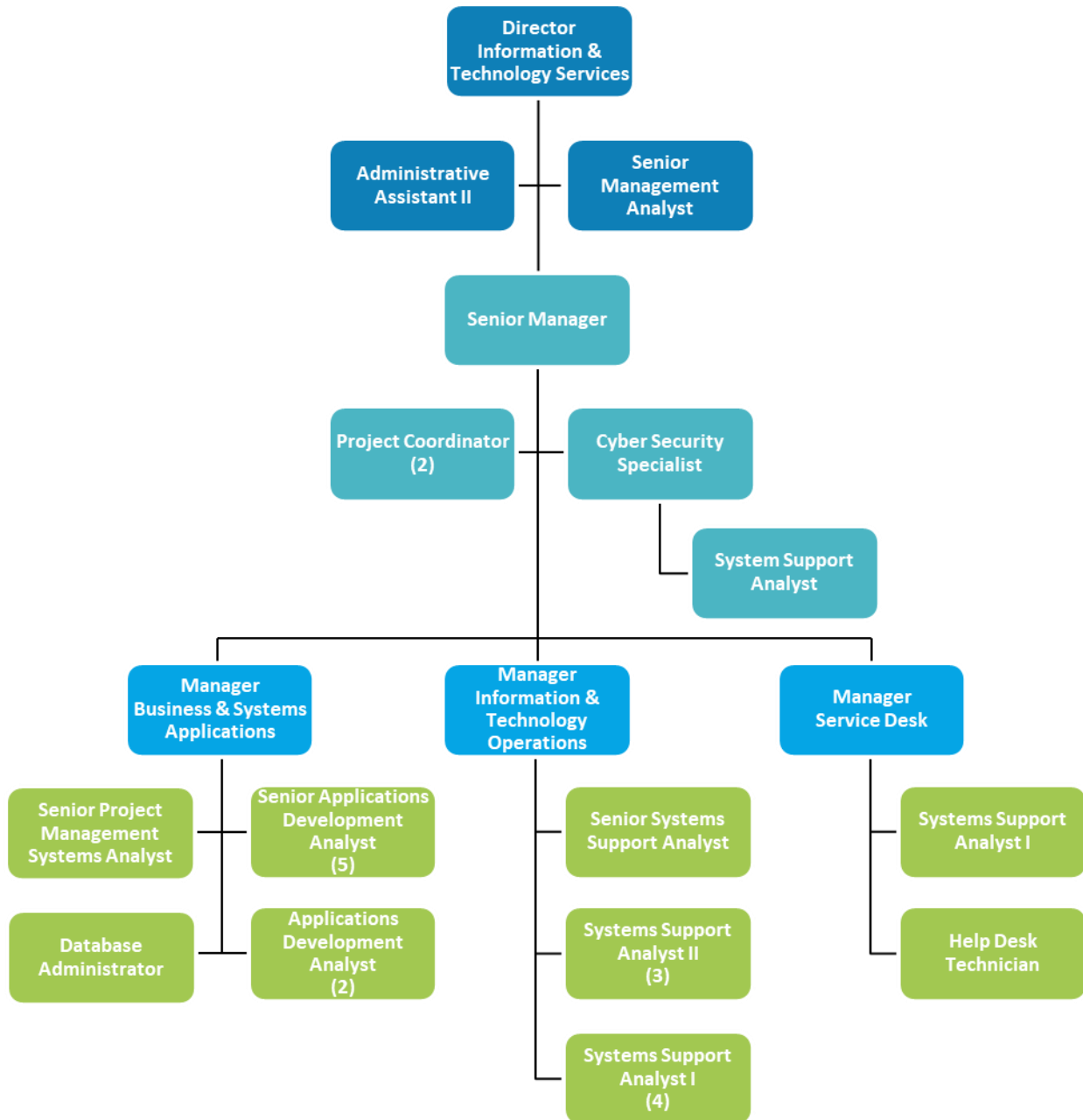
# Finance Division – Information & Technology Services

## FY 2020 Organizational Structure



# Finance Division – Information & Technology Services

## FY 2021 Organizational Structure



## Finance Division – Information & Technology Services

### FY 2020 Budget – FY 2021 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 2,353	\$ 2,511	\$ 2,655	\$ 144	5.7%	\$ 2,849	\$ 194	7.3%
Overtime	83	150	150	-	0.0%	150	-	0.0%
Benefits	997	1,242	1,323	81	6.5%	1,452	130	9.8%
Subtotal	3,433	3,903	4,127	224	5.8%	4,451	324	7.8%
Less: Capitalized Labor Recharge	-	(222)	-	222	-100.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>3,433</b>	<b>3,681</b>	<b>4,127</b>	<b>447</b>	<b>12.1%</b>	<b>4,451</b>	<b>324</b>	<b>7.8%</b>
Contractual Services	1,205	1,377	1,718	341	24.8%	1,601	(117)	-6.8%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	521	561	556	(5)	-0.9%	556	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	267	163	160	(3)	-1.8%	160	-	0.0%
Operating Supplies	89	66	100	34	51.1%	100	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	87	86	90	4	4.6%	92	2	2.2%
Business Development	40	15	12	(3)	-22.3%	12	-	0.0%
Equipment Rentals and Repairs	1,887	2,692	2,440	(252)	-9.4%	2,452	11	0.5%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>4,095</b>	<b>4,960</b>	<b>5,075</b>	<b>116</b>	<b>2.3%</b>	<b>4,972</b>	<b>(104)</b>	<b>-2.0%</b>
<b>Total Operating Expenses</b>	<b>7,528</b>	<b>8,640</b>	<b>9,203</b>	<b>562</b>	<b>6.5%</b>	<b>9,423</b>	<b>220</b>	<b>2.4%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
<b>Other 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>7,528</b>	<b>8,640</b>	<b>9,203</b>	<b>562</b>	<b>6.5%</b>	<b>9,423</b>	<b>220</b>	<b>2.4%</b>
Equipment Outlay Expenditures	689	100	-	(100)	-100.0%	100	100	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 8,218</b>	<b>\$ 8,740</b>	<b>\$ 9,203</b>	<b>\$ 462</b>	<b>5.3%</b>	<b>\$ 9,523</b>	<b>\$ 320</b>	<b>3.5%</b>

## Finance Division – Information & Technology Services

### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY20 vs FY19	Inc/(Dec) FY21 Conceptual vs FY20
<b>FY 2019 Budget / FY 2020 Budget</b>	<b>\$ 8,740</b>	<b>\$ 9,203</b>
<b>Personnel Costs</b>		
Capitalized labor	222	-
1 new position (salary & burden)	126	108
Burden (benefits & employer taxes) for current staff	60	110
Salary adjustments and pay-for-performance	39	106
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>447</b>	<b>324</b>
<b>Non-Personnel Costs</b>		
Software licenses and support	246	124
Transfer of costs from ADC due to re-organization	235	(117)
Shared Tenant Services Consulting	110	-
Common Use support & maintenance	(402)	-
Other, net	(173)	(11)
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>16</b>	<b>(4)</b>
<b>Total Increase / (Decrease)</b>	<b>462</b>	<b>320</b>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<b>\$ 9,203</b>	<b>\$ 9,523</b>

## Finance Division – Information & Technology Services

### FY 2019 Progress Report

1. Provide ongoing support for applications currently in use by Authority staff while engaging with business partners to identify future technology needs.

**Progress:** Ongoing.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic
- 2C. Manage ongoing business effectively through change



## Finance Division – Information & Technology Services

### FY 2020 – FY 2021 Goals

1. Replace our aging network infrastructure with optimal technology to increase our cyber security posture and provide capacity for growth in preparation for the ADP.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

- 1B. Advance the ADP

2. Upgrade Common Use Systems in the terminals to efficiently process passengers and provide flexibility for our airline operations to share gates, ticket counters, and baggage carousels.

**Strategic Goal:**

- Customer, exceed our customers' expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

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

3. Enhance the software used to provide project and construction management for the ADP and provide staff training. Enhancements include the upgrade of PMWeb, deployment of a mobile application and improved integration with E1.

**Strategic Goal:**

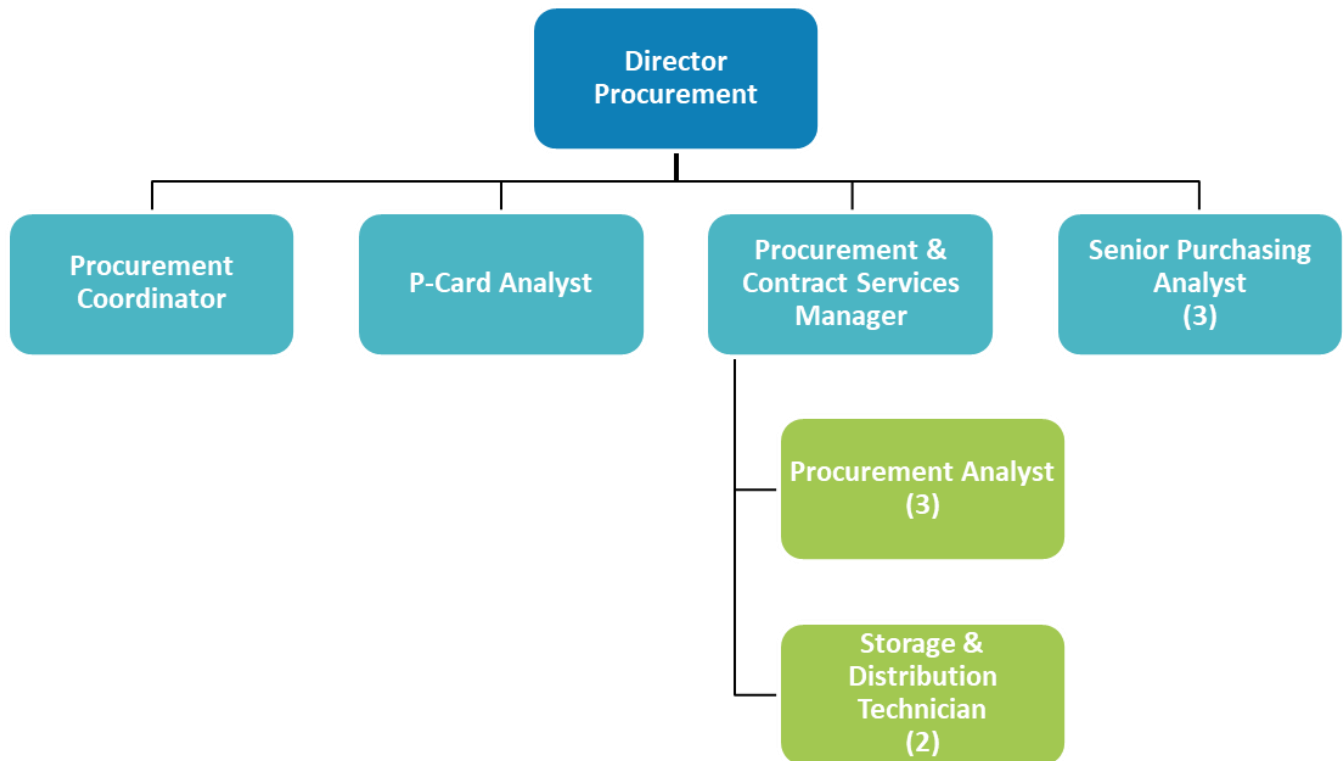
- Customer, exceed our customers' expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

## Finance Division – Procurement

### FY 2020 – FY 2021 Organizational Structure



*No personnel changes in FY 2021.*

## Finance Division – Procurement

### FY 2020 Budget – FY 2021 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 930	\$ 931	\$ 961	\$ 29	3.2%	\$ 999	\$ 38	4.0%
Overtime	0	-	-	-	0.0%	-	-	0.0%
Benefits	384	461	491	29	6.3%	524	33	6.7%
Subtotal	1,314	1,393	1,451	59	4.2%	1,523	71	4.9%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,314</b>	<b>1,393</b>	<b>1,451</b>	<b>59</b>	<b>4.2%</b>	<b>1,523</b>	<b>71</b>	<b>4.9%</b>
Contractual Services	15	52	23	(30)	-57.0%	23	-	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	-	1	1	0.0%	1	-	0.0%
Operating Supplies	5	8	8	-	0.0%	8	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	10	16	16	0	0.3%	16	-	0.0%
Business Development	3	5	10	5	115.6%	10	-	0.0%
Equipment Rentals and Repairs	37	40	40	-	0.0%	40	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>71</b>	<b>121</b>	<b>97</b>	<b>(23)</b>	<b>-19.3%</b>	<b>97</b>	<b>-</b>	<b>0.0%</b>
<b>Total Operating Expenses</b>	<b>1,385</b>	<b>1,513</b>	<b>1,549</b>	<b>35</b>	<b>2.3%</b>	<b>1,620</b>	<b>71</b>	<b>4.6%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
<b>Other 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>1,385</b>	<b>1,513</b>	<b>1,549</b>	<b>35</b>	<b>2.3%</b>	<b>1,620</b>	<b>71</b>	<b>4.6%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 1,385</b>	<b>\$ 1,513</b>	<b>\$ 1,549</b>	<b>\$ 35</b>	<b>2.3%</b>	<b>\$ 1,620</b>	<b>\$ 71</b>	<b>4.6%</b>

## Finance Division – Procurement

### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY20 vs FY19	Inc/(Dec) FY21 Conceptual vs FY20
<b>FY 2019 Budget / FY 2020 Budget</b>	\$ 1,513	\$ 1,549
<b>Personnel Costs</b>		
Salary adjustments and pay-for-performance	29	38
Burden (benefits & employer taxes) for current staff	29	33
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>59</b>	<b>71</b>
<b>Non-Personnel Costs</b>		
Temporary Staffing	(25)	-
Other, net	2	-
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(23)</b>	<b>-</b>
<b>Total Increase / (Decrease)</b>	<b>35</b>	<b>71</b>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<b>\$ 1,549</b>	<b>\$ 1,620</b>

## Finance Division – Procurement

### FY 2019 Progress Report

1. Work in partnership with key stakeholders to determine appropriate procurement methods for advancement of the ADP and other projects and services that incorporate innovative processes in accordance to the agreed upon schedule.

**Progress:** Every major project should have an aligned procurement strategy. Procurement has worked with stakeholders on several key construction and service projects, incorporating new and innovative procurement methods that continue to contribute the Authority's success. Examples of these efforts include evolving new processes for the Innovation Lab and Environmental programs; collaboration on the Airport Support Facilities construction, Hydrant Fueling and Battery Energy Storage projects; utilizing best practices to evaluate new technologies that support our business such as Common Use Systems and Cyber Security initiatives.

The Procurement team stays current on trends and best practices through training, career development and building professional relationships. They earned the 2018 Achievement of Excellence in Procurement Award; they have presented internal, external and professional training workshops; and they stay engaged through participation on Authority initiatives and programs such as Take Flight, the Brand Promise workgroup, and community volunteer activities.

#### **Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

#### **Strategic Initiative:**

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

2. Maximize outreach and engagement to the business community by maintaining a 95% project specific outreach plan, tracking small and local business participation and contract awards on solicitations facilitated by Procurement; and participating in various contractor outreach and training events.

**Progress:** Procurement continues to participate in various local contractor outreach, networking and training events sponsored by the Authority and various local business associations. Procurement also worked with the Small Business Development Team to conduct an Airport-specific Procurement 101 class for contractors and suppliers.

All of the solicitations facilitated by Procurement in FY19 document small, local, veteran and disadvantaged business participation. Outreach plans include preferences under policies 5.12 and 5.14 or inclusionary methods. As of February 2019, 453 new vendors have registered in the Authority's vendor database because of outreach by Procurement and Small Business Development. Of the 42 projects solicited since 7/1/2018, 1,588 vendors have actively participated by downloading the opportunity; 23% are certified Small Business Enterprises (SBEs), 31% are self-claimed Local Business Enterprises (LBEs), 7% are certified Disadvantaged Business Enterprises (DBEs) and 2.3% are Service Disabled Veteran Small Business (SDVSB) certified.

The following summary activity reflects fully executed contract awards resulting from competitive solicitations that closed since 7/1/1018.

- Local Business Enterprises received 21 awards (65%) for a total of \$144,552,669 (91%)
- Certified SBE has received six awards (18%) for a total of \$1,120,000 (.8%)
- Certified DBE has received one award (3%) for a total of \$5,772,882 (3.7%)
- SDVSB has received one award (3%) for a total of \$40,000 (.01%)

## Finance Division – Procurement

### **Strategic Goal:**

- Community, enhance community understanding of SAN as an economic engine and portal for prosperity.

### **Strategic Initiative:**

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

## Finance Division – Procurement

### FY 2020 – FY 2021 Goals

1. Work in partnership with key stakeholders to determine appropriate procurement methods for advancement of the ADP and other projects and services that incorporate innovative processes in accordance to the agreed upon schedule.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

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

2. Promote the Authority’s Brand Promise to the local business community 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 participating in various contractor outreach and supplier training events.

**Strategic Goal:**

- Community, enhance community understanding of SAN as an economic engine and portal for prosperity.

**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 assure all contract requirements are met.

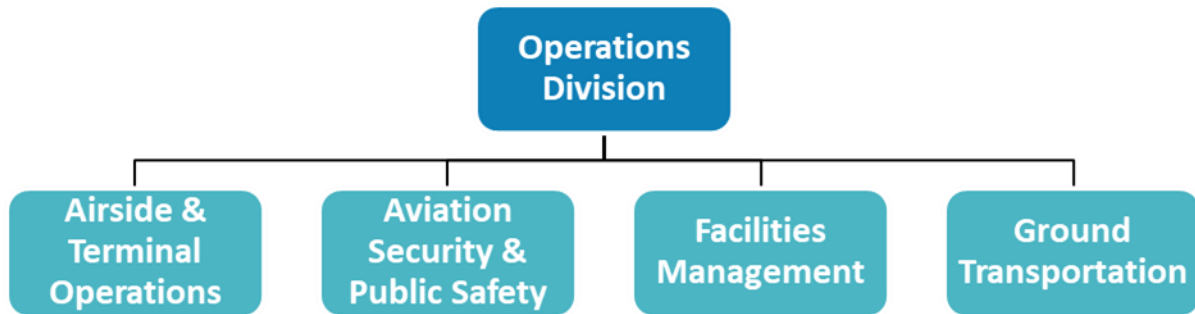
The **Aviation Security & Public Safety (AVSEC)** department implements all required FAA and TSA security programs and security equipment improvements; manages the Service Level Agreement with Harbor Police; coordinates with all Homeland Security and state agencies for passenger inspection services; develops, administers and implements the Airport Security Program and Airport Emergency Plan; 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 Facilities Development 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 operations from the terminal curb and roadways to the parking lots. This includes a parking plaza, five parking lots, and the terminal transportation islands, all of which require coordinated shuttle bus services. The department regulates the airport's commercial transportation service providers, including, taxicabs, shuttles, limousines and courtesy vehicles; issues permits for all ground transportation service provider vehicles; manages the Rental Car Center (RCC) busing operation in conjunction with the RCC bus contractor; and manages the airport parking card program for stakeholders and employees.

## Operations Division

### FY 2020 – FY 2021 Organizational Structure



### Division Personnel Summary

	FY 2018 Budget	FY 2019 Budget	FY 2020 Budget Transfers	FY2020 Budget New/ (Eliminated)	FY 2020 Budget	FY2021 Budget New/ (Eliminated)	FY 2021 Budget
<b>Operations Division</b>							
Aviation Security & Public Safety	17	17	-	1	18	-	18
Airside & Terminal Operations	25	25	-	-	25	-	25
Ground Transportation	64	68	-	3	71	0	73
Facilities Management	88	88	-	-	88	-	88
<b>Total Authorized Funded Positions</b>	<b>194</b>	<b>198</b>	<b>-</b>	<b>4</b>	<b>202</b>	<b>2</b>	<b>204</b>

## Operations Division

### FY 2020 Budget – FY 2021 Expense Conceptual Budget Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 15,202	\$ 15,012	\$ 15,502	\$ 491	3.3%	\$ 16,181	\$ 679	4.4%
Overtime	648	556	712	156	28.1%	687	(25)	-3.5%
Benefits	6,552	7,608	8,076	468	6.1%	8,666	591	7.3%
Subtotal	22,402	23,176	24,290	1,114	4.8%	25,535	1,245	5.1%
Less: Capitalized Labor Recharge	(166)	(262)	-	262	-100.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>22,236</b>	<b>22,913</b>	<b>24,290</b>	<b>1,376</b>	<b>6.0%</b>	<b>25,535</b>	<b>1,245</b>	<b>5.1%</b>
Contractual Services	34,135	35,211	33,464	(1,747)	-5.0%	34,293	830	2.5%
Safety and Security	30,733	33,144	34,004	860	2.6%	35,195	1,191	3.5%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	11,985	12,788	13,826	1,038	8.1%	14,630	804	5.8%
Maintenance	11,231	12,364	11,792	(572)	-4.6%	13,493	1,701	14.4%
Operating Equipment & Systems	170	141	103	(38)	-26.7%	106	3	2.9%
Operating Supplies	398	338	355	17	4.9%	356	1	0.3%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	254	238	240	2	1.0%	248	7	3.1%
Business Development	147	115	156	41	35.3%	127	(29)	-18.4%
Equipment Rentals and Repairs	187	359	811	452	126.0%	852	41	5.0%
Tenant Improvements	8	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>89,247</b>	<b>94,697</b>	<b>94,750</b>	<b>52</b>	<b>0.1%</b>	<b>99,299</b>	<b>4,550</b>	<b>4.8%</b>
<b>Total Operating Expenses</b>	<b>111,483</b>	<b>117,611</b>	<b>119,040</b>	<b>1,429</b>	<b>1.2%</b>	<b>124,834</b>	<b>5,794</b>	<b>4.9%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
<b>Other 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>111,483</b>	<b>117,611</b>	<b>119,040</b>	<b>1,429</b>	<b>1.2%</b>	<b>124,834</b>	<b>5,794</b>	<b>4.9%</b>
Equipment Outlay Expenditures	1,090	762	480	(282)	-37.0%	574	94	19.6%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 112,573</b>	<b>\$ 118,372</b>	<b>\$ 119,520</b>	<b>\$ 1,147</b>	<b>1.0%</b>	<b>\$ 125,408</b>	<b>\$ 5,888</b>	<b>4.9%</b>

## Operations Division

### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY20 vs FY19	Inc/(Dec) FY21 Conceptual vs FY20
<b>FY 2019 Budget / FY 2020 Budget</b>	<b>\$ 118,372</b>	<b>\$ 119,520</b>
<b>Personnel Costs</b>		
Salary adjustments, contracted wage increases and pay-for-performance	420	565
Burden (benefits & employer taxes) for current staff	407	557
4 new positions (salary & burden)	287	-
Capitalized labor	262	-
2 new positions (salary & burden)	-	123
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>1,376</b>	<b>1,245</b>
<b>Non-Personnel Costs</b>		
Rental Car Center (RCC) buses	2,308	318
Utilities	1,013	691
Aircraft Rescue and Fire Fight (ARFF)	576	216
Guard services	398	-
Facial biometric exit software implementation and support	251	(170)
Ground Transportation consultants	150	-
Port District Harbor Police Department law enforcement	(81)	792
Access control camera replacement and repairs	(315)	182
Parking and shuttle operations	(393)	502
Major and annual maintenance	(587)	1,601
Janitorial services	(3,860)	180
Other, net	313	331
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(229)</b>	<b>4,644</b>
<b>Total Increase / (Decrease)</b>	<b>1,147</b>	<b>5,888</b>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<b>\$ 119,520</b>	<b>\$ 125,408</b>

## Operations Division

### FY 2020 Expense Budget by Department

(in thousands)

Departments	FY 2020 Budget
Facilities Management	\$ 37,643
Ground Transportation	35,022
Aviation Security & Public Safety	31,284
Airside & Terminal Operations	15,570
<b>Total <sup>1</sup></b>	<b>\$ 119,520</b>

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

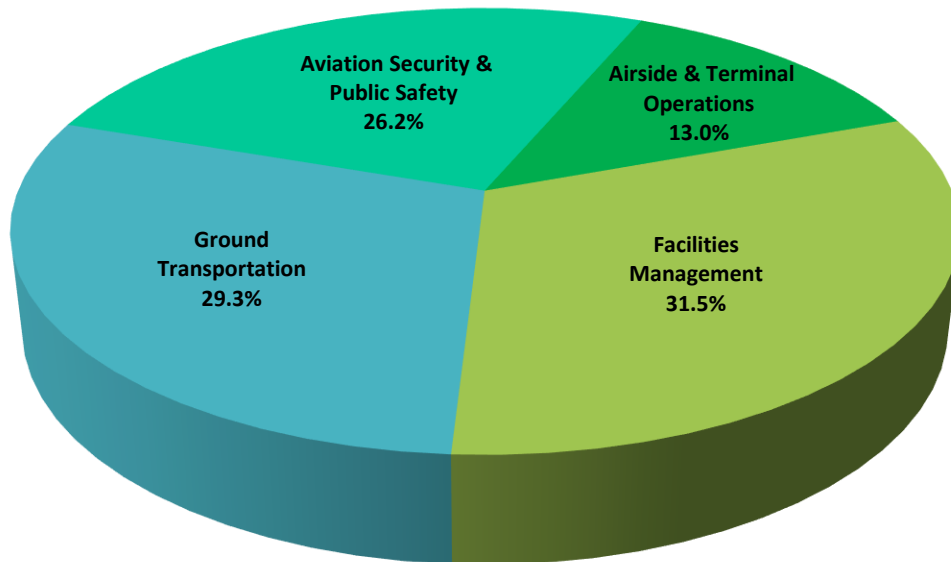


Figure 34 – FY 2020 Expense Budget by Department

## Operations Division

### FY 2021 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2021 Conceptual Budget
Facilities Management	\$ 40,494
Ground Transportation	36,325
Aviation Security & Public Safety	32,437
Airside & Terminal Operations	16,152
<b>Total <sup>1</sup></b>	<b>\$ 125,408</b>

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

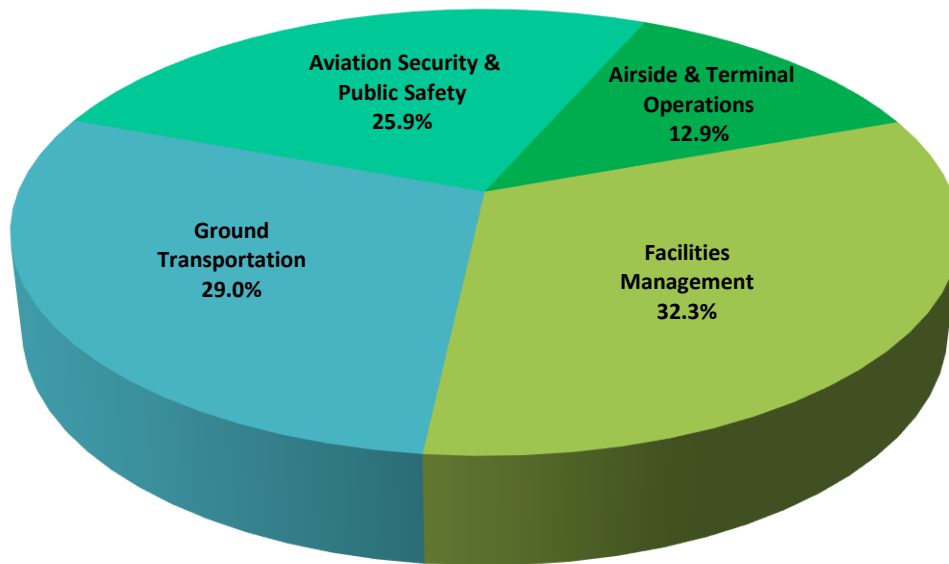


Figure 35 – FY 2021 Expense Conceptual Budget by Department

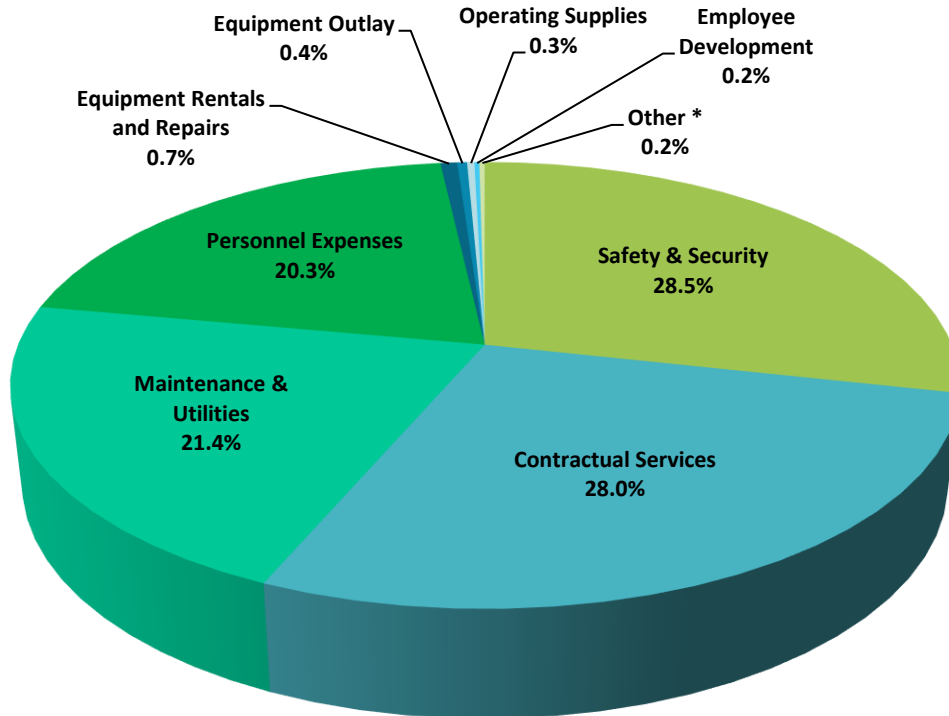
# Operations Division

## FY 2020 Expense Budget by Category

(in thousands)

Category	FY 2020 Budget
Safety & Security	\$ 34,004
Contractual Services	33,464
Maintenance & Utilities	25,618
Personnel Expenses	24,290
Equipment Rentals and Repairs	811
Equipment Outlay	480
Operating Supplies	355
Employee Development	240
Other *	259
<b>Total <sup>1</sup></b>	<b>\$ 119,520</b>

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



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

Figure 36 – FY 2020 Expense Budget by Category

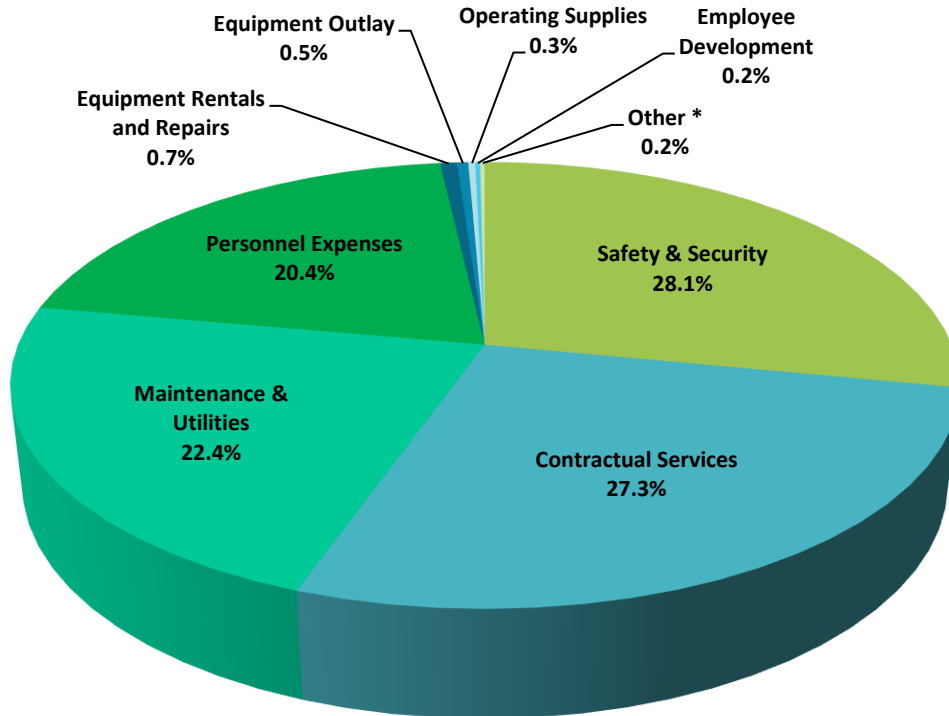
## Operations Division

### FY 2021 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2021 Conceptual Budget
Safety & Security	\$ 35,195
Contractual Services	34,293
Maintenance & Utilities	28,123
Personnel Expenses	25,535
Equipment Rentals and Repairs	852
Equipment Outlay	574
Operating Supplies	356
Employee Development	248
Other *	233
<b>Total <sup>1</sup></b>	<b>\$ 125,408</b>

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



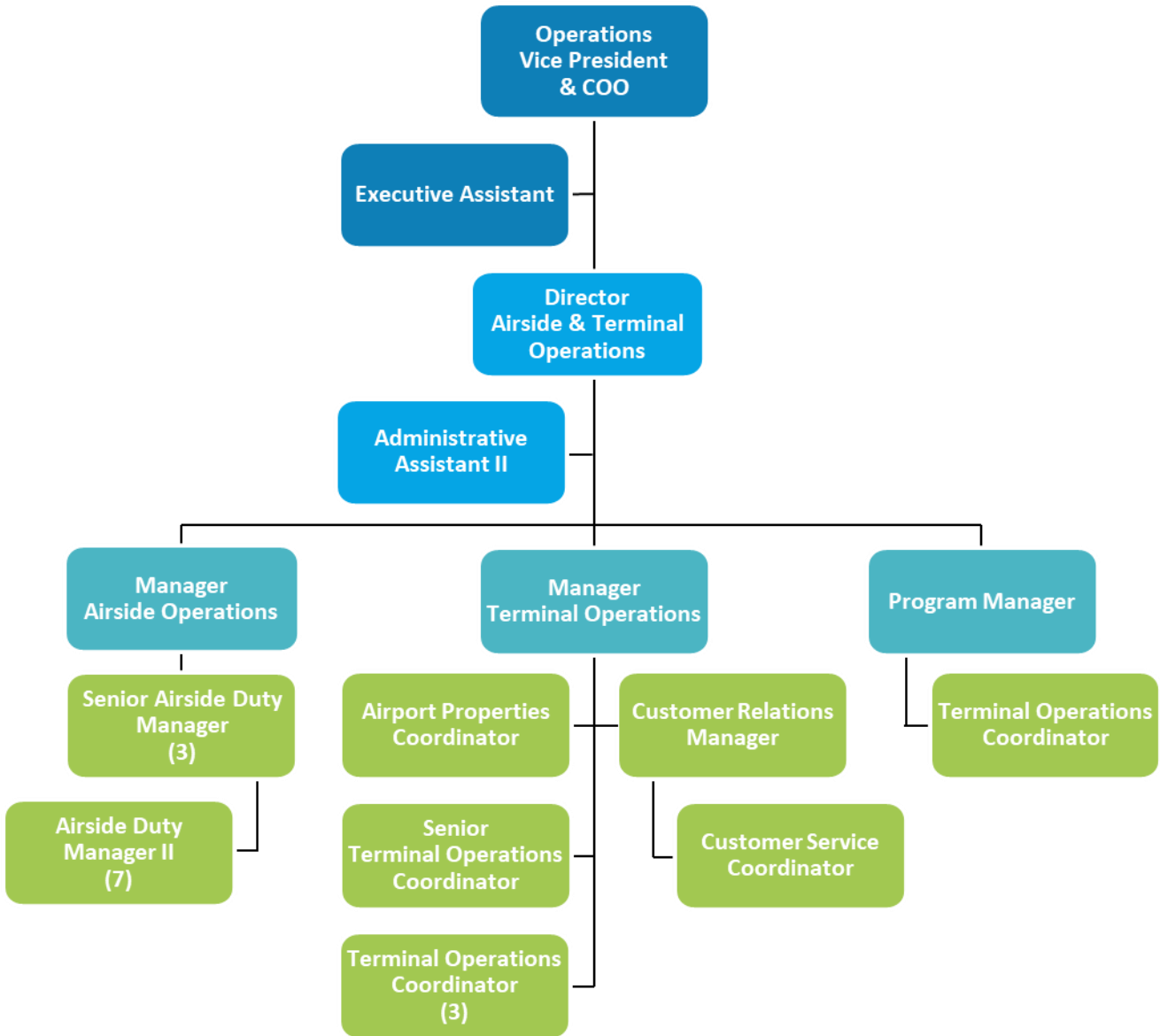
\*Other includes operating equipment & systems, business development, etc.

Figure 37 – FY 2021 Expense Conceptual Budget by Category



# Operations Division – Airside & Terminal Operations

## FY 2020 – FY 2021 Organizational Structure



*No personnel changes in FY 2021*

## Operations Division – Airside & Terminal Operations

### FY 2020 Budget – FY 2021 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 1,721	\$ 2,526	\$ 2,610	\$ 84	3.3%	\$ 2,730	\$ 120	4.6%
Overtime	25	26	27	1	3.8%	27	-	0.0%
Benefits	657	1,200	1,221	21	1.7%	1,308	87	7.1%
Subtotal	2,402	3,752	3,857	105	2.8%	4,064	207	5.4%
Less: Capitalized Labor Recharge	-	(212)	-	212	-100.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>2,402</b>	<b>3,540</b>	<b>3,857</b>	<b>317</b>	<b>9.0%</b>	<b>4,064</b>	<b>207</b>	<b>5.4%</b>
Contractual Services	773	8,944	5,141	(3,803)	-42.5%	5,214	73	1.4%
Safety and Security	5,245	5,621	6,197	576	10.2%	6,485	288	4.6%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	0	0	-	(0)	-100.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	8	52	22	(30)	-57.3%	22	-	0.0%
Operating Supplies	23	23	22	(2)	-7.9%	22	1	3.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	29	67	49	(18)	-26.7%	50	1	2.2%
Business Development	27	82	78	(4)	-5.3%	82	4	5.7%
Equipment Rentals and Repairs	61	101	204	103	102.0%	212	8	4.1%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>6,167</b>	<b>14,890</b>	<b>11,712</b>	<b>(3,178)</b>	<b>-21.3%</b>	<b>12,088</b>	<b>376</b>	<b>3.2%</b>
<b>Total Operating Expenses</b>	<b>8,570</b>	<b>18,431</b>	<b>15,570</b>	<b>(2,861)</b>	<b>-15.5%</b>	<b>16,152</b>	<b>583</b>	<b>3.7%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
<b>Other 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>8,570</b>	<b>18,431</b>	<b>15,570</b>	<b>(2,861)</b>	<b>-15.5%</b>	<b>16,152</b>	<b>583</b>	<b>3.7%</b>
Equipment Outlay Expenditures	-	15	-	(15)	-100.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 8,570</b>	<b>\$ 18,446</b>	<b>\$ 15,570</b>	<b>\$ (2,876)</b>	<b>-15.6%</b>	<b>\$ 16,152</b>	<b>\$ 583</b>	<b>3.7%</b>

## Operations Division – Airside & Terminal Operations

### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY20 vs FY19	Inc/(Dec) FY21 Conceptual vs FY20
<b>FY 2019 Budget / FY 2020 Budget</b>	<b>\$ 18,446</b>	<b>\$ 15,570</b>
<b>Personnel Costs</b>		
Capitalized labor	212	-
Salary adjustments and pay-for-performance	85	120
Burden (benefits & employer taxes) for current staff	21	87
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>317</b>	<b>207</b>
<b>Non-Personnel Costs</b>		
Aircraft Rescue and Fire Fight (ARFF)	576	216
Facial biometric exit software implementation and support	251	(170)
Janitorial services	(3,860)	180
Other, net	(159)	149
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(3,193)</b>	<b>376</b>
<b>Total Increase / (Decrease)</b>	<b>(2,876)</b>	<b>583</b>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<b>\$ 15,570</b>	<b>\$ 16,152</b>

## Operations Division – Airside & Terminal Operations

### FY 2019 Progress Report

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

**Progress:** The inspection was completed on June 19<sup>th</sup> and 20<sup>th</sup> with only minor infractions.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

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

2. Oversee the planning, coordination and construction activities associated with the fuel rack relocation and the installation of hydrant fueling to Gates 46, 47, 48, 49, 50 and 51.

**Progress:** The NTP was recently issued at the end of January and the contractor is in the process of establishing staging areas and commencing the required potholing and survey work necessary to start construction activity.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

- 1B. Advance the ADP

3. Oversee the construction activity associated with the construction work on the west side of Twy B1 to transition from asphalt to concrete.

**Progress:** Work associated with the Taxiway connector project has progressed with Taxiways C3, C4, B4, B5, B6 and B7 completed as of February 8<sup>th</sup>. Construction activity at Twy's B1 and C6 is scheduled to be complete by the end of March.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

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

## Operations Division – Airside & Terminal Operations

4. Provide activation and overnight transition support to Airport Support Facilities and Air Cargo projects.

**Progress:** Staff has begun preparing for activation and overnight transition support for the Airport Support Facilities Project and is waiting for the Air Cargo project to commence.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

5. Assist in the development, construction and operation of the new Duty Free Store, the new common use lounge and any other future development implemented by Business & Financial Management.

**Progress:** Duty Free successfully opened on September 15, 2018. Common Use Lounge: Staff selected a vendor for the common use lounge. Terminal Operations will continue to work with the Revenue Management Department to ensure a successful buildout of the space.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

6. Create a comprehensive business plan that will evaluate the potential for non-airline revenue by introducing concierge services at SAN. The business model would assess the potential to create airport revenue by offering a variety of services to passengers not currently available.

**Progress:** Concierge program/services concept potential explored a few ways:

Innovation lab

- Airport Assist by Murgency
  - Assistance available direct to passenger from curb to gate and back; scheduled services; customizable add-ons
  - Failed – due to company business model
  - Result:
    - Airport Authority not able to analyze company performance or regional demand as planned
- Baggage Nanny
  - Baggage storage and delivery services
  - Concierge program feature tested as individual offering
  - Successful – as a primarily O & D airport, the regional demand is there
  - Result:
    - Best offered through partnerships rather than fully integrated part of concierge program

## Operations Division – Airside & Terminal Operations

### Holiday Helpers

- Airport Concessionaires tested different model of concierge program
  - Concessionaire idea funded by marketing fund
- Spirited directional assistance with giveaways
- Non-revenue generating
- More informational than our concept/goal
- Results:
  - As unplanned/informal assistance, it cannot realize the service levels we are looking to achieve.
  - Does not meet revenue goals

### Next steps:

- Survey regional market demand
- Create report on other airport structures and cost breakdowns

### Strategic Goal:

- Customer, exceed our customers' expectations by introducing innovative service and facility enhancements.

### Strategic Initiative:

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

## Operations Division – Airside & Terminal Operations

### FY 2020 – FY 2021 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 39 violations that are subject to civil penalty, and (2) there are no SDIA airfield incidents / accidents that are attributed to Part 139 compliance.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

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

2. Oversee the construction and coordination activities associated with the relocation of the fuel line in support of the Hydrant Fueling Project to the west end of the airport, and facilitate the installation of the fuel hydrant systems to gates 48, 49, 50 and 51.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

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

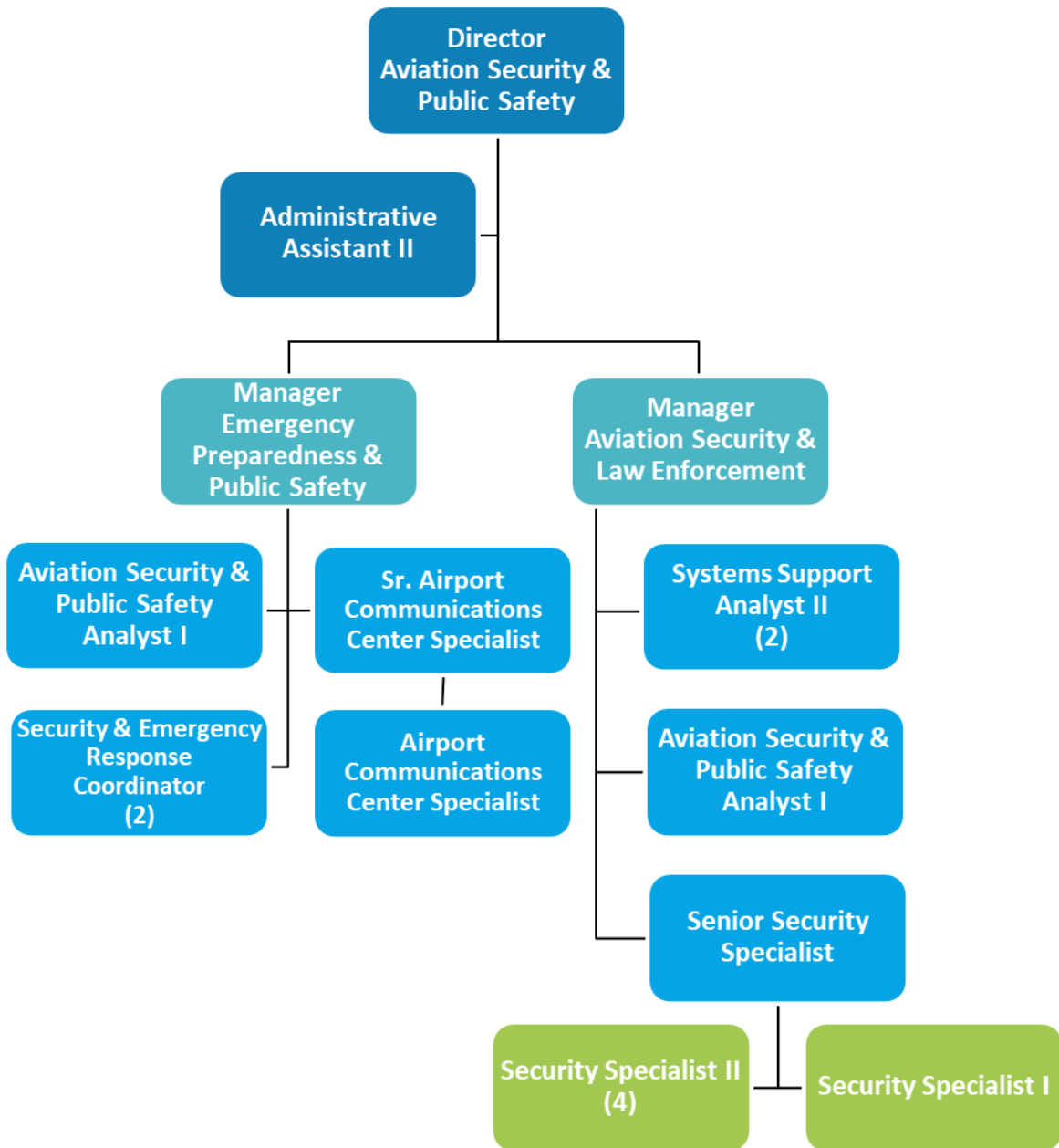
3. **Strategic Goal:** Provide activation and overnight transition support for new Authority Administration Building
  - Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

# Operations Division – Aviation Security & Public Safety

## FY 2020 – FY 2021 Organizational Structure



*No personnel changes in FY 2021.*



## Operations Division – Aviation Security & Public Safety

### FY 2020 Budget – FY 2021 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 1,255	\$ 1,387	\$ 1,437	\$ 50	3.6%	\$ 1,509	\$ 72	5.0%
Overtime	54	50	55	5	10.0%	55	-	0.0%
Benefits	540	661	716	55	8.3%	769	53	7.4%
Subtotal	1,849	2,098	2,208	110	5.2%	2,333	125	5.6%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,849</b>	<b>2,098</b>	<b>2,208</b>	<b>110</b>	<b>5.2%</b>	<b>2,333</b>	<b>125</b>	<b>5.6%</b>
Contractual Services	571	691	746	55	7.9%	717	(30)	-4.0%
Safety and Security	25,488	27,522	27,807	284	1.0%	28,710	904	3.2%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	16	41	38	(3)	-7.3%	41	3	7.9%
Operating Supplies	151	144	149	5	3.8%	160	11	7.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	21	33	35	2	5.9%	30	(5)	-13.5%
Business Development	40	9	42	33	372.9%	9	(33)	-78.9%
Equipment Rentals and Repairs	26	143	160	17	11.9%	187	28	17.2%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>26,313</b>	<b>28,583</b>	<b>28,976</b>	<b>393</b>	<b>1.4%</b>	<b>29,854</b>	<b>877</b>	<b>3.0%</b>
<b>Total Operating Expenses</b>	<b>28,162</b>	<b>30,681</b>	<b>31,184</b>	<b>503</b>	<b>1.6%</b>	<b>32,187</b>	<b>1,002</b>	<b>3.2%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
<b>Other 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>28,162</b>	<b>30,681</b>	<b>31,184</b>	<b>503</b>	<b>1.6%</b>	<b>32,187</b>	<b>1,002</b>	<b>3.2%</b>
Equipment Outlay Expenditures	(77)	365	100	(265)	-72.6%	250	150	150.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 28,085</b>	<b>\$ 31,046</b>	<b>\$ 31,284</b>	<b>\$ 238</b>	<b>0.8%</b>	<b>\$ 32,437</b>	<b>\$ 1,152</b>	<b>3.7%</b>

## Operations Division – Aviation Security & Public Safety

### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY20 vs FY19	Inc/(Dec) FY21 Conceptual vs FY20
<b>FY 2019 Budget / FY 2020 Budget</b>	\$ 31,046	\$ 31,284
<b>Personnel Costs</b>		
1 new position (salary & burden)	90	-
Burden (benefits & employer taxes) for current staff	39	53
Salary adjustments and pay-for-performance	(19)	72
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>110</b>	<b>125</b>
<b>Non-Personnel Costs</b>		
Guard services	398	-
Port District Harbor Police Department law enforcement	(81)	792
Access control camera replacement and repairs	(315)	182
Other, net	126	54
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>128</b>	<b>1,027</b>
<b>Total Increase / (Decrease)</b>	<b>238</b>	<b>1,152</b>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<b>\$ 31,284</b>	<b>\$ 32,437</b>

## Operations Division – Aviation Security & Public Safety

### FY 2019 Progress Report

1. Update and revise the existing Airport Emergency Plan (AEP) to account for the operational growth and staff changes in the Aviation Security and Public Safety Department (i.e. the Airport Communication Center (ACC) and the Security and Emergency Response Coordinator (SERC) positions). Once completed, the revised AEP will be sent to the FAA for stamped approval.

**Progress:** The AEP revisions were completed and sent to the FAA in December 2018. In January 2019, the FAA approved the revisions and sent back the stamped/approved copies to the Airport.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

2. Develop a five (5) and ten (10) year departmental staffing (and inherent succession) plan that addresses the daily operational needs of the Authority, as well as, prepares for the upcoming challenges of the ADP and its supporting projects and initiatives.

**Progress:** Departmental staffing level recommendations and corresponding organizational chart was presented to the Vice-President, Operations/COO for consideration during second quarter FY 19.

**Strategic Goal:**

- Employee, develop leaders and a workforce aligned to the needs of our Strategic Plan and an inclusive environment that reflects the diversity of our community.

**Strategic Initiative:**

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

## Operations Division – Aviation Security & Public Safety

### FY 2020 – FY 2021 Goals

1. Plan and conduct a FAR 139 required Airport mass-casualty field exercise. Planning will begin in the fall of 2019 with the exercise to take place in May/June 2020.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

2. Initiate a scheduled modernization of Authority-owned video surveillance equipment to include the replacement of antiquated analogue cameras with Internet Protocol (IP)-based high-definition cameras. The initiative will commence in July 2019.

**Strategic Goal:**

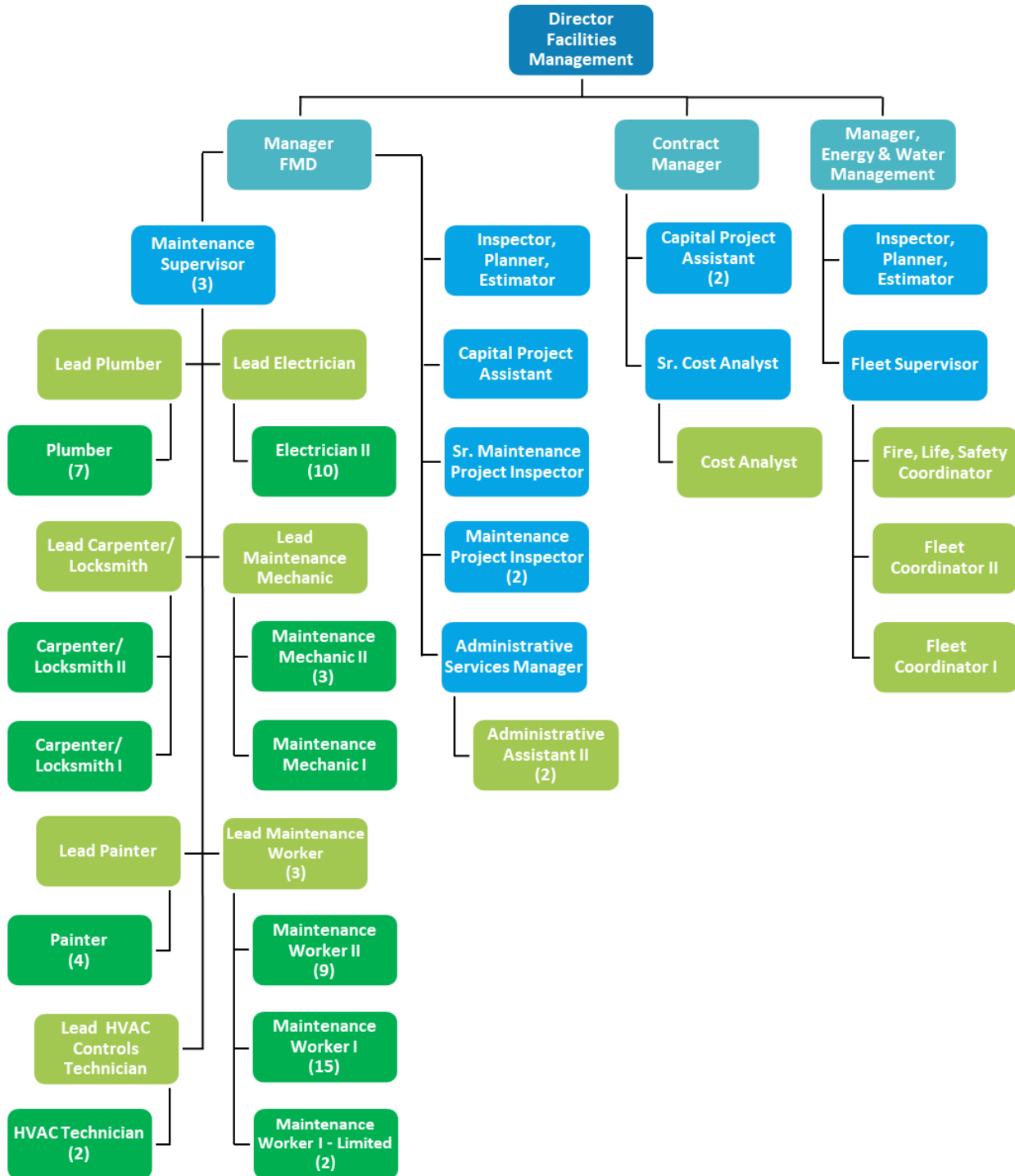
- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

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

# Operations Division – Facilities Management

## FY 2020 – FY 2021 Organizational Structure



*No personnel changes in FY 2021.*

## Operations Division – Facilities Management

### FY 2020 Budget – FY 2021 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Proposed Budget	Inc / (Dec) FY20 Proposed vs FY19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 6,371	\$ 6,807	\$ 6,899	\$ 91	1.3%	\$ 7,141	\$ 242	3.5%
Overtime	391	450	450	-	0.0%	450	-	0.0%
Benefits	2,706	3,488	3,635	147	4.2%	3,870	235	6.5%
Subtotal	9,467	10,746	10,984	238	2.2%	11,461	477	4.3%
Less: Capitalized Labor Recharge	(37)	(51)	-	51	-100.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>9,430</b>	<b>10,695</b>	<b>10,984</b>	<b>289</b>	<b>2.7%</b>	<b>11,461</b>	<b>477</b>	<b>4.3%</b>
Contractual Services	370	333	340	7	2.1%	190	(150)	-44.1%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	11,981	12,785	13,823	1,038	8.1%	14,627	804	5.8%
Maintenance	11,231	12,364	11,792	(572)	-4.6%	13,493	1,701	14.4%
Operating Equipment & Systems	34	40	40	-	0.0%	40	-	0.0%
Operating Supplies	108	96	120	24	25.1%	110	(10)	-8.3%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	93	90	97	7	8.1%	112	15	15.4%
Business Development	6	9	8	(1)	-16.7%	8	-	0.0%
Equipment Rentals and Repairs	22	79	125	46	58.5%	130	5	4.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>23,845</b>	<b>25,795</b>	<b>26,344</b>	<b>549</b>	<b>2.1%</b>	<b>28,709</b>	<b>2,365</b>	<b>9.0%</b>
<b>Total Operating Expenses</b>	<b>33,276</b>	<b>36,491</b>	<b>37,328</b>	<b>837</b>	<b>2.3%</b>	<b>40,170</b>	<b>2,842</b>	<b>7.6%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
<b>Other 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>33,276</b>	<b>36,491</b>	<b>37,328</b>	<b>837</b>	<b>2.3%</b>	<b>40,170</b>	<b>2,842</b>	<b>7.6%</b>
Equipment Outlay Expenditures	1,167	300	315	15	5.0%	324	9	2.9%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 34,442</b>	<b>\$ 36,791</b>	<b>\$ 37,643</b>	<b>\$ 852</b>	<b>2.3%</b>	<b>\$ 40,494</b>	<b>\$ 2,851</b>	<b>7.6%</b>

## Operations Division – Facilities Management

### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY20 vs FY19	Inc/(Dec) FY21 Conceptual vs FY20
<b>FY 2019 Budget / FY 2020 Budget</b>	\$ 36,791	\$ 37,643
<b>Personnel Costs</b>		
Burden (benefits & employer taxes) for current staff	147	235
Salary adjustments, contracted wage increases and pay-for-performance	91	242
Capitalized labor	51	-
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>289</b>	<b>477</b>
<b>Non-Personnel Costs</b>		
Utilities	1,013	691
Major and Annual Maintenance	(587)	1,601
Other, net	138	82
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>564</b>	<b>2,374</b>
<b>Total Increase / (Decrease)</b>	<b>852</b>	<b>2,851</b>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<b>\$ 37,643</b>	<b>\$ 40,494</b>

## Operations Division – Facilities Management

### FY 2019 Progress Report

1. Continue to identify maintenance projects, which can be capitalized and incorporated into the Authorities long-term capital program while continuing to support daily operations without interruption. This is an on-going effort through FY 2022.

**Progress:** Projects that meet requirements have been converted from Operating Budget to CIP Budget Projects.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

2. Facilitate a cohesive work environment through the transition and relocation of FMD campus without interruption to daily operations.

**Progress:** ASF Project has completed Schematic Design and employees have an idea of future working space.

**Strategic Goal:**

- Customer, exceed our customers' expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

- 1B. Advance the ADP

3. Provide excellent customer service through managing our facilities by cross training current staff on multiple job functionalities to meet daily requirements of a fluid environment as we advance the ADP.

**Progress:** All areas of FMD are now cross-trained to provide three deep staff.

**Strategic Goal:**

- Employee, develop leaders and a workforce aligned to the needs of our Strategic Plan and an inclusive environment that reflects the diversity of our community.

**Strategic Initiative:**

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



## Operations Division – Facilities Management

### FY 2020 – FY 2021 Goals

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

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

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

2. Provide relevant training to staff and explore career development opportunities through the mentorship program to align with ADP staffing needs.

**Strategic Goal:**

- Employee, develop leaders and a workforce aligned to the needs of our Strategic Plan and an inclusive environment that reflects the diversity of our community.

**Strategic Initiative:**

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

3. Continue to deliver department retreats that enhance communication and keep staff engaged in the delivering the brand promise pledge of providing good feelings non-stop.

**Strategic Goal:**

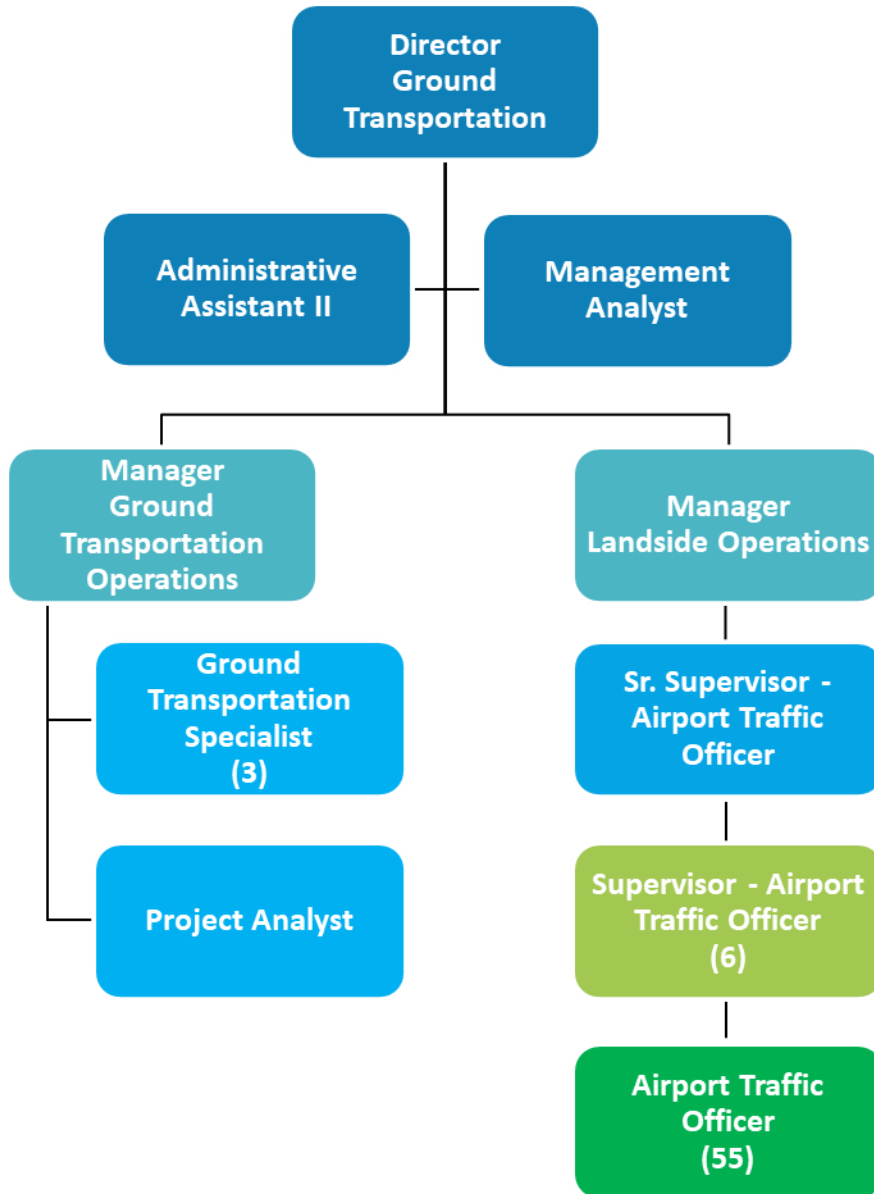
- Employee, develop leaders and a workforce aligned to the needs of our Strategic Plan and an inclusive environment that reflects the diversity of our community.

**Strategic Initiative:**

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

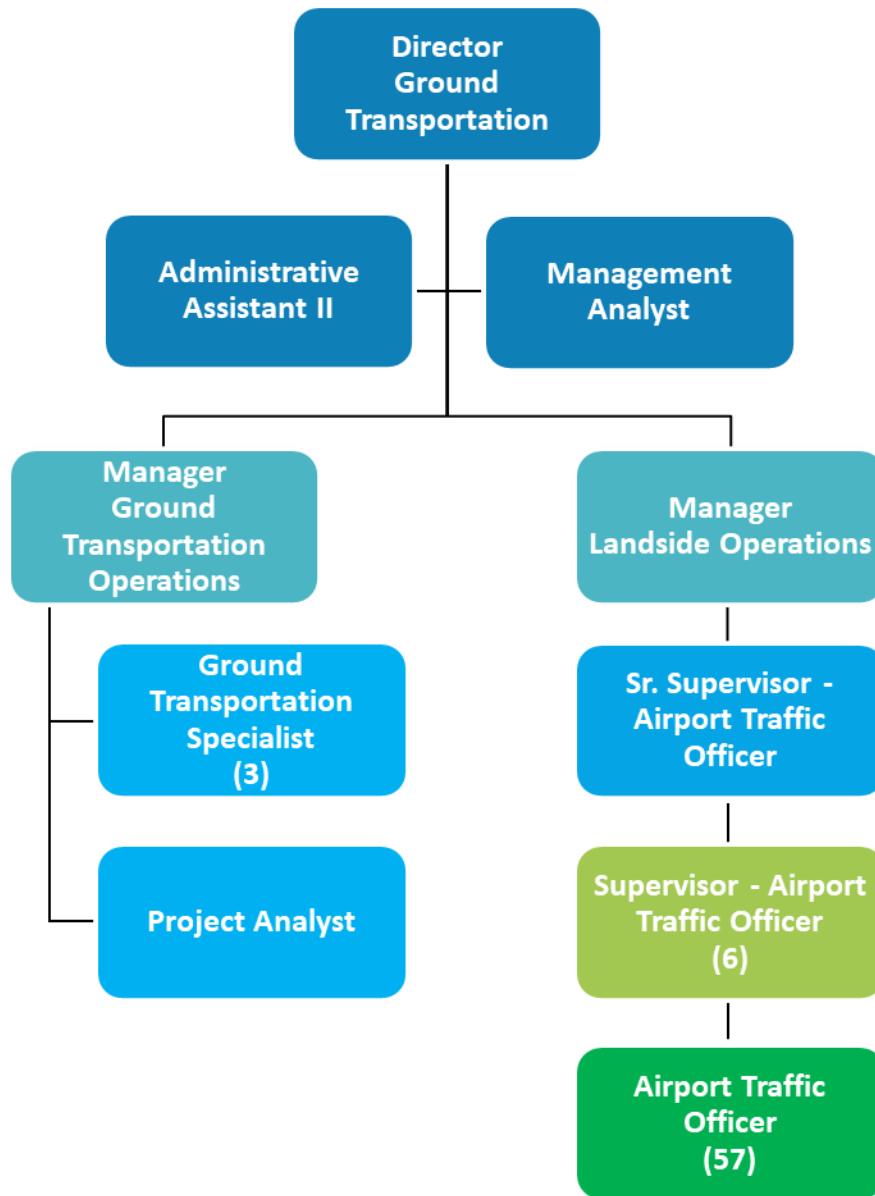
# Operations Division – Ground Transportation

## FY 2020 Organizational Structure



# Operations Division – Ground Transportation

## FY 2021 Organizational Structure



## Operations Division – Ground Transportation

### FY 2020 Budget – FY 2021 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 3,890	\$ 4,291	\$ 4,557	\$ 266	6.2%	\$ 4,802	\$ 245	5.4%
Overtime	177	30	180	150	500.0%	155	(25)	-13.9%
Benefits	1,811	2,258	2,503	245	10.9%	2,719	216	8.6%
Subtotal	5,878	6,579	7,240	661	10.0%	7,676	436	6.0%
Less: Capitalized Labor Recharge	(0)	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>5,878</b>	<b>6,579</b>	<b>7,240</b>	<b>661</b>	<b>10.0%</b>	<b>7,676</b>	<b>436</b>	<b>6.0%</b>
Contractual Services	22,692	25,243	27,236	1,994	7.9%	28,172	936	3.4%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	3	3	3	-	0.0%	3	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	59	8	3	(5)	-62.5%	3	-	0.0%
Operating Supplies	95	75	64	(11)	-14.7%	64	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	49	48	59	11	22.5%	55	(4)	-6.8%
Business Development	17	15	28	13	89.9%	28	-	0.0%
Equipment Rentals and Repairs	42	37	323	286	781.0%	323	(0)	0.0%
Tenant Improvements	8	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>22,966</b>	<b>25,429</b>	<b>27,717</b>	<b>2,288</b>	<b>9.0%</b>	<b>28,649</b>	<b>932</b>	<b>3.4%</b>
<b>Total Operating Expenses</b>	<b>28,845</b>	<b>32,008</b>	<b>34,957</b>	<b>2,949</b>	<b>9.2%</b>	<b>36,325</b>	<b>1,368</b>	<b>3.9%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
<b>Other 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>28,845</b>	<b>32,008</b>	<b>34,957</b>	<b>2,949</b>	<b>9.2%</b>	<b>36,325</b>	<b>1,368</b>	<b>3.9%</b>
Equipment Outlay Expenditures	-	82	65	(17)	-20.3%	-	(65)	-100.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 28,845</b>	<b>\$ 32,090</b>	<b>\$ 35,022</b>	<b>\$ 2,933</b>	<b>9.1%</b>	<b>\$ 36,325</b>	<b>\$ 1,303</b>	<b>3.7%</b>

## Operations Division – Ground Transportation

### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY20 vs FY19	Inc/(Dec) FY21 Conceptual vs FY20
<b>FY 2019 Budget / FY 2020 Budget</b>	\$ 32,090	\$ 35,022
<b>Personnel Costs</b>		
Salary adjustments, contracted wage increases and pay-for-perf	263	131
Burden (benefits & employer taxes) for current staff	200	182
3 new positions (salary & burden)	198	-
2 new positions (salary & burden)	-	123
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>661</b>	<b>436</b>
<b>Non-Personnel Costs</b>		
Rental Car Center (RCC) buses	2,308	318
Ground Transportation consultants	150	-
Parking and shuttle operations	(393)	502
Other, net	208	47
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>2,272</b>	<b>867</b>
<b>Total Increase / (Decrease)</b>	<b>2,933</b>	<b>1,303</b>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<b>\$ 35,022</b>	<b>\$ 36,325</b>

## Operations Division – Ground Transportation

### FY 2019 Progress Report

1. Maintain and improve Ground Transportation infrastructure, systems, and operations to ensure safe, efficient, and world-class service through Terminal 2 Parking Plaza and Federal Inspection Service opening, ongoing construction for Airport Support Facilities, Terminal 1 expansion, and technological changes.

**Progress:** The Ground Transportation Department facilitated the successful opening of the Terminal 2 Parking Plaza and Federal Inspection service, including the startup of the Inter-Terminal Shuttle service. Facilitation and accommodation for Airport Support Facilities and Terminal 1 construction, along with technological advancements to the safety and efficiency of operations are ongoing.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

- 1D. Develop a plan for transportation to and at the airport that anticipates and responds to technological changes

2. Adapt ongoing Ground Transportation operations as needed to accommodate construction and integrate new technology, products, services, and business methods. Maintain engagement with all stakeholders and especially the community as the Ground Transportation environment at the airport evolves.

**Progress:** The Ground Transportation Department has expanded the commercial mode online billing system, implemented online permitting processes, streamlined Transportation Network Company trip, violation, and greenhouse gas metric reporting, and promulgated online access to airport shuttles to customers, employees, and stakeholders. Implementation of data analytics capabilities has been initiated with the Analytics Team. The department continues to explore standardized online performance measurement tools and communication methods with commercial modes stakeholders.

**Strategic Goal:**

- Customer, exceed our customers' expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

## Operations Division – Ground Transportation

3. Engage Airport Traffic Officer (ATO) staff in planning and operations of ground transportation systems and initiatives. Leverage ATO operational expertise to improve the safety and efficiency of ground transportation operations, implement process improvements, and enhance the employee and customer experience.

**Progress:** The Ground Transportation Department completed a staffing study to determine the optimal operational staffing levels and tools required to improve ATO efficiency and effectiveness. The Department has initiated online training, performance measurement tool development, and efficiency improvements to enhance ATO knowledge and operational acumen. The department has visited and collaborated with other airports to ensure best practices alignment, and areas for improvement. Enforcement activities and collaboration with commercial modes and regulatory agencies is a continuing focus of MOA and industry partnership.

### **Strategic Goal:**

- Customer, exceed our customers' expectations by introducing innovative service and facility enhancements.

### **Strategic Initiative:**

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

## Operations Division – Ground Transportation

### FY 2020 – FY 2021 Goals

1. Engage with stakeholders and business partners to develop and implement transportation strategies that meet the changing needs of the airport environment and the community.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**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 Airport Support Facilities, Terminal 1 expansion and technological changes in the industry.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

- 1B. Advance the ADP

3. Integrate new technology, products, services and business methods to ensure world-class services to travelers, employees, business operators and other users, and improve efficiency, safety and the environment.

**Strategic Goal:**

- Customer, exceed our customers' expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

- 1D. Develop a plan for transportation to and at the airport that anticipates and responds to technological changes



# 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.

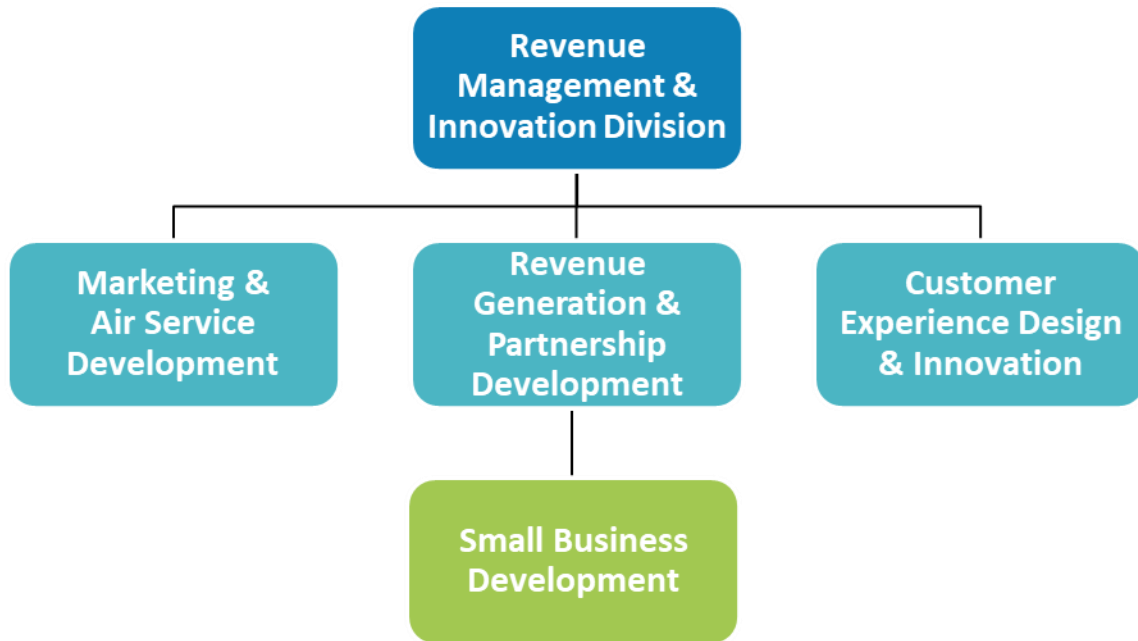
The **Customer Experience Design & Innovation** department identifies and maps interactions a customer has with the Airport in order to identify opportunities to enhance or deliver new products and services that support a positive, meaningful experience across those interactions. The department is responsible for a variety of related activities, including analyzing data for competitive insights; creating and maintaining the customer journey map and customer personas; offering a robust Airport Arts Program that engages travelers in innovative, memorable and considerate experiences; and managing the Innovation Lab where innovators and airport executives work together to create and test new ideas to drive airport innovation and improve the passenger experience. 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 & 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 develops 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)** by encouraging the use of local, small, historically underutilized, disabled veteran, emerging disadvantaged business enterprises, and airport concession disadvantaged business enterprises. All of the department's efforts are designed to drive incremental revenue growth, reduce costs, and enhance the overall passenger experience.

# Revenue Management & Innovation Division

## FY 2020 – FY 2021 Organizational Structure



### Division Personnel Summary

	FY 2018 Budget	FY 2019 Budget	FY 2020 Budget Budget Transfers	FY2020 Budget New/ (Eliminated)	FY 2020 Budget	FY2021 Budget New/ (Eliminated)	FY 2021 Budget
<b>Revenue Management &amp; Innovation Division</b>							
Customer Experience Design & Innovation <sup>1</sup>	7	7	5	-	12	2	14
Marketing & Air Service Development <sup>2</sup>	16	16	(3)	-	13	-	13
Revenue Generation & Partnership Development <sup>3</sup>	13	13	0	-	13	-	13
Small Business Development	4	4	0	-	4	-	4
<b>Total Authorized Funded Positions</b>	<b>40</b>	<b>40</b>	<b>2</b>	<b>-</b>	<b>42</b>	<b>2</b>	<b>44</b>

<sup>1</sup> 5 positions transferred from Marketing & Air Service Development (4) and Airline Relations (1)

<sup>2</sup> 4 positions transferred to Customer Experience Design & Innovation and 1 position transferred from Revenue Generation & Partnership Development

<sup>3</sup> 1 position transferred from Talent, Culture & Capability and 1 position transferred to Marketing & Air Service Development

## Revenue Management & Innovation Division

### FY 2020 Budget – FY 2021 Expense Conceptual Budget Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 1,957	\$ 3,901	\$ 4,086	\$ 185	4.7%	\$ 4,412	\$ 326	8.0%
Overtime	1	-	-	-	0.0%	-	-	0.0%
Benefits	794	1,699	1,883	184	10.8%	2,095	212	11.2%
Subtotal	2,751	5,600	5,969	369	6.6%	6,507	538	9.0%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>2,751</b>	<b>5,600</b>	<b>5,969</b>	<b>369</b>	<b>6.6%</b>	<b>6,507</b>	<b>538</b>	<b>9.0%</b>
Contractual Services	872	3,372	3,795	424	12.6%	3,770	(25)	-0.7%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	10,190	10,191	10,177	(14)	-0.1%	10,177	-	0.0%
Utilities	2	1	-	(1)	-100.0%	-	-	0.0%
Maintenance	23	22	-	(22)	-100.0%	-	-	0.0%
Operating Equipment & Systems	3	2	21	19	950.0%	21	-	0.0%
Operating Supplies	8	15	8	(7)	-45.8%	8	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	64	135	137	2	1.3%	138	1	0.4%
Business Development	345	1,948	2,055	108	5.5%	2,085	30	1.5%
Equipment Rentals and Repairs	17	21	121	100	470.8%	61	(60)	-49.6%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>11,525</b>	<b>15,707</b>	<b>16,315</b>	<b>608</b>	<b>3.9%</b>	<b>16,260</b>	<b>(54)</b>	<b>-0.3%</b>
<b>Total Operating Expenses</b>	<b>14,276</b>	<b>21,307</b>	<b>22,284</b>	<b>976</b>	<b>4.6%</b>	<b>22,767</b>	<b>483</b>	<b>2.2%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
<b>Other 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>14,276</b>	<b>21,307</b>	<b>22,284</b>	<b>976</b>	<b>4.6%</b>	<b>22,767</b>	<b>483</b>	<b>2.2%</b>
Equipment Outlay Expenditures	-	5	-	(5)	-100.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 14,276</b>	<b>\$ 21,312</b>	<b>\$ 22,284</b>	<b>\$ 971</b>	<b>4.6%</b>	<b>\$ 22,767</b>	<b>\$ 483</b>	<b>2.2%</b>

## Revenue Management & Innovation Division

### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY20 vs FY19	Inc/(Dec) FY21 Conceptual vs FY20
<b>FY 2019 Budget / FY 2020 Budget</b>	<b>\$ 21,312</b>	<b>\$ 22,284</b>
<b>Personnel Costs</b>		
Salary adjustments and pay-for-performance *	185	175
Burden (benefits & employer taxes) for current staff	184	173
2 new positions (salaries & burden)	-	189
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>369</b>	<b>538</b>
<b>Non-Personnel Costs</b>		
Marketing and messaging services	185	(20)
Parking revenue optimization	150	(150)
Customer experience design preparing for ADP	150	-
Property management software	100	(60)
Web design consultant	80	(80)
Community sponsorships	72	20
Receiving & distribution center consultant	47	90
Performing arts in the terminals	-	65
Professional consultants	(130)	(20)
Other, net	(51)	101
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>603</b>	<b>(54)</b>
<b>Total Increase / (Decrease)</b>	<b>971</b>	<b>483</b>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<b>\$ 22,284</b>	<b>\$ 22,767</b>

\* 2 positions transferred from Finance & Risk Management division (1) and Executive division (1)

# Revenue Management & Innovation Division

## FY 2020 Expense Budget by Department

(in thousands)

Departments	FY 2020 Budget
Revenue Generation & Business Development	\$ 14,645
Marketing & Air Service Development	4,842
Customer Experience Design & Innovation	2,182
Small Business Development	614
<b>Total <sup>1</sup></b>	<b>\$ 22,284</b>

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

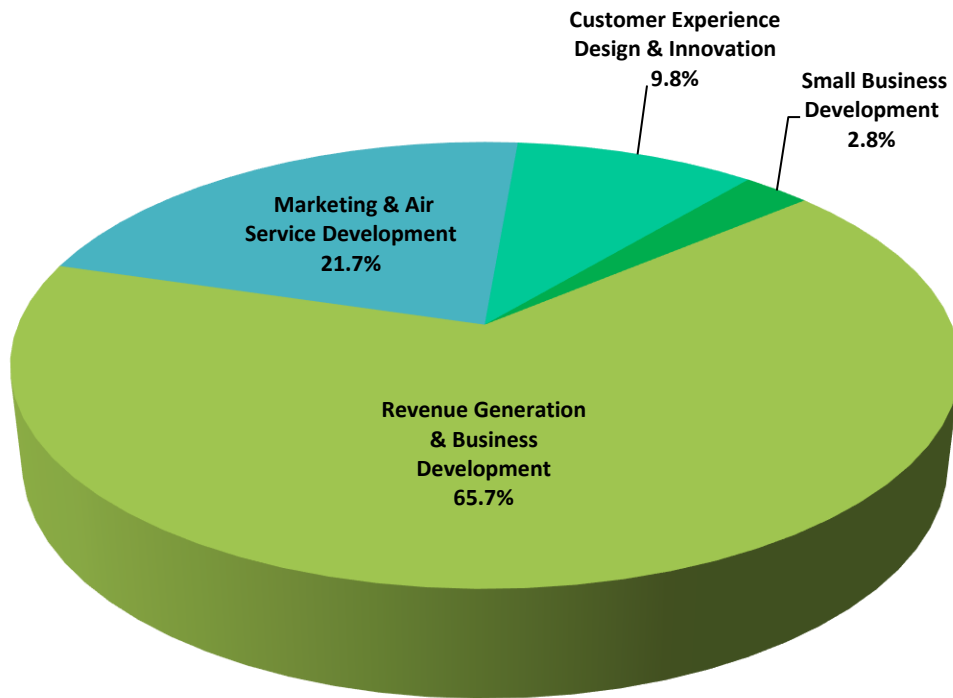


Figure 38 – FY 2020 Expense Budget by Department

## Revenue Management & Innovation Division

### FY 2021 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2021 Conceptual Budget
Revenue Generation & Business Development	\$ 14,652
Marketing & Air Service Development	4,942
Customer Experience Design & Innovation	2,515
Small Business Development	658
<b>Total <sup>1</sup></b>	<b>\$ 22,767</b>

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

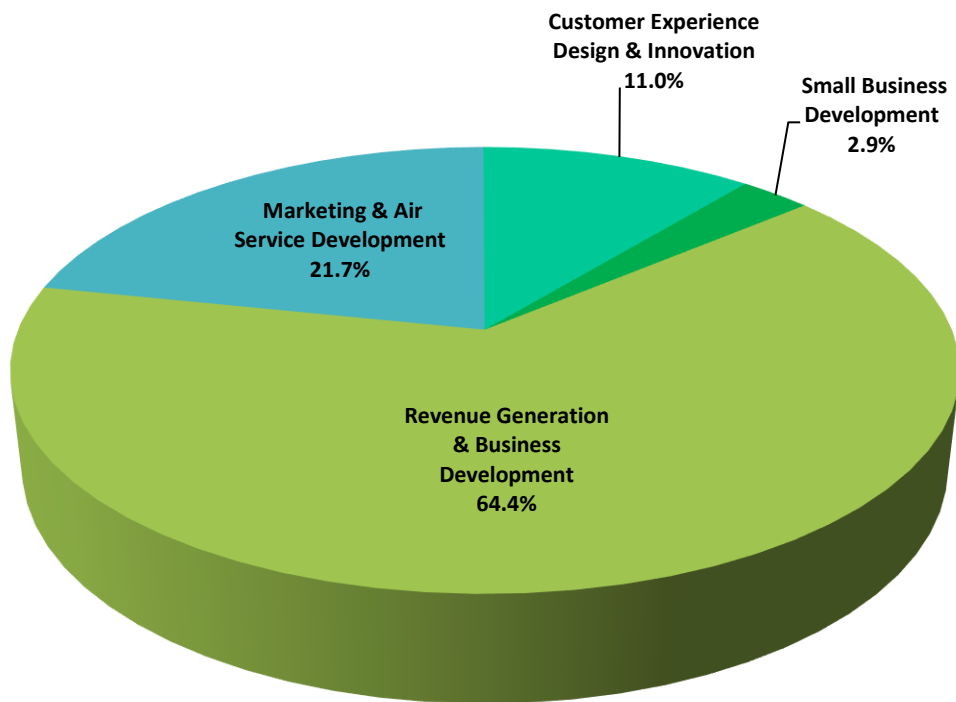


Figure 39 – FY 2021 Expense Conceptual Budget by Department

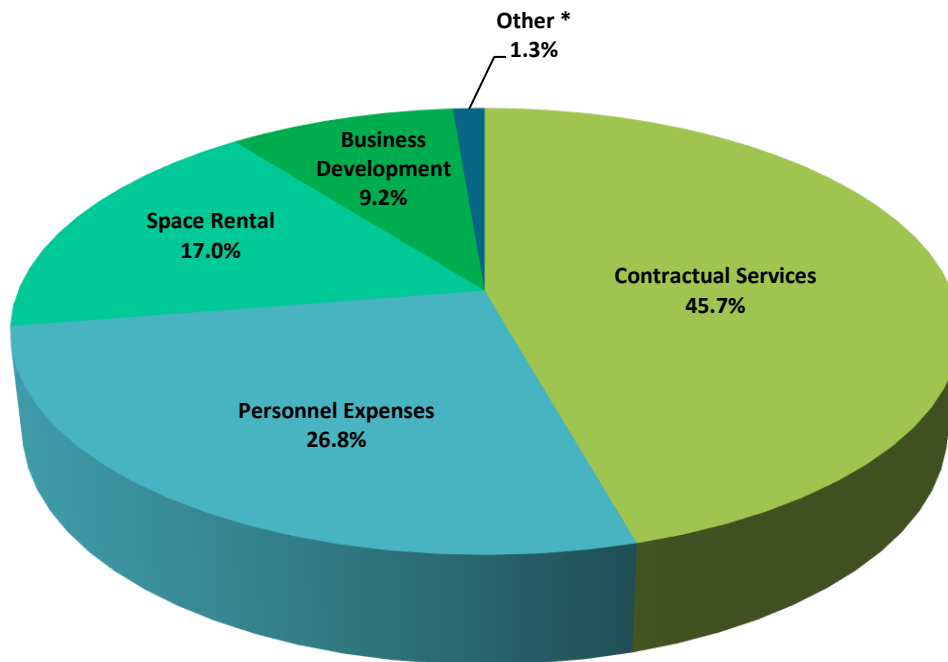
## Revenue Management & Innovation Division

### FY 2020 Expense Budget by Category

(in thousands)

Category	FY 2020 Budget
Contractual Services	\$ 10,177
Personnel Expenses	5,969
Space Rental	3,795
Business Development	2,055
Other *	287
<b>Total <sup>1</sup></b>	<b>\$ 22,284</b>

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



\*Other includes operating equipment & systems, operating supplies, equipment rentals & repairs, employee development, etc.

Figure 40 – FY 2020 Expense Budget by Category



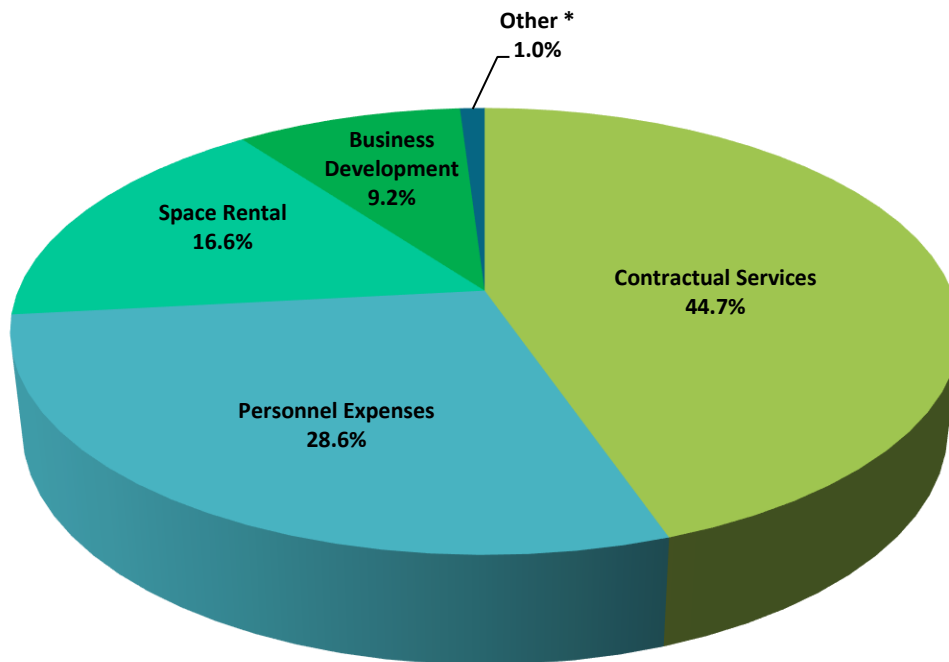
## Revenue Management & Innovation Division

### FY 2021 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2021 Conceptual Budget
Contractual Services	\$ 10,177
Personnel Expenses	6,507
Space Rental	3,770
Business Development	2,085
Other *	228
<b>Total <sup>1</sup></b>	<b>\$ 22,767</b>

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

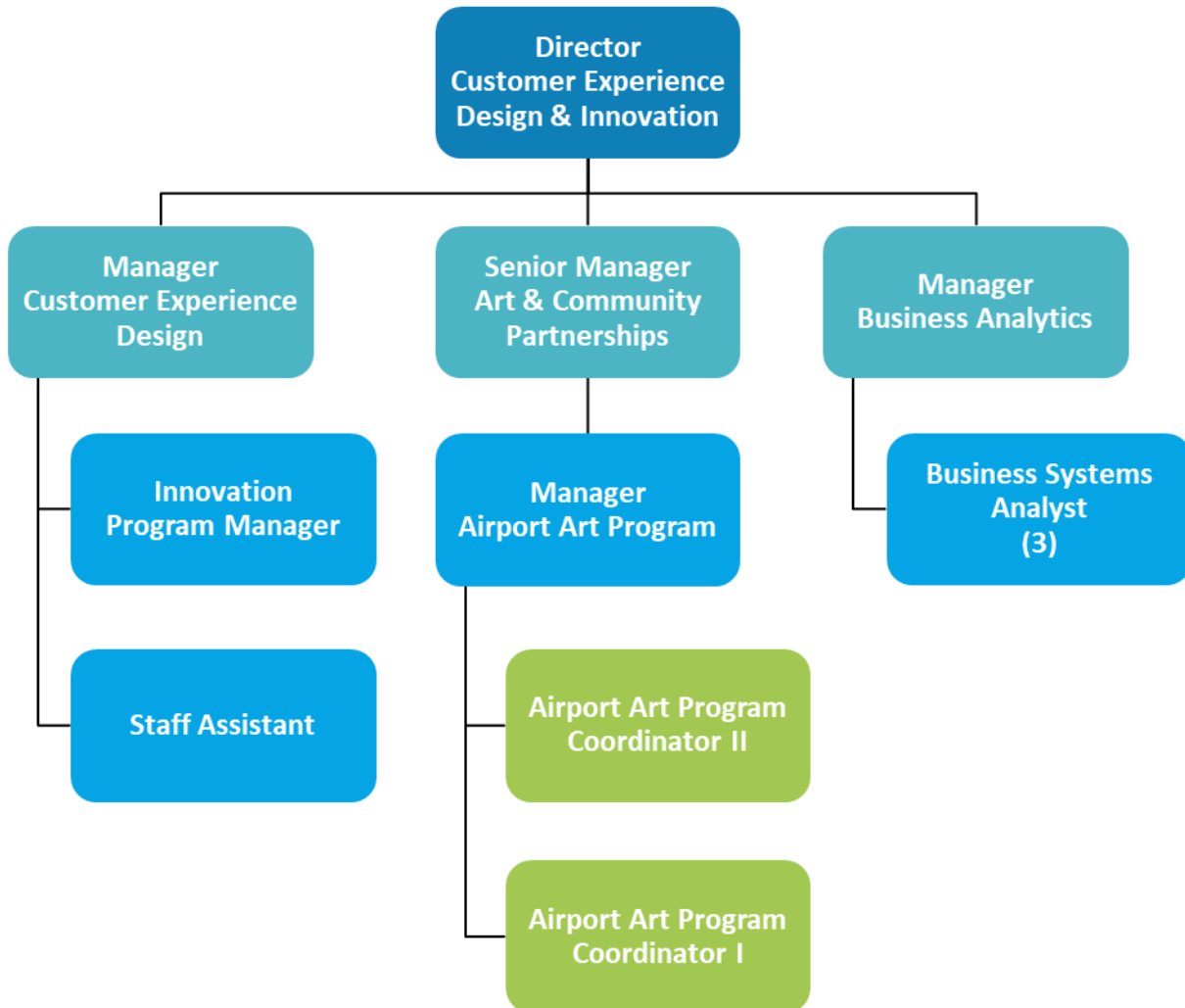


\*Other includes operating equipment & systems, operating supplies, equipment rentals & repairs, employee development, etc.

**Figure 41 – FY 2021 Expense Conceptual Budget by Category**

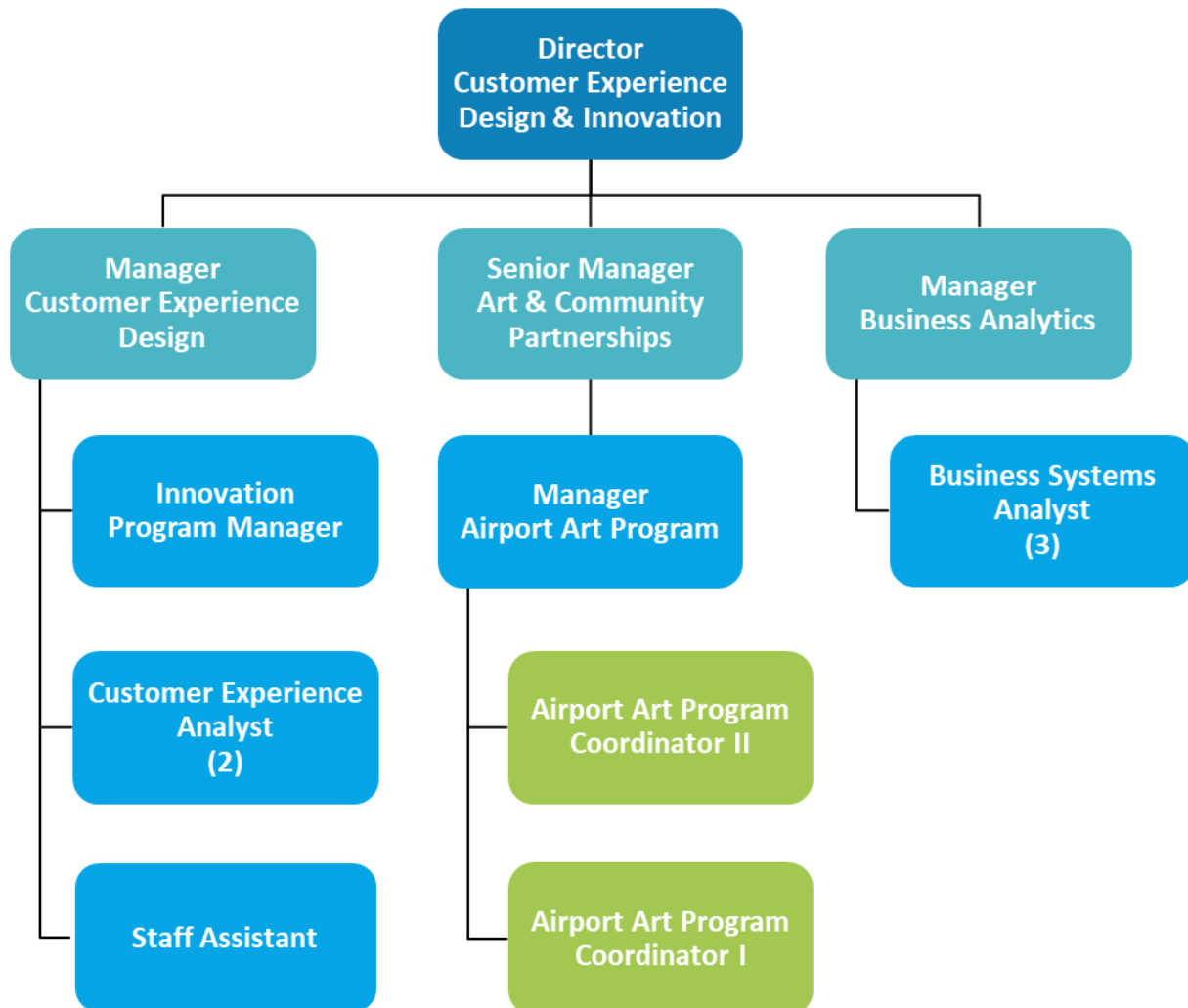
# Revenue Management & Innovation Division – Customer Experience Design & Innovation

## FY 2020 Organizational Structure



# Revenue Management & Innovation Division – Customer Experience Design & Innovation

## FY 2021 Organizational Structure



## Revenue Management & Innovation Division – Customer Experience Design & Innovation

### FY 2020 Budget – FY 2021 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 15	\$ 679	\$ 1,066	\$ 387	57.1%	\$ 1,231	\$ 166	15.5%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	6	286	522	236	82.5%	624	102	19.5%
Subtotal	21	965	1,588	623	64.6%	1,856	267	16.8%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>21</b>	<b>965</b>	<b>1,588</b>	<b>623</b>	<b>64.6%</b>	<b>1,856</b>	<b>267</b>	<b>16.8%</b>
Contractual Services	174	300	531	231	77.1%	596	65	12.2%
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	-	-	20	20	0.0%	20	-	0.0%
Operating Supplies	-	3	-	(3)	-100.0%	-	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	1	15	8	(7)	-45.3%	8	-	0.0%
Business Development	0	10	34	24	244.3%	34	-	0.0%
Equipment Rentals and Repairs	-	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>175</b>	<b>328</b>	<b>594</b>	<b>266</b>	<b>81.1%</b>	<b>659</b>	<b>65</b>	<b>10.9%</b>
<b>Total Operating Expenses</b>	<b>197</b>	<b>1,293</b>	<b>2,182</b>	<b>889</b>	<b>68.8%</b>	<b>2,515</b>	<b>332</b>	<b>15.2%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
<b>Other 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>197</b>	<b>1,293</b>	<b>2,182</b>	<b>889</b>	<b>68.8%</b>	<b>2,515</b>	<b>332</b>	<b>15.2%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 197</b>	<b>\$ 1,293</b>	<b>\$ 2,182</b>	<b>\$ 889</b>	<b>68.8%</b>	<b>\$ 2,515</b>	<b>\$ 332</b>	<b>15.2%</b>

## Revenue Management & Innovation Division – Customer Experience Design & Innovation

### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY20 vs FY19	Inc/(Dec) FY21 Conceptual vs FY20
<b>FY 2019 Budget / FY 2020 Budget</b>	<b>\$ 1,293</b>	<b>\$ 2,182</b>
<b>Personnel Costs</b>		
Salary adjustments and pay-for-performance *	387	14
Burden (benefits & employer taxes) for current staff	236	64
2 new positions	-	189
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>623</b>	<b>267</b>
<b>Non-Personnel Costs</b>		
Art Program transferred from Marketing & Air Service Development	256	-
Customer experience design preparing for ADP	150	-
Performing arts in the terminals	-	65
Professional consultants	(130)	(20)
Other, net	(10)	20
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>266</b>	<b>65</b>
<b>Total Increase / (Decrease)</b>	<b>889</b>	<b>332</b>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<b>\$ 2,182</b>	<b>\$ 2,515</b>

\* 5 positions transferred from Marketing & Air Service Development (4) and Airline Relations (1)

# Revenue Management & Innovation Division – Customer Experience Design & Innovation

## FY 2019 Progress Report

1. New Business Innovation: Create implement new business innovation process in collaboration with finance to identify two new business initiatives for implementation

**Progress:** The Airport Authority selected 6 solutions from the first Airport Innovation Lab Cohort to consider implementation at the airport. These solutions were created to improve customer service, add new services to the rental car market, and assist passengers in reserving parking in the Authority-owned parking lots.

**Strategic Goal:**

- Customer, exceed our customers' expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

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

2. Innovation Lab & Business Collaboration: Work with the Third-party operator to identify three innovation cohorts operating in the innovation lab over the next fiscal year.

**Progress:** The first Innovation cohort completed the Airport Innovation Lab program in the Fall of 2018 and a second cohort will start in Spring 2019. After initiation of the program, and in consultation with Authority staff, it was decided that there would be two cohorts per calendar year in the lab program, not three.

**Strategic Goal:**

- Customer, exceed our customers' expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

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

3. Existing Lines of Business: Work with Ground Transportation to identify revenue enhancement opportunities in the Authority's parking products. Work with Facilities Maintenance to identify cost savings opportunities in current operational activities.

**Progress:** Partnered with Ground Transportation to create a parking focused Opportunity statement for the first cohort of the Airport Innovation Lab. The Authority had 6 parking solutions participate in the Fall 2018 batch and ultimately selected 5 parking related solutions to consider for implementation at the airport.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

- 1D. Develop a plan for transportation to and at the airport that anticipates and responds to technological changes

## Revenue Management & Innovation Division – Customer Experience Design & Innovation

Execute the Arts Master Plan as it relates to the ADP and community partnerships.

**Progress:** Arts Program staff and the consultant team have completed all six phases of the Arts Master Plan project. Ongoing collaboration with the ADP Stakeholder Team (including two formal presentations) and the Art Advisory Committee, as well as public feedback on the Draft Master Plan, which was released for thirty days, has resulted in a Final Draft Master Plan, which will be presented to the Board in March.

**Strategic Goal:**

- Community, enhance community understanding of SAN as an economic engine and portal for prosperity.

**Strategic Initiative:**

- 3D. Further develop arts and cultural programming through strategic community partnerships that expand awareness

# Revenue Management & Innovation Division – Customer Experience Design & Innovation

## FY 2020 – FY 2021 Goals

1. Customer Experience and Innovation: Create and begin to implement the customer experience design, including journey mapping, customer personas and brand promise. This customer experience design will influence the future focus of the Airport Innovation Lab to engage third Horizon concepts.

**Strategic Goal:**

- Customer, exceed our customers' expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

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

2. Data Analytics/BI: Build and launch customer-centric Business Intelligence & Analytics Programs that provides value added insight and aid on customer experience decision-making capability. Work with business units to identify data quality issues and liaise with stakeholders, subject matter experts and information technology group in finding robust and scalable data driven solutions.

**Strategic Goal:**

- Customer, exceed our customers' expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

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

3. Arts Program: Execute the Arts Master Plan and associated recommendations, including planning for ADP arts opportunities, providing increased enhancement of the customer experience through programming, and partnering with community-based arts organizations.

**Strategic Goal:**

- Customer, exceed our customers' expectations by introducing innovative service and facility enhancements.

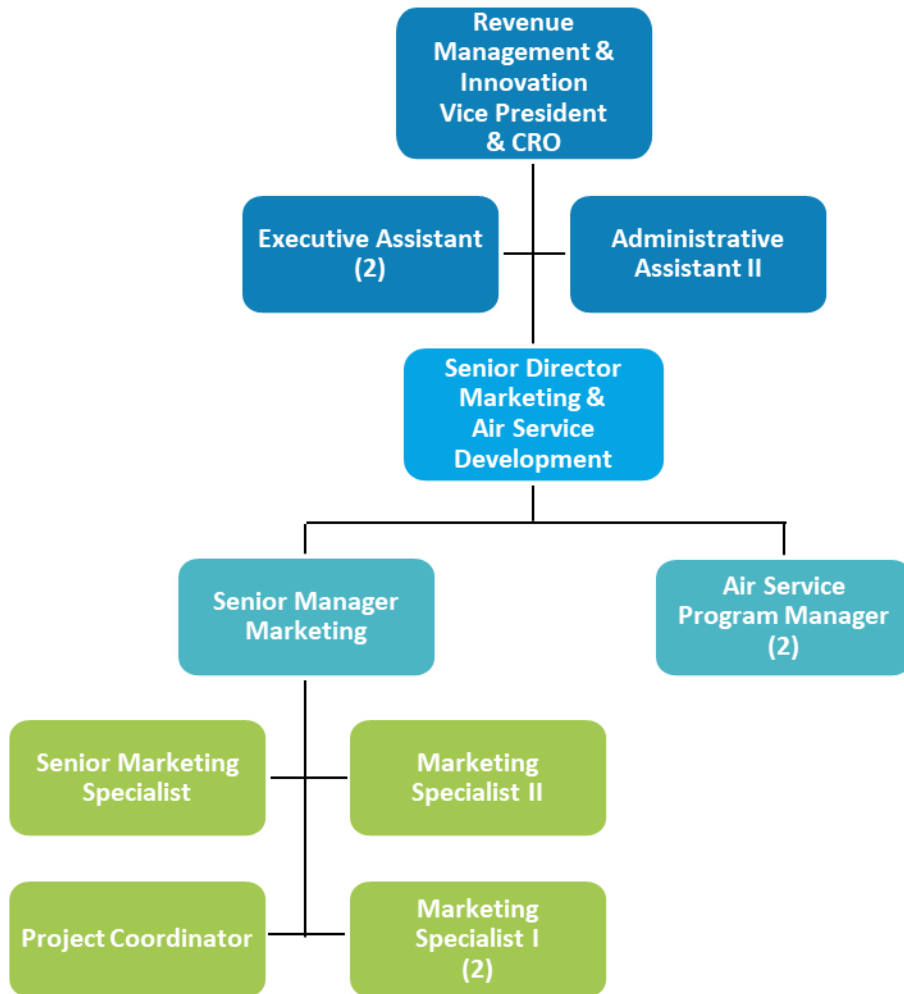
**Strategic Initiative:**

- 3D. Further develop arts and cultural programming through strategic community partnerships that expand awareness



# Revenue Management & Innovation Division – Marketing & Air Service Development

## FY 2020 – FY 2021 Organizational Structure



*No personnel changes in FY 2021.*

## Revenue Management & Innovation Division – Marketing & Air Service Development

### FY 2020 Budget – FY 2021 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 543	\$ 1,538	\$ 1,299	\$ (239)	-15.5%	\$ 1,377	\$ 77	6.0%
Overtime	1	-	-	-	0.0%	-	-	0.0%
Benefits	223	679	601	(77)	-11.4%	654	53	8.8%
Subtotal	766	2,216	1,901	(316)	-14.2%	2,031	130	6.9%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>766</b>	<b>2,216</b>	<b>1,901</b>	<b>(316)</b>	<b>-14.2%</b>	<b>2,031</b>	<b>130</b>	<b>6.9%</b>
Contractual Services	389	828	850	22	2.7%	790	(60)	-7.1%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	2	2	-	(2)	-100.0%	-	-	0.0%
Operating Supplies	1	2	7	5	231.7%	7	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	21	64	114	50	77.6%	115	1	0.5%
Business Development	299	1,899	1,970	71	3.7%	2,000	30	1.5%
Equipment Rentals and Repairs	1	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>712</b>	<b>2,795</b>	<b>2,941</b>	<b>146</b>	<b>5.2%</b>	<b>2,912</b>	<b>(29)</b>	<b>-1.0%</b>
<b>Total Operating Expenses</b>	<b>1,479</b>	<b>5,012</b>	<b>4,842</b>	<b>(170)</b>	<b>-3.4%</b>	<b>4,942</b>	<b>101</b>	<b>2.1%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
<b>Other 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>1,479</b>	<b>5,012</b>	<b>4,842</b>	<b>(170)</b>	<b>-3.4%</b>	<b>4,942</b>	<b>101</b>	<b>2.1%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 1,479</b>	<b>\$ 5,012</b>	<b>\$ 4,842</b>	<b>\$ (170)</b>	<b>-3.4%</b>	<b>\$ 4,942</b>	<b>\$ 101</b>	<b>2.1%</b>

## Revenue Management & Innovation Division – Marketing & Air Service Development

### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY20 vs FY19	Inc/(Dec) FY21 Conceptual vs FY20
<b>FY 2019 Budget / FY 2020 Budget</b>	\$ 5,012	\$ 4,842
<b>Personnel Costs</b>		
Salary adjustments and pay-for-performance *	(239)	77
Burden (benefits & employer taxes) for current staff	(77)	53
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>(316)</b>	<b>130</b>
<b>Non-Personnel Costs</b>		
Marketing and messaging services	185	(20)
Web design consultant	80	(80)
Community sponsorships	72	20
Art Program transferred to Customer Experience Design & Innovation	(236)	-
Other, net	45	51
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>146</b>	<b>(29)</b>
<b>Total Increase / (Decrease)</b>	<b>(170)</b>	<b>101</b>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<b>\$ 4,842</b>	<b>\$ 4,942</b>

\* 5 positions transferred to Customer Experience Design & Innovation and 1 position transferred from Revenue Generation & Partnership Development

# Revenue Management & Innovation Division – Marketing & Air Service Development

## FY 2019 Progress Report

1. Secure air service to a Latin American hub.

**Progress:** With June 2018 acceptance by CBP of SAN’s reimbursable services agreement, SAN has re-engaged with airline stakeholders in the region in order to seek an air service commitment. An airline is actively engaged in final stage decision-making for SAN service.

**Strategic Goal:**

- Customer, exceed our customers’ expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

- 1A. Attract domestic and international airlines and passengers

2. Complete the Economic Impact study on time and fully integrate new team members to further to support the communication of airport activities to the community.

**Progress:** The Economic Impact study was completed on time and presented to the Executive Committee of the Board in August 2018.

**Strategic Goal:**

- Community, enhance community understanding of SAN as an economic engine and portal for prosperity.

**Strategic Initiative:**

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

3. Develop and execute strategic marketing campaigns and promotions for parking, concessions and air service.

**Progress:** Campaigns have been implemented and are ongoing.

**Strategic Goal:**

- Customer, exceed our customers’ expectations by introducing innovative service and facility enhancements.
- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise’s strong financial position.

**Strategic Initiative:**

- 1A. Attract domestic and international airlines and passengers
- 1C. Define and deliver a seamless, unique, consistent airport and product experience
- 5E. Develop business plan that evaluates margins on non-airline operating revenue streams

## Revenue Management & Innovation Division – Marketing & Air Service Development

### FY 2020 – FY 2021 Goals

1. Secure Air Service to a Latin American hub and begin relationship building with carriers capable of providing service to a second Asia hub.

**Strategic Goal:**

- Community, enhance community understanding of SAN as an economic engine and portal for prosperity.

**Strategic Initiative:**

- 1A. Attract domestic and international airlines and passengers

2. Develop a Brand Promise campaign that promotes cultural implementation of the pledge expectations.

**Strategic Goal:**

- Customer, exceed our customers' expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

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

3. Complete a Departmental Strategic Plan that aligns the work of air service and marketing group.

**Strategic Goal:**

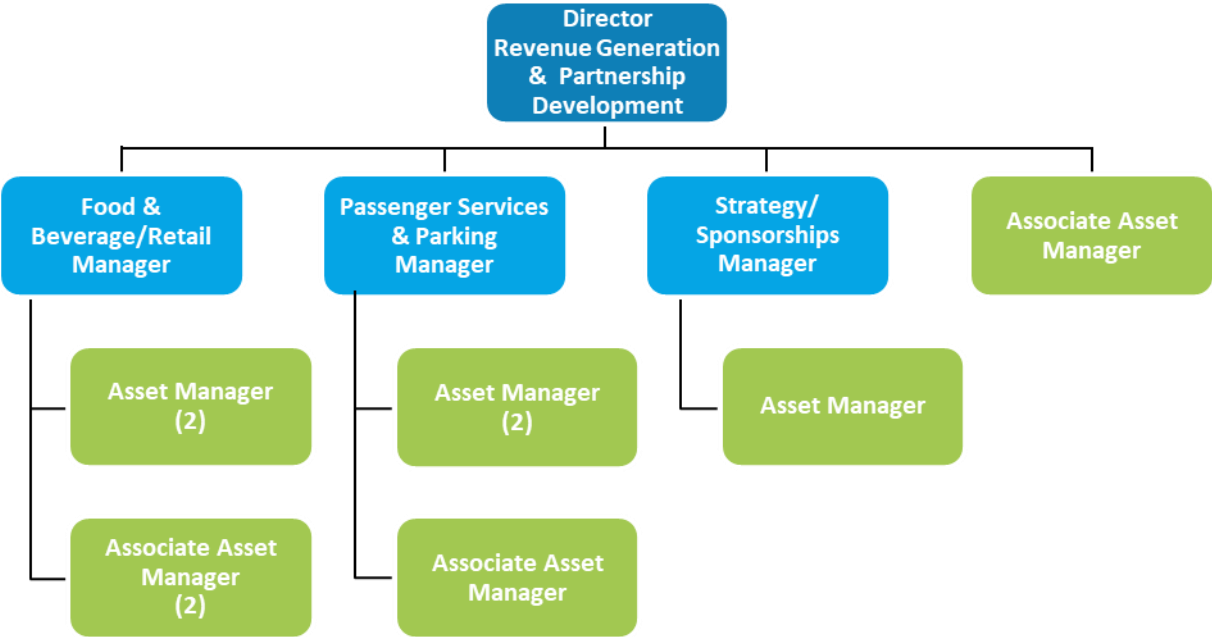
- Employee, develop leaders and a workforce aligned to the needs of our Strategic Plan and an inclusive environment that reflects the diversity of our community.

**Strategic Initiative:**

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

# Revenue Management & Innovation Division – Revenue Generation & Partnership Development

## FY 2020 – FY 2021 Organizational Structure



*No personnel changes in FY 2021.*

## Revenue Management & Innovation Division – Revenue Generation & Partnership Development

### FY 2020 Budget – FY 2021 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 1,064	\$ 1,327	\$ 1,372	\$ 45	3.4%	\$ 1,427	\$ 55	4.0%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	458	604	627	23	3.8%	669	42	6.7%
Subtotal	1,522	1,931	1,999	68	3.5%	2,095	97	4.8%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,522</b>	<b>1,931</b>	<b>1,999</b>	<b>68</b>	<b>3.5%</b>	<b>2,095</b>	<b>97</b>	<b>4.8%</b>
Contractual Services	197	2,174	2,344	170	7.8%	2,314	(30)	-1.3%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	10,190	10,191	10,177	(14)	-0.1%	10,177	-	0.0%
Utilities	1	1	-	(1)	-100.0%	-	-	0.0%
Maintenance	23	22	-	(22)	-100.0%	-	-	0.0%
Operating Equipment & Systems	2	-	1	1	0.0%	1	-	0.0%
Operating Supplies	6	7	1	(6)	-81.6%	1	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	22	20	5	(15)	-74.7%	5	-	0.0%
Business Development	16	10	14	4	37.3%	14	-	0.0%
Equipment Rentals and Repairs	1	5	105	100	1919.2%	45	(60)	-57.1%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>10,457</b>	<b>12,430</b>	<b>12,647</b>	<b>217</b>	<b>1.7%</b>	<b>12,557</b>	<b>(90)</b>	<b>-0.7%</b>
<b>Total Operating Expenses</b>	<b>11,979</b>	<b>14,360</b>	<b>14,645</b>	<b>285</b>	<b>2.0%</b>	<b>14,652</b>	<b>7</b>	<b>0.0%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
<b>Other 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>11,979</b>	<b>14,360</b>	<b>14,645</b>	<b>285</b>	<b>2.0%</b>	<b>14,652</b>	<b>7</b>	<b>0.0%</b>
Equipment Outlay Expenditures	-	5	-	(5)	-100.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 11,979</b>	<b>\$ 14,365</b>	<b>\$ 14,645</b>	<b>\$ 280</b>	<b>2.0%</b>	<b>\$ 14,652</b>	<b>\$ 7</b>	<b>0.0%</b>

## Revenue Management & Innovation Division – Revenue Generation & Partnership Development

### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY20 vs FY19	Inc/(Dec) FY21 Conceptual vs FY20
<b>FY 2019 Budget / FY 2020 Budget</b>	\$ 14,365	\$ 14,645
<b>Personnel Costs</b>		
Salary adjustments and pay-for-performance *	45	55
Burden (benefits & employer taxes) for current staff	23	42
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>68</b>	<b>97</b>
<b>Non-Personnel Costs</b>		
Parking revenue optimization	150	(150)
Property management software	100	(60)
Receiving & distribution center consultant	47	90
Other, net	(85)	30
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>212</b>	<b>(90)</b>
<b>Total Increase / (Decrease)</b>	<b>280</b>	<b>7</b>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<b>\$ 14,645</b>	<b>\$ 14,652</b>

\* 1 position transferred from Talent, Culture and Capability and 1 position transferred to Marketing & Air Service Development



# Revenue Management & Innovation Division – Revenue Generation & Partnership Development

## FY 2019 Progress Report

1. Support the IT needs Innovation Lab third party operator and innovators operating in the innovation lab by assisting with system configurations, network access, and helping identify IT related solutions to improve operational efficiency, reduce costs, increase revenue, and/or improve customer service.

**Progress:** Dedicated two department staff members to serve on the resource committee to assist with identifying and accepting new entities within the Innovation Lab.

**Strategic Goal:**

- Community, enhance community understanding of SAN as an economic engine and portal for prosperity.

**Strategic Initiative:**

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

2. Support Authority wide implementation of new IT solutions to enhance the business process and productivity of staff, critical projects such as, Wi-Fi, passenger flow measuring and the ADP to ensure that innovative technologies are incorporated into the design and implementation.

**Progress:** Secured and working with a consulting firm with expertise in the technology field to develop a business master plan to address cellular and other electronic communications services to meet the traveling public's needs in the short term and address long term strategy.

**Strategic Goal:**

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise's strong financial position.

**Strategic Initiative:**

- 1B. Advance the ADP
- 1C. Define and deliver a seamless, unique, consistent airport and product experience

3. Assist in the development, construction and operation of the new Duty Free Store, the new common use lounge and any other future development implemented by Business & Financial Management.

**Progress:** New Duty Fee venue is open and operating well. The new common use airline lounge is working its way through the Airport's Tenant Improvement Process and final lease execution. The new Lounge is currently targeted to be open at the end of CY2019. Other initiatives currently under development include but are not limited to an event center within the Rental Car Center; Airline Support Building Development; Integrated Cargo Carrier facility enhancements; and airport aviation fuel system improvements.

**Strategic Goal:**

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

## Revenue Management & Innovation Division – Revenue Generation & Partnership Development

4. Create a comprehensive business plan that will evaluate the potential for non-airline revenue by introducing concierge services at SAN. The business model would assess the potential to create airport revenue by offering a variety of services to passengers not currently available.

**Progress:** To enhance passenger experience and address more concierge style services, department staff worked along with cross-departmental teams to implement a test period and evaluation of Rental Car Valet Services. Department staff is currently working with internal and external stakeholders to evaluate and potentially implement a fast track style service through TSA security screening.

**Strategic Goal:**

- Customer, exceed our customers' expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

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

## Revenue Management & Innovation Division – Revenue Generation & Partnership Development

### FY 2020 – FY 2021 Goals

1. Optimize revenue through identifying new business opportunities such as business model for digital antenna system (DAS) and sponsorship opportunity.

**Strategic Goal:**

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise’s strong financial position.

**Strategic Initiative:**

- 5E. Develop business plan that evaluates margins on non-airline operating revenue streams

2. Determine optimal food, beverage and retail concession development and management model for future terminal improvements.

**Strategic Goal:**

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise’s strong financial position.

**Strategic Initiative:**

- 1B. Advance the ADP

3. Optimize revenue generation efforts by transferring non-revenue generation/duplicative functions to appropriate divisions in Airport Authority.

**Strategic Goal:**

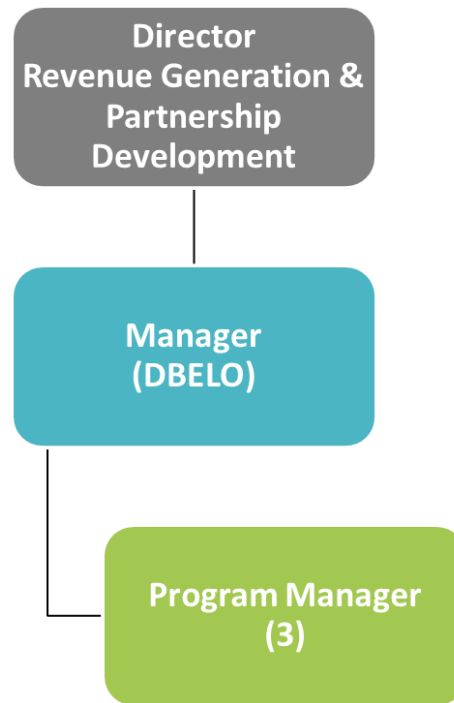
- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise’s strong financial position.

**Strategic Initiative:**

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

## Revenue Management & Innovation Division – Small Business Development

### FY 2020 – FY 2021 Organizational Structure



*Director position resides in Revenue Generation & Partnership Development Department and is shown for structural purposes.*

*No personnel changes in FY 2021.*

## Revenue Management & Innovation Division – Small Business Development

### FY 2020 Budget – FY 2021 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY 19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 334	\$ 357	\$ 349	\$ (8)	-2.3%	\$ 377	\$ 28	8.1%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	107	131	133	2	1.2%	148	15	11.3%
Subtotal	441	488	482	(7)	-1.4%	525	43	9.0%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>441</b>	<b>488</b>	<b>482</b>	<b>(7)</b>	<b>-1.4%</b>	<b>525</b>	<b>43</b>	<b>9.0%</b>
Contractual Services	112	70	70	-	0.0%	70	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	0	0	-	(0)	-100.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	2	3	-	(3)	-100.0%	-	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	21	36	10	(27)	-73.6%	10	-	0.0%
Business Development	31	29	37	8	29.1%	37	-	0.0%
Equipment Rentals and Repairs	16	16	16	-	0.0%	16	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>181</b>	<b>154</b>	<b>133</b>	<b>(21)</b>	<b>-13.8%</b>	<b>133</b>	<b>-</b>	<b>0.0%</b>
<b>Total Operating Expenses</b>	<b>622</b>	<b>642</b>	<b>614</b>	<b>(28)</b>	<b>-4.4%</b>	<b>658</b>	<b>43</b>	<b>7.0%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
<b>Other 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>622</b>	<b>642</b>	<b>614</b>	<b>(28)</b>	<b>-4.4%</b>	<b>658</b>	<b>43</b>	<b>7.0%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 622</b>	<b>\$ 642</b>	<b>\$ 614</b>	<b>\$ (28)</b>	<b>-4.4%</b>	<b>\$ 658</b>	<b>\$ 43</b>	<b>7.0%</b>

## Revenue Management & Innovation Division – Small Business Development

### Major Drivers of FY 2020 Budget & FY 2021 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY20 vs FY19	Inc/(Dec) FY21 Conceptual vs FY20
<b>FY 2019 Budget / FY 2020 Budget</b>	\$ 642	\$ 614
<b>Personnel Costs</b>		
Burden (benefits & employer taxes) for current staff	2	15
Salary adjustments and pay-for-performance	(8)	28
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>(7)</b>	<b>43</b>
<b>Non-Personnel Costs</b>		
Other, net	(21)	-
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(21)</b>	<b>-</b>
<b>Total Increase / (Decrease)</b>	<b>(28)</b>	<b>43</b>
<b>FY 2020 Budget / FY 2021 Conceptual Budget</b>	<b>\$ 614</b>	<b>\$ 658</b>

# Revenue Management & Innovation Division – Small Business Development

## FY 2019 Progress Report

1. Work with the ASF contractors, ADP contractors, and other major projects to facilitate their Small Business goals.

**Progress:** SBD continues to work with all of the contractors to help them facilitate and exceed their SB goals. We are doing this through outreach events, training programs and workshops.

**Strategic Goal:**

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise’s strong financial position.

**Strategic Initiative:**

- 1B. Advance the ADP

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

**Progress:** We continue to host and attend events throughout the community. We have made it a priority to work with other agencies and have created a Podcast in order to educate the SB on processes and procedures.

**Strategic Goal:**

- Customer, exceed our customers’ expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

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

3. Improve the collaboration between SBD and our internal stakeholders by providing training on departmental procedures and services that SBD can provide.

**Progress:** We continue to present at staff meeting throughout the agency as a way to educate our internal stakeholders.

**Strategic Goal:**

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise’s strong financial position.

**Strategic Initiative:**

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

# Revenue Management & Innovation Division – Small Business Development

## FY 2020 – FY 2021 Goals

1. Work with the ASF contractors, ADP contractors, and other major projects to facilitate their Small Business goals.

**Strategic Goal:**

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise’s strong financial position.

**Strategic Initiative:**

- 1B. Advance the ADP

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

**Strategic Goal:**

- Customer, exceed our customers’ expectations by introducing innovative service and facility enhancements.

**Strategic Initiative:**

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

3. Improve the collaboration between SBD and our internal stakeholders by providing training on departmental procedures and services that SBD can provide.

**Strategic Goal:**

- Financial, execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise’s strong financial position.

**Strategic Initiative:**

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



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# Debt Service



## Debt Service

### Overview

Capital projects are funded by a combination of sources that include 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 \$118.1M for the FY 2020 Budget and \$127.8M for the FY 2021 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 the Airport Authority's 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 224.

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).

### Outstanding Debt

#### Series 2013 Bonds – Senior Airport Revenue Bonds

On January 30, 2013, the Airport Authority issued \$379.6M in Senior Airport Revenue Bonds. The bond proceeds were used to finance a portion of the construction of the Green Build and certain projects in the CIP. The bonds were issued in the following series and amounts: Series A (non-AMT) \$107.3M; and Series B (AMT) \$272.3M.

The Series 2013 Bonds were structured as serial and term bonds that bear interest rates ranging from 3.0% to 5.0% maturing in Fiscal Years 2016-2044.

The Series 2013 Bonds are payable solely from and secured by a pledge of "Net Revenues." Net Revenues are generally defined as all revenues and other cash receipts of the Airport Authority's Airport operations less amounts required to pay operations and maintenance expenses of the Airport. Pledged "Net Revenues" do not include cash received from PFCs, CFCs or Federal Grants

#### Series 2010 & 2017 Bonds – Subordinate Airport Revenue Bonds

On October 5, 2010, the Airport Authority issued \$572.6M in Subordinate Airport Revenue Bonds. The bond proceeds were used primarily for construction of The Green Build as well as for projects in the CIP. The bonds

## Debt Service

were issued in the following series and amounts: Series A (non-AMT) \$313.2M; Series B (non-AMT) \$44.1M; and Series C (Build America Bonds) \$215.4M.

The purpose of Build America Bonds (BABs) was to reduce the cost of borrowing for state and local government issuers and governmental agencies. The program was applicable to new issue capital expenditure bonds issued before January 1, 2011. There are two types of BABs: "Tax Credit BABs" and "Direct Payment BABs." The Airport Authority issued Direct Payment BABs which provide a federal subsidy of 35% of the interest paid on the bonds directly to the Airport Authority. As a result of the ongoing sequestration, in 2018, the Airport Authority expects that the subsidy receivable by it on the Subordinate Series 2010C Bonds will be reduced by 6.8% or approximately \$0.3M. The subsidy is not included in "Net revenues," rather it is used to pay debt service.

The Series 2010 Bonds were structured as serial and term bonds that bear interest at rates ranging from 2.0% to 6.6% (prior to BAB subsidy) maturing in Fiscal Years 2012 to 2041. Interest on the bonds is payable semiannually on January 1 and July 1 of each year.

On July 18, 2017, the Airport Authority issued \$291.2M of Series A and B Subordinate Airport Revenue Bonds (Series 2017 Bonds) on August 3, 2017. The Subordinate Series 2017 Bonds were issued to finance certain capital improvements at SDIA including the Parking Plaza and the 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 2019 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 senior Series 2017 Bonds is payable semiannually on January 1 and July 1, of each year

The Series 2010 Bonds and 2017 Bonds are payable solely from and secured by a pledge of "Subordinate Net Revenues." Subordinate Net Revenues are generally defined as all revenues and the Trustee in accordance with the Senior Lien Trust Indenture has deposited other cash receipts of the Airport Authority's Airport operations remaining after Senior Lien payments.

### 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 (RCC) and certain associated projects in the CIP. The bonds were issued in the following series and amounts: Series A (non-AMT) \$29.4M; and Series B (AMT) \$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 2020-2045.

The Series 2014 Bonds are payable solely from and secured by a pledge of the "Trust Estate" which includes 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 Service

## 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 2013 (Senior)	A+	A1	A+
Series 2010 (Subordinate)	A	A2	A
Series 2014 (Special Facility)	A	A3	N/A

## Variable Rate Debt

The Airport Authority replaced its commercial paper program with a revolving line of credit, issued by US Bank, on September 5, 2014. The Revolving Credit Agreement is for an initial term of three (3) years and has a total available commitment of \$125.0M. The agreement was extended for an additional three years on June 29, 2018.

Additionally, In April of 2018 the Airport Authority established a Subordinate Drawdown Bond program with Royal Bank of Canada (RBC) Municipal Products of up to \$100.0M. On April 1, 2018, the Airport Authority and RBC Municipal Products agreed upon a Bondholders Agreement and on April 19, 2018, the Airport Authority and RBC Capital Markets LLC agreed upon a Subordinate Drawdown Bond Purchase Agreement. When issued, all Subordinate Drawdown Bonds will be purchased by the Subordinate Drawdown Bond Purchaser in accordance with the terms of the Subordinate Drawdown Bondholder’s Agreement and the Subordinate Drawdown Bond Purchase Agreement. The Airport Authority currently has no Subordinate Drawdown Bonds outstanding. The RBC Drawdown Bond commitment is also for a term of three years.

The Airport Authority’s outstanding short-term debt consists of \$13.7M of Series B (AMT) as of July 1, 2019. Obligations incurred under the Revolving Credit Agreement and are payable solely from and secured by a pledge of “Subordinate Net Revenues” (which are generally defined as all revenues and other cash receipts of the Airport Authority’s Airport operations that are remaining after Senior Lien obligations have been met).

## Proposed Debt Issuance

### Series 2019 Bonds – Subordinate Airport Revenue Bonds

The Airport Authority intends to issue up to \$350.0M of Airport Revenue bonds in late 2019. The proceeds from the sale of the Subordinate Series 2019 Bonds shall be used to provide funds for construction and certain other capital improvements at the Airport.

## Debt Service

### Debt Service Coverage

The following table shows debt service coverage on the aggregate senior and subordinate lien debt.

(in thousands)

	FY 2018 Actuals	FY 2019 Budget	FY 2020 Budget	FY 2021 Conceptual Budget
Airport Revenues	\$ 276,984	\$ 305,628	\$ 354,024	\$ 378,189
Operations & Maintenance Expenses	(157,247)	(178,936)	\$ (172,535)	\$ (179,992)
<b>Net Revenue available for Senior &amp; Subordinate Lien Debt Service</b>	119,737.20	126,691.87	181,489	198,197
Senior Bond Debt Service	20,505	20,494	26,006	26,000
PFCs used to pay Debt Service	(9,547)	(9,544)	(11,261)	(11,259)
<b>Senior Bond Debt Service, Net of PFCs</b>	\$ 10,957	\$ 10,950	\$ 14,746	\$ 14,741
<b>Senior Bonds Debt Service Coverage (x)</b>	10.93	11.57	12.31	13.45
<b>Subordinate Net Revenues</b>	\$ 108,781	\$ 115,742	\$ 197,208	\$ 203,191
Subordinate Lien Bond Debt Service	56,694	58,499	60,277	62,992
Variable Rate Debt Service	7,335	7,374	1,701	1,905
PFCs used to pay Debt Service	(20,458)	(20,461)	(18,745)	(18,746)
BAB Subsidy	(4,666)	(4,631)	(4,686)	(4,686)
<b>Subordinate Debt Service, Net of PFCs and BAB Subsidy</b>	\$ 38,905	\$ 40,780	\$ 38,548	\$ 41,465
<b>Subordinate Debt Service Coverage (x)</b>	2.80	2.84	5.12	4.90
Aggregate (Senior and Subordinate Lien) Debt Service	\$ 84,534	\$ 86,367	\$ 87,985	\$ 90,897
PFCs used to pay Debt Service	(30,005)	(30,005)	(30,005)	(30,005)
BAB Subsidy	(4,666)	(4,631)	(4,686)	(4,686)
<b>Total Debt Service, Net of PFCs and BAB Subsidy</b>	\$ 49,862	\$ 51,730	\$ 53,293	\$ 56,206
<b>Total Debt Service Coverage (x)</b>	2.40	2.45	3.41	3.53

## Debt Service

The following table shows debt service coverage on the CFC bond debt.

*(in thousands)*

	FY 2018 Actuals	FY 2019 Budget	FY 2020 Budget	FY 2021 Conceptual Budget
CFC Collections	\$ 41,037	\$ 40,204	\$ 41,509	\$ 42,339
Interest Earnings	920	1,294	1,862	2,055
<b>Total Amounts Available</b>	\$ 41,956	\$ 41,499	\$ 43,372	\$ 44,395
Rolling Coverage Fund Balance	6,576	6,576	6,576	6,575
<b>Total Amounts Available, plus Rolling Coverage Fund Balance</b>	\$ 48,533	\$ 48,074	\$ 49,947	\$ 50,970
<b>Aggregate Annual Debt Service</b>	\$ 21,921	\$ 21,920	\$ 21,919	\$ 21,918
<b>Coverage excluding Rolling Coverage Fund</b>	1.91	1.89	1.98	2.03
<b>Coverage including Rolling Coverage Fund</b>	2.21	2.19	2.28	2.33

## Debt Service

### Outstanding Debt Service \*

(in thousands)

Aggregate Senior and Subordinate Debt Service							Special Facility Debt
Year Ended July 1	Variable Debt Principal, Interest and Fees	2013 Senior Bonds Principal and Interest	2010 Subordinate Bonds Principal and Interest	2017 Subordinate Bonds Principal and Interest	2019 Senior Bonds Principal and Interest	Total	2014 CFC Bonds
2019	7,374	20,494	40,146	18,353	-	86,367	21,920
2020	1,938	26,006	40,144	18,916	5,877	92,880	21,919
2021	1,933	26,000	40,151	18,919	20,498	107,501	21,918
2022	1,928	25,994	40,151	18,916	22,219	109,208	21,921
2023	1,932	26,003	40,144	18,915	22,221	109,214	21,917
2024	1,925	26,000	40,148	18,916	22,223	109,212	21,919
2025	1,922	25,998	40,149	18,912	22,226	109,208	21,920
2026	1,994	26,003	40,147	18,915	22,223	109,282	21,919
2027	1,990	26,002	40,143	18,916	22,223	109,274	21,919
2028	1,759	25,996	40,152	18,917	22,221	109,045	21,920
2029	1,763	25,990	40,152	18,915	22,222	109,042	21,920
2030	1,755	26,003	40,145	18,916	22,223	109,042	21,918
2031	-	16,668	50,929	18,918	22,224	108,738	21,922
2032	-	16,979	50,619	18,915	22,219	108,733	21,920
2033	-	17,240	50,357	18,917	22,228	108,741	21,920
2034	-	17,606	49,995	18,912	22,223	108,735	21,917
2035	-	18,016	49,582	18,915	22,224	108,736	21,918
2036	-	18,552	49,045	18,918	22,224	108,739	21,921
2037	-	19,105	48,493	18,916	22,223	108,737	21,918
2038	-	19,692	47,910	18,913	22,229	108,743	21,919
2039	-	20,294	47,307	18,913	22,220	108,733	21,919
2040	-	20,923	46,678	18,918	22,220	108,740	21,918
2041	-	67,600	-	18,918	22,223	108,742	21,921
2042	-	67,600	-	18,921	22,222	108,743	21,922
2043	-	67,598	-	18,915	22,225	108,737	21,922
2044	-	-	-	18,919	22,225	41,144	21,919
2045	-	-	-	18,916	22,226	41,142	-
2046	-	-	-	18,914	22,225	41,139	-
2047	-	-	-	18,916	22,221	41,137	-
2048	-	-	-	-	22,226	22,226	-
2049	-	-	-	-	22,223	22,223	-
<b>Total</b>	<b>\$ 28,213</b>	<b>\$ 694,361</b>	<b>\$ 972,688</b>	<b>\$ 547,997</b>	<b>\$ 648,625</b>	<b>\$ 2,891,884</b>	<b>\$ 569,906</b>

\* Net of capitalized interest and excludes Passenger Facility Charge applied to Debt Service and Build America Bond Rebate

\* 2019 Bonds are shown with estimated Debt Service



## Debt Service

### Debt Service by Source

*(in thousands)*

	FY2018 Actuals	FY2019 Budget	FY2020 Budget	Inc / (Dec) FY20 vs FY19 Budget	% Change	FY2021 Conceptual Budget	Inc / (Dec) FY21 Conceptual vs FY20 Budget	% Change
Principal on Variable Rate Debt	\$ -	\$ 6,439	\$ 1,100	\$ (5,339)	-82.9%	\$ 1,125	\$ 25	2.3%
Interest on Variable Rate Debt	554	553	2,751	2,198	397.2%	2,008	(742)	-27.0%
Principal on Revenue Bonds	0	17,145	23,615	6,470	37.7%	28,170	4,555	19.3%
Interest on Revenue Bonds	54,550	61,848	68,770	6,922	11.2%	74,789	6,019	8.8%
Principal on Special Facility Bonds	0	5,720	5,890	170	3.0%	6,090	200	3.4%
Interest on Special Facility Bonds	16,341	16,270	16,029	(242)	-1.5%	15,828	(201)	-1.3%
Principal & Interest Expense – Capitalized Leases	661	877	877	(0)	0.0%	877	-	0.0%
Cost of Issuance and other Fees	1,996	414	4,598	4,184	1011.5%	4,262	(336)	-7.3%
Amortization of Bond Premiums	(5,690)	(5,682)	(5,521)	161	-2.8%	(5,355)	166	-3.0%
<b>Total Debt Service</b>	<b>\$ 68,412</b>	<b>\$ 103,585</b>	<b>\$ 118,109</b>	<b>\$ 14,524</b>	<b>14.0%</b>	<b>\$ 127,794</b>	<b>\$ 9,685</b>	<b>8.2%</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 projects such as the Rental Car Center and Terminal 2 West FIS Build-out, which were implemented under an alternative project delivery method (Design-Build). The CIP is a rolling five-year program that provides critical improvements and asset preservation. The program includes capital improvement projects that address federal security requirements, airfield safety, environmental remediation, terminal upgrades and development. Funding sources for the projects include Federal Aviation Administration's AIP, Transportation Security Agency grants, PFCs, CFCs, Airport operating revenues, Airport revenue bonds, Special Facility Bonds and short-term borrowing using commercial paper/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 prior to 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 Authority staff and project sponsors to determine if there are any significant issues and/or risks in undertaking the project. Taking into account the Authority's Sustainability Policy, a complete review is performed with a focus on developing a business case that includes total costs of ownership, project feasibility and economic viability. In addition, the operational benefit and the 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 Capital Improvement Program. The ELT then selects projects to advance further for development of budgets, schedules, 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 Authority Board based on funding availability and project necessity. Following Authority Board approval of the CIP, project teams begin the project as planned and approved. The ELT meets weekly, reviews all new project requests, changes to project scopes, budgets and schedules, and ensures the efficient use of the Authority's capital resources to accommodate the ever-changing Airport environment and regulatory requirements.

## Capital Program

### Prioritization Criteria for Capital Projects

0	Airport Support Facilities – consolidation and relocation from aged buildings to energy-efficient and modern facilities
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)

<b>FY 2019 - 2023 Beginning Capital Program Budget</b>	<b>\$ 745,967</b>
Terminal 2 Parking Plaza	\$ 127,800
Terminal 2 West FIS Build-out	<u>229,474</u>
<i>Subtotal</i>	<i>1,103,241</i>
FY 2019 - 2023 Project Closeouts/Eliminations/Adjustments	<u>(235,049)</u>
<b>FY 2019 - 2023 Ending Capital Program Balance</b>	<b>\$ 868,192</b>
FY 2020 - 2024 New Capital Projects/Allowances/Adjustments	<u>87,256</u>
<b>FY 2020 - 2024 Capital Program Budget</b>	<b><u>\$ 955,448</u></b>

## Capital Program

### Sources of Funds by Fiscal Year

(in thousands)

Capital Program	Pre-FY 2020	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
Airport Revenue Bonds	\$ 178,260	\$ 188,302	\$ 66,560	\$ 39,172	\$ 249	\$ 5,310	\$ 477,853
Airport Funds	157,054	(15,037)	37,262	5,149	4,880	4,387	193,694
Passenger Facility Charges	1,363	41,109	8,389	256	5,824	6,417	63,357
Federal Grants	9,585	10,642	3,704	10,223	22,439	17,753	74,348
Customer Facility Charges*	2,953	-	-	-	-	-	2,953
Major Maintenance Fund	-	3,890	7,538	14,085	23,611	12,710	61,834
Variable Rate Debt	25,599	44,500	8,229	3,081	-	-	81,409
<b>Total Sources of Funds</b>	<b>\$ 374,814</b>	<b>\$ 273,407</b>	<b>\$ 131,681</b>	<b>\$ 71,967</b>	<b>\$ 57,004</b>	<b>\$ 46,577</b>	<b>\$ 955,448</b>

\*Includes proceeds from CFC backed Special Facility Bonds and pay-as-you-go usage

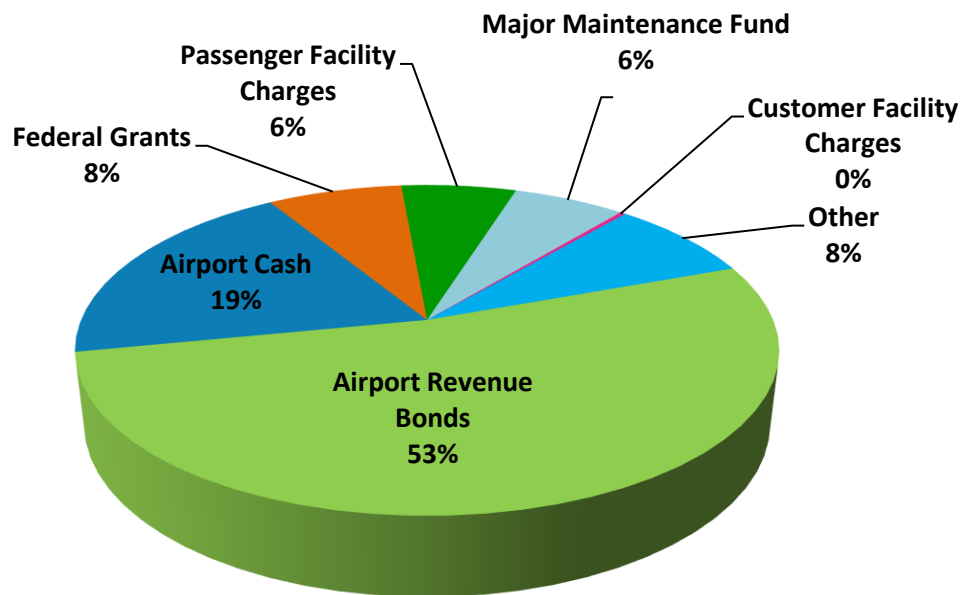


Figure 42 – Total Sources of Funds

### Uses of Funds by Fiscal Year

(in thousands)

Capital Program	Pre-FY 2020	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
Landside and Ancillary	\$ 40,461	\$ 81,924	\$ 42,721	\$ 10,730	\$ 127	\$ -	\$ 175,963
Airside	46,079	67,513	42,427	27,347	53,727	44,167	281,260
Terminal	270,865	71,469	43,336	25,229	2,519	2,187	415,605
Administrative	17,409	52,501	3,198	8,660	631	222	82,620
<b>Total Use of Funds</b>	<b>\$ 374,814</b>	<b>\$ 273,407</b>	<b>\$ 131,681</b>	<b>\$ 71,967</b>	<b>\$ 57,004</b>	<b>\$ 46,577</b>	<b>\$ 955,448</b>

## Capital Program

### Funding

#### Airport Improvement Program

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 of the 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 not only provides 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 in support of the AIP. The U.S. Congress authorizes expenditures from this dedicated fund on an annual basis 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 boarding 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.

Once awarded, AIP grants must typically be expended within four years. As the Authority expends funds for eligible capital projects, it is then reimbursed with grant proceeds. Projected expenditures to be reimbursed by AIP grants are \$10.6M in FY 2020 and \$3.7M in FY 2021.

#### Passenger Facility Charge

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, 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, is administratively retained by the airport and is 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 that established Airport Authority 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 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. The majority of this application provided funding for the QHP as well as 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, as well the local match for future QHP phases. An eleventh PFC application was approved in FY 2019 to provide \$40.0M funding for the Terminal 2 West FIS project.

## Capital Program

### Customer Facility Charge (CFCs)

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 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 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

Current Airside CIP Projects								
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact	Prioritization Criteria
104149	SDIA Airport Development Plan	This project will define the future plan for SDIA through the year 2035. The near-term phase will focus on the replacement of Terminal 1 and the Commuter Terminal. The future uses of the TDY property will also be defined, as well as the ultimate build-out of all Airport property north of the runway. It will include associated environmental analyses and documentation from both the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) and preparation of an FAA approved Airport Layout Plan (ALP) package.	\$5,640	PFC / Cash	Q1/2012	Q2/2021	None	0
104220R	Rehabilitate Cross Taxiways B1W, B4-B7, C3, C4 & C6	This project will replace the existing pavement on Cross Taxiways B1W, B4-B7, C3, C4 and C6.	10,291	AIP / Bonds	Q3/2016	Q2/2020	None	1
104227	Rehabilitate Northside Vehicle Service Road & Storm Drain Improvements	The project will remove & replace sub-base/asphalt, to support heavy fuel trucks and ARFF vehicles between the ARFF station and the Green build ramp; replace a single lane with dual lane east of ILS glideslope antenna and relocate road further north and away from the newly-installed Runway 9 PAPIs ; construct proper drainage to eliminate flooding; provide a section of new telecommunications ductbank further extension in a future project; and construct infrastructure for future relocation of the ASOS.	8,200	Bonds	Q1/2017	Q1/2020	None	1
104245E	RCC Bus Parking, Gate P-18 Relocation	This project will design and construct the required modifications to both the Rental Car Center (RCC) Bus Parking Facility and to AOA Gate P-18.	2,377	Bonds / Cash	Q2/2019	Q2/2020	None	0
104249	Hydrant Fueling Infrastructure	Install a new fuel transmission pipeline from the bulk fuel storage facility on the north side to the south end of the Terminal 2 Green Build apron and extend the distribution main to the fueling infrastructure of FIS gates 48-50. Also provides for installation of a utility duct bank and surface pavement improvements.	50,456	Bonds	Q2/2018	Q2/2021	None	4
104250	FAR Part 150 Study Update	Update Noise Exposure Maps (NEMs) using FAA software & develop Noise Compatibility Program (NCP) report. Provides detailed existing & 5-year future airport/aircraft noise exposure patterns.	\$1,800	AIP / Bonds	Q3/2018	Q3/2020	None	1

## Airside CIP Projects

Current Airside CIP Projects								
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact	Prioritization Criteria
104251	Northside RON Parking	Replace existing Group-3 Aircraft Remain Overnight concrete parking positions which will be displaced by the proposed air cargo facility. The RON positions will be situated to allow direct access to the airfield taxiway system so that aircraft remaining overnight at SAN have safe and efficient access to parking positions.	\$33,513	Bonds	Q4/2018	Q2/2021	None	0
104255	Rehabilitate Cross Taxiways C1, C2, C5 & D	Rehabilitate cross taxiways per 2015 Pavement Management Study. Mill and overlay nominal 5-6" full depth asphalt replacement on taxiways C1, C2, C5 & D. Reconstruct a portion of taxiway C1 with concrete pavement.	11,767	AIP / Bonds	Q2/2018	Q1/2021	None	1
104259	Apron Lighting LED Upgrade	Replacement of existing apron lighting with new LED luminaires and new bracket arms on Terminal 1 East, Terminal 2 West, Cargo Ramp and Administrative Building Aprons.	1,282	Bonds	Q2/2019	Q2/2020	None	2
104260	Vehicle Movement Area Transponder Units (VMATs)	Acquire, install and validate 20 internally mounted VMATs on critical ground vehicles to reduce vehicle incursions on the AOA and provide more positive control for ATCT.	182	AIP / Cash	Q1/2019	Q2/2020	None	1
104264	Install Fire Suppression System in Airfield Lighting Vault	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.	523	Bonds	Q4/2019	Q3/2020	None	1
104269	Airfield Lighting Regulators	Replace airfield electrical vault constant current regulators and associated equipment that are at the end of their useful life and beginning to fail. Properly size the replacement regulators for the loads associated with the current LED fixtures. Upgrade regulator functionality to allow remote monitoring.	750	Cash	Q4/2019	Q3/2020	None	1
104270	Ramp Control Facility (RCF) Voice Switch Replacement	Replace the ramp control facility voice switch to safely and expeditiously coordinate aircraft movements to and from the Greenbuild ramp to Taxiway B, with the FAA ATCT.	200	Cash	Q2/2019	Q2/2020	None	2
104271	Develop Mitigation Plan for Least Terns	Project prepares a mitigation plan to secure and prepare a site with a suitable nesting habitat for Least Terns.	875	Major Maintenance Fund	Q1/2020	Q4/2021	None	1
104275	Triturator and Vehicle Wash Facility	Relocate and organize airline support facilities on the South side. Includes triturator for airline waste and a vehicle wash facility.	\$6,975	Bonds	Q1/2020	Q3/2021	None	2

## Airside CIP Projects

Current Airside CIP Projects								
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact	Prioritization Criteria
400002A / 502A	ADP - Programmatic Docs (Airside)	The project will prepare programmatic documents for the Airport Development Program in order to define criteria and standards for project design and construction and support the RFQ for design teams and contractors.	\$2,420	Bonds / Cash	Q1/2017	Q4/2018	None	0
412001D	FIS - Hydrant Fuel Line Gates 46-47	Design, procurement, and installation of the Hydrant Fueling Infrastructure FIS Gate 46 & 47	5,265	Bonds	Q4/2018	Q3/2019	None	4
104999	CIP Support	Professional staff support for the Capital Improvement Program	10,317	Cash	Q1/2020	Q4/2024	None	N/A
104129B	Relocate Taxiway B	This project relocates the existing parallel Taxiway B, from its current position of 362.5 feet south of Runway 9-27 centerline, to a position 400 feet south of the runway centerline. This position will place the parallel taxiway at the Federal Aviation Administration's required safety distance.	30,863	Bonds	Q2/2021	Q3/2023	None	1
New FY17	Construct Taxiway A	The project will construct a new 2,800' x 200' taxiway parallel to Taxiway B, including lighting, storm drain, electrical, striping and security fencing.	38,936	Major Maintenance Fund / AIP	Q1/2021	Q1/2023	None	1
New FY18	Airfield Stormwater Treatment Control BMPs	Design/Install treatment control BMPs to reduce copper & zinc levels in water runoff. 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	Q3/2020	Q1/2022	None	1
New FY18	Airside Electric Vehicle Supply Equipment	Install approximately 75 Electrical Vehicle Supply Equipment (EVSE) ports at T2 gates. Replace approximately 25 outdated EVSE ports at T2 gates. Potential funding from SDG&E or VW Settlement.	4,304	Bonds	Q1/2021	Q2/2022	None	4
New FY19	Upgrade/Replace EMAS	Upgrade or replace the existing EMAS (Engineered Material Arresting System) with the latest generation system. This would provide a design life of 20 years and maintain regulatory compliance.	19,124	Bonds	Q3/2022	Q4/2024	None	1
<b>Total - Current Airside CIP Projects</b>			<b>\$251,566</b>					

## Airside CIP Projects

New Airside CIP Projects								
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact	Prioritization Criteria
New FY20	Airfield Pavement Management Program	Conduct an analysis of the airfield pavement management program and update in accordance with FAA AC 150/5380-7B. This will identify areas that require repair or reconstruction and develop alternatives for future complete restoration of the runway pavement.	\$750	Bonds	Q1/2020	Q4/2020	None	1
New FY20	Perimeter Security Fencing / Perimeter Intrusion Detection System (PIDS)	Replace the current double galvanized chain-link security fence with a single-fence, anti-climb, closed-lattice design around the majority of the airport perimeter. Replace the PIDS with a modern system that can be used in conjunction with video analytics and modern fence designs.	18,000	Bonds / Major Maintenance Fund	Q3/2020	Q2/2025	None	1
New FY20	Rehabilitate Apron Pavement	Perform detailed assessment of approximately 4 million sf. of existing apron pavement and PCC joints; repair corner spalls, cracks, and joint sealing; replace existing panels where necessary; and perform pavement marking in repair areas.	10,945	AIP / Bonds	Q1/2020	Q1/2022	None	1
<b>Subtotal - New Airside CIP Projects</b>			<b>29,695</b>					
<b>Total Airside CIP Projects</b>			<b>\$281,261</b>					

## Landside CIP Projects

Current Landside CIP Projects								
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact	Prioritization Criteria
104168C	SDIA Wayfinding Signage/Directories – RCC	Project provides wayfinding directions for customers accessing the Rental Car Center facility.	\$1,100	CFC	Q4/2018	Q1/2020	None	3
104197	Admiral Boland Way Murals - Public Art	Project provides opportunity for artistic design and enhancement to be integrated on the Wind Tunnel south-facing wall.	125	Cash	Q2/2015	TBD	None	1
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.	5,663	Bonds / Cash	Q1/2015	Q4/2021	None	3
104226	Replace Sidewalk T2W Existing to Green Build - Phase 1	The project replaces concrete sidewalk, curb and base in order to repair existing cracking, spalling and faulting.	2,000	Bonds	Q1/2017	Q1/2020	None	4
104228	Admiral Boland Way Entry/Exit Gates	This project will provide for increased Airport security along the restricted access area of Admiral Boland Way, between West Palm Street to the north and the area of Gate P-14 to the south, by installing a gate on each end in addition to the existing lift-arm gates.	2,496	CFC / Cash	Q3/2017	Q1/2020	None	3
104230	Ground Transportation Systems-Phase 3 (Virtual Hold Lot)	Project will implement the "virtual hold lot" concept to efficiently locate and identify Airport-permitted commercial vehicles off-Airport premises. This will include hardware / software to ensure minimal response time.	964	Cash	Q4/2018	TBD	None	4
104231	Northside Cargo Development	This project will provide project management oversight for a cargo building tenant improvement on the North Side.	1,551	Cash	Q2/2017	TBD	None	4
104245	Airport Support Facilities D-B Contract	Project will facilitate procurement of the Design-Build team for the five Airport Support Facilities components, as well as miscellaneous programmatic design costs.	21,527	Bonds / Cash	Q1/2018	Q2/2021	None	0
104245A	Airport Support Facilities Contract Management	Project will account for the costs associated with the administration of the overall Airport Support Facilities Design-Build contract.	5,746	Bonds / Cash	Q1/2018	Q2/2021	None	0
104245C	Airport Support Facility	New airline provisioning and cargo facilities located on South side with both public & airfield access to facilities.	\$43,230	Cash	Q4/2018	Q3/2020	None	0

## Landside CIP Projects

Current Landside CIP Projects								
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact	Prioritization Criteria
104245D	Fueling Operator Facility	This project will design and construct the facility to be utilized by the Airport Fueling Operator.	\$7,050	Cash	Q2/2019	Q4/2020	None	0
104245F	Northside Utilities	Provide new common site infrastructure - utilities, roads, exterior lighting, AOA gate and AOA fencing for northside improvements including the proposed FMD campus and Airport Fueling Operations Facility. Utilities include water, sewer, storm drainage, gas, electric and communications.	2,300	Cash	Q2/2019	Q4/2020	Minimal	0
104245G	ASF - Stormwater Capture & Reuse	Collect, treat and reuse stormwater for irrigation, cooling tower, Terminal gray water and RCC vehicle washes. Project will address current and future regulatory requirements.	37,490	Bonds	Q1/2019	Q2/2020	None	0
104246	Stormwater/Condensate Reuse	Schematic Design work to address the collection, treatment and reuse of stormwater for irrigation, cooling tower, Terminal gray water and RCC vehicle washes. Project will address current and future regulatory requirements.	1,100	Bonds	Q1/2018	Q1/2020	\$2,000,000	4
104252	Northside Utility Infrastructure - Cargo Development	Project will build underground utility infrastructure required for construction of the Northside Cargo Development project.	8,651	Cash	Q4/2018	TBD	None	0
104265	T2W Crosswalk Stop Light Design	Project will provide safety and aesthetic enhancements at the primary pedestrian crosswalk in front of Terminal 2	1,105	Bonds	Q4/2019	Q2/2021	None	1
104266	Airport Support Building - Public Art	Provide artist services and design, fabrication, Public Art transport and delivery, and consultation during installation of a public art project at the Airline Support Building.	350	Cash	Q4/2019	Q2/2021	None	1
400002C / 502C	ADP - PROGRAMMATIC DOCS (LANDSIDE)	The project will prepare programmatic documents for the Airport Development Program in order to define criteria and standards for project design and construction and support the RFQ for design teams and contractors.	4,493	Bonds / Cash	Q1/2017	Q4/2018	None	0
New FY17	Rehabilitate Terminal 2 Loop Pavement	The project will rehabilitate 128,000 square feet with full depth, partial asphalt concrete replacement to provide safe ingress / egress for passengers and service vehicles.	2,057	Bonds	Q1/2021	Q3/2022	None	3
New FY18	Landside Electric Vehicle Supply Equipment	Install up to 65 EVSE ports at T2 Parking Plaza and other parking areas to meet increasing demand for electric vehicle charging. Potential funding from SDG&E or VW Settlement.	\$2,385	Bonds	Q1/2021	Q2/2022	None	3

## Landside CIP Projects

Current Landside CIP Projects								
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact	Prioritization Criteria
New FY18	Cell Phone Lot Relocation	Relocate existing Cell Phone Lot to another location on the South side of Airport. This includes pavement striping, cctv cameras, video display, etc.	\$1,181	Bonds	Q1/2021	Q2/2022	None	0
<b>Subtotal - Current Landside CIP Projects</b>			<b>\$152,564</b>					
New Landside CIP Projects								
New 20-01	Stormwater Infiltration Beds - Southside	Install a 3-million gallon infiltration bed under oval S-3 that would allow storm runoff from the airfield to be percolated into the ground, thereby reducing the volume of direct discharges into the Bay and address heavy metal pollutant issues.	\$19,585	Bonds	Q1/2020	Q1/2021	None	1
New 20-09	Skidata Revenue Control System in T1 & T2W	Convert revenue control system in T2W to Skidata PARCS to integrate the parking data management systems. This will improve functionality, customer service and provide for better analytics capabilities.	3,815	Cash	Q1/2020	Q1/2021	None	4
<b>Subtotal - New Landside CIP Projects</b>			<b>23,400</b>					
<b>Total Landside CIP Projects</b>			<b>\$175,964</b>					

## Terminal CIP Projects

Current Terminal CIP Projects								
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact	Prioritization Criteria
104149	SDIA Airport Development Plan	This project will define the future plan for SDIA through the year 2035. The near-term phase will focus on the replacement of Terminal 1 and the Commuter Terminal. The future uses of the TDY property will also be defined, as well as the ultimate build-out of all Airport property north of the runway. It will include associated environmental analyses and documentation from both the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) and preparation of an FAA approved Airport Layout Plan (ALP) package.	\$5,640	PFC / Cash	Q1/2012	Q3/2021	None	0
104194B	Replace & Refurbish Passenger Boarding Bridges	This project provides for replacement and / or refurbishment of existing passenger boarding bridges, based on an updated assessment.	17,505	PFC / Bonds	Q2/2015	Q2/2022	\$30,479	2
104194C	Refurbish Passenger Boarding Bridges - Flooring	This project refurbishes the flooring on 41 existing passenger boarding bridges.	1,202	Bonds	Q1/2019	Q1/2020	None	2
104194D	Refurbish Passenger Boarding Bridges - T1W	This project will refurbish passenger boarding bridges at T1W - Gates 11, 12, 13, 14, 17, & 18; replace Pre-Conditioned Air (PCA) units at gates 3 through 9; and lease PCA units for Gates 1, 1A & 2.	2,214	Bonds	Q4/2018	Q3/2020	None	2
104204	Replace Terminal Seating in T1 & T2	This project provides for the replacement of approximately 2,266 seats in Terminal 1 and Terminal 2, in order to provide electrical connectivity to passengers, and for ease of replacing worn or damaged seats.	5,720	Bonds / Cash	Q1/2016	Q4/2019	\$25,607	4
104206	Expand Wi-Fi Coverage in Terminals	Project will provide denser Wi-Fi coverage throughout passenger spaces and ramp area, to increase customer usability and satisfaction.	3,645	Cash	Q1/2016	Q1/2020	None	4
104223	Replace Existing Generator at CUP	The project will replace the existing emergency power generator to handle the CUP and future Parking Plaza IT equipment, security system and booth lighting. The generator will provide higher capacity for future power needs.	\$2,615	Bonds	Q1/2017	Q1/2020	None	2



## Terminal CIP Projects

Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact	Prioritization Criteria
104229	HVAC Modernization	Project will upgrade air handler units and fan coils in T2E and T2W, and modernize the T2W existing pump room.	\$11,581	Bonds	Q2/2017	Q4/2020	None	2
104235	Replace Baggage Screening Equipment	Replace 7 Explosive Detection System (EDS) units in T1E and T2E and supporting equipment. TSA to provide EDS machines and will reimburse a portion of installation & integration of costs. Units will handle increased processing speed to meet future capacity needs.	8,902	Bonds / Cash	Q2/2017	Q2/2021	None	5
104235A	Replace Baggage Screening Equipment - Southwest Airlines	Track Authority oversight costs for Southwest Airlines replacement of baggage screening equipment, BHS optimization, CBIS/CBRA improvements and enclosure, and makeup area expansion.	411	Cash	Q2/2018	Q3/2020	None	5
104237	Airline Relocations at T1W and T2E	Supports airline growth by providing common use processors (CUPP) in T1W, build-out new airline offices in existing FIS & airline spaces in T1W & T2E and add an additional lane at T2E security checkpoint.	24,333	Bonds / Cash	Q3/2017	Q2/2020	None	4
104240	T2E Roof Replacement	Project will replace the roof waterproofing / roofing membrane in T2E due to aging of existing roof. Project is currently on-hold pending completion of T2E HVAC.	4,701	Bonds	Q3/2017	Q2/2021	None	2
104254	AVSEC Network Redesign	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	Q4/2020	None	2
104256	SDIA Common Use System	Rebid and replace common-use hardware and software to support rapid and flexible passenger processing, including workstations at ticketing and gate counters, gate/boarding equipment, CUSS kiosks, FIDS displays, etc.	13,872	Cash	Q3/2019	Q2/2021	None	2
104257	Gate Information Displays	This project will provide Gate Information Display monitors and the required power and data at all hold-rooms in Terminal 2 East.	1,910	Major Maintenance Fund	Q4/2018	Q1/2020	None	2
104258	Fire Department Violations Remediation	Project will mitigate the FD violations, develop/update current Airport Facility Emergency Exiting Floor Plans to establish a 30% level of definition in order to translate captured corrective actions into a complete ROM budget relative to the SOW for mitigation of the violations.	\$1,978	Bonds	Q3/2019	Q4/2020	None	2

## Terminal CIP Projects

Current Terminal CIP Projects								
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact	Prioritization Criteria
104261	CUP Heating Hot Water Boiler System Replacement	This project will replace (1) existing boiler and associated pump and control system with (3) new boilers, (3) new pumps, and associated control system to comply with San Diego County Air Pollution Control District standard, improve Airport HVAC heating reliability, and increase Airport HVAC heating capacity and efficiency.	\$2,685	Bonds	Q4/2019	Q3/2021	None	2
104262	Replace Emergency Generators	Provide study and replace emergency generators at various locations throughout the Airport, including terminals.	5,600	Bonds	Q4/2019	Q3/2022	None	1
104263	Electrical Modernization in T2E and T2W	Project will replace the end of useful lives or non-code compliance electrical equipment, such as panel boards, switch boards, automatic transfer switches and building transformers at Terminal 2 East per 2016 Facility Condition assessment.	4,855	Bonds	Q4/2019	Q4/2021	None	2
104267	T2W DAS Room Cooling Upgrade	This project will address the cooling deficiencies in the T2W DAS Cellular Equipment Room that could lead to premature equipment failure leading to cellular and Wi-Fi service interruptions.	579	Bonds	Q1/2019	Q4/2020	None	1
104268	T2E Renovation Master Plan	Provide a comprehensive plan that identifies and coordinates future capital improvements to the Terminal 2 East facility to ensure that it can provide a high quality passenger experience into the future.	2,200	Bonds	Q4/2019	Q4/2021	None	2
104273	ZEV - Acquire Electric Buses	Acquire four zero emission vehicle (ZEV) buses along with associated chargers and infrastructure installation.	1,980	AIP / Bonds	Q4/2019	Q1/2021	\$720,000	3
400002B / 502B	ADP - Programmatic Docs (Terminal)	The project will prepare programmatic documents for the Airport Development Program in order to define criteria and standards for project design and construction and support the RFQ for design teams and contractors.	6,907	Bonds / Cash	Q1/2017	Q4/2019	None	0
412001	T2W FIS Build-out	Construction of a new, 130,000 square-foot FIS to accommodate increased demand and improve the processing experience for passengers with reduced wait times. Features of the new facility include a second baggage claim and more queuing space in the lower level Customs hall, as well the newest processing technologies introduced by Customs and Border Protection.	\$224,209	PFC / Bonds / Cash	Q1/2017	Q2/2020	\$1,200,000	1

## Terminal CIP Projects

Current Terminal CIP Projects								
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact	Prioritization Criteria
FMDT	FMD Capital Expenditures	This project provides for the necessary ongoing maintenance of various capital improvement projects throughout the Airport.	\$12,380	Cash	Q3/2012	Q4/2021	None	2
104999	CIP Support	Professional staff support for the Capital Improvement Program	10,317	Cash	Q1/2020	Q4/2024	None	N/A
<b>Subtotal - Current Terminal CIP Projects</b>			<b>\$390,979</b>					
New Terminal CIP Projects								
NEW 20-04	Increase Cooling Tower Capacity at CUP	Increase cooling tower current capacity to 6,250 tons; increase energy efficiency and resiliency of the condenser water system; evaluate future needs of HVAC operation in ADP; and maintain HVAC system capacity in terminals for customer/tenant comfort.	\$5,136	Bonds	Q2/2020	Q1/2022	None	2
NEW 20-05	Replace Baggage Handling System and Baggage Makeup Units in T2E	Complete assessment of T2E BHS and BMUs and associated cost estimate for replacement or refurbishment of systems. This includes modernization of switchboard/abandoned FIS feed, retrofit variable frequency drives, etc.	15,946	Major Maintenance Fund	Q1/2020	Q4/2021	None	2
NEW 20-07	Replace Existing Sidewalk T2E - Phases 2-4	Demolish and replace existing concrete sidewalk and remove and replace existing electrical/communication conduits and install new LED in-pavement lighting and outlets.	3,542	Major Maintenance Fund	Q1/2020	Q3/2021	None	2
<b>Subtotal - New Terminal CIP Projects</b>			<b>24,624</b>					
<b>Total Terminal CIP Projects</b>			<b>\$415,603</b>					

## Administrative CIP Projects

Current Administrative CIP Projects								
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact	Prioritization Criteria
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.	\$2,201	Cash	Q1/2019	Q4/2024	None	1
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.	5,000	Cash	Q1/2020	Q4/2020	None	1
104167	CT Exterior East-Facing Wall - Public Art	This project will fabricate and install a billboard-type metal structural truss / support system on the east-facing wall of the Commuter Terminal, to house a replicated vinyl mural. Also provides for replacement of the vinyl murals.	200	Bonds / Cash	Q3/2013	Q2/2020	None	1
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.	60	Cash	Q2/2015	TBD	None	1
104209	Facilities Condition Assessment	Project will provide a 20-year strategic planning of the long- and short-range costs associated with facilities maintenance and / or replacements.	800	Cash	Q1/2016	Q2/2020	None	2
104234	Identity Management System	Procure a system that integrates access control, fingerprinting & computer-based training into a single interface.	931	Cash	Q2/2017	Q2/2020	None	5
104244	Battery Energy Storage	This project will install up to a 2.5 MW battery energy storage system. It will tie into the 12 kV micro-grid to charge/discharge stored energy and reduce peak electricity demand and associated costs.	641	Cash	Q4/2017	Q3/2020	Savings \$170,000	4
104245B	Facilities Maintenance Department Facility	New Facilities Management Department campus with administrative spaces, maintenance shops and warehouse relocated to the north side. Includes parking for employees, fleet vehicles and equipment, as well as an underground storage tank for storm water capture and reuse.	\$48,009	Bonds / Cash	Q1/2018	Q2/2021	None	0

## Administrative CIP Projects

Current Administrative CIP Projects								
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact	Prioritization Criteria
104245F	Northside Utilities	Provide new common site infrastructure - utilities, roads, exterior lighting, AOA gate and AOA fencing for northside improvements including the proposed FMD campus and Airport Fueling Operations Facility. Utilities include water, sewer, storm drainage, gas, electric and communications.	\$3,903	Bonds	Q2/2019	Q3/2020	Minimal	0
400002 / 502	ADP - Programmatic Docs	The project will prepare programmatic documents for the Airport Development Program in order to define criteria and standards for project design and construction and support the RFQ for design teams and contractors.	4,546	Bonds	Q1/2017	Q4/2019	None	0
400003	ADP - Programmatic Docs - Phase 1	The project will prepare programmatic documents for the Airport Development Program in order to define criteria and standards for project design and construction and support the RFQ for design teams and contractors.	2,983	Bonds	Q1/2017	Q3/2020	None	0
414001	ADP - Administrative Consolidation Documents	The project will prepare programmatic documents for the Airport Development Program in order to define criteria and standards for project design and construction and support the RFQ for design teams and contractors.	1,996	Bonds	Q3/2018	Q2/2020	None	0
New FY18	Solid Waste Disposal and Recycling Facility	Provides containment for airport solid waste operations to ensure regulatory compliance for both stormwater and industrial waste permits.	9,725	Bonds	Q1/2020	Q2/2022	None	0
New FY17	Facilities Condition Assessment	Project will provide an update of the existing 20-year strategic planning of the long- and short-range costs associated with facilities maintenance and / or replacements. Conducted every 5 years.	400	Major Maintenance Fund	Q1/2022	Q4/2022	None	2
<b>Subtotal - Current Administrative CIP Projects</b>			<b>\$81,395</b>					
New Administrative CIP Projects								
NEW 20-06	Server and Storage Hardware Refresh	Provide Common Use passenger processing airport-wide including FIDS, GIDS, CUPPS, CUSS, IDA, agent workstations, directories, etc. Coordinate current technology with new Terminal 1 replacement and future technologies.	\$1,225	Major Maintenance Fund	Q3/2020	Q2/2024	None	2
<b>Subtotal - New Administrative CIP Projects</b>			<b>\$1,225</b>					
<b>Total Administrative CIP Projects</b>			<b>\$82,620</b>					
<b>Total FY 2020 CIP Budget</b>			<b>\$955,448</b>					

# Performance Indicators



## 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.

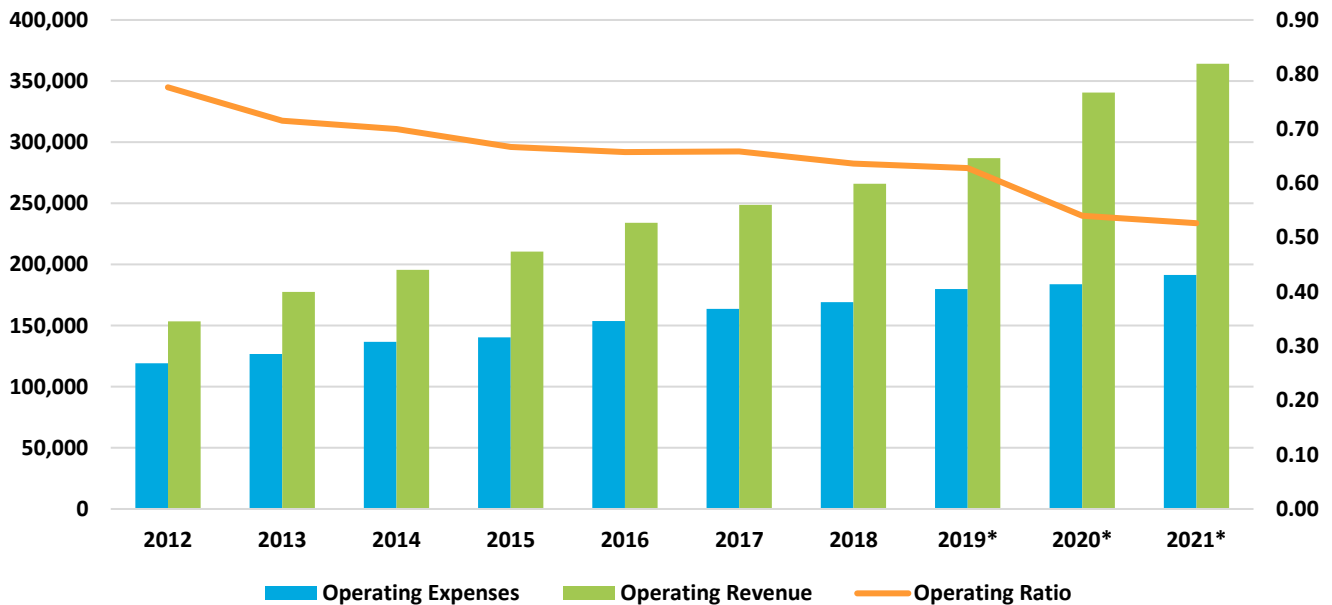
### Operating Ratio

This is a measure of operating efficiency that compares operating expense to operating revenue. Operating revenue must exceed operating expenses to provide a financial cushion and cover debt service expenses.

#### Fiscal Years ended June 30, 2012 to 2021

Fiscal Year	Operating Expenses (\$) <sup>1</sup>	Operating Revenue (\$) <sup>1</sup>	Operating Ratio	% Change
2012	119,169	153,550	0.78	-5.2%
2013	126,846	177,498	0.71	-7.9%
2014	136,833	195,737	0.70	-2.2%
2015	140,310	210,505	0.67	-4.7%
2016	153,698	233,994	0.66	-1.5%
2017	163,726	248,847	0.66	0.2%
2018	169,120	266,079	0.64	-3.4%
2019*	179,996	286,882	0.63	-1.3%
2020*	183,790	340,527	0.54	-14.0%
2021*	191,531	364,133	0.53	-2.5%

<sup>1</sup> in thousands



\* Budgeted FY 2019, FY 2020, & FY 2021

Figure 43 – Operating Ratio

Source: San Diego County Regional Airport Authority

## Performance Indicators

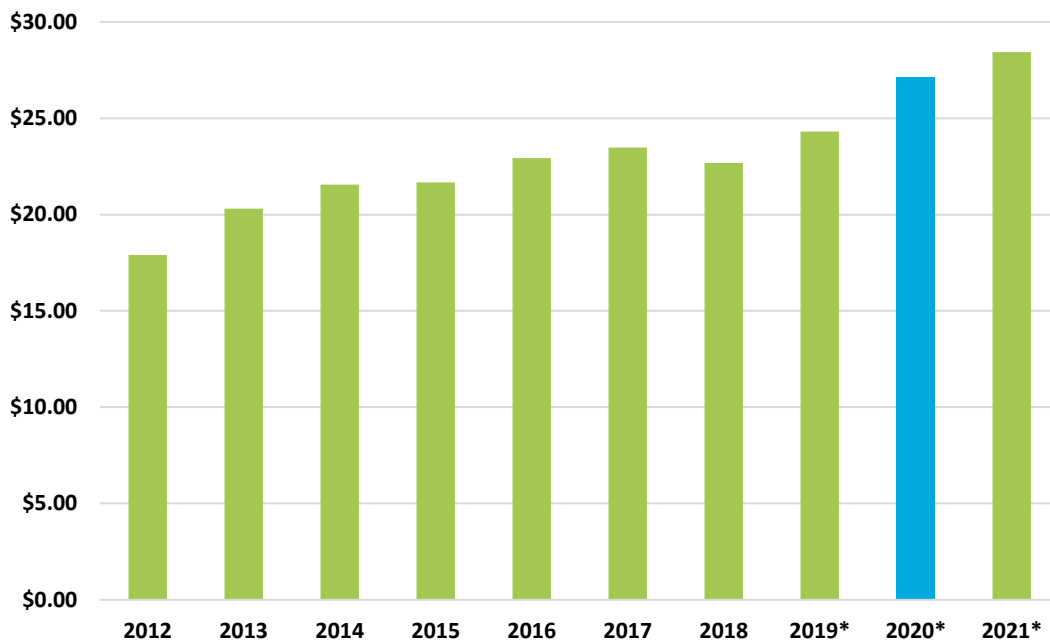
### Operating Revenue per Enplanement

This is a measure of operating revenues per enplaned passenger.

#### Fiscal Years ended June 30, 2012 to 2021

Fiscal Year	Operating Revenue (\$) <sup>1</sup>	Enplaned Passengers <sup>1</sup>	Operating Revenue per Enplanement	% Change
2012	153,550	8,575	17.91	5.0%
2013	177,498	8,738	20.31	13.5%
2014	195,737	9,082	21.55	6.1%
2015	210,505	9,713	21.67	0.6%
2016	233,994	10,206	22.93	5.8%
2017	248,847	10,596	23.48	2.4%
2018	266,079	11,729	22.69	-3.4%
2019*	286,882	11,801	24.31	7.2%
2020*	340,527	12,557	27.12	11.6%
2021*	364,133	12,808	28.43	4.8%

<sup>1</sup> in thousands



\* Budgeted FY 2019, FY 2020, & FY 2021

**Figure 44 – Operating Revenue per Enplaned Passenger**

Source: San Diego County Regional Airport Authority



## Performance Indicators

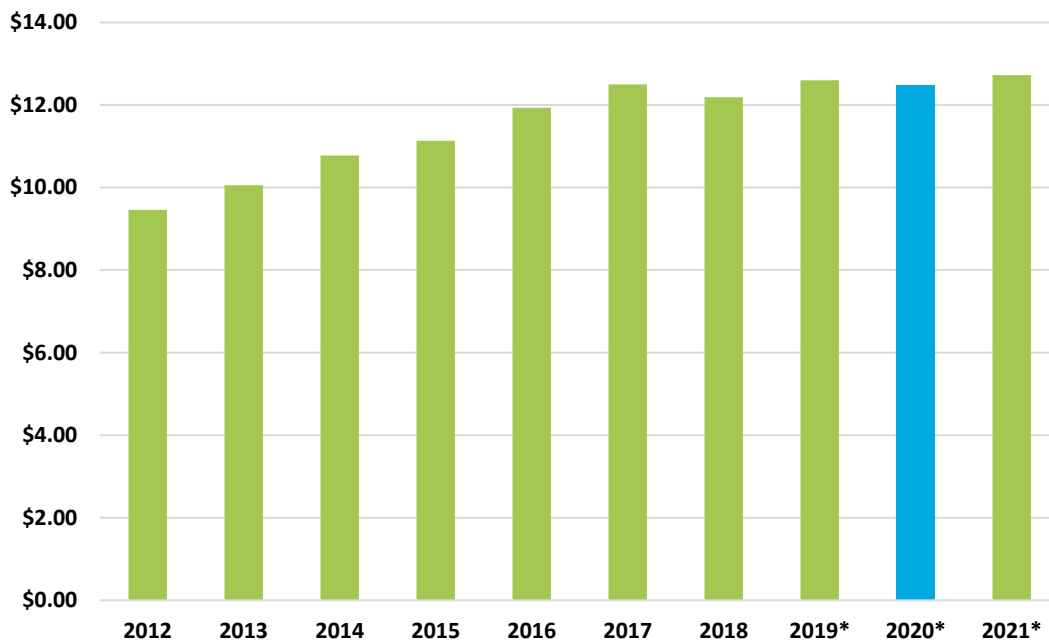
### Non-Airline Revenue per Enplanement

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 enplanement.

#### Fiscal Years ended June 30, 2012 to 2021

Fiscal Year	Non-Airline Revenue (\$) <sup>1</sup>	Enplaned Passengers <sup>1</sup>	Operating Revenue per Enplanement	% Change
2012	81,120	8,575	9.46	1.0%
2013	87,858	8,738	10.06	6.3%
2014	97,861	9,082	10.77	7.2%
2015	108,174	9,713	11.14	3.4%
2016	121,789	10,206	11.93	7.1%
2017	132,465	10,596	12.50	4.8%
2018	142,922	11,729	12.19	-2.5%
2019*	148,703	11,801	12.60	3.4%
2020*	156,588	12,557	12.47	-1.0%
2021*	162,983	12,808	12.72	2.0%

<sup>1</sup> in thousands



\* Budgeted FY 2019, FY 2020, & FY 2021

**Figure 45 – Non-Airline Revenue per Enplaned Passenger**

Source: San Diego County Regional Airport Authority

## Performance Indicators

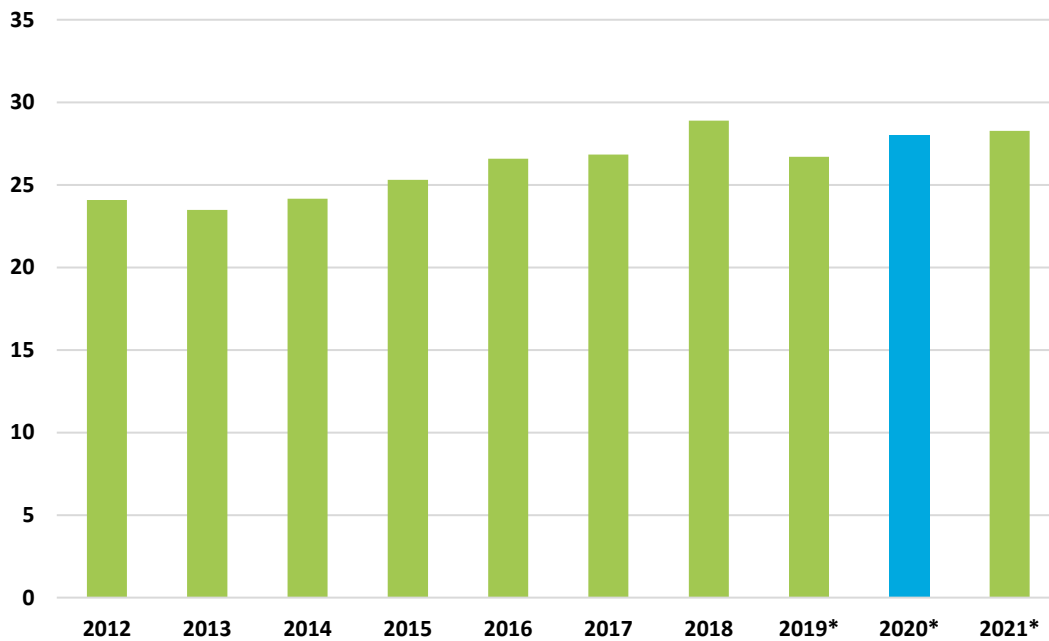
### Enplaned Passengers per FTEs

This divides the Full-Time Equivalent (FTE) employees by enplaned passengers and measures the Airport’s staffing productivity level.

#### Fiscal Years ended June 30, 2012 to 2021

Fiscal Year	FTEs	Enplaned Passengers <sup>1</sup>	Enplaned Passengers per Employee
2012	356	8,575	24
2013	372	8,738	23
2014	376	9,082	24
2015	384	9,713	25
2016	384	10,206	27
2017	395	10,596	27
2018	406	11,729	29
2019*	442	11,801	27
2020*	448	12,557	28
2021*	453	12,808	28

<sup>1</sup> in thousands



\* Budgeted FY 2019, FY 2020, & FY 2021

**Figure 46 – Enplaned Passenger per FTE**

Source: San Diego County Regional Airport Authority

## Performance Indicators

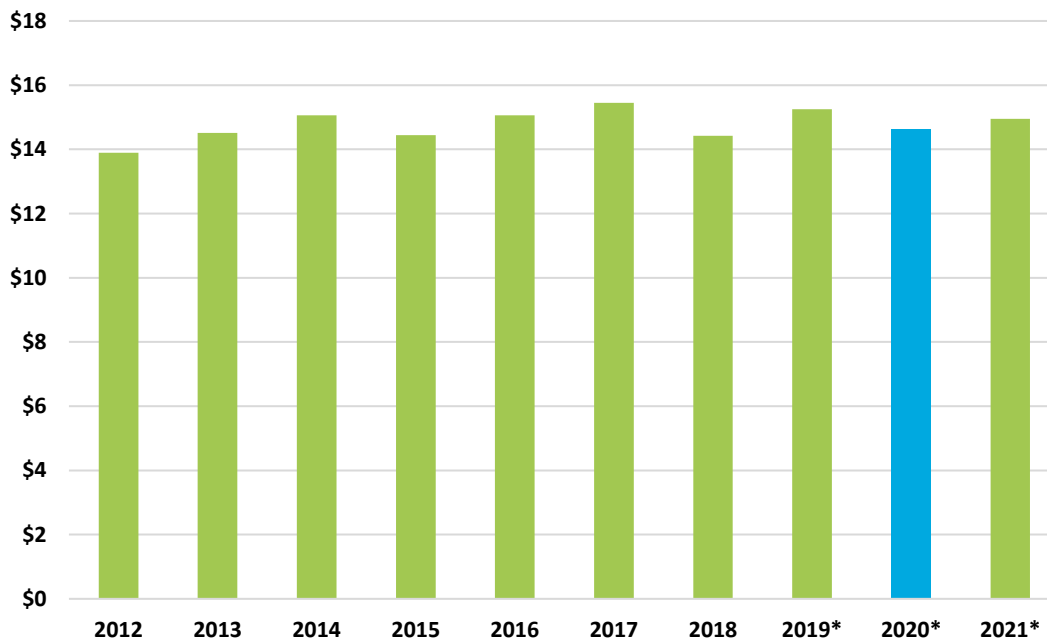
### Operating Expenses per Enplanement

This divides operating expenses by enplanement and measures the Airport Authority's relative operating efficiency.

#### Fiscal Years ended June 30, 2012 to 2021

Fiscal Year	Operating Expenses (\$) <sup>1</sup>	Enplaned Passengers <sup>1</sup>	Operating Expenses per Enplanement (\$) <sup>1</sup>	% Change
2012	119,169	8,575	13.90	-0.5%
2013	126,846	8,738	14.52	4.5%
2014	136,833	9,082	15.07	3.8%
2015	140,310	9,713	14.45	-4.1%
2016	153,698	10,206	15.06	4.2%
2017	163,726	10,596	15.45	2.6%
2018	169,120	11,729	14.42	-6.7%
2019*	179,996	11,801	15.25	5.8%
2020*	183,790	12,557	14.64	-4.0%
2021*	191,531	12,808	14.95	2.2%

<sup>1</sup> in thousands



\* Budgeted FY 2019, FY 2020, & FY 2021

**Figure 47 – Operating Expense per Enplaned Passenger**

Source: San Diego County Regional Airport Authority

## Performance Indicators

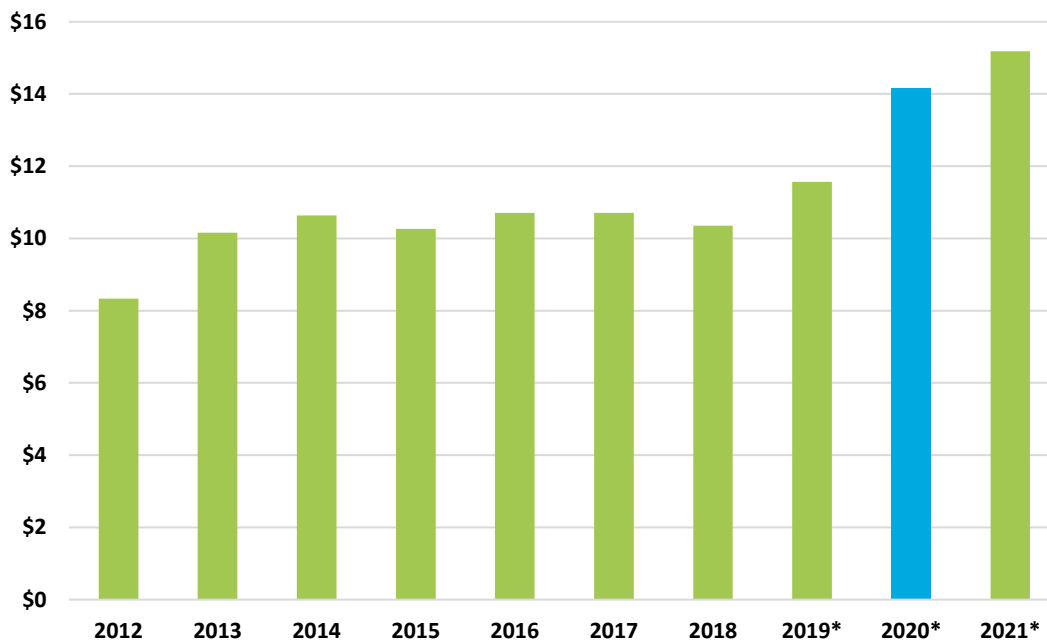
### Airline Cost per Enplaned Passenger

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, 2012 to 2021

Fiscal Year	Enplaned Passengers <sup>1</sup>	Cost per Enplanement (\$)
2012	8,575	8.33
2013	8,738	10.16
2014	9,082	10.64
2015	9,713	10.26
2016	10,206	10.71
2017	10,596	10.71
2018	11,729	10.35
2019*	11,801	11.57
2020*	12,557	14.16
2021*	12,808	15.18

<sup>1</sup> in thousands



\* Budgeted FY 2019, FY 2020, & FY 2021

**Figure 48 – Airline Cost per Enplaned Passenger**

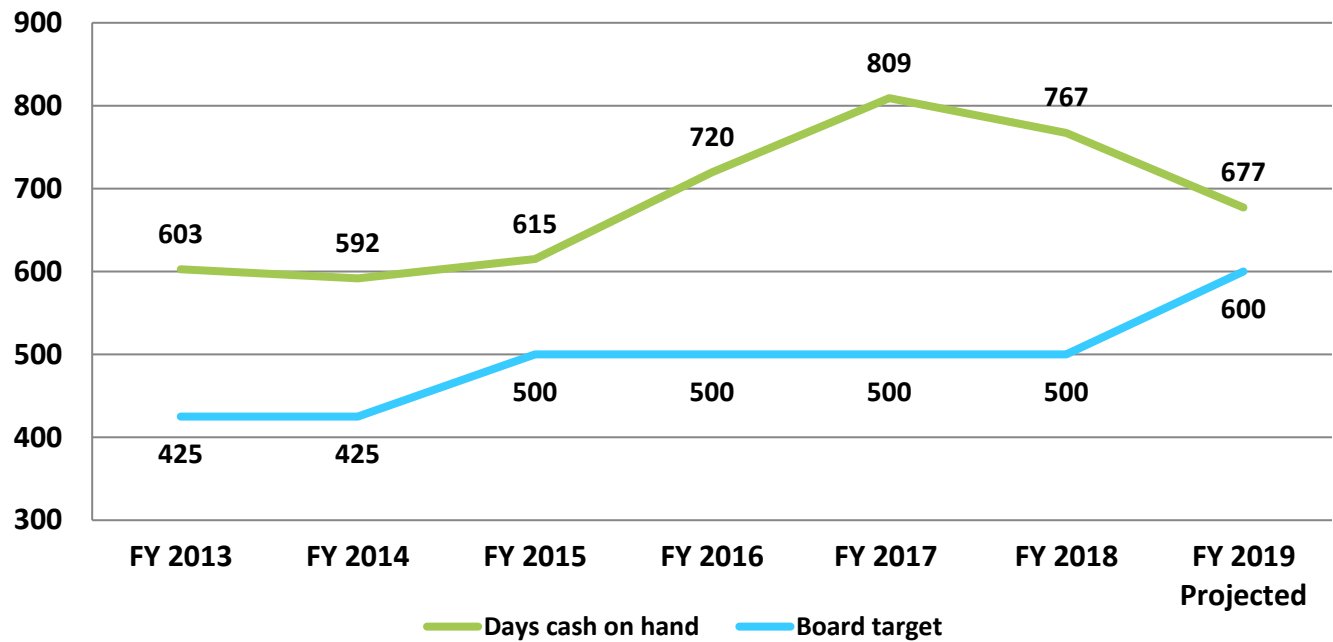
Source: San Diego County Regional Airport Authority

## 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

### Airline Cost per Enplaned Passenger by Airport

Airline cost per enplaned passenger is the total annual cost of fees and charges paid by the airlines divided by the total enplanements. This graph shows how SAN compares to other large airports.

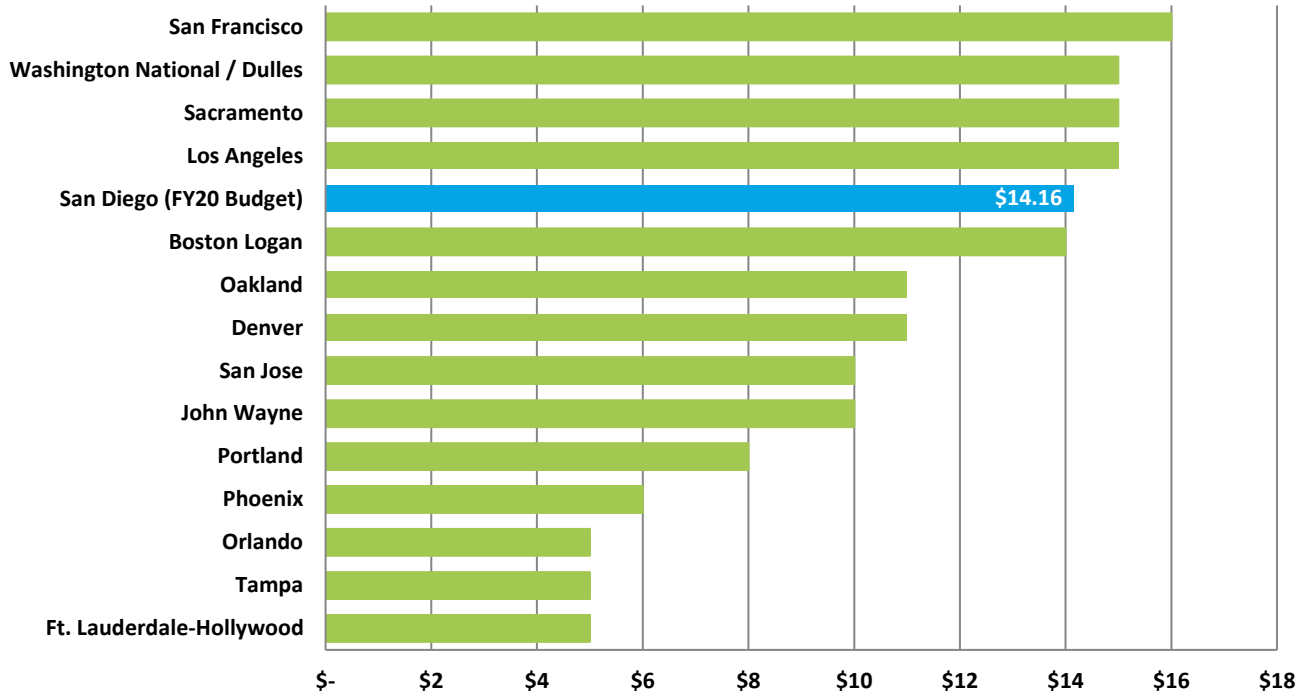


Figure 50 – Airline Cost per Enplaned Passenger by Airport

Source: Moody's Investor Service, MFRA Database, as of April 2019. Peer Airports data as of FY 2017.

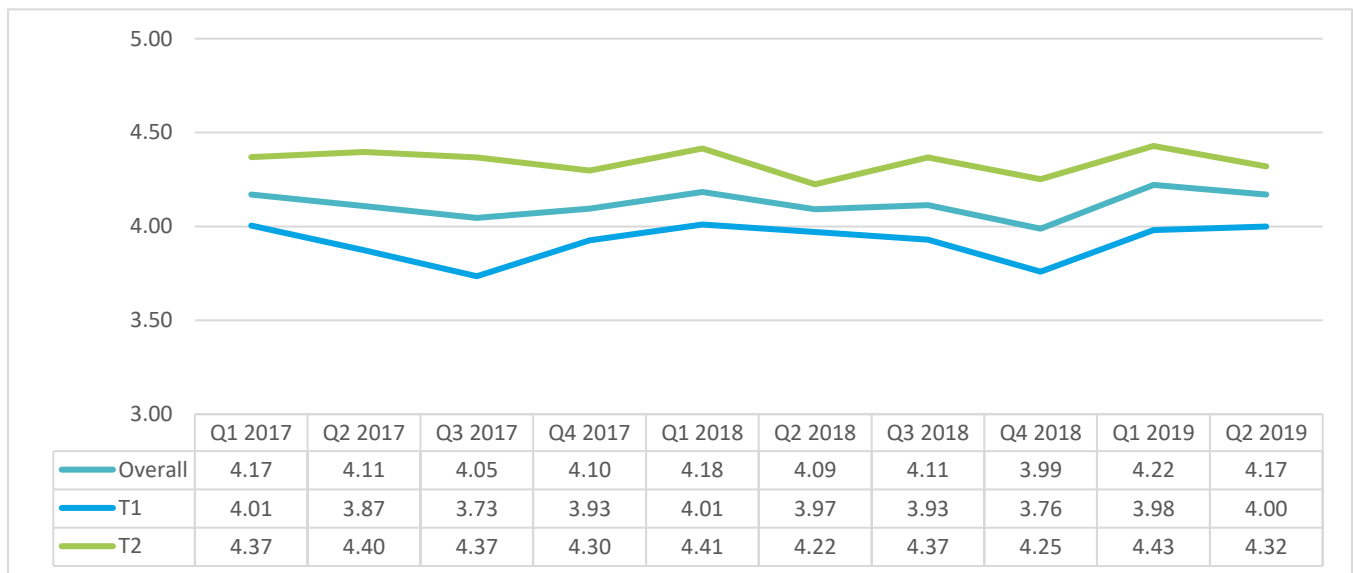
## Performance Indicators

The Airport Authority places a high priority on the passenger experience as evidenced by our Strategic Plan goal to exceed our customers’ expectations by introducing innovative service and facility enhancements. One measure of success is sustaining or improving satisfaction with San Diego International Airport as measured by the Airports Council International – North America (ACI-NA) Airport Service Quality (ASQ) Survey.

Since opening the Green Build, the Airport Authority has been able to sustain Customer Satisfaction above 3.99 on a 5-point scale. This year was no exception with a score of 4.17 overall satisfaction. Our five-year Strategic Plan goal is to sustain current Terminal 2 level ratings (4.0+) in customer satisfaction on the ACI-NA ASQ for priority items (currently defined as internet access/Wi-Fi, restaurant/eating facilities, comfort of waiting/gate areas). Staff continues to find ways to improve these scores by making enhancements throughout SAN.

This sustained overall customer satisfaction score is despite aging Terminal 1 infrastructure and ongoing construction placing downward pressure on satisfaction. When comparing the two terminals, Terminal 1’s scores are significantly lower in overall satisfaction and key attributes associated with the infrastructure constraints. These include comfort of the waiting/gate area, ambiance of the airport, business/executive lounges, cleanliness of the airport terminal and shopping facilities.

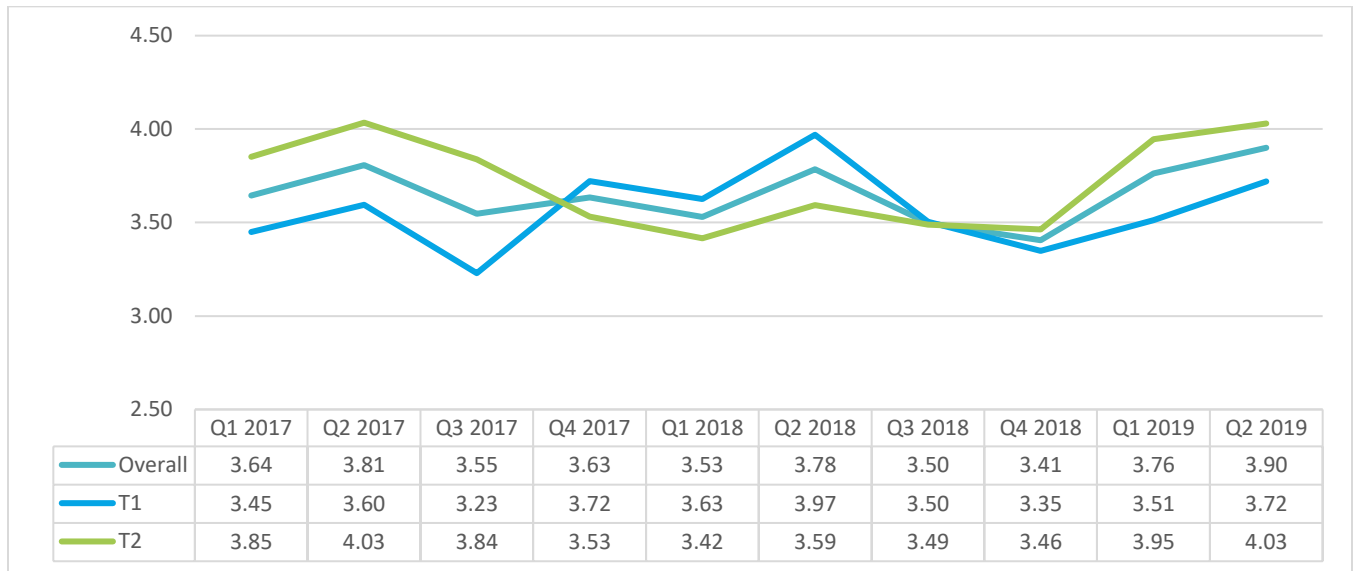
### Overall Passenger Satisfaction



**Figure 51 – Overall Passenger Satisfaction Rating**

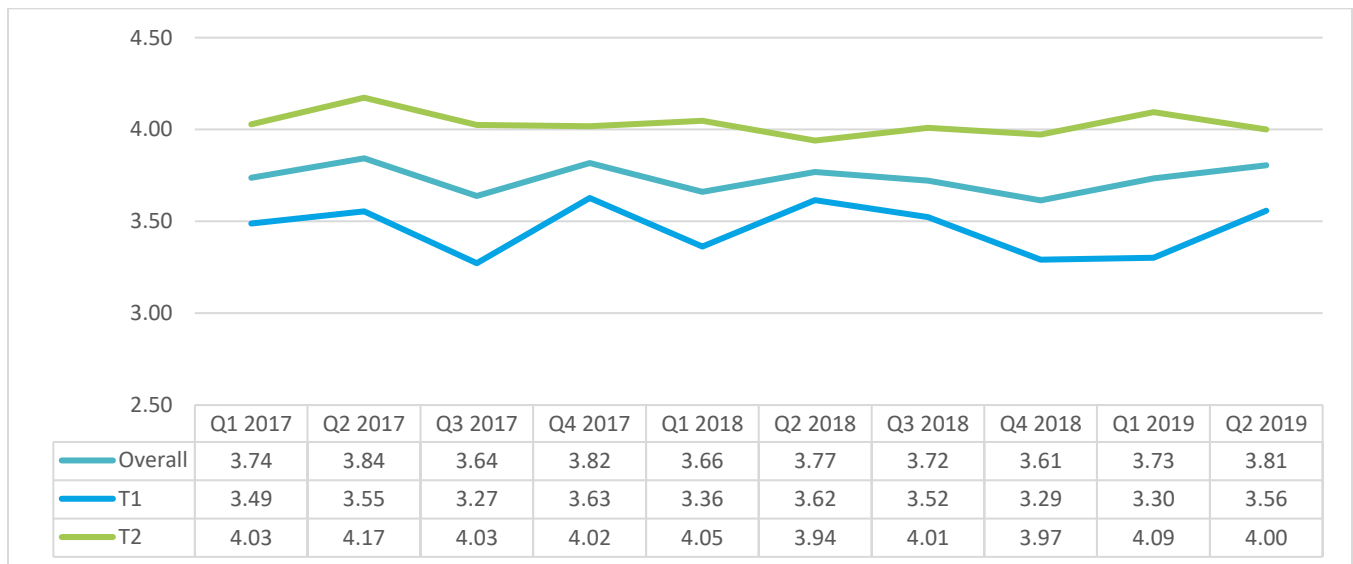
## Performance Indicators

### Internet Access/Wi-Fi Satisfaction



**Figure 52 – Internet Access/Wi-Fi Satisfaction Rating**

### Restaurant/Eating Facilities Satisfaction

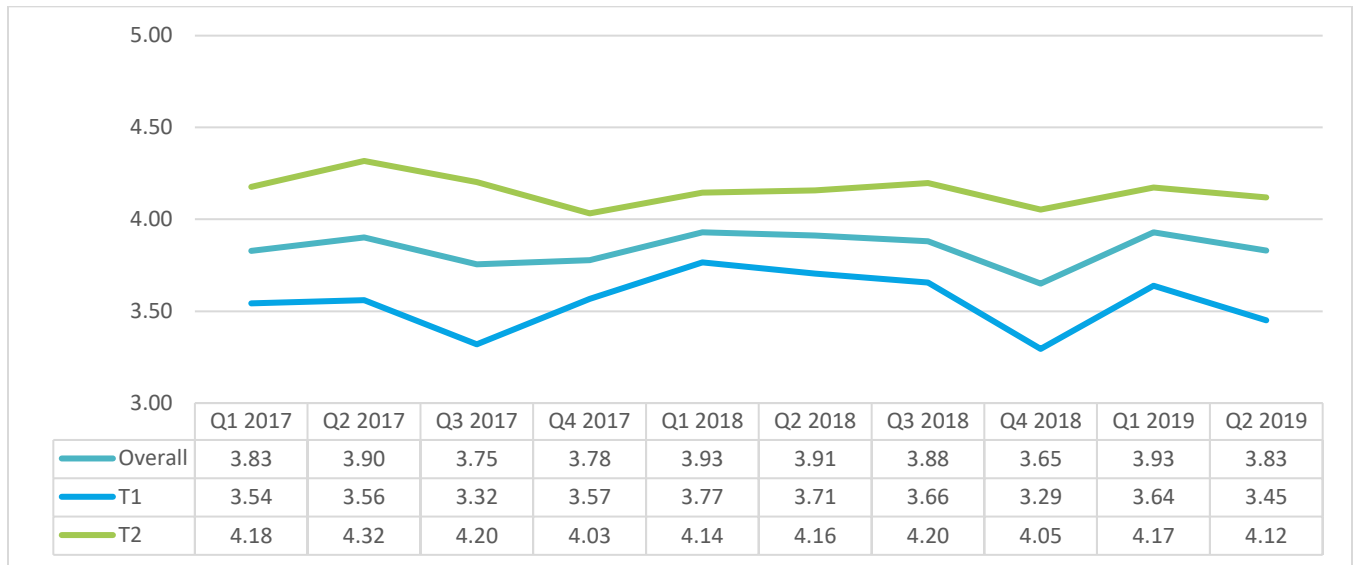


**Figure 53 – Restaurant/Eating Satisfaction Rating**



## Performance Indicators

### Comfort of Gate/Wait Areas Satisfaction



**Figure 54 – Comfort of Gate/Wait Areas Satisfaction Rating**

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# Supplemental Data



## Supplemental Data

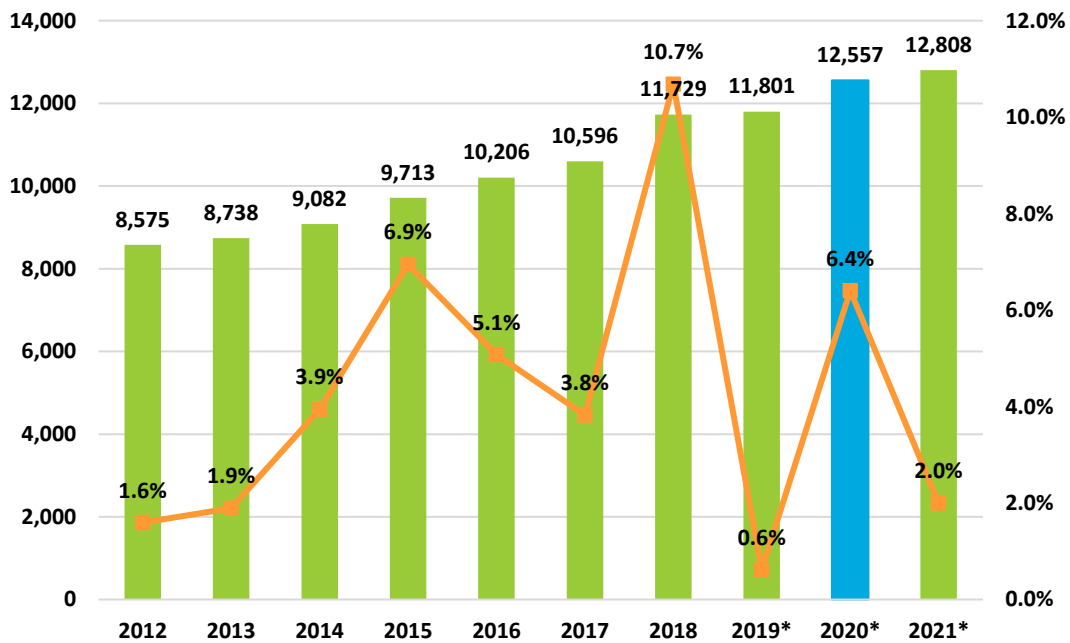
### Annual Enplaned Passengers

In FY 2020, enplaned passenger traffic at SAN is projected to reach 12.6M, which represents an increase of 6.4% from the 11.8M enplanements used in the FY 2019 Budget. Enplaned passengers are projected to increase by 2.0% to 12.8M in the FY 2021 Conceptual Budget.

#### Fiscal Years ended June 30, 2012 to 2021

Fiscal Year	Enplaned Passengers	% Change
2012	8,575	1.6%
2013	8,738	1.9%
2014	9,082	3.9%
2015	9,713	6.9%
2016	10,206	5.1%
2017	10,596	3.8%
2018	11,729	10.7%
2019*	11,801	0.6%
2020*	12,557	6.4%
2021*	12,808	2.0%

<sup>1</sup> in thousands



\* Budgeted FY 2019, FY 2020, & FY 2021

Figure 55 – Annual Enplaned Passengers

## Supplemental Data

### Airline Market Share FY 2011 – FY 2018

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. Seven carriers accounted for approximately 85% of the enplaned passengers.

Air Carrier	Enplanements (in thousands)							Market Share						
	2012	2013	2014	2015	2016	2017	2018	2012	2013	2014	2015	2016	2017	2018
Southwest Airlines	3,252	3,253	3,353	3,737	3,840	3,967	4,458	37.9%	37.2%	36.9%	38.5%	37.6%	37.4%	38.0%
American Airlines <sup>1</sup>	664	651	694	747	1,369	1,339	1,367	7.7%	7.4%	7.6%	7.7%	13.4%	12.6%	11.7%
United Airlines	1,266	1,176	1,168	1,114	1,166	1,266	1,406	14.8%	13.5%	12.9%	11.5%	11.4%	11.9%	12.0%
Delta Airlines	936	905	916	992	1,062	1,089	1,127	10.9%	10.4%	10.1%	10.2%	10.4%	10.3%	9.6%
Alaska Airlines <sup>2</sup>	579	674	830	872	903	919	1,031	6.8%	7.7%	9.1%	9.0%	8.8%	8.7%	8.8%
Spirit	78	164	201	252	327	287	317	0.9%	1.9%	2.2%	2.6%	3.2%	2.7%	2.7%
JetBlue Airlines	147	153	173	179	183	225	248	1.7%	1.7%	1.9%	1.8%	1.8%	2.1%	2.1%
Frontier Airlines	199	184	185	151	119	180	255	2.3%	2.1%	2.0%	1.6%	1.2%	1.7%	2.2%
Virgin America <sup>2</sup>	166	168	157	176	211	212	184	1.9%	1.9%	1.7%	1.8%	2.1%	2.0%	1.6%
Air Canada	56	45	37	41	49	93	111	0.7%	0.5%	0.4%	0.4%	0.5%	0.9%	0.9%
Hawaiian Airlines	86	94	99	97	102	108	109	1.0%	1.1%	1.1%	1.0%	1.0%	1.0%	0.9%
British Airways	81	82	85	84	90	90	83	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.7%
Japan Airlines	-	18	54	59	60	60	62	-	0.2%	0.6%	0.6%	0.6%	0.6%	0.5%
Allegiant	18	15	8	7	17	49	45	0.2%	0.2%	0.1%	0.1%	0.2%	0.5%	0.4%
Sun Country Airlines	16	24	27	29	35	40	42	0.2%	0.3%	0.3%	0.3%	0.3%	0.4%	0.4%
WestJet	26	28	32	34	35	41	39	0.3%	0.3%	0.4%	0.3%	0.3%	0.4%	0.3%
Lufthansa	-	-	-	-	-	-	13	-	-	-	-	-	-	0.1%
Condor	-	-	-	-	-	4	8	-	-	-	-	-	0.0%	0.1%
Edelweiss	-	-	-	-	-	1	7	-	-	-	-	-	0.0%	0.1%
Volaris	46	31	23	20	21	4	-	0.5%	0.4%	0.3%	0.2%	0.2%	0.0%	-
US Airways <sup>1</sup>	536	561	554	523	-	-	-	6.2%	6.4%	6.1%	5.4%	-	-	-
<b>Total Air Carrier</b>	<b>8,153</b>	<b>8,225</b>	<b>8,596</b>	<b>9,114</b>	<b>9,588</b>	<b>9,976</b>	<b>10,911</b>	<b>95.1%</b>	<b>94.1%</b>	<b>94.6%</b>	<b>93.8%</b>	<b>93.9%</b>	<b>94.1%</b>	<b>93.0%</b>
<b>Regional</b>														
Skywest Airlines	263	352	341	372	302	372	485	3.1%	4.0%	3.8%	3.8%	3.0%	3.5%	4.1%
Compass	-	-	9	140	250	195	251	-	-	0.1%	1.4%	2.4%	1.8%	2.1%
Horizon	6	77	84	84	65	54	82	0.1%	0.9%	0.9%	0.9%	0.6%	0.5%	0.7%
American Eagle (Envoy)	141	82	51	-	-	-	-	1.6%	0.9%	0.6%	-	-	-	-
Mesa Airlines	13	0	-	-	-	-	-	0.1%	0.0%	-	-	-	-	-
Seaport Airlines	-	0	1	3	2	-	-	-	0.0%	0.0%	0.0%	0.0%	-	-
<b>Total Regional</b>	<b>422</b>	<b>512</b>	<b>486</b>	<b>599</b>	<b>618</b>	<b>621</b>	<b>818</b>	<b>4.1%</b>	<b>5.0%</b>	<b>4.8%</b>	<b>5.9%</b>	<b>6.1%</b>	<b>5.9%</b>	<b>7.0%</b>
<b>Total Passengers</b>	<b>8,575</b>	<b>8,738</b>	<b>9,082</b>	<b>9,713</b>	<b>10,206</b>	<b>10,596</b>	<b>11,729</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> US Airways merged with American Airlines on December 9, 2013. A single operating certificate was issued by the FAA and operational integration was on April 7, 2015

<sup>2</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 56 – Airline Market Share

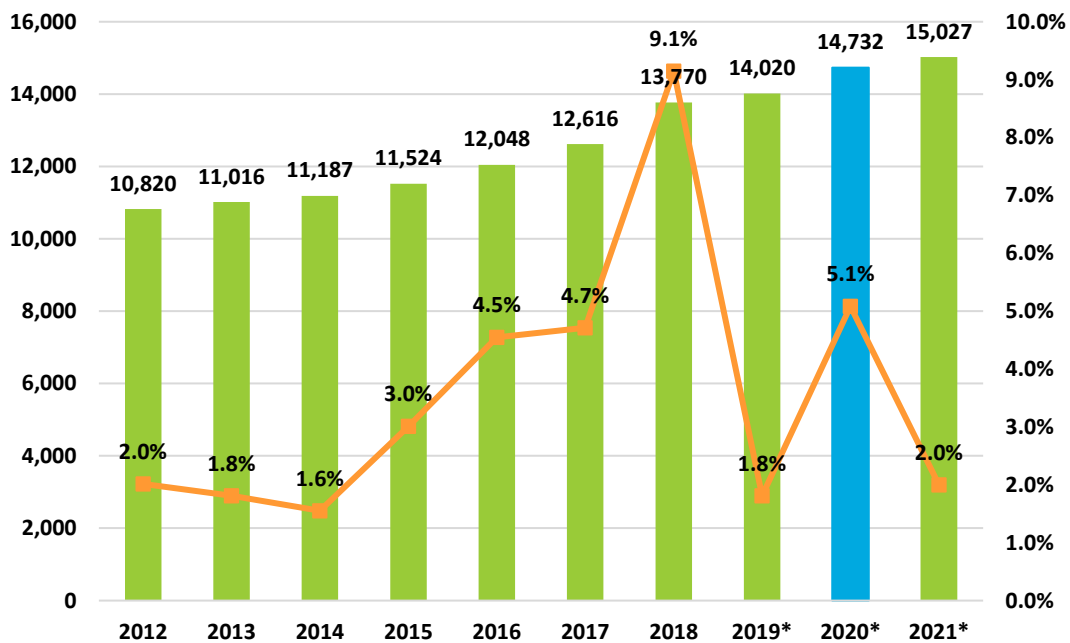
## Supplemental Data

### 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 both airline and general aviation aircraft operated at the Airport. In FY 2020, landed weight is estimated to increase by 1.0% over FY 2019 year-end projections.

#### Fiscal Years ended June 30, 2012 to 2021

Fiscal Year	Landed Weight in million lbs	% Change
2012	10,820	2.0%
2013	11,016	1.8%
2014	11,187	1.6%
2015	11,524	3.0%
2016	12,048	4.5%
2017	12,616	4.7%
2018	13,770	9.1%
2019*	14,020	1.8%
2020*	14,732	5.1%
2021*	15,027	2.0%



\* Budgeted FY 2019, FY 2020, & FY 2021

Figure 57 – Aircraft Landed Weight

## Supplemental Data

### Airline Landed Weight FY 2012 – FY 2018

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						
	2012	2013	2014	2015	2016	2017	2018	2012	2013	2014	2015	2016	2017	2018
Southwest Airlines	3,953,536	3,907,554	3,925,362	4,214,314	4,257,162	4,470,104	4,924,451	36.5%	35.5%	35.1%	36.6%	35.3%	35.4%	35.8%
United Airlines	1,502,203	1,387,854	1,340,736	1,227,974	1,250,500	1,355,185	1,492,873	13.9%	12.6%	12.0%	10.7%	10.4%	10.7%	10.8%
American Airlines <sup>1</sup>	1,344,140	1,339,751	1,349,554	1,359,911	1,467,922	1,428,538	1,471,318	12.4%	12.2%	12.1%	11.8%	12.2%	11.3%	10.7%
Delta Airlines	1,047,068	1,023,608	1,016,878	1,077,103	1,153,074	1,175,285	1,183,702	9.7%	9.3%	9.1%	9.3%	9.6%	9.3%	8.6%
Alaska Airlines <sup>2</sup>	648,359	750,000	884,727	888,065	924,310	999,875	1,131,807	6.0%	6.8%	7.9%	7.7%	7.7%	7.9%	8.2%
Skywest Airlines	306,789	428,595	396,054	408,608	359,197	465,023	627,038	2.8%	3.9%	3.5%	3.5%	3.0%	3.7%	4.6%
Federal Express	452,453	451,797	419,127	384,686	444,038	390,716	388,782	4.2%	4.1%	3.7%	3.3%	3.7%	3.1%	2.8%
Spirit Airlines	98,931	208,200	245,669	296,925	351,977	286,162	328,424	0.9%	1.9%	2.2%	2.6%	2.9%	2.3%	2.4%
Compass Airlines	-	-	10,979	172,754	307,793	296,581	312,883	0.0%	0.0%	0.1%	1.5%	2.6%	2.4%	2.3%
JetBlue Airlines	166,232	168,080	189,979	193,848	199,232	244,364	293,160	1.5%	1.5%	1.7%	1.7%	1.7%	1.9%	2.1%
Frontier Airlines	208,936	196,614	192,493	153,880	115,238	167,590	232,794	1.9%	1.8%	1.7%	1.3%	1.0%	1.3%	1.7%
Virgin America <sup>2</sup>	208,253	235,934	232,136	240,781	281,411	278,741	231,087	1.9%	2.1%	2.1%	2.1%	2.3%	2.2%	1.7%
British Airways	167,440	163,760	166,980	166,980	183,760	217,360	208,926	1.5%	1.5%	1.5%	1.4%	1.5%	1.7%	1.5%
Hawaiian Airlines	118,088	140,637	147,325	146,284	147,406	147,568	161,486	1.1%	1.3%	1.3%	1.3%	1.2%	1.2%	1.2%
United Parcel	120,454	118,180	121,742	127,660	135,318	146,778	143,678	1.1%	1.1%	1.1%	1.1%	1.1%	1.2%	1.0%
<b>Subtotal</b>	<b>10,342,881</b>	<b>10,520,566</b>	<b>10,639,741</b>	<b>11,059,773</b>	<b>11,578,336</b>	<b>12,069,869</b>	<b>13,132,409</b>	<b>95.6%</b>	<b>95.5%</b>	<b>95.1%</b>	<b>96.0%</b>	<b>96.1%</b>	<b>95.7%</b>	<b>95.4%</b>
All Others	477,021	495,150	547,024	463,947	469,806	546,199	637,537	4.4%	4.5%	4.9%	4.0%	3.9%	4.3%	4.6%
<b>Total</b>	<b>10,819,902</b>	<b>11,015,716</b>	<b>11,186,766</b>	<b>11,523,720</b>	<b>12,048,142</b>	<b>12,616,068</b>	<b>13,769,945</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> US Airways merged with American Airlines on December 9, 2013. A single operating certificate was issued by the FAA and operational integration was on April 7, 2015

<sup>2</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 58 – Top 15 Airlines Ranked by Landed Weight**

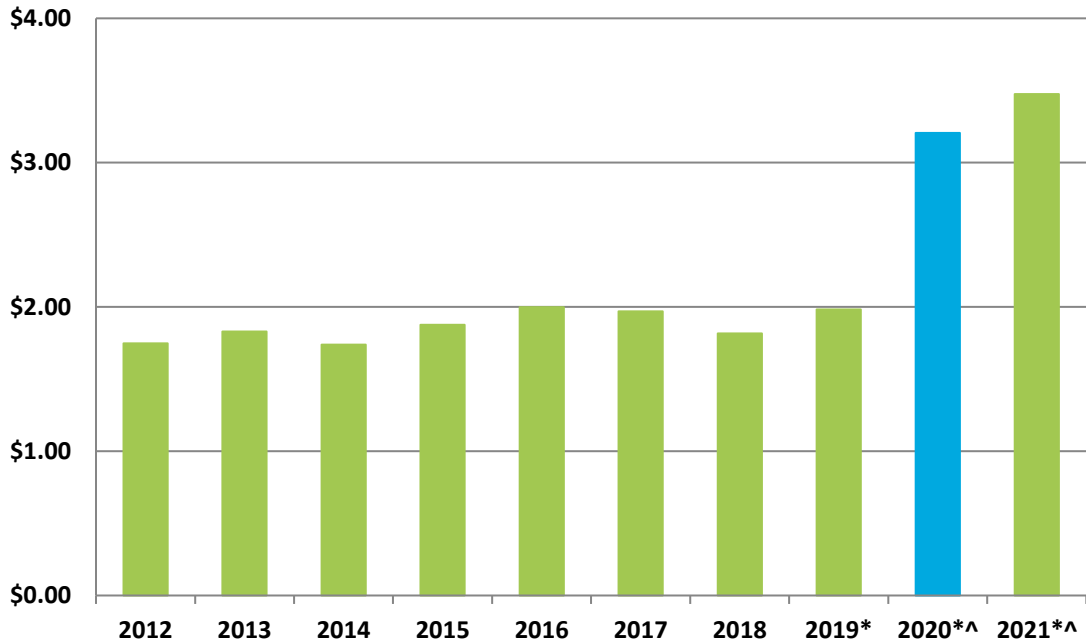
## Supplemental Data

### Landing Fees

Landing fees are revenues from passenger and cargo aircraft for commercial landings at the Airport. Beginning in FY 2020, landing fee includes Airside Security.

#### Fiscal Years ended June 30, 2012 to 2021

Fiscal Year	Landing Fees (\$) per 1,000 lbs	% Change
2012	1.75	-1.6%
2013	1.83	4.7%
2014	1.74	-5.0%
2015	1.88	7.9%
2016	2.00	6.5%
2017	1.97	-1.4%
2018	1.82	-7.8%
2019*	1.98	9.2%
2020*^	3.21	61.7%
2021*^	3.47	8.4%



\* Budgeted FY 2019, FY 2020, & FY 2021

^ Signatory Rate

Figure 59 – Landing Fees



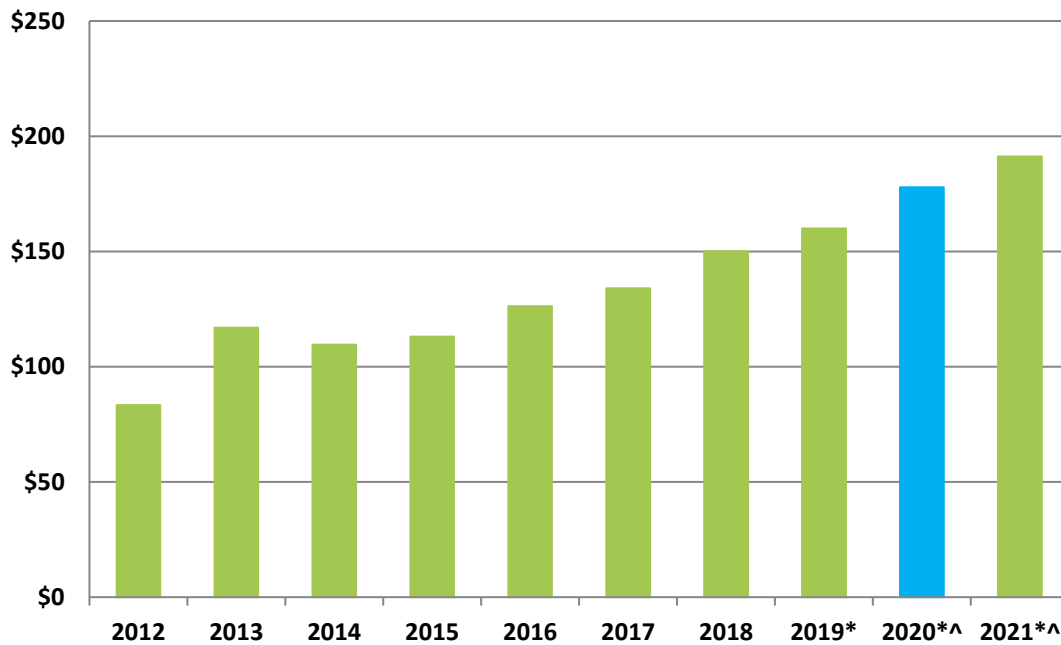
## Supplemental Data

### Terminal Rates Billed to Airlines

Terminal rates are rates billed to airlines for the rent of terminal space per square foot. Beginning in FY 2020, landing fee includes Terminal Security.

#### Fiscal Years ended June 30, 2012 to 2021

Fiscal Year	Terminal Rates Per Sq. Ft. (\$) <sup>1</sup>	% Change
2012	83.31	14.0%
2013	117.00	40.4%
2014	109.61	31.6%
2015	113.01	3.1%
2016	126.21	11.7%
2017	133.95	6.1%
2018	150.19	12.1%
2019*	159.94	6.5%
2020*^	177.86	11.2%
2021*^	191.19	19.5%



<sup>1</sup> Net of Janitorial Credit

\* Budgeted FY 2019, FY 2020, & FY 2021

^ Signatory Rate

Figure 60 – Terminal Rates

## 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	Total	General Aviation	Military	Total
2011	146,215	28,273	174,488	10,938	755	186,181
2012	149,104	26,398	175,502	12,120	658	188,280
2013	154,781	23,370	178,151	9,586	567	188,304
2014	155,310	22,953	178,263	8,930	597	187,790
2015	160,726	24,336	185,062	9,534	669	195,265
2016	169,365	13,741	183,106	9,439	906	193,451
2017	178,579	11,899	190,478	9,719	814	201,011
2018	196,253	11,903	208,156	9,816	699	218,671

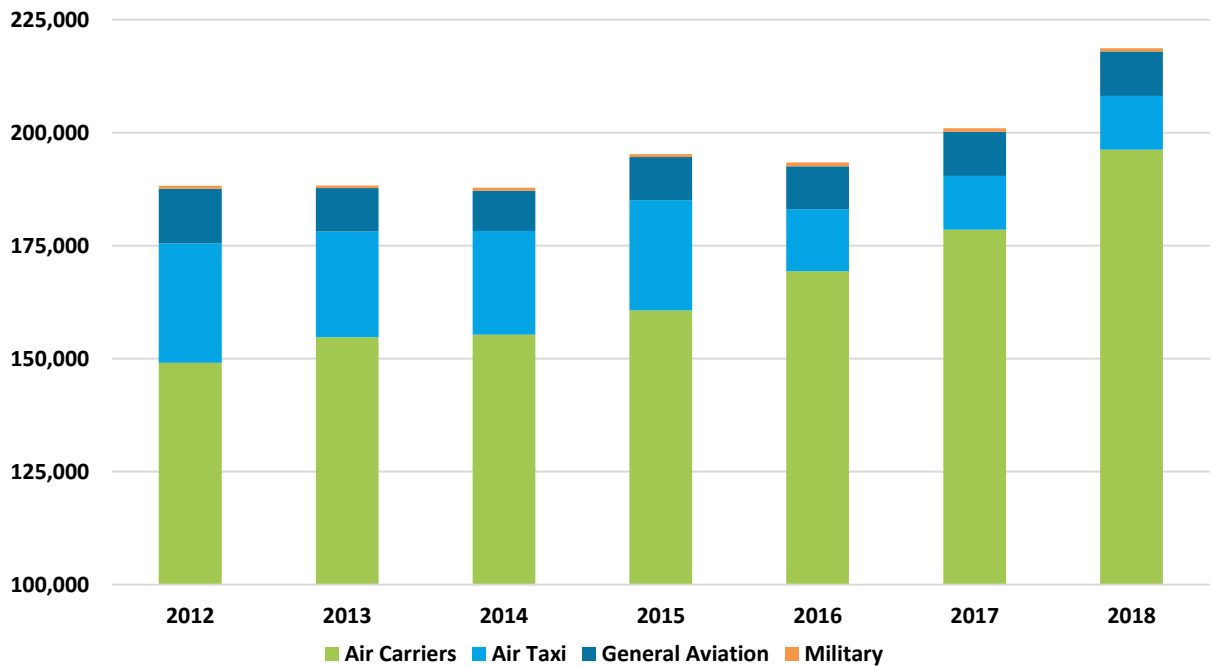


Figure 61 – Aircraft Operations

Source: San Diego County Regional Airport Authority

## Supplemental Data

### Historical Revenue by Source

(in thousands)

Revenue by Major Sources	FY 2012 Actuals	FY 2013 Actuals	FY 2014 Actuals	FY 2015 Actuals	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Budget	FY 2020 Budget	FY 2021 Conceptual Budget
Airline Revenue	\$ 72,430	\$ 89,640	\$ 97,876	\$ 102,331	\$ 112,205	\$ 116,381	\$ 123,157	\$ 138,180	\$ 183,939	\$ 201,150
Parking and Ground Transportation	34,649	39,239	43,030	45,958	52,546	54,355	53,254	60,893	63,322	66,556
Passenger Facility Charges	34,639	35,437	35,770	38,517	40,258	42,200	46,953	46,627	49,629	50,622
Customer Facility Charges	11,487	19,117	27,545	32,465	33,208	36,528	41,037	40,204	41,509	42,339
Rental Car License Fees and License Fees - Other	23,943	24,401	24,901	26,210	27,816	30,162	37,247	36,472	42,207	43,029
Terminal Concessions	13,306	14,151	18,799	21,962	24,018	26,146	28,363	27,935	30,211	31,379
QHP & CIP Grants	31,847	29,319	16,298	22,839	19,050	3,318	21,468	20,130	22,624	15,686
Ground Rentals	7,136	8,190	8,445	11,568	15,194	18,497	20,073	19,982	17,328	18,497
Interest Income	5,492	4,140	5,211	5,747	5,999	8,134	13,374	14,006	17,835	18,630
BAB Interest Rebate	4,996	4,779	4,636	4,631	4,656	4,651	4,666	4,631	4,686	4,686
Non-Airline Revenue - Other <sup>1</sup>	(785)	(2,355)	3,146	3,850	4,840	(13,581)	(9,227)	3,420	3,510	3,511
<b>Total Revenue</b>	<b>\$ 239,139</b>	<b>\$ 266,058</b>	<b>\$ 285,656</b>	<b>\$ 316,077</b>	<b>\$ 339,790</b>	<b>\$ 326,790</b>	<b>\$ 380,365</b>	<b>\$ 412,482</b>	<b>\$ 476,801</b>	<b>\$ 496,087</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 62 – Historical Revenue by Source**

## Supplemental Data

### Airport Authority's Largest Sources of Revenues

(in thousands)

Tenant	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	% of Total Operating Revenue
Southwest Airlines	\$ 23,357	\$ 27,599	\$ 29,549	\$ 33,107	\$ 33,839	\$ 35,961	\$ 38,404	14.4%
United Airlines	10,932	15,818	15,364	15,687	14,518	16,227	17,520	6.6%
Delta Airlines	8,912	10,899	12,005	13,561	14,418	16,123	17,007	6.4%
American Airlines <sup>1</sup>	12,586	15,173	15,785	15,888	15,322	17,075	16,581	6.2%
Alaska Airlines <sup>2</sup>	4,266	6,167	8,008	9,713	10,612	11,705	16,353	6.2%
Enterprise Rent-A-Car	7,290	6,935	7,162	7,998	9,451	11,188	12,286	4.6%
Hertz Rent-A-Car	5,796	5,962	6,150	6,236	8,225	11,143	11,017	4.1%
Avis Budget Rent-A-Car Group	4,507	4,697	4,822	5,132	5,541	6,175	6,021	2.3%
SSP America	-	-	-	-	4,477	5,004	5,869	2.2%
Landmark Aviation	\$ -	\$ -	\$ 2,027	\$ 5,043	\$ 5,537	\$ 5,676	\$ 5,867	2.2%

<sup>1</sup> US Airways merged with American Airlines on December 9, 2013. A single operating certificate was issued by the FAA and operational integration was on April 7, 2015

<sup>2</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

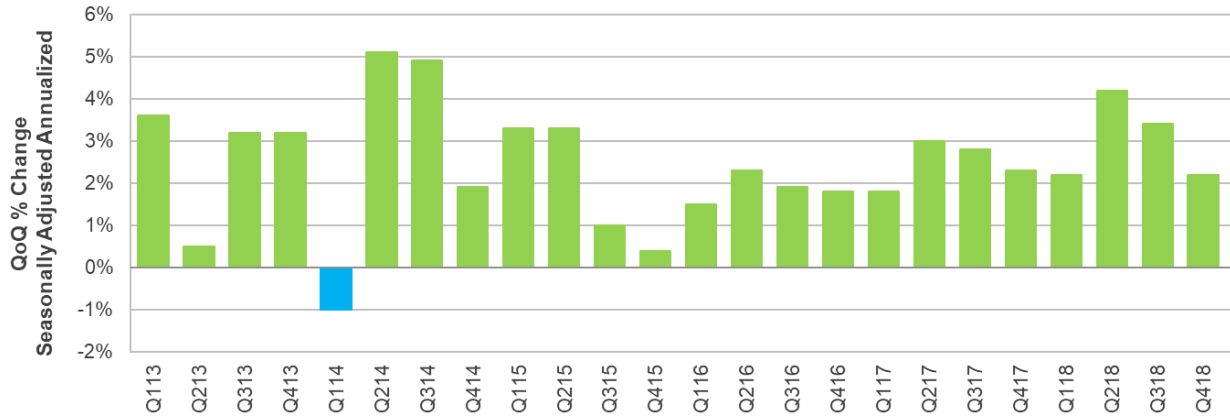
**Figure 63 – Airport Authority's Largest Sources of Revenues**

Source: San Diego County Regional Airport Authority

## Supplemental Data

### Economic and Operational Trends

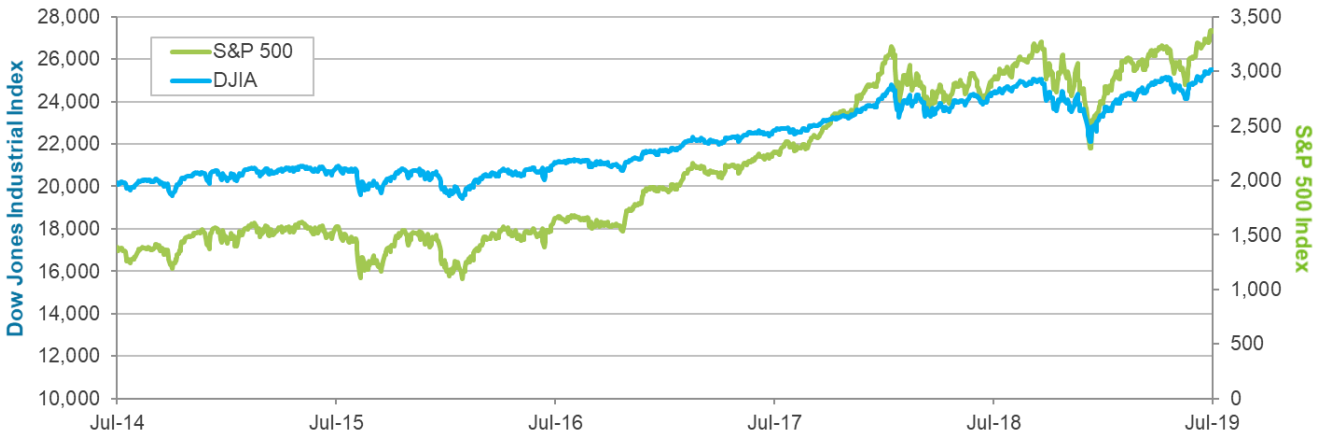
**U.S. Gross Domestic Product**  
**First Quarter 2013 – First Quarter 2019**



**Figure 64 – U.S. Gross Domestic Product**

Source: Bloomberg

**Dow Jones Industrial Average and S&P 500 Indices**  
**July 16, 2014 – July 16, 2019**



**Figure 65 – Dow Jones Industrial Average and S&P 500 Indices**

Source: Bloomberg

## Supplemental Data

### San Diego County Principal Employers

July 2018				July 2009			
Employer	Local Employees	Rank	Percentage of Total Industry Employment	Employer	Local Employees	Rank	Percentage of Total Industry Employment
State of California	47,600	1	3.0%	U.S. Federal Government	41,400	1	2.7%
U.S. Federal Government	46,800	2	2.9%	State of California	41,400	2	2.7%
University of California, San Diego	34,448	3	2.1%	University of California, San Diego	29,337	3	1.9%
Sharp Health Care	18,364	4	1.1%	County of San Diego	17,189	4	1.1%
Scripps Health	14,941	5	0.9%	San Diego Unified School District	14,555	5	0.9%
Qualcomm Inc.	11,800	6	0.7%	Sharp Health Care	14,400	6	0.9%
City of San Diego	11,462	7	0.7%	Scripps Health	12,622	7	0.8%
Kaiser Permanente	9,606	8	0.6%	City of San Diego	11,087	8	0.7%
UC San Diego Health	8,932	9	0.6%	Qualcomm Inc.	9,859	9	0.6%
General Atomics Aeronautical	6,791	10	0.4%	US Postal Service	7,618	10	0.5%
<b>Total Civilian Labor Force in San Diego County (July 2018):</b>			<b>1,602,700</b>	<b>Total Civilian Labor Force in San Diego County (July 2009):</b>			<b>1,553,400</b>

**Figure 66 – Principal Employers**

Sources: Employers - San Diego Journal Book of Lists: 2019 & 2010;  
 Total Industry Employment - California Employment Development Dept., Labor Market Info

## Supplemental Data

### San Diego County Employment by Industry Sectors

<b>Industry Sectors</b>	<b>May 2019</b>	
	<b>Industry Employment</b>	<b>% of Total</b>
Government	255,800	16.8%
Professional and Business Services	254,300	16.7%
Trade, Transportation and Utilities	220,900	14.5%
Education and Health Services	217,900	14.3%
Leisure and Hospitality	204,500	13.5%
Manufacturing	115,700	7.6%
Construction and Mining	85,500	5.6%
Financial Activities	75,500	5.0%
Other Services	56,900	3.7%
Information	23,600	1.6%
Agriculture	9,000	0.6%
<b>Total</b>	<b>1,519,600</b>	

**Figure 67 – San Diego County Employment by Industry Sectors**

Source: California Employment Development Department, Labor Market Information Division Employment & Labor Force

## Supplemental Data

### Labor Force, Employment and Unemployment Rate

Calendar Year	Labor Force	Employment	Unemployment	Unemployment Rate	
				SD County	State
2009	1,553,400	1,403,400	150,000	9.7%	11.3%
2010	1,513,100	1,350,500	162,600	10.7%	12.0%
2011	1,523,000	1,360,000	163,000	10.7%	12.0%
2012	1,544,200	1,397,600	146,600	9.5%	10.6%
2013	1,548,000	1,421,000	126,900	8.2%	9.2%
2014	1,544,600	1,444,000	100,600	6.5%	7.4%
2015	1,555,900	1,473,500	82,400	5.3%	6.3%
2016	1,569,000	1,491,700	77,300	4.9%	5.6%
2017	1,584,500	1,518,100	66,300	4.2%	6.3%
2018	1,584,000	1,525,500	58,400	3.7%	4.5%

**Figure 68 – Labor Force, Employment and Unemployment Rate**

Source: California Employment Development Department, Labor Market Information Division



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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.

**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 DEVELOPMENT PLAN** – A plan that defines phases of airport growth and improvement.

**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.

**AIRPORT SERVICE QUALITY (ASQ)** – A survey conducted by Airport Council International to establish global benchmarking program measuring passengers’ satisfaction travelling through an airport.

**AIRPORTS COUNCIL INTERNATIONAL–NORTH AMERICA (ACI-NA)** – A regional office of *Airports Council International*, the global trade representative of the world’s airports, representing local, regional and state governing bodies that own and operate commercial airports in the United States and Canada. It advocates policies and provides services that strengthen the ability of commercial airports to serve their passengers, customers and communities.

**ALTERNATIVE MINIMUM TAX (AMT)** – A supplemental income tax imposed by the United States federal government required in addition to baseline income tax.

**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

**AUTHORITY FUND BALANCE** – The Airport Authority’s fund balance is generally defined as the difference between its assets and liabilities.

## Glossary

**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.

**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.

**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 PASSENGER PROCESSING SYSTEM (CUPPS)** – A common use terminal equipment system that allows airlines to operate from any ticket counter and gate, if needed. It includes a common use self-service kiosk for passenger check in.

**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 CENTER** – The area of an airport to which a revenue or expense is attributed, e.g., airfield, terminal, etc.

**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.

**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.

## Glossary

**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*.

**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 1<sup>st</sup> and ending June 30<sup>th</sup>.

**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.

**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.



## Glossary

**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.

**NET REVENUE** – Generally defined as operating revenue less operating expenses.

**PROCUREMENT CARD (P-CARD) PROGRAM** – A procurement card program assists in making payments to suppliers or merchants.

**PASSENGER FACILITY CHARGES (PFC)** – A charge attached to each ticketed passenger that boards an airplane at the Airport. Certain types of passengers, including military, are excluded from the Passenger Facility Charge.

**QUIETER HOME PROGRAM (QHP)** – See *Residential Sound Attenuation Program*.

**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.

**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.

**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.



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