



SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
FY 2022 ADOPTED BUDGET &
FY 2023 APPROVED CONCEPTUAL BUDGET
SAN DIEGO, CALIFORNIA

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Introductory Letter & Executive Summary



August 28, 2021

Gil Cabrera, Airport Authority Board Chair

Paul Robinson, Vice Chair

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Ex-Officio Members

Gayle Miller

Colonel Thomas M. Bedell

Gustavo Dallarda

Dear Airport Authority Board Members:

Establishing the Budget is a methodical and deliberative process reflecting the Airport Authority Board's continuous leadership and direction as expressed through the San Diego County Regional Airport Authority's (SDCRAA, or Airport Authority) Strategic Plan. The novel coronavirus SARS-CoV-2 ("COVID-19") pandemic that caused significant disruptions to domestic and international air travel, and the conduct of day-to-day business globally was once again a major consideration in conducting the Airport Authority's Budget.

Although there have been encouraging signs of recovery, the Airport Authority continues to operate under the parameters of our Financial Resilience Plan, through which we have eliminated, delayed, or reduced non-essential operating and capital expenditures. Given the continued uncertainty of air travel recovery, these actions were incorporated into the proposed Fiscal Year (FY) 2022 and FY 2023 Operating and Capital Budgets. The Airport Authority remains vigilant in closely monitoring expenses for additional savings and restricting expenses to essential work.

The immense impact of COVID-19 notwithstanding, the Airport Authority remains committed to continuing the execution of its Strategic Plan, enabling 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 in their efforts to plan and build an enduring, resilient enterprise through effective management of financial, social, and environmental risks, opportunities, and obligations. Staff continues to explore creative methods to advance the execution of the Strategic Plan while utilizing limited resources because of COVID-19. The most visible evidence of this is the sustained progress of the New Terminal 1 Program and the resources allocated in this Budget to advance activities, including construction if environmentally entitled and approved by the Airport Authority Board.

Submitted herein is the Airport Authority's adopted Operating and Capital Budget for the Fiscal Year 2022 and approved Conceptual Budget for FY 2023. 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. In the process of developing the Fiscal Year 2022 Budget, the Airport Authority engaged in numerous industry discussions regarding the lingering impacts the COVID-19 pandemic will have on the aviation industry, including the San Diego International Airport (SAN), and incorporated reduced revenue and expense assumptions accordingly. The budget ensures adherence to the requirements of the master and subordinate bond indentures governing the Airport Authority's outstanding indebtedness and considers 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 the FY 2022 Conceptual Budget that was significantly revised through this year's budget process, and subsequently adopted, as the FY 2022 Budget. The FY 2023 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 2023 Budget will be presented and discussed with the Board in May and June 2022 for review and formal adoption. Given the great uncertainty surrounding FY 2023 at the time of conceptual approval of this budget, substantial changes to the revised FY 2023 Budget are expected next year. A FY 2024 Conceptual Budget will also be presented for approval at that time. The Budget supports operating 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, to the extent prudent and practicable, also addresses the organization's responsibilities related to meeting the long-term aviation needs of the region:

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

The FY 2022 and Conceptual FY 2023 Operating Budget ("Budget") of \$295.9 million and \$313.8 million, respectively, marks the Airport Authority's 19th fiscal year operating budget.

The FY 2022 and Conceptual FY 2023 Total Revenue Budgets are \$397.3 million and \$462.9 million, respectively.

The Capital Program is a rolling five-year program that provides for critical improvements and asset preservation for the Airport Authority. The Capital Program includes: 1) The Capital Improvement Program (CIP) that address airfield safety and capacity, environmental protection, terminal enhancements, landside infrastructure, and access improvements; and 2) The New Terminal 1 (New T1) Program that will replace Terminal 1 with a larger, more efficient facility that enhances the airport experience and will also include airfield enhancements, major improvements to roadways serving the airport, and a designated transit station area on airport property. The total FY 2022 - FY 2026 Capital Program total is \$3,649.9 million. Several CIP projects have been placed on hold or have been reduced in scope in response to the COVID-19 impacts.

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

Maintaining a strong and resilient financial position of the Airport Authority is paramount and this Budget accomplishes that initiative. Every effort has been made to ensure the FY 2022 Budget and the FY 2023 Conceptual Budget both reflect the resources required to execute the Airport Authority's strategies and initiatives as supported and directed by the Airport Authority Board, while meeting all federal safety and security mandates and legislative requirements. The Budget anticipated an award of the America Rescue Plan Act grant and used a broad-based approach in the utilization of those funds. In addition, to the extent possible without jeopardizing the Airport Authority's financial health, this Budget provides financial assistance to airline partners, concessionaires, and other airport stakeholders through fee reductions, deferrals, and waivers.

Respectfully submitted,



Kimberly J. Becker
President | Chief Executive Officer



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

Executive Summary

The COVID-19 pandemic interrupted a historic period of growth in air travel to and from the San Diego region. That period of growth helped San Diego companies grow their businesses around the world and brought millions of people to America's Finest City. The COVID-19 shock to air travel has been larger and longer-lasting than others in the past. The trade organization International Air Transport Association (IATA) has said it decimated over a decade of gains in air connectivity globally. At SAN, our passenger numbers were down as much as 95 percent in 2020 compared to 2019 passenger levels.

However, in March 2021, we began to see more people in the terminals. A combination of people getting vaccinated, new destination offerings being added, and pent-up demand contributed to monthly passenger increases through the spring and summer months. In June 2021, traffic was down 31 percent over 2019 numbers, but up 279 percent over the prior year.

Aviation industry analysts predict it will be at least 2023 and maybe 2024 until airports and airlines see the same passenger numbers experienced pre-COVID-19. It's widely agreed that domestic travel will rebound sooner than international travel and that has been the case at SAN. Before COVID-19, SAN had connectivity to most parts of the U.S. and international flights to Europe, Asia, Canada, and Mexico. All international flights and much of the connectivity to the U.S. were suspended in March 2020 when the World Health Organization declared COVID-19 a pandemic. By the end of FY 2021, most domestic, Canadian, and Mexican routes had been recovered and some of the lost international service was supplanted with additional new domestic routes. Japan Airlines resumed its nonstop service between SAN and Tokyo in March 2021, it is the only across seas flight that has returned thus far.

San Diego has always been a desirable place to visit and do business. The Airport Authority is optimistic that with vaccinations available and continued health and safety measures being implemented, the public will continue to gain confidence and take to the skies again.

Organizational Goals

The goals in our Strategic Plan set targets to measure the success of the Airport Authority. Each goal has a set of associated initiatives that guide the development and execution of the organization's annual plans and budgets. Collectively, they ensure our focus to continue evolving the Airport 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. Customer - Exceed our customers' expectations by introducing innovative service and facility enhancements.
2. Operations - Grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.
3. Community - Enhance community understanding of SAN as an economic engine and a portal for prosperity that enhances our quality of life.
4. 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.
5. Financial - 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.

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Guided by the above strategic goals, the FY 2022 Budget and FY 2023 Conceptual Budgets reflect our aligned efforts based on three over-arching focus areas: Advance the New T1, Transform the Customer Journey, and Optimize Ongoing Business. While the COVID-19 impact has been immense, the Strategic Plan goals and initiatives continue to guide the Airport Authority's path forward, but potentially at a slower pace.

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 has generated an estimated \$12 billion annually in economic impact pre-COVID-19 with the hope of returning to this level of impact as soon as possible; positioning our airport to assure continued safe, secure, environmentally sound, and efficient operations; providing optimal air service options for the region; proceeding prudently with the New T1 Program; 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***.

Passenger Satisfaction

At San Diego International Airport (SAN), passenger satisfaction is a top priority. It is written into our mission: "We will plan for and provide air transportation services to the region with safe, effective facilities that exceed our customer expectations..."

While there are many ways to measure success in this area, the Airport Authority in 2020 looked to the ubiquitous J.D. Power Survey. In the J.D. Power Survey's 2020 results for North American Airports, SAN scored a total customer satisfaction score of 778, the highest score given to San Diego International Airport since 2013.

When the COVID-19 pandemic was declared, SAN was quick to implement health and safety measures outlined by the Center for Disease Control (CDC) and county and state health departments. Deemed the "Let's Go Safely" program, measures implemented throughout the airport campus included increased cleaning of high touchpoints, electrostatic spraying, signage on preventive health measures, floor decals, and seat separation signage to queue six-foot social distance, hand sanitizer stations, Plexiglas sneeze guards in certain public spaces, and face masks are required on all airport property.

In October 2020, SAN achieved Airports Council International's Airport Health Accreditation which provides third-party verification and recognition of professional excellence in maintaining safe, hygienic facilities and promoting best practices that align with efforts across the aviation industry. SAN was one of the first eight U.S. airports to achieve accreditation.

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 US economy continues to recover and while some pockets of the economy remain dislocated, real gross domestic product (GDP) is now approaching pre-pandemic levels. The recovery has been fueled by robust fiscal spending, accommodative monetary policy, and a swift vaccine rollout. These factors are beginning to

Executive Summary

moderate but should continue to provide tailwinds for the economy in the coming quarters. The current Bloomberg consensus estimate for CY 2021 US GDP growth is 6.6% (see Figure 57 in Supplemental Data).

The Air Trade Area for SAN includes San Diego County as well as portions of neighboring Orange, Imperial and Riverside Counties, and Baja California, Mexico. The Census Bureau estimates the population of San Diego County to be 3.34 million as of July 2019. 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. Most 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 until the recent pandemic, which resulted in the closures of numerous businesses. The U.S. Bureau of Labor Statistics notes that the county's average unemployment rate for June 2021 was 7% compared to 8% for the State of California.

For Calendar Year (CY) 2020, U.S. airlines generated a net loss after tax of around \$35.0 billion (and a pre-tax operating loss of \$46.5 billion) compared to a net profit of \$14.7 billion in 2019; \$11.8 billion in 2018 and \$15.3 billion in 2018. All major U.S. airlines reported a loss in 2020 due to the impacts of the COVID-19 pandemic on the economy and demand for air travel. The airline industry reduced capacity, incurred significant amounts of debt and received federal grants and loans to address the significant cash burn in 2020. With the availability of vaccines, air travel in the U.S. has started recovering in 2021, with leisure and domestic demand outpacing business and international activity. The number of Transportation Security Administration (TSA) Checkpoint Screenings nationwide in July 2021 returned to 75% of 2019 volume. However, COVID variants remain a concern and rising oil prices present potential challenges to the airlines in 2021.

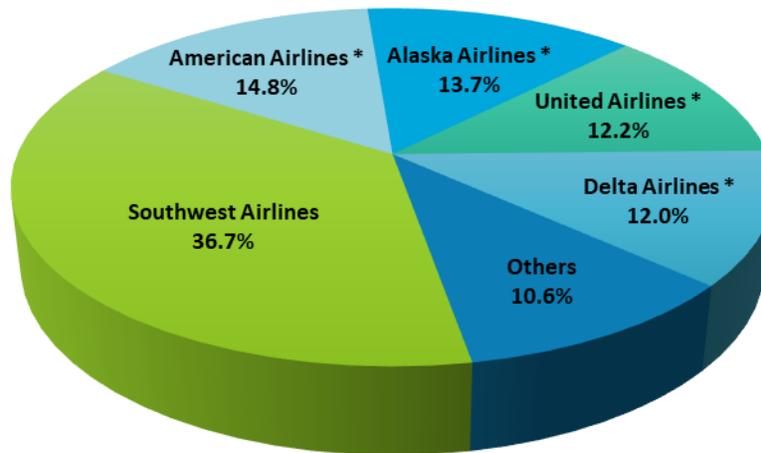
Based on experience, future airline traffic at SAN will most likely continue to be affected by a variety of forces and events. These include local, national, and international economic policies, geopolitical events, world health emergencies, federal regulatory and legislative actions, the financial health 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 2020, air service was provided by 16 passenger airlines. Southwest Airlines, the largest carrier, served 36.7% of the passengers who traveled through SAN (see Figure 1); its lead in market share is expected to continue.

In CY 2020, low-cost carriers accounted for 49.7% of seat capacity and 44.6% of enplaned passengers. Their presence in certain markets serves to stimulate pricing competition among all carriers, which typically stimulates demand through lower fares.

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SAN Enplaned Passengers in CY 2020

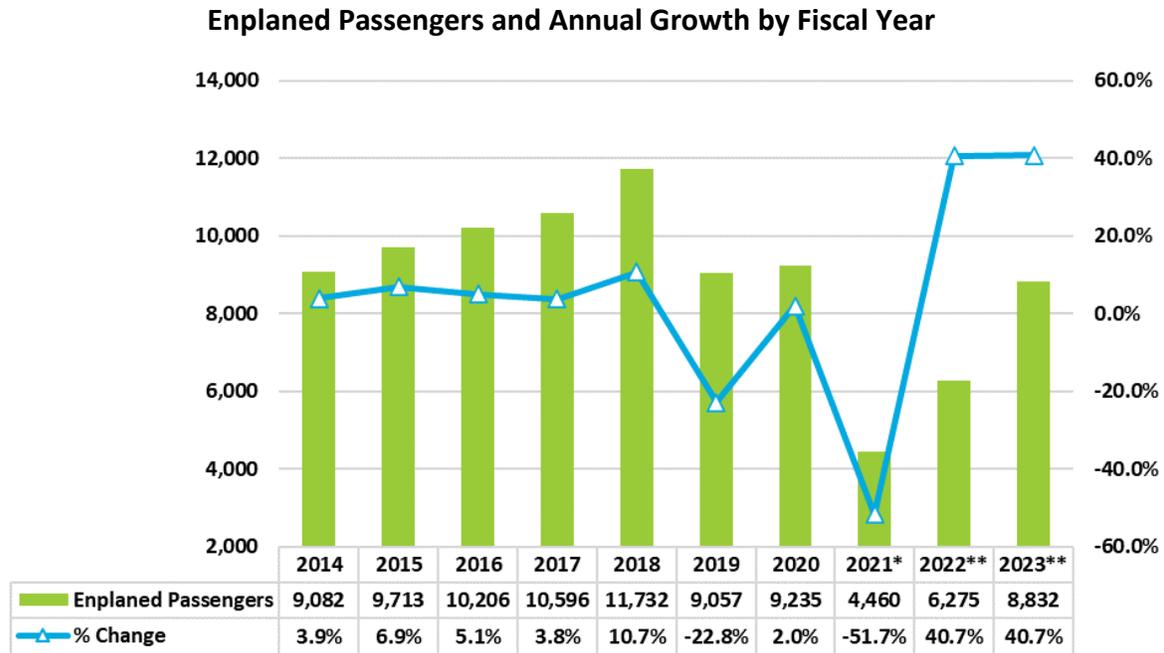


*Including regional affiliates

Figure 1 – SAN Enplaned Passengers by Carrier

Passengers departing from SAN before COVID-19 could fly non-stop to 64 domestic and 9 international destinations. FY 2021 saw the addition of new non-stop air service to *Bozeman, MT; Cancun, Mexico; Jackson Hole, WY; Kalispell, MT; Missoula, MT; Norfolk, VA; Pasco, WA; Phoenix/Mesa, AZ and Santa Barbara, CA*. In FY 2021, as the result of the pandemic impacts, SAN offered nonstop service to 68 domestic and 4 international destinations. The Airport Authority's Air Service Development team continues to pursue recovery of, as well as expanded international and domestic opportunities. All these economic and industry factors together are reflected in the FY 2022 Budget and the FY 2023 Conceptual Budget, which are predicated on the current trend of passenger enplanements as shown in *Figure 2*. In FY 2022, enplaned passenger traffic at SAN is projected to increase to 6.3 million, which represents an increase of 40.7% from the 4.5 million enplanements used in the FY 2021 Forecast. Enplaned passengers are projected to increase by 40.7% to 8.8 million in the FY 2023 Conceptual Budget.

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* Forecasted FY 2021

** Budgeted FY 2022 & FY 2023

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 Airport Authority Board for the next fiscal year and a conceptual budget for the subsequent fiscal year that the Airport Authority Board approves, but does not adopt. The budget process usually begins in October with executive management updating, reviewing, and formulating 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 Airport Authority Board.

In January, the Budget Team 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 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 budget workshop is open to the public for any comments. The Airport Authority Board adopts the budget as a whole, and it may be amended as required, with Airport Authority Board approval, at any time during the year.

Calendar Period	Action
October – February	<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>
February – March	<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 & 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 & 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>
March – April	<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>
April – June	<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

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Financial Plan

The financial plan, which includes the FY 2022 Budget and the FY 2023 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, a 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 20.

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 rebates (ended in FY 2020 with refunding of the Series 2010 Bonds), and grant reimbursements (including federal relief funding).

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***.

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Budget Summary

The following table summarizes the forecasted revenue and expenses of the FY 2022 Budget and FY 2023 Conceptual Budget before depreciation, bond principal repayment and capital equipment outlay.

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change
Operating Revenue								
Airline Revenue								
Landing Fees	\$31,734	\$35,839	\$33,619	(\$2,219)	-6.2%	\$54,141	\$20,521	61.0%
Aircraft Parking Fees	8,354	9,034	8,466	(568)	-6.3%	13,535	5,070	59.9%
Building Rentals	86,711	97,557	93,420	(4,137)	-4.2%	139,297	45,878	49.1%
Common Use Fees	7,628	7,917	7,927	10	0.1%	11,008	3,080	38.9%
Incentive Program	-	-	(2,671)	(2,671)	0.0%	(5,521)	(2,850)	106.7%
Other Aviation Revenue	161	91	171	79	86.5%	174	3	2.0%
Total Airline Revenue	131,838	144,269	140,932	(3,337)	-2.3%	212,634	71,702	50.9%
Non-Airline Revenue								
Terminal Rent Non-Airline	2,461	2,515	2,608	93	3.7%	2,600	(8)	-0.3%
Terminal Concessions	24,999	21,237	13,236	(8,002)	-37.7%	18,889	5,654	42.7%
Rental Car License Fees	26,070	22,718	18,711	(4,007)	-17.6%	24,372	5,661	30.3%
License Fees - Other	6,175	3,535	4,235	699	19.8%	4,894	659	15.6%
Parking Revenue	36,440	22,454	26,061	3,607	16.1%	33,599	7,538	28.9%
Ground Transportation Permits and Citations	14,311	9,662	7,197	(2,465)	-25.5%	13,012	5,815	80.8%
Ground Rentals	18,925	18,350	22,616	4,266	23.2%	22,751	135	0.6%
Grant Reimbursements	301	296	386	90	30.5%	296	(90)	-23.4%
Other Operating Revenue	1,517	1,070	1,059	(11)	-1.0%	1,065	6	0.6%
Total Non-Airline Revenue	131,198	101,836	96,108	(5,728)	-5.6%	121,478	25,370	26.4%
Total Operating Revenue	263,036	246,105	237,040	(9,065)	-3.7%	334,112	97,072	41.0%
Operating Expenses								
Personnel Costs	51,667	51,841	51,355	(485)	-0.9%	55,186	3,830	7.5%
Contractual Services	37,694	29,071	33,128	4,058	14.0%	42,480	9,352	28.2%
Safety and Security	29,457	34,176	36,385	2,209	6.5%	37,739	1,354	3.7%
Space Rental	10,207	10,203	10,652	449	4.4%	10,655	3	0.0%
Utilities	12,748	14,299	14,693	395	2.8%	15,460	766	5.2%
Maintenance	11,584	12,433	11,342	(1,091)	-8.8%	11,584	242	2.1%
Operating Equipment & Systems	336	339	302	(37)	-11.0%	355	53	17.7%
Operating Supplies	651	624	618	(6)	-1.0%	686	69	11.1%
Insurance	1,308	1,558	1,813	254	16.3%	1,994	181	10.0%
Employee Development	967	806	803	(3)	-0.4%	827	24	3.0%
Business Development	2,033	1,236	1,849	614	49.7%	2,557	707	38.2%
Equipment Rentals and Repairs	2,801	3,540	3,952	412	11.6%	4,033	81	2.0%
Tenant Improvements	797	340	336	(4)	-1.2%	350	14	4.2%
Total Operating Expenses before Depreciation & Amortization	162,251	160,465	167,228	6,763	4.2%	183,904	16,676	10.0%
Income from Operations before Depreciation & Amortization	100,785	85,640	69,812	(15,829)	-18.5%	150,208	80,396	115.2%
Non-Operating Revenue/(Expenses)								
Passenger Facility Charges	34,393	24,170	23,962	(209)	-0.9%	33,740	9,778	40.8%
Customer Facility Charges	30,240	20,739	20,609	(129)	-0.6%	29,098	8,488	41.2%
Quieter Home Program (Net) & Joint Studies	(3,295)	(3,145)	(2,156)	989	-31.4%	(3,326)	(1,169)	54.2%
BAB Interest Rebate	2,089	-	-	-	0.0%	-	-	0.0%
Federal Relief	36,895	54,326	80,000	25,674	47.3%	-	(80,000)	-100.0%
Interest Income	19,690	7,590	10,388	2,798	36.9%	23,273	12,885	124.0%
Interest Expense	(85,325)	(84,893)	(84,458)	435	-0.5%	(82,594)	1,863	-2.2%
Bond Amortization Costs	9,624	9,589	13,633	4,044	42.2%	13,206	(427)	-3.1%
Other Non Operating Revenue/(Expense)	14,181	(20)	(10)	10	-50.0%	(10)	-	0.0%
Total Other Non-Operating Revenue, Net	58,493	28,356	61,968	33,612	118.5%	13,386	(48,582)	-78.4%
Income before Capital Grant Contributions	159,278	113,996	131,779	17,783	15.6%	163,593	31,814	24.1%
Capital Grant Contributions	4,072	10,912	9,912	(1,000)	-9.2%	29,284	19,372	195.4%
Net Income before Depreciation, Principal & Capital Outlay	\$163,350	\$124,909	\$141,691	\$16,783	13.4%	\$192,878	\$51,186	36.1%

Executive Summary

Total Operating revenues for FY 2022 are budgeted at \$237.0 million, a decrease of \$9.1 million (-3.7%) over the FY 2021 Budget. This revenue reflects two sources: 1) Airline revenue of \$140.9 million and 2) non-Airline revenue of \$96.1 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 2023 Operating revenues are budgeted at \$334.1 million, an increase of \$97.1 million (41.0%), of which \$212.6 million represents Airline revenue and \$121.5 million is from non-Airline revenue.

Total FY 2022 Airline revenue includes a decrease of \$3.3 million (-2.3%), as compared to the FY 2021 Budget. This result is mostly driven by the use of federal relief funds to reduce airlines fees and increase the air service incentive program.

Total FY 2023 Airline revenue is budgeted to increase by \$71.7 million (50.9%) compared to FY 2022 mainly due to higher operating and maintenance expenses, increase in debt service, and return of Major Maintenance Fund (MMF) contribution.

Total FY 2022 Non-Airline revenue projects a net decrease of \$5.7 million (-5.6%) from the FY 2021 Budget. This is primarily driven by: 1) decreases of \$8.0 million in concessions revenue and \$4.0 million in rental car license revenue reflecting budgeting based on gross sales with no minimum annual guarantees; 2) a decrease of \$2.5 million in ground transportation revenue reflecting a decrease in transactions per enplanement; partially offset by: 3) an increase of \$4.3 million in ground rentals due to recognition of fuel farm projects cost recovery and opening of the Airline Support Building (ASB); 4) and an increase of \$3.6 million in parking revenue due to higher transactions per enplanement.

Total FY 2023 Non-Airline revenue is budgeted to increase by \$25.4 million (26.4%) compared to FY 2022. This is driven by an increase in enplanements reflecting increases of \$7.5 million in parking revenue, \$5.8 million in ground transportation revenue, \$5.7 million in rental car license fees revenue, and \$5.7 million in concessions revenue.

The divisional and departmental operating expense budgets of \$167.2 million, which address the Airport Authority's overall strategies, initiatives, and mandated obligations, reflect an increase of \$6.8 million (4.2%) in the FY 2022 operating expense budget from the FY 2021 Budget. FY 2023 operating expenses are projected to increase by \$16.7 million (10.0%) over the FY 2022 Budget.

The FY 2022 Operating Expense increase of \$6.8 million (4.2%) is driven by a variety of factors. Salaries and Wages, including overtime and benefits, are projected to decrease by \$.2 million (-.4%) over the FY 2021 Budget, reflecting vacancy savings and reduced overtime. Together with higher capitalized labor expenses, personnel expenses resulted in a net decrease of \$0.5 million (-0.9%) in the FY 2022 Budget over the FY 2021 Budget for personnel expenses.

In FY 2022, Contractual Services is budgeted to have a net increase of \$4.1 million (14.0%) from the FY 2021 Budget reflecting an increase in parking and shuttle operations and Rental Car Center (RCC) shuttles and increases in Safety and Security costs of \$2.2 million (6.5%). FY 2022 Business Development costs are projected to increase by \$0.6 million (49.7%) reflecting increases in marketing and advertising costs. These increases are offset with a decrease in Maintenance of \$1.1 million (-8.8%).

FY 2023 Operating Expenses are budgeted to increase by \$16.7 million (10.0%); this increase reflects the hiring of vacant positions, wage and salary increases required under union contract agreements, and pay-for-performance

Executive Summary

increases for non-union employees. In addition, the non-personnel expenses increase is primarily driven by contractual services and safety and security costs.

FY 2022 Non-Operating revenue/(expense) is projected to increase by \$33.6 million (118.5%) from the FY 2021 Budget, primarily reflecting \$25.7 million in federal relief funding, \$4.0 million in bond amortization costs and 2.8 million in interest income.

FY 2023 Non-Operating revenue/(expense) is budgeted to decrease by \$48.6 million versus the FY 2022 Budget mainly due to reduced federal relief funding.

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 2022 cash and investments will increase by \$609.3 million to \$1,455.5 million versus the FY 2021 Projected of \$846.2 million. This increase of 72.0% from the FY 2021 Projected is mostly due to anticipated New T1 bond issuance. FY 2023 cash and investments are projected to increase by \$0.04 million (3.0%) to \$1,499.6 million, mainly reflecting additional anticipated New T1 bond issuance, partially offset by capital expenditures.

Capital Program

The Airport Authority maintains a five-year Capital Program that is intended to address critical improvements and asset preservation of SAN. Capital Expenditures are defined as anything with a useful life of more than one year and a cost greater than \$5,000. The Airport Authority's current Capital Program includes projects started prior to FY 2022, as well as new projects to be undertaken at SAN between FY 2022 and FY 2026 (including the New T1) at an estimated total Capital Program cost of approximately \$3,649.9 million.

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

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

Anticipated funding sources for the projects in the Capital Program include Airport Improvement Program (AIP) and 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.

Executive Summary

Sources of Funds

In thousands

Airport Revenue Bonds	\$3,019,495
Airport Cash	336,424
Federal Grants	141,644
Major Maintenance Fund	94,914
Other	48,295
Passenger Facility Charges	9,181
Total Sources of Funds	\$3,649,954

Uses of Funds by Location

In thousands

Terminal	\$2,353,039
Landside & Ancillary	683,342
Airside	421,901
Administrative	191,672
Total Use of Funds	\$3,649,954

Projected FY 2022 Capital Program expenditures total \$475.5 million, and projected FY 2023 expenditures are \$822.8 million. Further discussion of these expenditures along with detailed descriptions can be found in the section titled **Capital Program**.

Replacement of Terminal 1

While we pride ourselves on providing a first-class passenger experience, we acknowledge that is not always possible in the 54-year-old Terminal 1. That is why the Airport Authority is continuing progress with the New T1 program that will replace Terminal 1 with a larger, more efficient facility that enhances the airport experience. The New T1 program will also include 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 New T1 program will optimize the 661-acre airport site to accommodate demand while maintaining high levels of passenger satisfaction. If the New T1 program receives the needed environmental approvals and is approved by the Airport Authority Board in October 2021, construction could begin before the end of the calendar year 2021.

Executive Summary

Airline Operating Lease Agreement (AOLA)

The Airport Authority has 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 commenced on July 1, 2019 and terminates on June 30, 2029.

The new agreement establishes the following fees for signatory airlines:

	Unit	FY 2022 Budget	FY 2023 Conceptual Budget
Landing Fee	1,000 lbs	\$3.55	\$5.11
Aircraft Parking Position Rental Rate	per space	\$110,963	\$183,947
Aircraft Parking Position Turn Fee	per turn	\$448.47	\$576.01
Aircraft Parking Position Overnight Fee	per overnight	\$1,345.40	\$1,728.03
Terminal Rental Rate	sq ft.	\$167.14	\$263.22
Joint Use Fee (90%)	per enplanement	\$8.62	\$8.63
Joint Use Charges - 10% Share (MORE THAN 1% OF ENPLANEMENTS)	per airline	\$565,800	\$735,611
Joint Use Charges - 10% Share (1% OR LESS ENPLANEMENTS)	per airline	\$120,668	\$170,280
Common Use Fee	per enplanement	\$1.82	\$1.81
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 \$21.51 for FY 2022 and \$23.05 for the FY 2023 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 \$350 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 New T1.

Outstanding Debt

As of July 1, 2021, the Airport Authority's outstanding long-term debt will consist of \$325.5 million of senior airport revenue bonds (Series 2013 Bonds), \$957.9 million of subordinate airport revenue bonds (Series 2017, 2019, and 2020 Bonds) and \$282.0 million of senior special facility revenue bonds. The Airport Authority does not have a legal debt limit. The master bond indenture requires the Airport Authority to establish certain

Executive Summary

reserves and to maintain net revenues (after the payment of operation and maintenance expenses) equal to at least 1.25 times annual senior lien debt service and subordinate net revenues at 1.10 times annual subordinate lien debt service. The Airport Authority Board-approved debt policy calls for minimum aggregate DEBT SERVICE COVERAGE of 1.40 times. The Airport Authority 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 (the revenue method).

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 2022, debt service coverage on revenue method aggregate debt is projected to be 1.83 times and 1.97 times for FY 2023. As at the end of Fiscal Year 2021, the Airport Authority did not have any outstanding variable rate debt.

However, after year-end on July 19, 2021, the Airport Authority entered into an agreement with Bank of America N.A. to provide revolving obligations of \$200.0 million. The Airport Authority intends to utilize part of this facility in FY 2022.

The following table shows debt service coverage on aggregate, senior and subordinate lien debt. The subordinate lien debt includes Series 2017, 2019, and 2020 Bond. FY 2022 Budgets reflect future anticipated debt issuance.

	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	FY 2023 Conceptual Budget
Aggregate Debt Service Coverage - Revenue Method (x)	2.26	1.92	2.10	1.83
Senior Lien Debt Service Coverage (x)	17.50	8.64	17.17	6.87
Subordinate Lien Debt Service Coverage (x)	5.23	2.45	3.82	2.13

Figure 5 – Debt Service Coverage

Executive Summary

Sixteenth Consecutive Award of the GFOA Distinguished Budget Presentation Award

The Airport Authority received its sixteenth consecutive Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for its annual budget for the fiscal year beginning July 1, 2020. 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.

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 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

Gil Cabrera, Airport Authority Board Chair

Paul Robinson, Vice Chair

Nora Vargas

Marni von Wilpert

Robert T. Lloyd

Paul McNamara

Johanna Schiavoni

Catherine S. Blakespear

Mary Casillas Salas

Ex-Officio Members

Gayle Miller

Colonel Thomas M. Bedell

Gustavo Dallarda

Executive Management Team

Kimberly Becker

PRESIDENT / CHIEF EXECUTIVE OFFICER

Scott Brickner

VICE PRESIDENT / CHIEF FINANCIAL OFFICER
Finance Division

Amy Gonzalez

GENERAL COUNSEL

Hampton Brown

VICE PRESIDENT / CHIEF REVENUE OFFICER
Revenue Management & Innovation Division

Lee Parravano

CHIEF AUDITOR

Angela Shafer-Payne

VICE PRESIDENT / CHIEF OPERATIONS OFFICER
Operations Division

Dennis Probst

VICE PRESIDENT / CHIEF DEVELOPMENT OFFICER
Development Division

Airport Authority Overview

Director Staff

Monty Bell

DIRECTOR

Talent, Culture & Capability

Rick Belliotti

DIRECTOR

Customer Experience Design & Innovation

Jessica Bishop

DIRECTOR

Information & Technology Services

Bob Bolton

DIRECTOR

Airport Design & Construction

Michelle Brega

SENIOR DIRECTOR

External Relations

Jim DeCock

DIRECTOR (INTERIM)

Revenue Generation & Partnership Development

John Dillon

DIRECTOR

Finance & Risk Management

Matt Harris

DIRECTOR

Government Relations

Jon Graves

DIRECTOR (INTERIM)

Marketing & Air Service Development

Jonathan Heller

DIRECTOR

Communications

David LaGuardia

DIRECTOR

Facilities Management

Mark Nichols

DIRECTOR

Ground Transportation

Jeff Rasor

DIRECTOR

Airside & Terminal Operations

Brendan Reed

DIRECTOR

Planning & Environmental Affairs

Tony Russell

DIRECTOR / AUTHORITY CLERK

Board Services

Elizabeth Stewart

DIRECTOR (INTERIM)

Accounting

Jana Vargas

DIRECTOR

Procurement

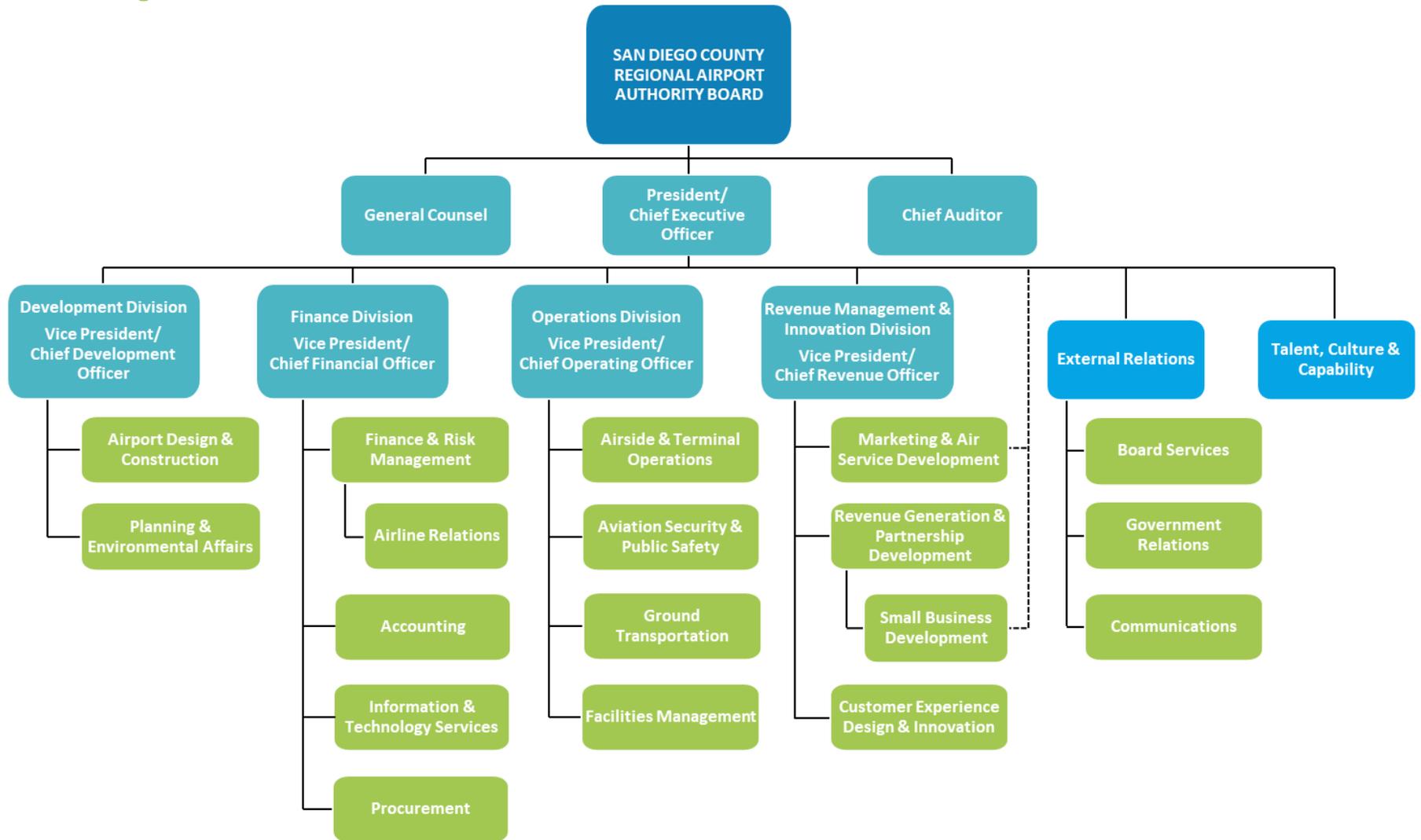
Clint Welch

DIRECTOR

Aviation Security & Public Safety

Airport Authority Overview

SDCRAA Organizational Structure



Airport Authority Overview

Organizational Strategies and Initiatives

The Airport Authority continues to make significant progress in executing its strategic plan that reaffirmed its long-term strategies. The Executive Leadership Team along with selected Airport Authority staff collaborates to set out a series of multi-year initiatives associated with each strategic goal. 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.

Focus Areas

In an effort to successfully align and coordinate strategic plan initiatives that require integrated, cross-functional action plans, three over-arching focus areas were established to assure effective decision-making and resource-allocation:

1. Advance the New T1
2. Transforming the Customer Journey
3. Optimize Ongoing Business

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

Top Three Priorities

- Continuing to navigate through the significant impacts that COVID-19 has had on our business and operations. Working through the uncertainty of ongoing impacts and how to regain passenger confidence
- How to proceed with the New T1 upon obtaining the Maximum Contract Price
- Maintain employee safety, confidence, and engagement

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.
- Ensures that derivatives are used appropriately and not for speculative purposes.
- Provides detailed and conservative criteria regarding qualifications of firms making swap payments (counterparties) or providing financial guarantees, including collateral requirements and exposure limits, to ensure 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 47* in Performance Indicators).

(in thousands)

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021 Projected
Unrestricted & Undesignated Cash and Available Funds	\$ 161,358	\$ 209,652	\$ 256,469	\$ 229,731	\$ 292,336	\$ 386,267	\$ 269,721
Unrestricted & Designated for Specific Capital Projects & Other Commitments	\$ 22,588	\$ 31,271	\$ 25,792	\$ 39,294	\$ 26,209	\$ 11,686	\$ 12,403
O&M and R&R Reserves	\$ 56,868	\$ 57,872	\$ 60,780	\$ 62,346	\$ 62,912	\$ 63,145	\$ 62,380
Total Unrestricted & Available Funds per Board Policy	\$ 240,814	\$ 298,795	\$ 343,041	\$ 331,371	\$ 381,457	\$ 461,098	\$ 344,504
Operating Expenses	\$ 142,933	\$ 151,519	\$ 154,748	\$ 157,674	\$ 166,376	\$ 152,679	\$ 143,193
Days Cash on Hand	615	720	809	767	837	1,102	878

Figure 6 – FY 2015 to FY 2021 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 2022 cash and investments will increase by \$609.3 million to \$1,455.5 million versus the FY 2021 Projected of \$846.2 million. This increase of 72.0% from the FY 2021 Projected is mostly due to anticipated New T1 bond issuance. FY 2023 cash and investments are projected to increase by \$0.04 million (3.0%) to \$1,499.6 million, mainly reflecting additional anticipated New T1 bond issuance, partially offset by capital expenditures.

(in thousands)

	FY 2020 Actuals	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	FY 2023 Conceptual Budget
Beginning Fund Balance:	\$770,648	\$984,720	\$1,027,305	\$846,171	\$1,455,504
Source of Funds					
Operating Revenue:					
Receipts from customers	267,013	197,598	172,855	234,851	331,675
Total Operating Revenue	267,013	197,598	172,855	234,851	331,675
Non-Operating Revenue & Other Financing:					
Federal Grants received (excluding Quieter Home Program)	24,552	65,239	85,951	89,912	29,284
Passenger Facility Charges Receipts	40,924	24,170	16,637	23,962	33,740
Customer Facility Charges Receipts	33,444	20,739	14,637	20,609	29,098
Bond Proceeds	851,662	-	-	919,156	705,480
Principal Payments received on Notes Receivable	2,006	2,124	2,124	2,244	2,370
Interest Received from Notes Receivable & Investments	20,686	7,590	12,164	10,385	23,268
Other Funding Sources	(118)	5,042	8,439	23,178	14,698
Airline Support Building Tenant Improvement Cost Recovery	-	-	-	-	4,140
Hydrant Fuel Cost Recovery	-	-	4,075	50,455	-
BAB Interest Rebate	2,089	-	-	-	-
Total Non-Operating Revenue	975,245	124,903	155,027	1,139,900	842,078
Total Revenues	1,242,258	322,501	327,882	1,374,751	1,173,753
Use of Funds					
Operating Expenses:					
Payments to Suppliers & Employees	(147,910)	(153,631)	(143,237)	(159,526)	(173,859)
Total Operating Expenses	(147,910)	(153,631)	(143,237)	(159,526)	(173,859)
Non-Operating Expenses:					
Capital Expenditures	(9,684)	(211,532)	(158,276)	(93,966)	(49,838)
Capital Expenditures Financed from Bond Proceeds	(143,138)	(65,848)	(61,188)	(356,169)	(753,208)
Capital Expenditures Financed from Passenger Facility Charges (PFC)	(40,094)	(4,586)	(11,000)	-	(959)
Capital Expenditures Financed from Major Maintenance Fund	(9,602)	(19,427)	(11,537)	(21,974)	(20,679)
Debt Refunding	(511,589)	-	-	-	-
Quieter Home Program, net and Joint Studies	(8,198)	(3,145)	(3,288)	(1,956)	(3,126)
Customer Facility Charges (CFC) Expenditures	(8,497)	(12,624)	(7,787)	(8,491)	(10,386)
Principal on Bonds and Variable rate debt paid	(30,865)	(31,560)	(30,630)	(33,005)	(36,090)
Interest and Debt Fees Paid (excl PFC funding)	(75,701)	(75,336)	(73,040)	(80,335)	(80,611)
Capitalized Interest Debt Service Payment	-	(6,462)	-	-	-
Other Miscellaneous Payments	-	(10)	-	-	-
Airline Support Building Tenant Improvement	-	-	(8,155)	(9,119)	-
Payment of capital lease	(323)	(877)	(877)	(877)	(877)
Total Non-Operating Expenses	(837,692)	(431,407)	(365,779)	(605,892)	(955,774)
Total Expenses	(985,602)	(585,038)	(509,016)	(765,418)	(1,129,633)
Excess (Deficit) of Source over Use of Funds	256,656	(262,537)	(181,134)	609,333	44,120
Ending Fund Balance	\$1,027,305	\$722,183	\$846,171	\$1,455,504	\$1,499,624
Unrestricted Cash and Investments	\$377,288	\$226,770	\$282,124	\$341,581	\$356,646
Total Bonds Reserves	450,983	344,983	393,092	960,112	925,166
Total Other Restricted Funds	199,033	150,430	170,954	153,811	217,812
Ending Fund Balance	\$1,027,305	\$722,183	\$846,171	\$1,455,504	\$1,499,624

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Financial Projections



Financial Projections

Based on the actual results experienced by the Airport Authority during FY 2020 and the budgets for FY 2021, FY 2022 and FY 2023, the following table shows projections for FY 2024.

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>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	FY 2023 Conceptual Budget	FY 2024 Projected
Total Airline Revenue	\$131,838	\$144,269	\$140,932	\$212,634	\$225,135
Total Non-Airline Revenue	131,198	101,836	96,108	121,478	142,723
Total Operating Revenue	263,036	246,105	237,040	334,112	367,858
Total Operating Expenses before Depreciation & Amortization	162,251	160,465	167,228	183,904	218,425
Income from Operations before Depreciation & Amortization	100,785	85,640	69,812	150,208	149,433
Non-Operating Revenue/(Expenses)					
Passenger Facility Charges	34,393	24,170	23,962	33,740	42,711
Customer Facility Charges	30,240	20,739	20,609	29,098	35,623
Quieter Home Program (Net) & Joint Studies	(3,295)	(3,145)	(2,156)	(3,326)	(3,349)
BAB Interest Rebate	2,089	-	-	-	-
CARES Act Grant	36,895	54,326	80,000	-	-
Interest Income	19,690	7,590	10,388	23,273	23,571
Interest Expense	(85,325)	(84,893)	(84,458)	(82,594)	(88,930)
Bond Amortization Costs	9,624	9,589	13,633	13,206	12,779
Other Non Operating Revenue/(Expense)	14,181	(20)	(10)	(10)	-
Total Other Non-Operating Revenue, Net	58,493	28,356	61,968	13,386	22,405
Income before Capital Grant Contributions	159,278	113,996	131,779	163,593	171,837
Capital Grant Contributions	4,072	10,912	9,912	29,284	10,785
Net Income before Depreciation, Principal & Capital Outlay	\$163,350	\$124,909	\$141,691	\$192,878	\$182,622

Financial Projections

	Unit	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	FY 2023 Conceptual Budget	FY 2024 Projected
Landing Fee	1,000 lbs	\$2.74	\$3.52	\$3.55	\$5.11	\$4.72
Aircraft Parking Position Rental Rate	per space	\$119,726	\$122,732	\$110,963	\$183,947	\$194,135
Aircraft Parking Position Turn Fee	per turn	\$114.56	\$188.07	\$448.47	\$576.01	\$530.30
Aircraft Parking Position Overnight Fee	per overnight	\$343.69	\$564.21	\$1,345.40	\$1,728.03	\$1,590.90
Terminal Rental Rate	sq ft.	\$167.28	\$157.92	\$167.14	\$263.22	\$269.82
Joint Use Fee (90%)	per enplanement	\$4.79	\$8.41	\$8.62	\$8.63	\$7.26
Joint Use Charges - 10% Share (MORE THAN 1% OF ENPLANEMENTS)	per airline	\$446,084	\$498,525	\$565,800	\$735,611	\$757,439
Joint Use Charges - 10% Share (1% OR LESS ENPLANEMENTS)	per airline	\$98,853	\$118,696	\$120,668	\$170,280	\$175,333
Common Use Fee	per enplanement	\$1.26	\$2.01	\$1.82	\$1.81	\$1.28
Federal Inspection Services (FIS) Fee	per available seat	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Cost Per Enplanement		\$13.73	\$21.85	\$21.51	\$23.05	\$19.98
Debt Service Coverage		2.26	1.92	2.10	1.83	1.97
Enplanements *		9,235	6,329	6,275	8,832	10,813
% Increase in Enplanements versus prior year		-25.3% ⁽¹⁾	-31.5%	-0.8%	40.7%	2.0%

FY 2020 marks the first year of the new AOLA

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

** In thousands*

¹ Comparison to prior year actuals

Figure 7 – FY 2020 Actuals to FY 2024 Financial Projections

Budget Overview: Revenue



Revenue Overview

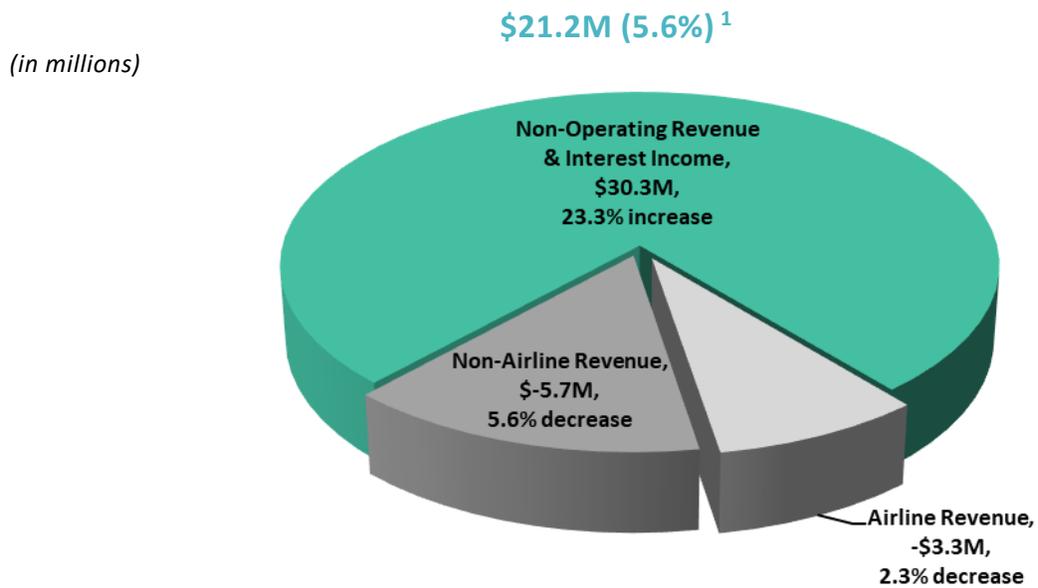
FY 2022 Revenue Budget – FY 2023 Conceptual Revenue Budget

<i>(in thousands)</i>	FY2020 Actuals	FY2021 Budget	FY2022 Budget	Inc / (Dec) FY22 vs FY21 Budget	% Change	FY2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Revenue								
Airline Revenue								
Landing Fees	\$33,241	\$36,135	\$33,619	(\$2,516)	-7.0%	\$54,141	\$20,521	61.0%
Aircraft Parking Fees	8,354	9,034	8,466	(568)	-6.3%	13,535	5,070	59.9%
Building Rentals	82,453	91,092	93,420	2,328	2.6%	139,297	45,878	49.1%
Common Use Fees	7,628	7,917	7,927	10	0.1%	11,008	3,080	38.9%
Incentive Program	-	-	(2,671)	(2,671)	0.0%	(5,521)	(2,850)	106.7%
Other Aviation Revenue	161	91	171	79	86.5%	174	3	2.0%
Total Airline Revenue	131,838	144,269	140,932	(3,337)	-2.3%	212,634	71,702	50.9%
Non-Airline Revenue								
Terminal Rent Non-Airline	2,461	2,515	2,608	93	3.7%	2,600	(8)	-0.3%
Terminal Concessions	24,999	21,237	13,236	(8,002)	-37.7%	18,889	5,654	42.7%
Rental Car License Fees	26,070	22,718	18,711	(4,007)	-17.6%	24,372	5,661	30.3%
License Fees - Other	6,175	3,535	4,235	699	19.8%	4,894	659	15.6%
Parking Revenue	36,440	22,454	26,061	3,607	16.1%	33,599	7,538	28.9%
Ground Transportation Permits and Citations	14,311	9,662	7,197	(2,465)	-25.5%	13,012	5,815	80.8%
Ground Rentals	18,925	18,350	22,616	4,266	23.2%	22,751	135	0.6%
Grant Reimbursements	301	296	386	90	30.5%	296	(90)	-23.4%
Other Operating Revenue *	1,517	1,070	1,059	(11)	-1.0%	1,065	6	0.6%
Total Non-Airline Revenue	131,198	101,836	96,108	(5,728)	-5.6%	121,478	25,370	26.4%
Total Operating Revenue	263,036	246,105	237,040	(9,065)	-3.7%	334,112	97,072	41.0%
Interest Income	19,690	7,590	10,388	2,798	36.9%	23,273	12,885	124.0%
Non-Operating Revenue								
Passenger Facility Charges	34,393	24,170	23,962	(209)	-0.9%	33,740	9,778	40.8%
Customer Facility Charges	30,240	20,739	20,609	(129)	-0.6%	29,098	8,488	41.2%
Quieter Home Program	12,156	12,181	15,347	3,166	26.0%	13,437	(1,910)	-12.4%
BAB Interest Rebate	2,089	-	-	-	0.0%	-	-	0.0%
Federal Relief	36,895	54,326	80,000	25,674	47.3%	-	(80,000)	-100.0%
Capital Grant Contributions	4,072	10,912	9,912	(1,000)	-9.2%	29,284	19,372	195.4%
Other Non Operating Revenue	14,191	(10)	-	10	-100.0%	-	-	0.0%
Total Non-Operating Revenue	134,037	122,319	149,831	27,511	22.5%	105,559	(44,272)	-29.5%
Total Revenue	\$416,763	\$376,014	\$397,258	\$21,244	5.6%	\$462,943	\$65,685	16.5%

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

Revenue Overview

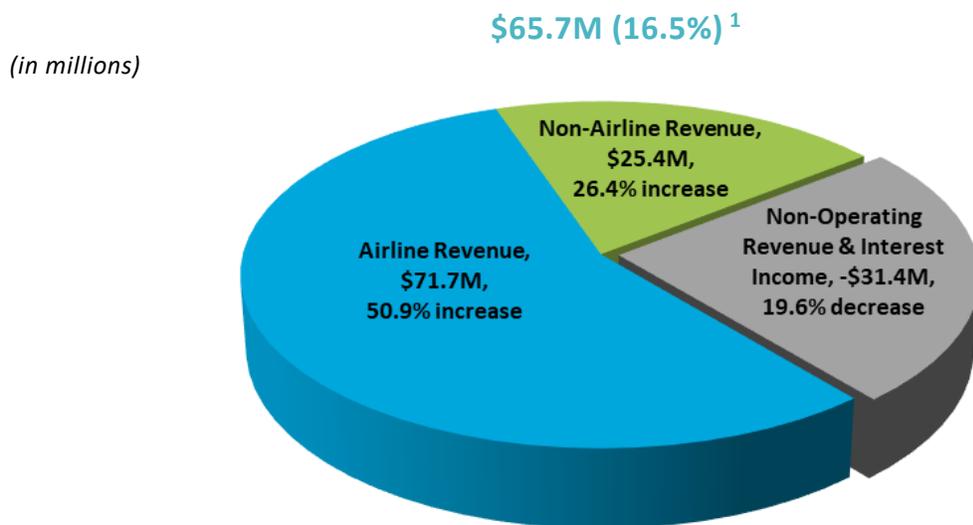
FY 2022 Budget Revenue Increase vs FY 2021 Budget



¹ Total may differ due to rounding

Figure 8 – FY 2022 Revenue Variance

FY 2023 Budget Revenue Increase vs FY 2022 Budget



¹ Total may differ due to rounding

Figure 9 – FY 2023 Revenue Variance

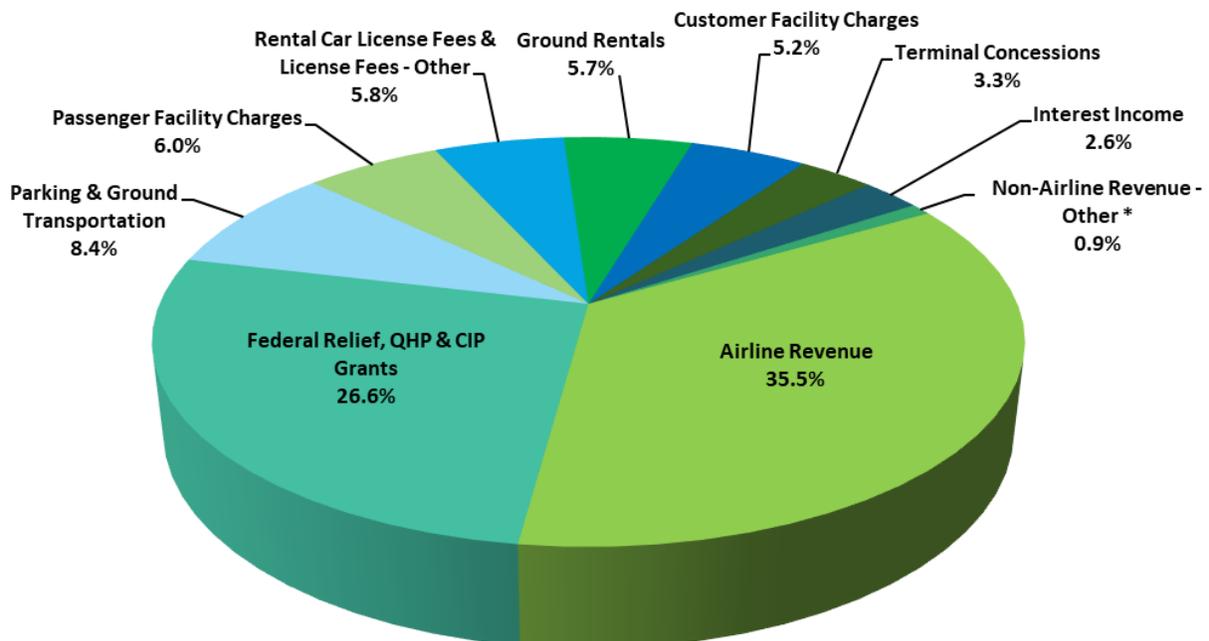
Revenue Overview

FY 2022 Revenue Budget by Major Sources

(in thousands)

Revenue by Major Sources	FY 2022 Budget
Airline Revenue	\$140,932
Federal Relief, QHP & CIP Grants	105,646
Parking & Ground Transportation	33,258
Passenger Facility Charges	23,962
Rental Car License Fees & License Fees - Other	22,945
Ground Rentals	22,616
Customer Facility Charges	20,609
Terminal Concessions	13,236
Interest Income	10,388
Non-Airline Revenue - Other *	3,667
Total Revenue ¹	\$397,258

¹ Total may differ due to rounding



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

Figure 10 – FY 2022 Revenue Budget by Sources

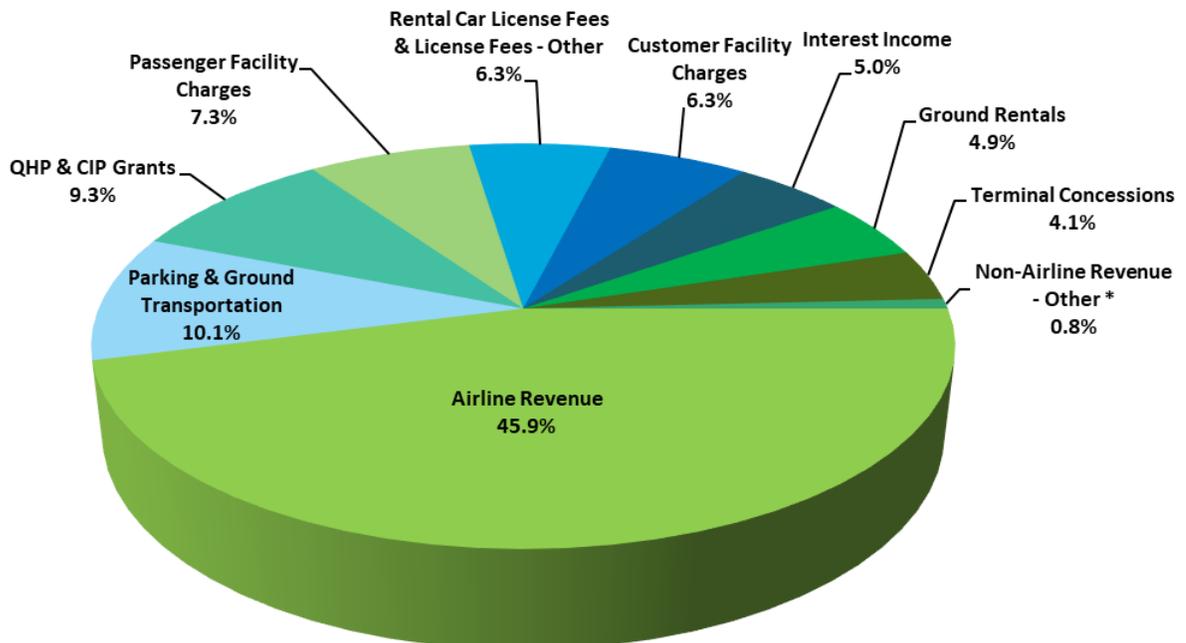
Revenue Overview

FY 2023 Revenue Budget by Major Sources

(in thousands)

Revenue by Major Sources	FY 2023 Conceptual Budget
Airline Revenue	\$212,634
Parking & Ground Transportation	46,611
QHP & CIP Grants	43,017
Passenger Facility Charges	33,740
Rental Car License Fees & License Fees - Other	29,266
Customer Facility Charges	29,098
Interest Income	23,273
Ground Rentals	22,751
Terminal Concessions	18,889
Non-Airline Revenue - Other *	3,665
Total Revenue ¹	\$462,943

¹ Total may differ due to rounding



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

Figure 11 – FY 2023 Revenue Budget by Sources

Revenue Overview

Overview

Operating and Non-Operating revenues for FY 2022 are projected to be \$397.3M, an increase of \$21.2M (5.6%) above the FY 2021 Budget. FY 2023 Conceptual Operating and Non-Operating revenues are budgeted to increase by \$65.7M (16.5%) over the FY 2022 Budget.

Airline Operating Revenue

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

Pursuant to the AOLA, the landing fees at SAN are 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, MMF and coverage charges. The balance is recovered from aircraft parking fees (see the following **Aircraft Parking and Turn Fees** section).

In FY 2022, landing fee revenues are projected to decrease to \$33.6M, which is \$2.5M (-7.0%) below the FY 2021 Budget due to use of federal relief funds partially offset by an increase in debt service and bond reserves requirement contributions. Estimated landed weight for FY 2022 is projected to decrease to 9,487 (million-pound units), a 7.1% decrease from 10,207 (million-pound units) in the FY 2021 Budget. The combination of lower landed weight and decreased net airfield requirements results in the FY 2022 signatory landing fee rate (per 1,000 pounds of maximum gross landed weight) of \$3.55.

In FY 2023, landing fee revenues are projected to increase by \$20.5M (61.0%) to \$54.1M over the FY 2022 Budget. The increase reflects higher airfield operations expenses, debt service and MMF contribution. The FY 2023 signatory landing fee rate (per 1,000 pounds of maximum gross landed weight) is projected to increase to \$5.11, a 43.9% increase over the FY 2022 budgeted landing fee, mainly reflecting a combination of increased net airfield costs and a 10.7% increase in projected landed weight to 10,505 (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 parking positions assigned to each air carrier at the terminal gates and in remote positions, as well as

Revenue Overview

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 2022, aircraft parking and turn fees are projected to generate revenues of \$8.5M, a \$0.6M (-6.3%) decrease over the FY 2021 Budget due to a reduction in airfield operations expenses. FY 2022 aircraft position rental signatory rate is \$110,963 per space, aircraft parking position signatory turn fee is \$448.47 per turn and aircraft parking position signatory overnight fee is \$1,345.40 per overnight stay.

In FY 2023, aircraft parking and turn fees are projected to increase by \$5.1M (59.9%) over the FY 2022 Budget due to increase in net airfield costs.

Building Rentals

Building Rental revenue reflect recovery of terminal building costs, including terminal security, allocated to airline occupied facilities, debt service, amortization of capital investments, MMF and coverage charges. Building Rentals also includes Joint Use Fees.

In FY 2022 Budget building rentals revenues are projected to increase to \$93.4M, an increase of \$2.3M (2.6%) over the FY 2021 Budget. FY 2022 Building Rentals revenues reflect increases in terminal operations expenses, debt service and bond reserves requirement contributions, partially offset by use of federal relief funds. The FY 2022 signatory terminal rental rate is \$167.14 per square foot and the joint use fee is \$8.62 per enplanement.

In FY 2023, Building Rentals revenue is projected to increase by \$45.9M (49.1%) over the FY 2022 Budget due to higher operating and maintenance expenses, debt service, and MMF. The FY 2022 terminal rental signatory rate is projected to increase to \$218.95 per square foot and the joint use fee is \$8.63 per enplanement.

Common Use Fees

Common Use Fees include terminal rent of common use premises, common use systems, operating and maintenance expenses, debt service and amortization of capital investments and will be paid for by the airlines located in common use equipped terminals.

FY 2022 Common Use Fee revenue is projected to be \$7.9M, a slight increase of 0.1% to FY 2021 Budget. FY 2022 Common Use Fee revenue primarily reflect an increase to terminal rental rate for common use premises. FY 2022 common use signatory fee is \$1.82 per enplanement.

In FY 2023, the charges will increase by \$3.1M (38.9%) over the FY 2022 Budget primary due to increases in terminal rental rate for common use premises and expenses for common use maintenance. The FY 2023 common use signatory fee is \$1.81 per enplanement.

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 2022, Other Aviation revenue is projected to be \$0.2M, an increase of \$0.1M (86.5%) over the FY 2021 Budget.

Revenue Overview

In FY 2023, Other Aviation revenue is projected to remain relatively flat over the FY 2022 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 projected FY 2022 enplaned passenger traffic. The FY 2022 Budget assumes 6.3M enplaned passengers, which is relatively flat to the FY 2021 Budget enplanements and a 40.7% increase over the FY 2021 year-end projected enplanements of 4.5M. FY 2023 enplanements are projected to grow to 8.8M, a 40.7% increase over the FY 2022 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.

In FY 2022, Terminal Rent Non-Airline revenue is projected to be \$2.6M, an increase of \$0.1M (3.7%) over the FY 2021 Budget due to an additional TSA office.

In FY 2023, Terminal Rent Non-Airline revenue is projected to remain relatively flat over the FY 2022 Budget.

Terminal Concessions

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

Concession revenue is based on percentage rent charged on food, beverage and merchandise sales and fixed rent for concessionaire storage/support space. Cost Recovery revenue is also generated 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 2022 Budget for Terminal Concessions is \$13.2M, a decrease of \$8.0M (-37.7%) over the FY 2021 Budget reflecting revenue based on gross sales.

FY 2023 revenues are budgeted at \$18.9M, an increase of \$5.7M (42.7%) over the FY 2022 Budget due to an increase in 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 the RCC. The agreement calls for rental car companies to pay the Airport Authority a fee equaling 10% of gross sales or their minimum annual guarantee (MAG), whichever is higher.

Revenue Overview

In FY 2022, rental car license fees are projected at \$18.7M, a decrease of \$4.0M (-17.6%) over the FY 2021 Budget reflecting revenue based on gross sales.

FY 2023 revenues are projected at \$24.4M, an increase of \$5.7M (30.3%) primarily due to an increase in enplanements partially offset by a decrease in transactions per originating passenger (OP).

License Fees – Other

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

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

FY 2022 revenues are budgeted at \$4.2M, an increase of \$0.7M (19.8%) from the FY 2021 Budget due to an increase in enplanements.

In FY 2023, license fees revenues are projected to increase by \$0.7M (15.6%) to \$4.9M due to higher enplanements.

Parking

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

The FY 2022 revenue is budgeted at \$26.1M, an increase of \$3.6M (16.1%) from the FY 2021 Budget reflecting higher transactions per OP based on current trends.

The FY 2023 Budget is \$33.6M, a projected decrease of \$7.5M (28.9%), primarily reflecting an increase in enplanements partially offset by a decrease in transactions per OP.

Ground Transportation Trip Fees and Citations

Ground Transportation revenue includes the taxi, shuttles, Transportation Network Company (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 2022 revenue projections of \$7.2M, a decrease of \$2.5M (-25.5%) over the FY 2021 Budget mainly due to lower transactions per OP based on current trends.

In FY 2023, these revenues are budgeted at \$13.0M, an increase of \$5.8M (80.8%) mostly reflecting increase in enplanements and higher transactions per OP.

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 2022 revenue is budgeted at \$22.6M, an increase of \$4.3M (23.2%) over the FY 2021 Budget mainly due to recognition of fuel farm projects cost recovery and opening of ASB.

In FY 2023, revenues are budgeted at \$22.8M, an increase of \$0.1M (0.6%), primarily due to anticipated slight CPI increase assumptions on other agreements.

Revenue Overview

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.

The FY 2022 budget for Grant Reimbursement revenue is projected to increase by \$0.1M over the FY 2021 Budget.

In FY 2023, Grant Reimbursements revenue is projected to decrease by \$0.1M versus the FY 2022 Budget.

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 2022, these revenues are budgeted at \$1.1M, remaining relatively flat over the FY 2021 budget.

In FY 2023, is also projected to remain relatively flat over the FY 2022.

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 2022, interest income is budgeted at \$10.4M, a projected increase of \$2.8M (36.9%) from the FY 2021 Budget reflecting an increase in cash balances partially offset by lower interest rates. FY 2023 interest income revenues are projected to increase by \$12.9M (124%) over the FY 2022 Budget due to anticipated increase in interest rates and anticipated higher balances in bond funds.

Non-Operating Revenue

Passenger Facility Charges (PFC)

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 2022 and FY 2023 Budget is based on the projected number of enplaned passengers at an estimated collection rate of 87%. Certain types of passengers, including military, are excluded from paying the PFCs.

FY 2022 PFC revenues are budgeted at \$24.0M, a decrease of \$0.2M (-0.9%) from the FY 2021 Budget due to slightly lower enplaned passengers. FY 2023 PFC revenue are projected to increase by \$9.8M (40.8%) over the FY 2022 Budget due to an increase in enplaned passengers.

Revenue Overview

Customer Facility Charges (CFC)

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 2022, CFC revenues are projected at \$20.6M, a decrease of \$0.1M (-0.6%) over the FY 2021 Budget reflecting a slight decrease in enplanements.

In FY 2023, CFC revenues are budgeted at \$29.1M, an increase of \$8.5M (41.2%) over the FY 2022 Budget primarily due to higher enplanements.

Quieter Home Program

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

Recognized grant revenue is related to available funding under grant awards received and the level of expenditures made each year. It is anticipated that the FY 2022 QHP revenue will be \$15.3M and FY 2023 QHP revenue will be \$13.4M.

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 which was refunded in FY 2020. Therefore, in FY 2022 and FY 2023, there are no BAB Interest Rebate revenue.

Capital Grant Contributions

Capital grant contributions are FAA grant awards from a federal program that provides funding for approved capital projects. These projects are generally eligible for a maximum AIP funding of 75%. The FY 2022 capital grant contributions decreased by \$1.0M (-9.2%) due to the completion of several projects in 2021 including Engineered Material Arresting System (EMAS) replacement and apron rehabilitation.

FY 2023 capital grant contributions are budgeted to increase by \$19.4M (195.4%) reflects the grant funding for New T1 program.

Federal Relief

The American Rescue Plan Act of 2021 (H.R. 1319, Public Law 117-2), signed into law by the President on March 11, 2021, includes \$8 billion in funds to be awarded as economic assistance to eligible U.S. airports to prevent, prepare for, and respond to the coronavirus disease 2019 (COVID-19) pandemic.

To distribute these funds, the FAA has established the Airport Rescue Grants. In FY 2022, the Budget includes \$80M of expected Federal Relief revenue. In FY 2023, there are no Federal Relief revenue.

Budget Overview: Expenses



Expense Overview

FY 2022 Expense Budget – FY 2023 Conceptual Expense Budget

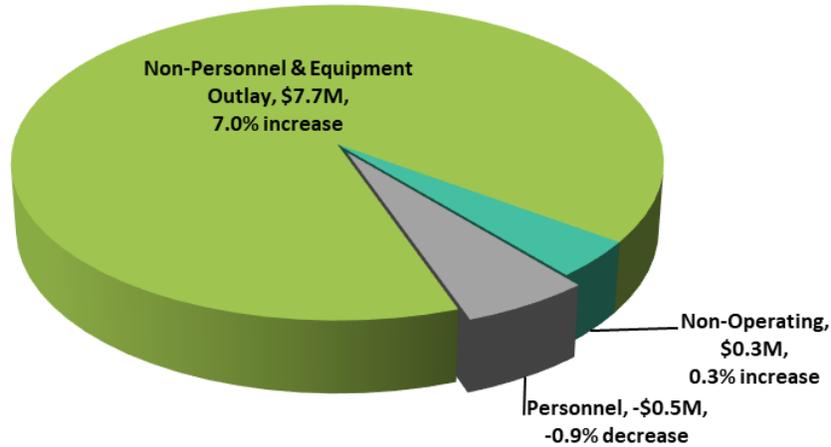
<i>(in thousands)</i>	FY2020 Actuals	FY2021 Budget	FY2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries	\$37,159	\$37,784	\$37,099	(\$686)	-1.8%	\$39,866	\$2,768	7.5%
Benefits	19,533	19,556	20,023	467	2.4%	21,701	1,678	8.4%
Subtotal	56,692	57,340	57,121	(218)	-0.4%	61,567	4,446	7.8%
Less: Capitalized Labor Recharge	(4,445)	(4,968)	(5,125)	(158)	3.2%	(5,711)	(586)	11.4%
Less: QHP Labor Recharge	(580)	(532)	(641)	(109)	20.4%	(670)	(30)	4.7%
Total Personnel Costs	51,667	51,841	51,355	(485)	-0.9%	55,186	3,830	7.5%
Contractual Services	37,694	29,071	33,128	4,058	14.0%	42,480	9,352	28.2%
Safety and Security	29,457	34,176	36,385	2,209	6.5%	37,739	1,354	3.7%
Space Rental	10,207	10,203	10,652	449	4.4%	10,655	3	0.0%
Utilities	12,748	14,299	14,693	395	2.8%	15,460	766	5.2%
Maintenance	11,584	12,433	11,342	(1,091)	-8.8%	11,584	242	2.1%
Operating Equipment & Systems	336	339	302	(37)	-11.0%	355	53	17.7%
Operating Supplies	651	624	618	(6)	-1.0%	686	69	11.1%
Insurance	1,308	1,558	1,813	254	16.3%	1,994	181	10.0%
Employee Development	967	806	803	(3)	-0.4%	827	24	3.0%
Business Development	2,033	1,236	1,849	614	49.7%	2,557	707	38.2%
Equipment Rentals and Repairs	2,801	3,540	3,952	412	11.6%	4,033	81	2.0%
Tenant Improvements	797	340	336	(4)	-1.2%	350	14	4.2%
Total Non-Personnel Costs	110,584	108,625	115,873	7,249	6.7%	128,719	12,846	11.1%
Total Operating Expenses	162,251	160,465	167,228	6,763	4.2%	183,904	16,676	10.0%
Joint Studies / Sound Attenuation	15,451	15,327	17,504	2,177	14.2%	16,763	(741)	-4.2%
Debt Service	107,530	112,319	110,473	(1,846)	-1.6%	112,503	2,030	1.8%
Legal Settlement Expense	10	10	10	-	0.0%	10	-	0.0%
Other Non-Operating Expenses	0	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	122,991	127,655	127,987	331	0.3%	129,276	1,289	1.0%
Total Expenses	285,242	288,120	295,215	7,095	2.5%	313,180	17,965	6.1%
Equipment Outlay Expenditures	1,098	268	686	417	155.4%	620	(65)	-9.5%
Total Authority Expenses Incl Equip Outlay	\$286,340	\$288,389	\$295,901	\$7,512	2.6%	\$313,800	\$17,900	6.0%

Expense Overview

FY 2022 Expense Budget Increase vs FY 2021 Budget

\$7.5M (2.6%)¹

(in millions)



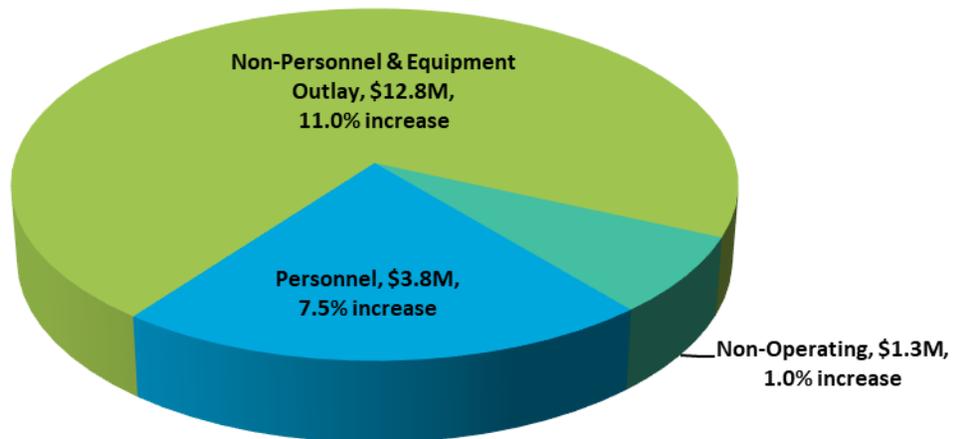
¹ Total may differ due to rounding

Figure 12 – FY 2022 Expense Variance

FY 2023 Conceptual Expense Budget Increase vs FY 2022 Budget

\$17.9M (6.0%)¹

(in millions)



¹ Total may differ due to rounding

Figure 13 – FY 2023 Expense Variance

Expense Overview

Major Drivers of FY 2022 Budget

(in thousands)

	Total Inc / (Dec) FY22 Budget vs FY21 Budget	Expense Category
Total Increase in Expenses	\$7,512	
Personnel:		
Contracted wage increases	362	Salaries & Wages
Retirement and Retiree Medical	268	Employee Benefits
ADP support personnel	200	Salaries & Wages
Health Insurance	(251)	Employee Benefits
Vacancy savings, net of capitalized labor and overtime	(1,164)	Salaries & Wages
Other, net	100	Salaries & Wages, Employee Benefits
Total Increase / (Decrease) in Personnel	(485)	
Debt Service:		
Principal and Interest on Revenue Bonds	1,067	Debt Service
Cost of Issuance and Other fees	2,340	Debt Service
Interest and Fees on Variable Rate Debt	(1,208)	Debt Service
Amortization on Bond Premiums	(4,044)	Debt Service
Total Increase / (Decrease) in Debt Service	(1,846)	
Non Personnel:		
New T1 related expenses		
Employee Shuttle	2,804	Contractual Services
Valet Operations	696	Contractual Services
ADP support non personnel	445	Contractual Services
Inter Terminal Shuttle	374	Contractual Services
Security & credentialing cost associated with start of ADP	137	Contractual Services, Safety & Security, Office Supplies
Safety and Security		
Port District law enforcement - Harbor Police Department	1,481	Safety and Security
Guard Services and security equipment	799	Safety and Security
Credential Services	(199)	Contractual Services
Terminal and Airside, Landside Operations and Maintenance		
Rental Car Center (RCC) buses	968	Contractual Services
Old Town Connector Shuttle	475	Contractual Services
Utilities - gas, electric, and water	414	Utilities
Equipment purchases	167	Equipment Outlay
Green Oval Painting	(346)	Maintenance, Equipment Outlay
Annual and major maintenance and supplies	(495)	Maintenance
Parking and shuttle operations	(1,745)	Contractual Services
Other Operating and Non-Operating Expenses		
Quieter Home Program (QHP)	2,177	QHP Expenses
Air Service Development Incentives and Advertising	609	Business Development
Space Rent	449	Space Rent
Software, Licenses, Maintenance and Support	270	Equipment Rentals and Repair
Insurance	254	Insurance
Other, net	107	
Total Increase / (Decrease)	\$7,512	

Expense Overview

Major Drivers of FY 2023 Conceptual Budget

<i>(in thousands)</i>	Total Inc / (Dec) FY23 Budget vs FY22 Budget	Expense Category
Total Increase in Expenses	\$17,900	
Personnel:		
Pay-for-Performance and contracted wage increases	1,454	Salaries & Wages
Retirement and Retiree Medical	802	Employee Benefits
Health Insurance	670	Employee Benefits
Vacancies recruitment, net of capitalized labor and overtime	398	Salaries & Wages
ADP support personnel	300	Salaries & Wages
Other, net	207	Employee Benefits
Total Increase / (Decrease) in Personnel	3,830	
Debt Service:		
Principal and interest on Revenue Bonds	1,655	Debt Service
Amortization on Bond Premiums	427	Debt Service
Other, net	(53)	Debt Service
Total Increase / (Decrease) in Debt Service	2,030	
Non Personnel:		
ADP related expenses		
ADP support non personnel	1,200	Contractual Services
Safety and Security		
Port District law enforcement - Harbor Police Department	937	Safety and Security
Aircraft Rescue and Fire Fight (ARFF)	261	Safety and Security
Guard Services and security equipment	118	Safety and Security
Terminal and Landside Operations		
Shuttle Operations (includes Old Town Connector Shuttle)	2,978	Contractual Services
Rental Car Center (RCC) buses	2,344	Contractual Services
Parking Operations	1,689	Contractual Services
Utilities - gas, electric, and water	741	Utilities
Terminal Operations and improvements	528	Contractual Services
Annual and major maintenance and supplies	396	Maintenance
Green Oval Painting	(404)	Maintenance, Equipment Outlay
Other Operating and Non-Operating Expenses		
Air Service Development Incentives	401	Business Development
Marketing consultant, advertising, and promotional activities	260	Business Development, Contractual Services
Credit Card Fees	213	Contractual Services
Insurance	181	Insurance
Other, net	198	
Total Increase / (Decrease)	\$17,900	

Expense Overview

Overview

In FY 2022, SDCRAA total expenses, including debt service and equipment outlay, are projected to increase to \$295.9M from \$288.4M in the FY 2021 Budget. This represents an increase of \$7.5M (2.6%). The FY 2023 Conceptual Budget anticipates total expenses increasing to \$313.8M, representing an increase of \$17.9M (6.0%).

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 2022, Salaries and Wages, including overtime, are projected to decrease by \$0.7M (-1.8%) over the FY 2021 Budget, reflecting vacancy savings and reduced overtime, partially offset by wage and salary increases required under union contract agreements and inclusion of New T1 personnel support. Employee benefits are projected to increase by \$0.5M (2.4%) from the FY 2021 Budget, primarily reflecting an increase in retirement expense and retirees' medical benefits offset by savings to health insurance premiums. These combined factors, together with higher capitalized labor expenses, resulted in a net decrease of \$0.5M (-0.9%) in the FY 2022 Budget over the FY 2021 Budget for personnel expenses.

In FY 2023, Salaries and Wages, including overtime, are projected to increase by \$2.8M (7.5%), reflecting 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 \$1.7M (8.4%) 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 \$3.8M (7.5%) in FY 2023.

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 2022, Contractual Services are budgeted to have a net increase of \$4.1M (14.0%) over the FY 2021 Budget, primarily due to an increase in parking and shuttle operations and RCC buses expenses due to increase in enplanements and start of New T1 program.

In FY 2023, Contractual Services are budgeted to increase \$9.4M (28.2%), 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 2022, Safety and Security costs are projected to increase by \$2.2M (6.5%) over the FY 2021 Budget. This is primarily due to increases in guard services and Port District Harbor Police Department law enforcement.

FY 2023 Safety and Security costs are projected to increase by \$1.4M (3.7%) over the FY 2022 Budget, reflecting increases in Port District Harbor Police Department law enforcement, ARFF, and guard services.

Space Rental

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

FY 2022 Space Rental expenses are projected to increase by \$0.4M (4.4%) from the FY 2021 Budget due to addition of California Street Creative House and RCC/ACE Shuttle Bus Lease (Port Lease) properties.

FY 2023 Space Rental costs are projected to remain flat.

Utilities

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

FY 2022 utilities costs are projected to increase by \$0.4M (2.8%) from the FY 2021 Budget primarily due to electricity rate increase from SDG&E.

FY 2023 utilities costs are budgeted to increase by \$0.8M (5.2%) from the FY 2022 Budget due to anticipated higher usage and electricity rate increase 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 2022 Maintenance expense is projected to decrease by \$1.1M (-8.8%) from the FY 2021 Budget, reflecting reductions in scope of annual and major maintenance, including bringing the semi-annual green oval painting in house.

FY 2023 Maintenance expense is projected to increase by \$0.2M (2.1%) from the FY 2022 Budget primarily due to deferred major maintenance projects and maintenance of airfield in previous years.

Operating Equipment and Systems

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

FY 2022 Operating Equipment and Systems expenses are projected to decrease by \$0.04M (-11.0%) from the FY 2021 Budget.

FY 2023 Operating Equipment and Systems expenses are projected to increase by \$0.05M (17.7%) from the FY 2022 Budget.

Operating Supplies

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

FY 2022 Operating Supplies expenses are projected to remain relatively flat to FY 2021 Budget.

Expense Overview

FY 2023 Operating Supplies expenses are projected to increase by \$0.07M (11.1%) from the FY 2022 Budget.

Insurance

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

FY 2022 Insurance expense is projected to increase by \$0.3M (16.3%) from the FY 2021 Budget, due to increases in premiums and increase in property values due to phased completion of miscellaneous CIP projects.

FY 2023 Insurance expense is projected to increase by \$0.2M (10.0%) over the FY 2022 Budget, due to anticipated increases in premiums.

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 2022 Employee Development expense is projected to remain relatively flat to the FY 2021 Budget.

FY 2023 Employee Development expense is projected to increase by \$0.02M (3.0%) from the FY 2022 Budget.

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 2022 Business Development expense is projected to increase by \$0.6M (49.7%) from the FY 2021 Budget, primarily due to an increase in marketing and advertising costs.

FY 2023 Business Development expense is projected to increase by \$0.7M (38.2%) from the FY 2022 Budget.

Equipment Rentals and Repairs

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

FY 2022 Equipment Rentals and Repairs expense is projected to increase by \$0.4M (11.6%) from the FY 2021 Budget, primarily due to increases in IT-related systems licenses and support.

FY 2023 Equipment Rentals and Repairs expense is projected to increase by \$0.08M (2.0%) from the FY 2022 Budget.

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 2022 Tenant Improvements expense is projected to remain relatively flat to the FY 2021 Budget.

FY 2023 Tenant Improvements expense is projected to increase by \$0.01M (4.2%) from the FY 2022 Budget.

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 2022 Joint-Studies/Sound Attenuation expense is projected to increase by \$2.2M (14.2%) from the FY 2021 Budget based on available level of grant funding.

FY 2023 Joint-Studies/Sound Attenuation expense is projected to decrease by \$0.7M (-4.2%) from the FY 2022 Budget.

Debt Service

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

FY 2022 Debt Service costs are projected to decrease by \$1.8M (-1.6%) from the FY 2021 Budget due to amortization of 2020 bond premiums and capitalized cost to New T1 project, offset by New T1 bonds, increased principal payments on 2019 bonds and cost of issuance of New T1 bonds.

FY 2023 Debt Service costs are projected to increase by \$2.0M (1.8%) from the FY 2022 Budget, primarily due to increased principal payments on 2019 bonds and New T1 debt.

Equipment Outlay

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

FY 2022 Equipment Outlay expenses are projected to increase by \$0.4M (155.4%) from the FY 2021 Budget due to replacement of equipment.

FY 2023 Equipment Outlay expenses are projected to decrease by \$0.1M (-9.5%) from the FY 2022 Budget.

Expense Overview

FY 2022 Expense Budget by Division

(in thousands)

Divisions	FY 2022 Budget
Debt Service	\$110,473
Operations	109,582
Development	27,703
Revenue Management & Innovation	19,698
Finance	18,427
Executive	10,017
Total ¹	<u><u>\$295,901</u></u>

¹Total may differ due to rounding

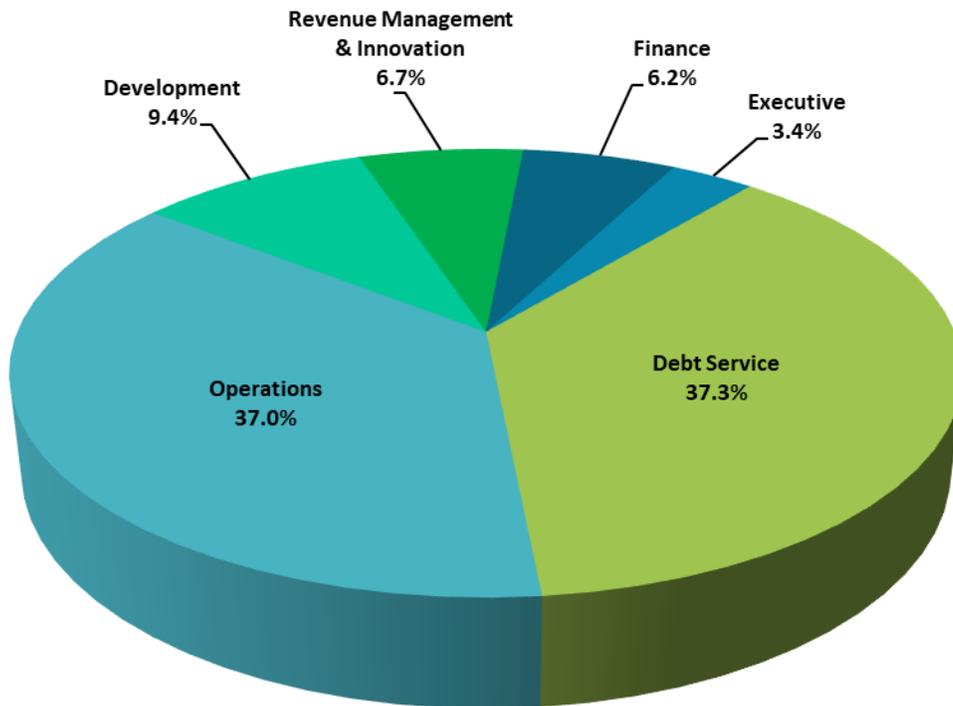


Figure 14 – FY 2022 Expense Budget by Division

Expense Overview

FY 2023 Expense Budget by Division

(in thousands)

Divisions	FY 2023 Conceptual Budget
Debt Service	\$112,503
Operations	120,981
Development	27,300
Revenue Management & Innovation	21,384
Finance	21,235
Executive	10,397
Total ¹	\$313,800

¹ Total may differ due to rounding

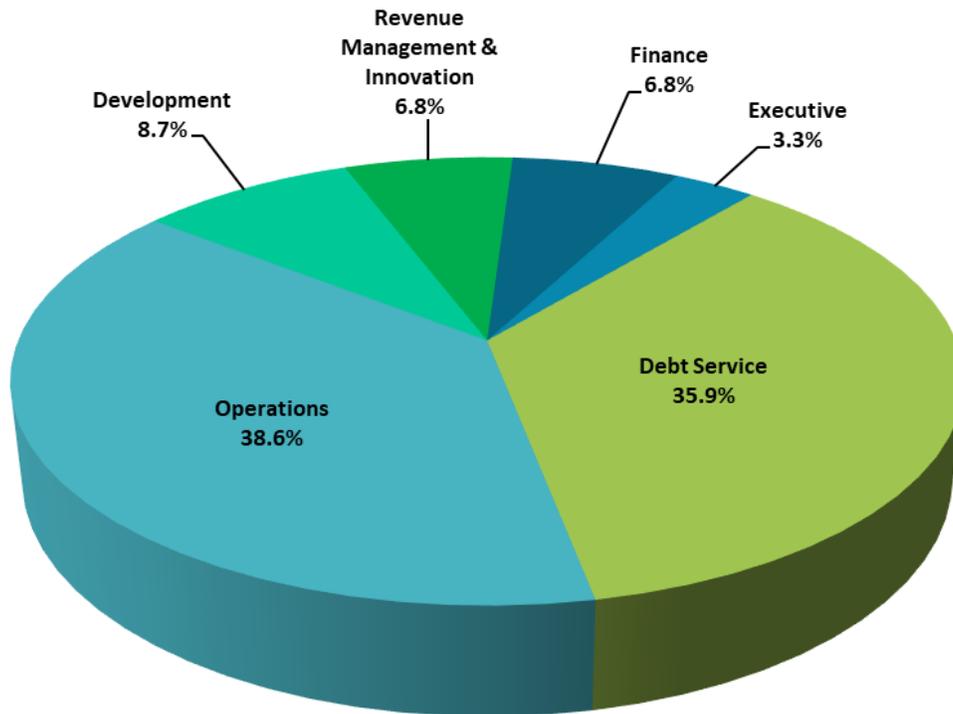


Figure 15 – FY 2023 Expense Budget by Division

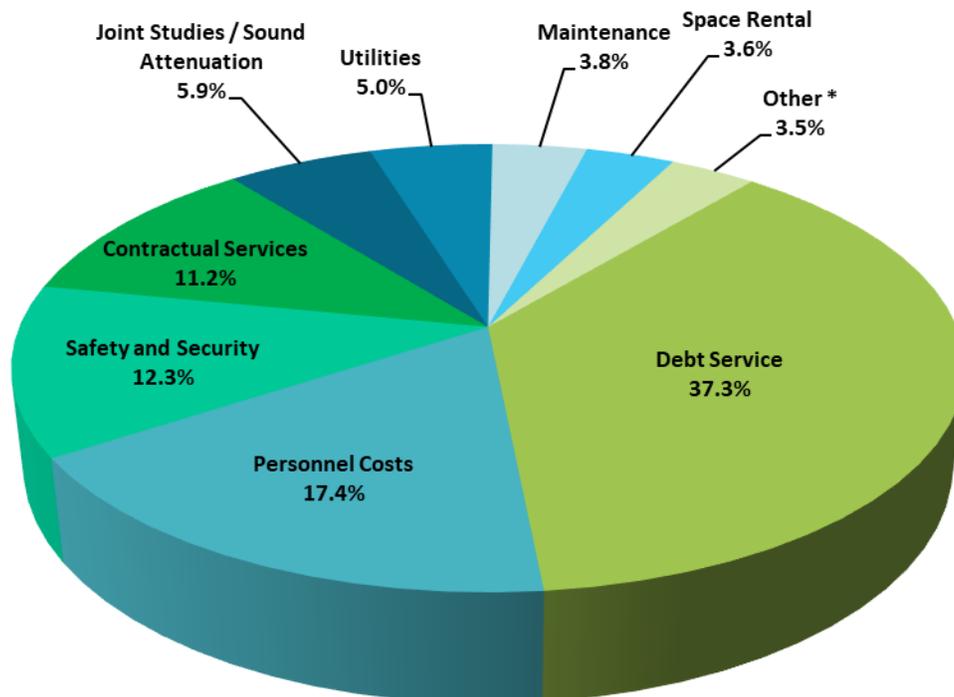
Expense Overview

FY 2022 Expense Budget by Category

(in thousands)

Category	FY 2022 Budget
Debt Service	\$110,473
Personnel Costs	51,355
Safety and Security	36,385
Contractual Services	33,128
Joint Studies / Sound Attenuation	17,504
Utilities	14,693
Maintenance	11,342
Space Rental	10,652
Other *	10,368
Total ¹	\$295,901

¹ 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 2022 Expense Budget by Category

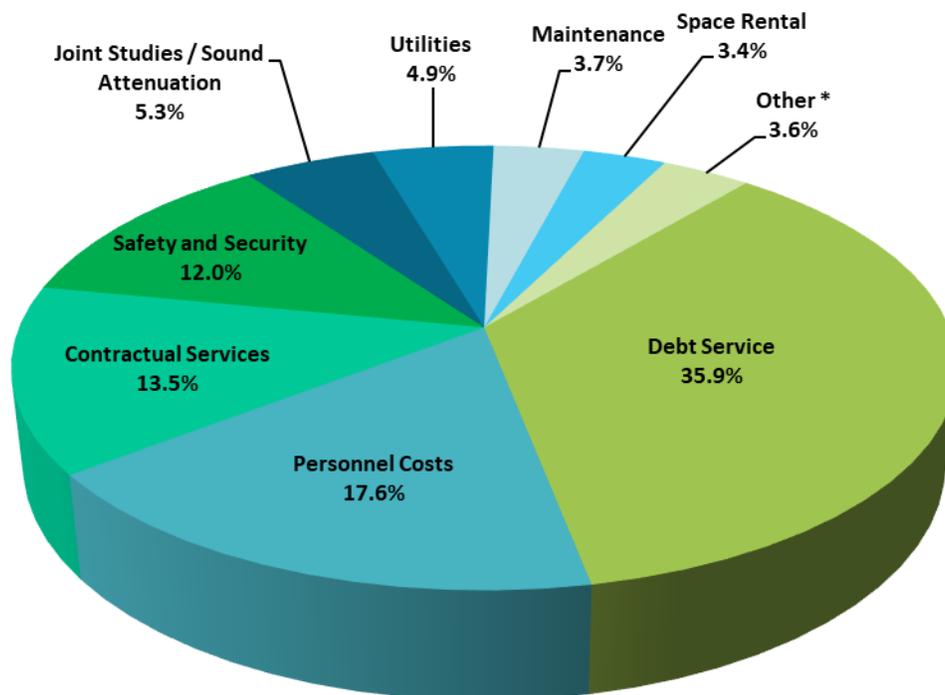
Expense Overview

FY 2023 Expense Budget by Category

(in thousands)

Category	FY 2023 Conceptual Budget
Debt Service	\$112,503
Personnel Costs	55,186
Contractual Services	42,480
Safety and Security	37,739
Joint Studies / Sound Attenuation	16,763
Utilities	15,460
Maintenance	11,584
Space Rental	10,655
Other *	11,432
Total ¹	\$313,800

¹Total 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 2023 Expense Budget by Category

Expense Overview

Personnel Summary by Division

	FY 2020 Budget	FY 2021 Budget	FY 2022 Budget Transfers *	FY 2022 Budget New/ (Eliminated) ^	FY 2022 Budget	FY 2023 Budget New/ (Eliminated) ^	FY 2023 Conceptual Budget
Executive Division							
Board Services	5	5	2	-	7	-	7
Chief Auditor	7	7	-	-	7	-	7
Communications	8	10	(3)	-	7	-	7
Executive Office	2	2	-	-	2	-	2
General Counsel	6	6	-	-	6	-	6
Government Relations	2	2	1	-	3	-	3
Talent, Culture & Capability	20	18	-	-	18	-	18
Subtotal	50	50	-	-	50	-	50
Operations Division							
Aviation Security & Public Safety	18	18	2	-	20	-	20
Airside & Terminal Operations	25	26	-	-	26	-	26
Ground Transportation	71	71	-	-	71	-	71
Facilities Management	88	88	(2)	-	86	-	86
Subtotal	202	203	-	-	203	-	203
Finance Division							
Airline Relations	4	4	-	-	4	-	4
Accounting	12	12	-	-	12	-	12
Information & Technology Services	29	29	-	-	29	-	29
Procurement	12	12	-	-	12	-	12
Finance & Risk Management	19	19	-	-	19	-	19
Subtotal	76	76	-	-	76	-	76
Development Division							
Airport Design & Construction	49	48	-	-	48	-	48
Planning and Environmental Affairs	29	29	-	-	29	-	29
Subtotal	78	77	-	-	77	-	77
Revenue Management & Innovation Division							
Customer Experience Design & Innovation	12	13	-	-	13	-	13
Marketing & Air Service Development	13	11	-	-	11	-	11
Revenue Generation & Partnership Development	13	15	-	-	15	-	15
Small Business Development	4	3	-	-	3	-	3
Subtotal	42	42	-	-	42	-	42
Total Positions	448	448	-	-	448	-	448

* See detailed information of the transfers in the divisional sections

^ There are no new positions in FY 2022 and FY 2023

Expense Overview

FY 2022 Personnel Budget by Division

FY 2022 Total Authorized Positions: 448

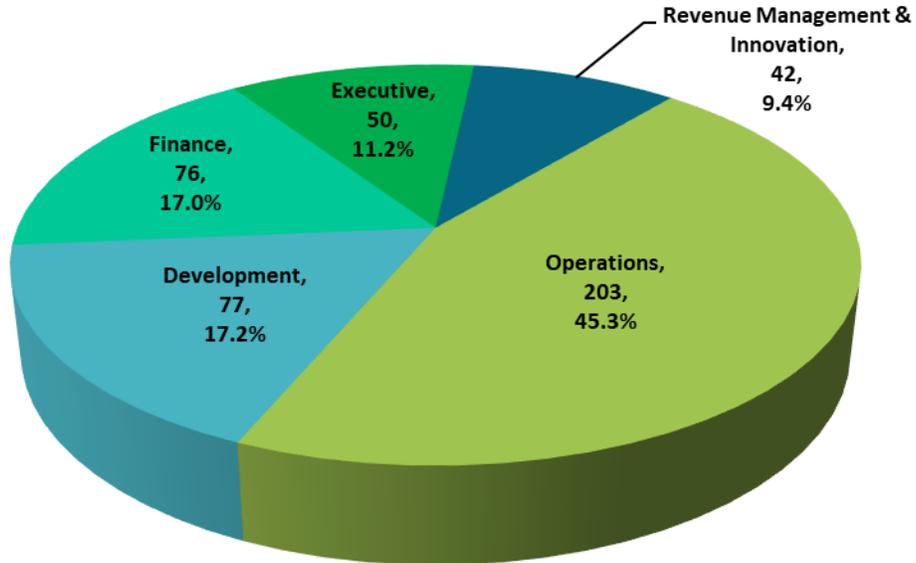


Figure 18 – FY 2022 Personnel Budget by Division

FY 2023 Personnel Conceptual Budget by Division

FY 2023 Total Authorized Positions: 448

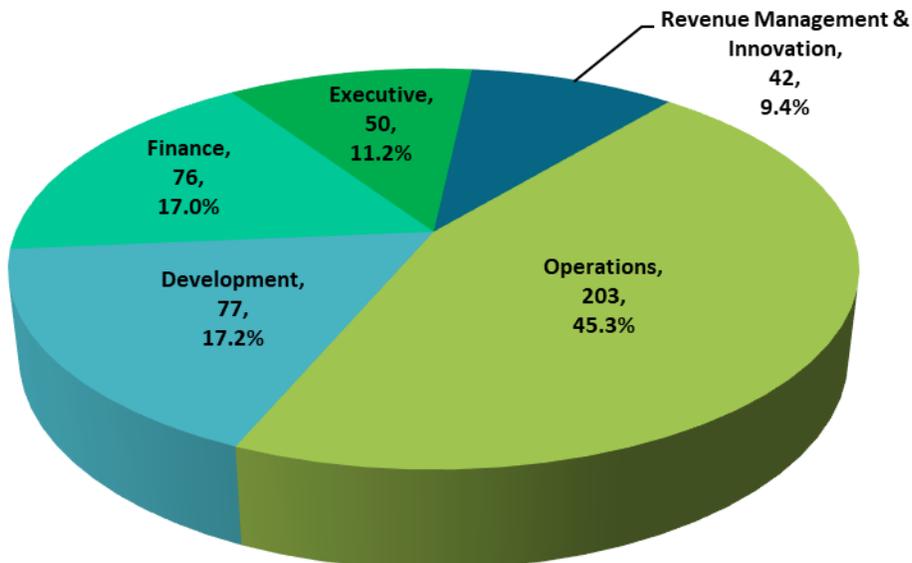


Figure 19 – FY 2023 Personnel Budget by Division

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

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

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

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

The **Talent, Culture & Capability (TCC)** department provides talent and workforce strategic planning that guides and supports effective business decisions, enhances organizational capabilities, and creates a culture of

Executive Division

inclusion. The department manages talent acquisition while advancing employee diversity, equity, and inclusion, performance management, learning & development, compensation and benefits, employee and labor relations, HR data/technology, Safety, and Organizational Development. Through these services, the department assures continued organizational development, workforce engagement, and optimization.

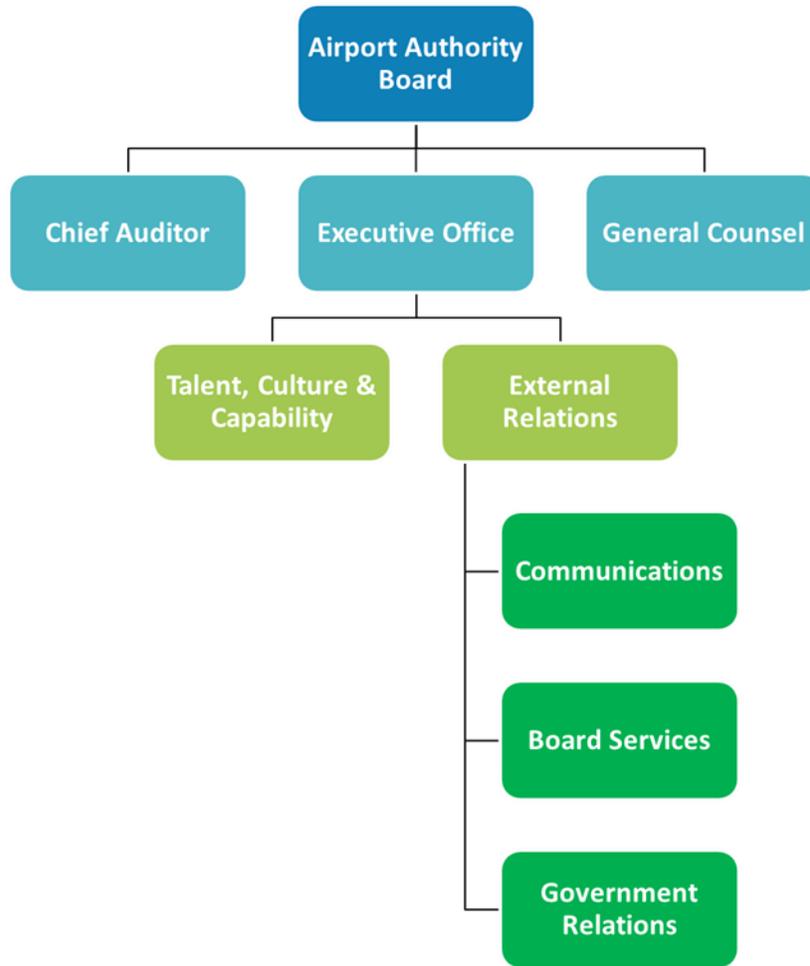
The **Communications** department develops and executes strategies for all communications and is the Airport Authority's designated point of contact for the media. Through public relations and community engagement programs, the department builds external relationships with various constituencies, including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

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 2022 – FY 2023 Organizational Structure



Division Personnel Summary

	FY 2020 Budget	FY 2021 Budget	FY 2022 Budget Transfers	FY 2022 Budget New/ (Eliminated)	FY 2022 Budget	FY 2023 Budget New/ (Eliminated)	FY 2023 Conceptual Budget
Executive Division							
Board Services ¹	5	5	2	-	7	-	7
Chief Auditor	7	7	-	-	7	-	7
Communications ²	8	10	(3)	-	7	-	7
Executive Office	2	2	-	-	2	-	2
General Counsel	6	6	-	-	6	-	6
Government Relations ³	2	2	1	-	3	-	3
Talent, Culture & Capability	20	18	-	-	18	-	18
Total	50	50	-	-	50	-	50

¹ 2 positions transferred from Communications

² 2 positions transferred to Board Services and 1 position transferred to Government Relations

³ 1 position transferred from Communications

Executive Division

FY 2022 Budget – FY 2023 Expense Conceptual Budget Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$4,902	\$5,044	\$4,969	(\$75)	-1.5%	\$5,150	\$181	3.6%
Overtime	1			-	0.0%		-	0.0%
Benefits	2,409	2,380	2,438	58	2.4%	2,562	125	5.1%
Subtotal	7,311	7,424	7,407	(17)	-0.2%	7,712	305	4.1%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	7,311	7,424	7,407	(17)	-0.2%	7,712	305	4.1%
Contractual Services	1,855	1,407	1,533	125	8.9%	1,560	27	1.8%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	0	0	0	-	0.0%	0	0	5.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	30	14	32	18	124.6%	55	23	71.9%
Operating Supplies	34	23	23	(0)	-0.6%	23	0	0.4%
Insurance	1	1	1	-	0.0%	1	-	0.0%
Employee Development	326	277	269	(8)	-2.8%	296	27	10.2%
Business Development	542	493	504	11	2.3%	494	(10)	-2.0%
Equipment Rentals and Repairs	64	97	238	141	145.6%	245	7	3.0%
Tenant Improvements		-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	2,853	2,312	2,600	288	12.4%	2,675	75	2.9%
Total Operating Expenses	10,164	9,737	10,007	270	2.8%	10,387	380	3.8%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	10	10	10	-	0.0%	10	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	10	10	10	-	0.0%	10	-	0.0%
Total Expenses	10,174	9,747	10,017	270	2.8%	10,397	380	3.8%
Equipment Outlay Expenditures	187	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$10,361	\$9,747	\$10,017	\$270	2.8%	\$10,397	\$380	3.8%

Executive Division

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	FY22 vs FY21	FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	\$9,747	\$10,017
Personnel Costs		
Burden (benefits & employer taxes) for current staff	58	125
Salary adjustments and pay for performance	(75)	181
Total Increase / (Decrease) in Personnel Costs	(17)	305
Non-Personnel Costs		
Human resources software	123	5
Government and public relations consultants	69	25
Authority-wide trainings	43	-
Agenda preparation and Form 700 automation	-	23
Other, net	53	22
Total Increase / (Decrease) in Non-Personnel Costs	288	75
Total Increase / (Decrease)	270	380
FY 2022 Budget / FY 2023 Conceptual Budget	\$10,017	\$10,397

Executive Division

FY 2022 Expense Budget by Department

(in thousands)

Departments	FY 2022 Budget
Talent, Culture & Capability	\$2,889
General Counsel	1,987
Chief Auditor	1,244
Government Relations	1,096
Communications	996
Board Services	921
Executive Office	885
Total ¹	\$10,017

¹ Total may differ due to rounding

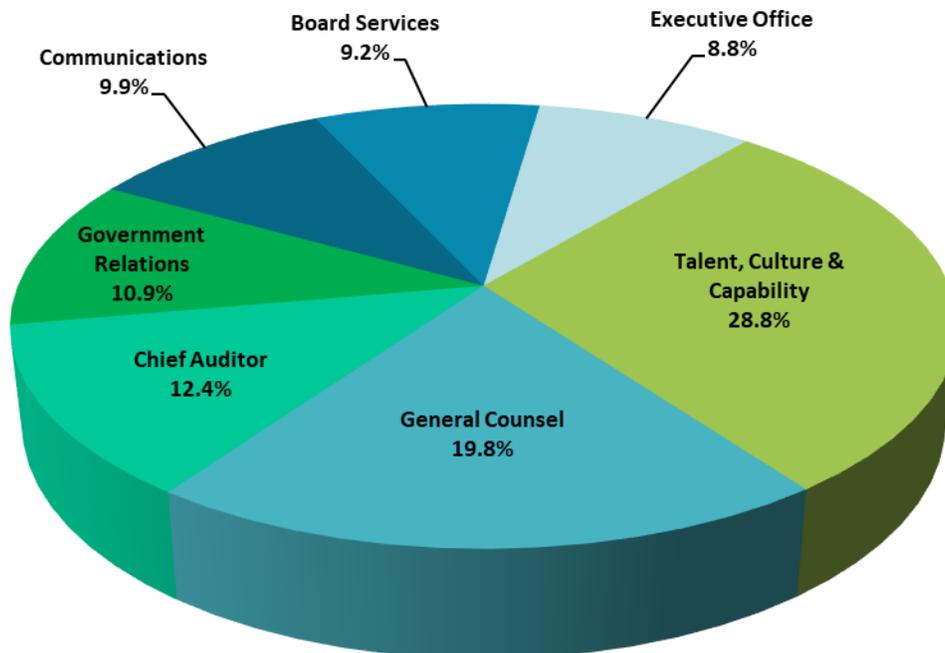


Figure 20 – FY 2022 Expense Budget by Department

Executive Division

FY 2023 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2023 Conceptual Budget
Talent, Culture & Capability	\$3,009
General Counsel	2,041
Chief Auditor	1,301
Government Relations	1,127
Communications	1,064
Board Services	976
Executive Office	880
Total ¹	<u><u>\$10,397</u></u>

¹ Total may differ due to rounding

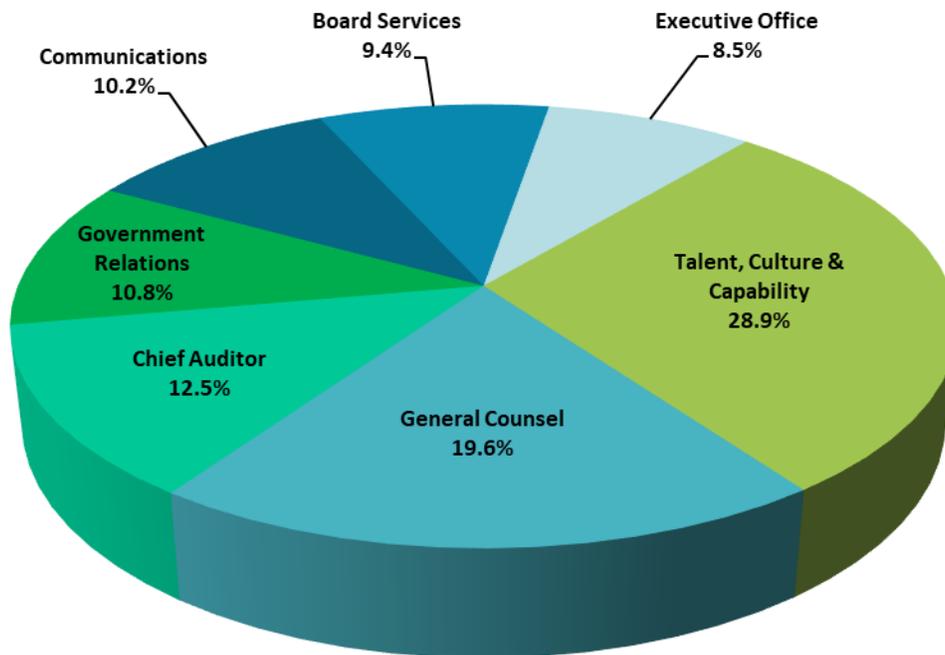


Figure 21 – FY 2023 Expense Conceptual Budget by Department

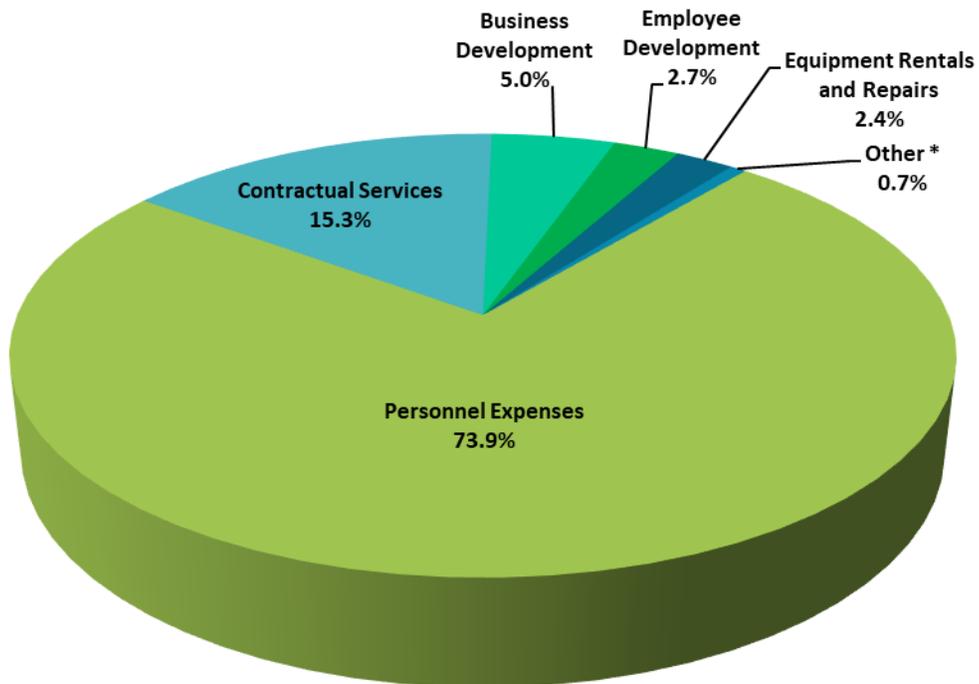
Executive Division

FY 2022 Expense Budget by Category

(in thousands)

Category	FY 2022 Budget
Personnel Expenses	\$7,407
Contractual Services	1,533
Business Development	504
Employee Development	269
Equipment Rentals and Repairs	238
Other *	66
Total ¹	<u><u>\$10,017</u></u>

¹ Total may differ due to rounding



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

Figure 22 – FY 2022 Expense Budget by Category

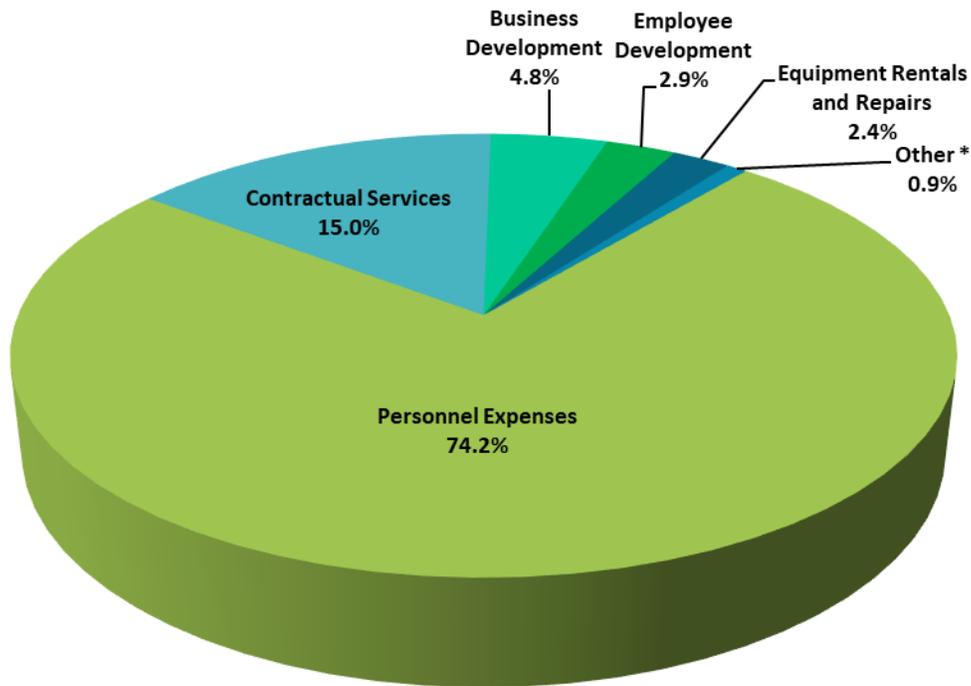
Executive Division

FY 2023 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2023 Conceptual Budget
Personnel Expenses	\$7,712
Contractual Services	1,560
Business Development	494
Employee Development	296
Equipment Rentals and Repairs	245
Other *	89
Total ¹	<u><u>\$10,397</u></u>

¹ Total may differ due to rounding

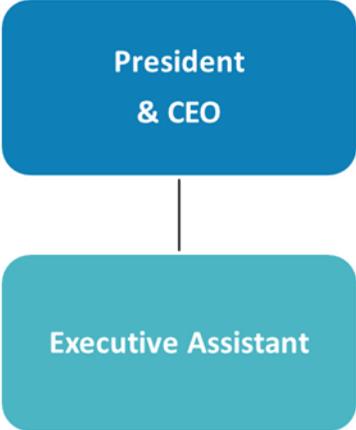


*Other includes operating equipment & systems, operating supplies, equipment rentals & repairs, legal settlements, etc.

Figure 23 – FY 2023 Expense Conceptual Budget by Category

Executive Division – Executive Office

FY 2022 – FY 2023 Organizational Structure



No personnel changes in FY 2023.

Executive Division – Executive Office

FY 2022 Budget – FY 2023 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$426	\$433	\$468	\$35	8.2%	\$483	\$15	3.2%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	184	153	185	32	21.0%	192	7	3.8%
Subtotal	610	586	653	68	11.5%	675	22	3.4%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	610	586	653	68	11.5%	675	22	3.4%
Contractual Services	9	0	20	20	6666.7%	20	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	4	2	2	-	0.0%	2	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	15	12	21	10	86.1%	17	(5)	-21.9%
Business Development	160	148	188	40	26.7%	165	(23)	-12.0%
Equipment Rentals and Repairs	-	0	0	-	0.0%	0	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	188	162	232	69	42.8%	204	(27)	-11.8%
Total Operating Expenses	798	748	885	137	18.3%	880	(5)	-0.6%
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%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	798	748	885	137	18.3%	880	(5)	-0.6%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$798	\$748	\$885	\$137	18.3%	\$880	(\$5)	-0.6%

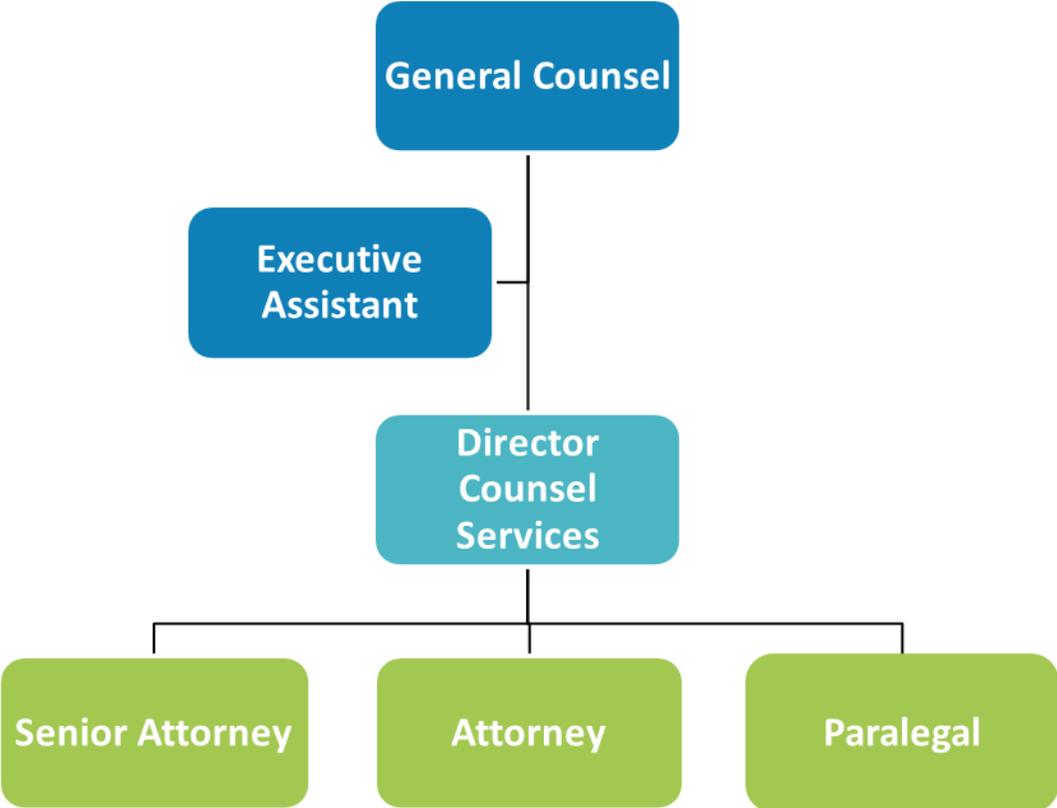
Executive Division – Executive Office

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY22 vs FY21	Inc/(Dec) FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	\$748	\$885
Personnel Costs		
Salary adjustments and pay for performance	35	15
Burden (benefits & employer taxes) for current staff	32	7
Total Increase / (Decrease) in Personnel Costs	68	22
Non-Personnel Costs		
Travel and conference fees	44	(19)
Other, net	26	(9)
Total Increase / (Decrease) in Non-Personnel Costs	69	(27)
Total Increase / (Decrease)	137	(5)
FY 2022 Budget / FY 2023 Conceptual Budget	\$885	\$880

Executive Division – General Counsel

FY 2022 – FY 2023 Organizational Structure



No personnel changes in FY 2023.

Executive Division – General Counsel

FY 2022 Budget – FY 2023 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$896	\$907	\$923	\$17	1.8%	\$956	\$33	3.5%
Overtime	0	-	-	-	0.0%	-	-	0.0%
Benefits	416	434	409	(25)	-5.7%	425	17	4.1%
Subtotal	1,312	1,340	1,332	(8)	-0.6%	1,381	49	3.7%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	1,312	1,340	1,332	(8)	-0.6%	1,381	49	3.7%
Contractual Services	611	599	575	(24)	-4.0%	575	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	1	11	29	18	161.4%	29	-	0.0%
Operating Supplies	3	2	2	-	0.0%	2	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	54	48	34	(14)	-28.5%	39	5	14.6%
Business Development	9	5	6	1	9.8%	6	-	0.0%
Equipment Rentals and Repairs	-	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	678	665	645	(19)	-2.9%	650	5	0.8%
Total Operating Expenses	1,990	2,005	1,977	(28)	-1.4%	2,031	54	2.7%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	10	10	10	-	0.0%	10	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	10	10	10	-	0.0%	10	-	0.0%
Total Expenses	2,000	2,015	1,987	(28)	-1.4%	2,041	54	2.7%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$2,000	\$2,015	\$1,987	(\$28)	-1.4%	\$2,041	\$54	2.7%

Executive Division – General Counsel

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY22 vs FY21	Inc/(Dec) FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	<u>\$2,015</u>	<u>\$1,987</u>
Personnel Costs		
Salary adjustments and pay for performance	17	33
Burden (benefits & employer taxes) for current staff	(25)	16
Total Increase / (Decrease) in Personnel Costs	<u>(8)</u>	<u>49</u>
Non-Personnel Costs		
Law publications	(14)	5
Other, net	(6)	-
Total Increase / (Decrease) in Non-Personnel Costs	<u>(19)</u>	<u>5</u>
Total Increase / (Decrease)	<u>(28)</u>	<u>54</u>
FY 2022 Budget / FY 2023 Conceptual Budget	<u>\$1,987</u>	<u>\$2,041</u>

Executive Division – General Counsel

FY 2021 Progress Report

1. Defend the New T1 EIR to allow the New T1 construction to move forward.

Progress: In progress. Court to set briefing schedule.

Strategic Goal:

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

Strategic Initiative:

- 1B. Advance the New T1

2. Streamline and improve internal environmental review processes.

Progress: Complete. Worked with Planning Department to design and implement new process to ensure compliance with environmental laws.

Strategic Goal:

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

Strategic Initiative:

- 2C. Manage ongoing business effectively through change

3. Provide timely and effective legal and strategic advice.

Progress: On target.

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

Executive Division – General Counsel

FY 2022 – FY 2023 Goals

1. Defend the New T1 EIR and assist in advancing the New T1.

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

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

2. Defend the Part 150 and any challenges related to noise.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

3. Provide timely legal advice to address the quickly changing environment due to COVID-19 impacts.

Strategic Plan Focus Area:

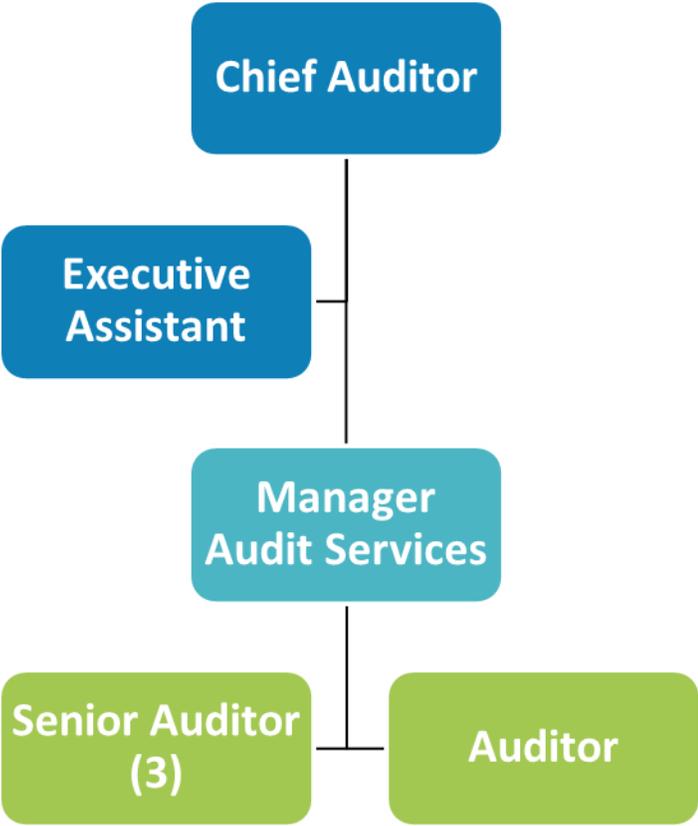
- Transform the Customer Experience

Strategic Initiative:

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

Executive Division – Chief Auditor

FY 2022 – FY 2023 Organizational Structure



No personnel changes in FY 2023.

Executive Division – Chief Auditor

FY 2022 Budget – FY 2023 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$785	\$792	\$794	\$2	0.3%	\$824	\$30	3.7%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	382	387	394	7	1.7%	414	20	5.1%
Subtotal	1,167	1,179	1,188	9	0.7%	1,238	50	4.2%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	1,167	1,179	1,188	9	0.7%	1,238	50	4.2%
Contractual Services	8	20	20	-	0.0%	20	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	0	0	0	-	0.0%	0	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	1	1	0	(0)	-24.5%	1	0	25.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	12	17	14	(3)	-18.1%	19	5	38.7%
Business Development	5	4	4	-	0.0%	4	-	0.0%
Equipment Rentals and Repairs	7	8	17	10	126.0%	19	2	11.6%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	33	49	56	7	13.5%	63	8	13.9%
Total Operating Expenses	1,199	1,228	1,244	15	1.2%	1,301	57	4.6%
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%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	1,199	1,228	1,244	15	1.2%	1,301	57	4.6%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$1,199	\$1,228	\$1,244	\$15	1.2%	\$1,301	\$57	4.6%

Executive Division – Chief Auditor

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY22 vs FY21	Inc/(Dec) FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	\$1,228	\$1,244
Personnel Costs		
Burden (benefits & employer taxes) for current staff	7	20
Salary adjustments and pay for performance	2	30
Total Increase / (Decrease) in Personnel Costs	9	50
Non-Personnel Costs		
Auditing software	9	2
Other, net	(3)	6
Total Increase / (Decrease) in Non-Personnel Costs	7	8
Total Increase / (Decrease)	15	57
FY 2022 Budget / FY 2023 Conceptual Budget	\$1,244	\$1,301

Executive Division – Chief Auditor

FY 2021 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 Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

2. Achieve a department utilization rate equal to 70% for audit staff (excludes the Chief Auditor).

Progress: As of December 31, 2020, the department had a utilization rate of 70%.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

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

Progress: As of March 31, 2021, management has agreed to 100% of the recommendations.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

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

Progress: As of March 31, 2021, 90% of audit and consulting engagements have been completed within budget.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

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.

Progress: As of March 31, 2021, we have achieved an internal customer satisfaction rating of 4.5.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 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, 2020, 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 2022 – FY 2023 Goals

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

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

2. Achieve a department utilization rate equal to 70% for audit staff (excludes the Chief Auditor).

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

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

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

4. Perform audit work in an efficient manner. Complete 80% of all audit and consulting engagements within budgeted time, as established in the annual Audit Plan approved by the Board.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

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

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

Executive Division – Chief Auditor

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

Strategic Plan Focus Area:

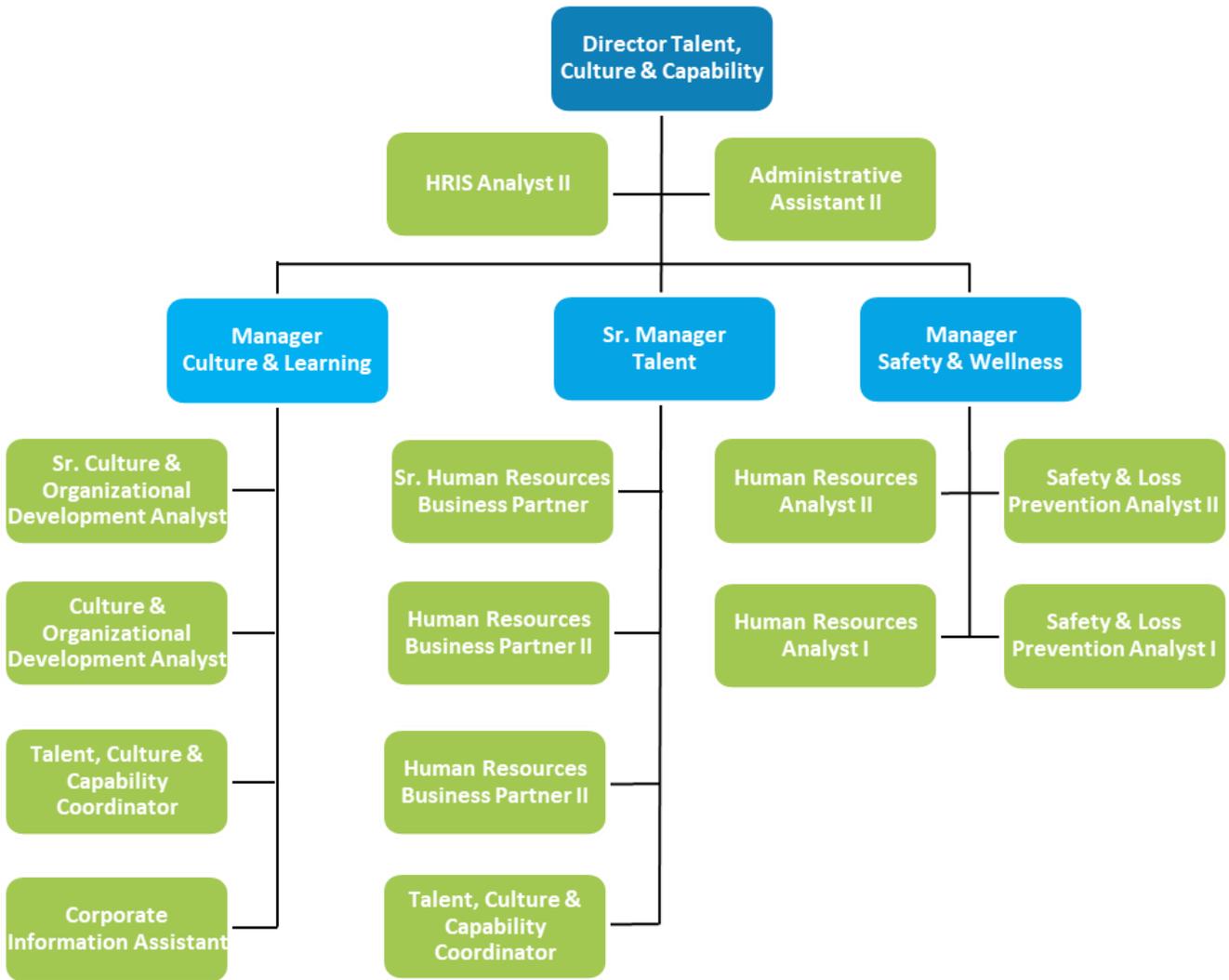
- Optimize Ongoing Business

Strategic Initiative:

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

Executive Division – Talent, Culture & Capability

FY 2022 – FY 2023 Organizational Structure



No personnel changes in FY 2023.

Executive Division – Talent, Culture & Capability

FY 2022 Budget – FY 2023 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$1,497	\$1,484	\$1,422	(\$62)	-4.2%	\$1,471	\$49	3.5%
Overtime	0	-	-	-	0.0%	-	-	0.0%
Benefits	771	688	737	49	7.1%	780	42	5.7%
Subtotal	2,268	2,172	2,159	(13)	-0.6%	2,251	91	4.2%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	2,268	2,172	2,159	(13)	-0.6%	2,251	91	4.2%
Contractual Services	461	269	340	71	26.2%	342	2	0.7%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	21	3	3	-	0.0%	3	-	0.0%
Operating Supplies	20	13	13	-	0.0%	13	-	0.0%
Insurance	1	1	1	-	0.0%	1	-	0.0%
Employee Development	204	151	147	(4)	-2.8%	167	20	13.8%
Business Development	31	16	21	5	27.4%	22	1	4.8%
Equipment Rentals and Repairs	47	76	205	129	170.1%	210	5	2.4%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	785	529	730	200	37.8%	758	28	3.9%
Total Operating Expenses	3,053	2,702	2,889	187	6.9%	3,009	120	4.2%
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%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	3,053	2,702	2,889	187	6.9%	3,009	120	4.2%
Equipment Outlay Expenditures	79	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$3,132	\$2,702	\$2,889	\$187	6.9%	\$3,009	\$120	4.2%

Executive Division – Talent, Culture & Capability

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY22 vs FY21	Inc/(Dec) FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	\$2,702	\$2,889
Personnel Costs		
Burden (benefits & employer taxes) for current staff	49	42
Salary adjustments and pay for performance	(62)	49
Total Increase / (Decrease) in Personnel Costs	(13)	91
Non-Personnel Costs		
Human resources software	123	5
Authority-wide trainings	43	-
Other, net	35	23
Total Increase / (Decrease) in Non-Personnel Costs	200	28
Total Increase / (Decrease)	187	120
FY 2022 Budget / FY 2023 Conceptual Budget	\$2,889	\$3,009

Executive Division – Talent, Culture & Capability

FY 2021 Progress Report

1. Develop and refine workforce planning practices to anticipate and effectively address staffing and resource needs throughout the execution of the New T1.

Progress: Workforce planning strategy continues to address the needs of the New T1. Management and TCC identified future staffing needs based on milestones within the development phases. The next step is to continue working with Finance through the budget process to further refine the workforce plan and ensure alignment with future phases.

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

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

2. Assess and implement any recommendations resulting from an external Compensation Study to ensure the Authority's total rewards package remains competitive in the labor market.

Progress: We continue to evaluate market data and implement best-in-class options that our current economic constraints will support.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

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

Progress: Due to the pandemic, the Wellness Program refocused priorities and delivered virtual fitness, wellbeing, and mindfulness training to team members through a virtual platform. We also provided employees flexible work schedules through telecommuting to balance the pandemic's impact on team members and their family including allowing employees to transfer work equipment home to foster ergonomic and workplace safety while working remotely.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

Executive Division – Talent, Culture & Capability

FY 2022 – FY 2023 Goals

1. Refine workforce planning practices to anticipate and effectively address staffing and resource needs throughout the execution of the New T1.

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

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

2. Assess and implement best-in-class practices in compensation and total rewards to assure the Authority remains competitive externally and internally equitable.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

3. Establish Diversity, Equity, and Inclusion Employee Committee, to create a workforce that is as diverse as the population the Airport Authority serves and a culture where everyone feels welcome and valued for the differences they bring.

Strategic Plan Focus Area:

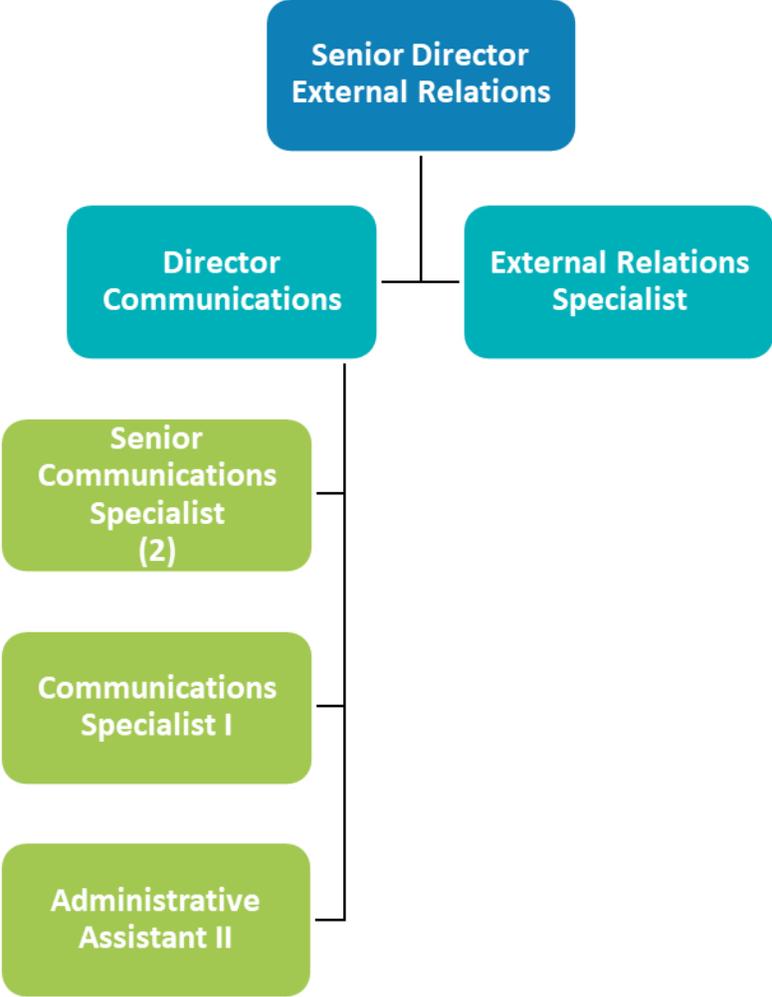
- Transform the Customer Experience

Strategic Initiative:

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

Executive Division – Communications

FY 2022 – FY 2023 Organizational Structure



No personnel changes in FY 2023.

Executive Division – Communications

FY 2022 Budget – FY 2023 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$722	\$858	\$582	(\$276)	-32.2%	\$605	\$23	4.0%
Overtime	0	-	-	-	0.0%	-	-	0.0%
Benefits	337	413	284	(129)	-31.3%	300	15	5.5%
Subtotal	1,059	1,272	866	(405)	-31.9%	905	39	4.5%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	1,059	1,272	866	(405)	-31.9%	905	39	4.5%
Contractual Services	252	65	25	(40)	-61.5%	50	25	100.0%
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	9	1	1	-	0.0%	1	-	0.0%
Operating Supplies	5	3	3	-	0.0%	3	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	14	21	19	(2)	-7.3%	19	-	0.0%
Business Development	124	84	82	(2)	-2.1%	87	4	5.4%
Equipment Rentals and Repairs	-	0	0	-	0.0%	0	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	404	173	130	(43)	-25.0%	159	29	22.7%
Total Operating Expenses	1,463	1,445	996	(449)	-31.1%	1,064	68	6.8%
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%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	1,463	1,445	996	(449)	-31.1%	1,064	68	6.8%
Equipment Outlay Expenditures	108	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$1,571	\$1,445	\$996	(\$449)	-31.1%	\$1,064	\$68	6.8%

Executive Division – Communications

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY22 vs FY21	Inc/(Dec) FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	\$1,445	\$996
Personnel Costs		
Salary adjustments and pay for performance	(276)	23
Burden (benefits & employer taxes) for current staff	(129)	15
Total Increase / (Decrease) in Personnel Costs *	(405)	39
Non-Personnel Costs		
Public Relations consultant	25	25
ECMS Consultant moved to Board Services	(50)	-
Other, net	(18)	4
Total Increase / (Decrease) in Non-Personnel Costs	(43)	29
Total Increase / (Decrease)	(449)	68
FY 2022 Budget / FY 2023 Conceptual Budget	\$996	\$1,064

* 2 positions transferred to Board Services and 1 position transferred to Government Relations

Executive Division – Communications

FY 2021 Progress Report

1. Increase outreach and operationalize engagement with economic development corporations, business organizations and trade organizations, to embed SAN as a key stakeholder in developing the regional economy.

Progress: Progress has been made toward this goal. The Airport Authority is now a member of all the regional economic development corporations. SAN news releases and other key communications are routinely shared with regional partners, such as EDCs, Chambers, and tourism/hospitality groups, including the SDTA. These partners then share our news with their audiences via newsletters and social media.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

2. Develop core group of external SAN brand ambassadors, enabling them to carry SAN’s economic and New T1 messaging more broadly throughout the region.

Progress: Significant progress has been made toward this goal. SAN news releases and other key communications are routinely shared with regional partners, such as EDCs, Chambers, and tourism/hospitality groups, including the SDTA. These partners then share our news with their audiences via newsletters and social media.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 3B. Solicit champions to tell our story

3. Secure fair, balanced and positive media coverage from local, regional, national and trade outlets on several Airport Authority programs and initiatives, including the New T1, other development projects, sustainability, small business development and innovation, among others. Continue to hone the Airport Authority’s social media outreach to ensure we are reaching key audiences with news about the Authority’s major initiatives and programs.

Progress: There was substantial progress toward this goal, with a marked increase in the number of proactively pitched media opportunities. The increase is a direct result of more aggressive and innovative techniques developed over the past two years, including targeted pitches, relationship building, and comprehensive outreach strategies aimed at both larger and smaller outlets.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

Executive Division – Communications

4. Complete migration of Authority’s electronic content management system from Open Text 10.5 to Open Text 16.5, and train staff on Open Text 16.5 to ensure a sustainable electronic records management program.

Progress: The migration has been completed, and Open Text 16.5 is operational throughout the Authority, including the reorganization of millions of folders and files. Work is underway to decommission Open Text 10.5 to deploy those server resources to other mission critical projects.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

Executive Division – Communications

FY 2022 – FY 2023 Goals

1. Develop comprehensive New T1 outreach plan to communicate the economic, customer, and environmental benefits of a new terminal 1.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

2. Build upon the previous successes with unpaid and social media to share the contributions of the airport to the economy (including small business, capital projects, and Innovation Lab), air services, and COVID-19 recovery.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

3. Further evolve the Sustainability Report to align with the Operational Strategic Plan goals.

Strategic Plan Focus Area:

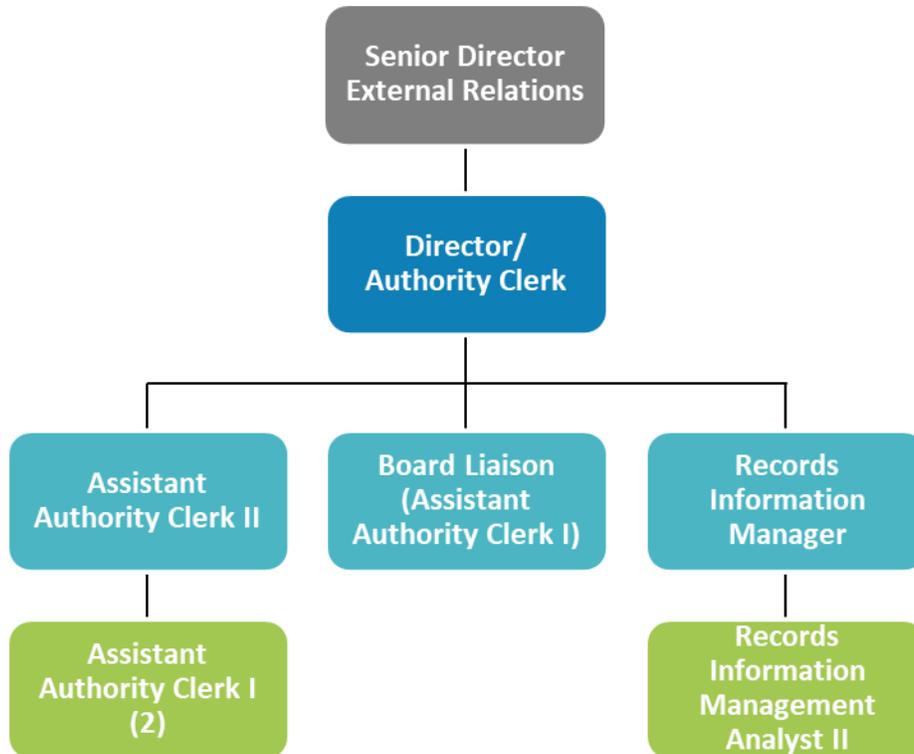
- Optimize Ongoing Business

Strategic Initiative:

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

Executive Division – Board Services

FY 2022 – FY 2023 Organizational Structure



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

No personnel changes in FY 2023.

Executive Division – Board Services

FY 2022 Budget – FY 2023 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$319	\$316	\$458	\$142	44.9%	\$476	\$18	4.0%
Overtime	0	-	-	-	0.0%	-	-	0.0%
Benefits	180	173	246	74	42.6%	260	14	5.7%
Subtotal	499	488	704	215	44.1%	736	32	4.6%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	499	488	704	215	44.1%	736	32	4.6%
Contractual Services	84	92	146	55	60.1%	147	0	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	23	23	0.0%
Operating Supplies	1	2	2	-	0.0%	2	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	15	20	22	2	7.4%	22	-	0.0%
Business Development	31	42	32	(10)	-24.0%	32	-	0.0%
Equipment Rentals and Repairs	10	13	15	2	15.4%	15	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	141	168	217	48	28.8%	240	23	10.6%
Total Operating Expenses	641	657	921	264	40.2%	976	55	6.0%
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%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	641	657	921	264	40.2%	976	55	6.0%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$641	\$657	\$921	\$264	40.2%	\$976	\$55	6.0%

Executive Division – Board Services

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY22 vs FY21	Inc/(Dec) FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	<u>\$657</u>	<u>\$921</u>
Personnel Costs		
Salary adjustments and pay for performance	142	18
Burden (benefits & employer taxes) for current staff	74	14
Total Increase / (Decrease) in Personnel Costs *	<u>215</u>	<u>32</u>
Non-Personnel Costs		
Webcasts for Board Meetings	15	-
ECMS Consultant transferred from Communications	10	-
Agenda preparation and Form 700 automation	-	23
Other, net	23	0
Total Increase / (Decrease) in Non-Personnel Costs	<u>48</u>	<u>23</u>
Total Increase / (Decrease)	<u>264</u>	<u>55</u>
FY 2022 Budget / FY 2023 Conceptual Budget	<u>\$921</u>	<u>\$976</u>

* 2 positions transferred from Communications

Executive Division – Board Services

FY 2021 Progress Report

1. Implement a system to facilitate the electronic filing of Form 700 for Designated Filers.

Progress: Project not funded due to COVID-19

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

2. Begin providing closed captions of all ALUC and Board Meetings.

Progress: Amended current agreement to provide closed captioning on request.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

Executive Division – Board Services

FY 2022 – FY 2023 Goals

1. Convert Avigation Easements from hard copy to electronic and store in the ECMS to provide ready access to Authority employees.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

2. Implement a system to facilitate the electronic filing of Form 700 for Designated Filers.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

3. Provide access to onboarding documents and Board Member materials online.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

4. Partner with I&TS to expand the functionality of Open Text 16.5 for all its users.

Strategic Plan Focus Area:

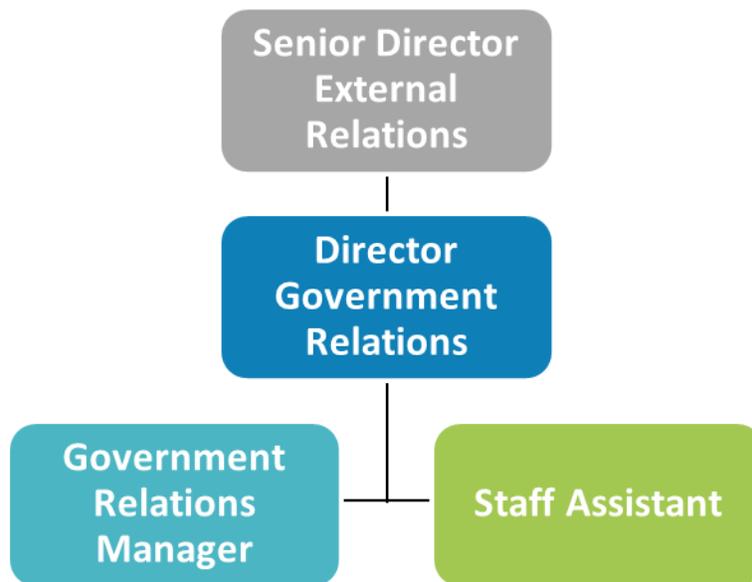
- Transform the Customer Experience

Strategic Initiative:

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

Executive Division – Government Relations

FY 2022 – FY 2023 Organizational Structure



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

No personnel changes in FY 2023.

Executive Division – Government Relations

FY 2022 Budget – FY 2023 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$257	\$255	\$323	\$68	26.5%	\$335	\$13	4.0%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	138	132	182	51	38.5%	192	10	5.4%
Subtotal	395	387	505	118	30.6%	527	23	4.5%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	395	387	505	118	30.6%	527	23	4.5%
Contractual Services	429	362	406	44	12.1%	406	0	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	0	-	-	-	0.0%	-	-	0.0%
Operating Supplies	1	1	1	-	0.0%	1	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	13	9	12	3	36.1%	14	2	12.4%
Business Development	182	194	172	(22)	-11.1%	179	7	4.0%
Equipment Rentals and Repairs	-	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	625	566	591	26	4.5%	600	9	1.5%
Total Operating Expenses	1,020	952	1,096	144	15.1%	1,127	31	2.9%
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%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	1,020	952	1,096	144	15.1%	1,127	31	2.9%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$1,020	\$952	\$1,096	\$144	15.1%	\$1,127	\$31	2.9%

Executive Division – Government Relations

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY22 vs FY21	Inc/(Dec) FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	\$952	\$1,096
Personnel Costs		
Salary adjustments and pay for performance	68	13
Burden (benefits & employer taxes) for current staff	51	10
Total Increase / (Decrease) in Personnel Costs *	118	23
Non-Personnel Costs		
Government relations consultants	44	-
Authority memberships	(16)	4
Other, net	(3)	5
Total Increase / (Decrease) in Non-Personnel Costs	26	9
Total Increase / (Decrease)	144	31
FY 2022 Budget / FY 2023 Conceptual Budget	\$1,096	\$1,127

* 1 position transferred from Communications

Executive Division – Government Relations

FY 2021 Progress Report

1. Communicate with and obtain support from the region’s elected officials and community leaders for the Airport Authority, San Diego International Airport, the New T1 and related environmental documents (National Environmental Policy Act (NEPA)/Coastal Development Permits), 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.

Progress: Throughout this fiscal year, the Government Relations team has directly engaged many elected officials and community leaders through a systemic program of outreach intended to brief key stakeholders on: (a) the impacts of the COVID-19 pandemic on the Airport Authority and San Diego International Airport (SDIA); and (b) updates on the New T1, including associated environmental entitlement processes. There has also been sustained engagement with multiple key agencies, including the City of San Diego, the San Diego Unified Port District, and the San Diego Association of Governments, to coordinate on multi-jurisdictional planning activities and Airport Authority priorities. As planning begins for the return of travel post-pandemic, the team has also engaged key stakeholders on the economic impact of SDIA to the region.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

Executive Division – Government Relations

2. Advocate for funding for the Airport Authority and its projects at the Federal and State level, including: (a) seeking relief funding and other assistance related to the COVID-19 pandemic; (b) pursuing an increase in the Passenger Facility Charge limit; (c) seeking inclusion of Authority projects in eligibility criteria for grant programs and other funding mechanisms that may be included in legislation; (d) seeking substantial grant funding for the Quieter Home Program; and (e) identifying, submitting applications, and obtaining letters of support for grant opportunities.

Progress: The Government Relations team’s highest priority has been obtaining relief funding from Federal and State sources. After successfully obtaining \$91 million in funding from CARES Act grant at the end of the previous fiscal year, the focus was on seeking additional funding, which culminated in an allocation of approximately \$19 million in the December Congressional appropriations legislation. As of this writing, the team continues to be highly focused on additional appropriation of funding from Congress in the third COVID-19 relief package currently under consideration. The Authority was successful in obtaining the substantial Quieter Home Program funding during this fiscal year and the Government Relations team is continuing its efforts to seek additional funds for this priority program. As the Congress begins consideration of infrastructure legislation in the coming year, the team continues its push for increasing the limit on the Passenger Facility Charge.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 2D. Implement a sustainable 20-year capital plan

Executive Division – Government Relations

FY 2022 – FY 2023 Goals

1. Communicate with and obtain support from the region’s elected officials and community leaders for the Airport Authority, San Diego International Airport, the New T1 and related environmental documents (NEPA/Coastal Development Permits), 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 Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

2. Advocate for funding for the Airport Authority and its projects at the Federal and State level, including: (a) seeking relief funding and other assistance related to the COVID-19 pandemic; (b) pursuing an increase in the Passenger Facility Charge limit; (c) seeking inclusion of Authority projects in eligibility criteria for grant programs and other funding mechanisms that may be included in legislation; (d) seeking substantial grant funding for the Quieter Home Program; and (e) identifying, submitting applications, and obtaining letters of support for grant opportunities.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 2D. Implement a sustainable 20-year capital plan

Development Division



Development Division

Overview

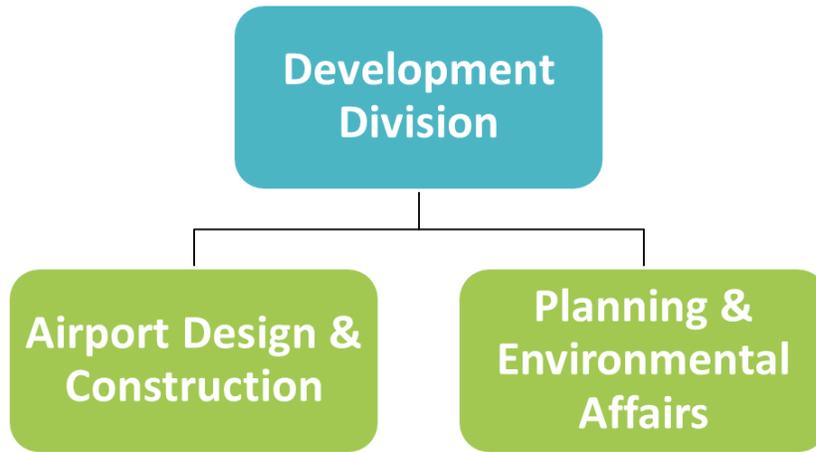
The **Development Division** is responsible for long-term airport facility and infrastructure planning, infrastructure design and construction, and compliance with legislative mandates for environmental and land-use matters. The legislative compliance includes local, state, and federal environmental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

The **Airport Design & Construction (ADC)** department implements the Authority's Capital Improvement Program (CIP), including the design and construction of the 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 2022 – FY 2023 Organizational Structure



Division Personnel Summary

	FY 2020 Budget	FY 2021 Budget	FY 2022 Budget Transfers	FY 2022 Budget New/ (Eliminated)	FY 2022 Budget	FY 2023 Budget New/ (Eliminated)	FY 2023 Conceptual Budget
Development Division							
Airport Design & Construction	49	48	-	-	48	-	48
Planning and Environmental Affairs	29	29	-	-	29	-	29
Total	78	77	-	-	77	-	77

Development Division

FY 2022 Budget – FY 2023 Expense Conceptual Budget Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$6,573	\$6,540	\$6,759	\$218	3.3%	\$7,295	\$537	7.9%
Overtime	4	5	5	(0)	0.0%	-	(5)	-100.0%
Benefits	2,675	3,375	3,576	201	6.0%	3,919	343	9.6%
Subtotal	9,253	9,920	10,340	420	4.2%	11,214	875	8.5%
Less: Capitalized Labor Recharge	(4,410)	(4,968)	(5,125)	(158)	3.2%	(5,712)	(586)	11.4%
Less: QHP Labor Recharge	(580)	(532)	(641)	(109)	20.4%	(670)	(30)	4.7%
Total Personnel Costs	4,263	4,421	4,574	153	3.5%	4,832	258	5.7%
Contractual Services	3,790	3,287	3,201	(86)	-2.6%	3,258	57	1.8%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	30	26	10	(17)	-63.6%	10	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	1,255	1,446	1,450	5	0.3%	1,453	3	0.2%
Operating Equipment & Systems	6	7	7	-	0.0%	7	-	0.0%
Operating Supplies	103	96	64	(32)	-32.8%	74	9	14.7%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	160	192	192	(0)	-0.1%	193	1	0.7%
Business Development	133	141	112	(29)	-20.5%	107	(5)	-4.7%
Equipment Rentals and Repairs	289	250	254	4	1.6%	254	-	0.0%
Tenant Improvements	697	340	336	(4)	-1.2%	350	14	4.2%
Total Non-Personnel Costs	6,463	5,784	5,625	(159)	-2.7%	5,705	80	1.4%
Total Operating Expenses	10,726	10,205	10,199	(6)	-0.1%	10,537	338	3.3%
Joint Studies / Sound Attenuation	15,451	15,327	17,504	2,177	14.2%	16,763	(741)	-4.2%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	-	15,327	17,504	2,177	14.2%	16,763	(741)	-4.2%
Total Expenses	10,726	25,531	27,703	2,171	8.5%	27,300	(403)	-1.5%
Equipment Outlay Expenditures	(0)	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$10,726	\$25,531	\$27,703	\$2,171	8.5%	\$27,300	(\$403)	-1.5%

Development Division

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY22 vs FY21	Inc/(Dec) FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	\$25,531	\$27,703
Personnel Costs		
Salary adjustments and pay for performance	218	532
Burden (benefits & employer taxes) for current staff	201	342
Capitalization	(267)	(616)
Total Increase / (Decrease) in Personnel Costs	153	258
Non-Personnel Costs		
Quieter Home Program	2,177	(741)
Airport Land Use Compatibility Plans	100	65
Professional services	(210)	32
Other, net	(49)	(17)
Total Increase / (Decrease) in Non-Personnel Costs	2,018	(661)
Total Increase / (Decrease)	2,171	(403)
FY 2022 Budget / FY 2023 Conceptual Budget	\$27,703	\$27,300

Development Division

FY 2022 Expense Budget by Department

(in thousands)

Departments	FY 2022 Budget
Planning & Enviromental Affairs	\$25,513
Airport Design & Construction	2,190
Total ¹	\$27,703

¹Total may differ due to rounding

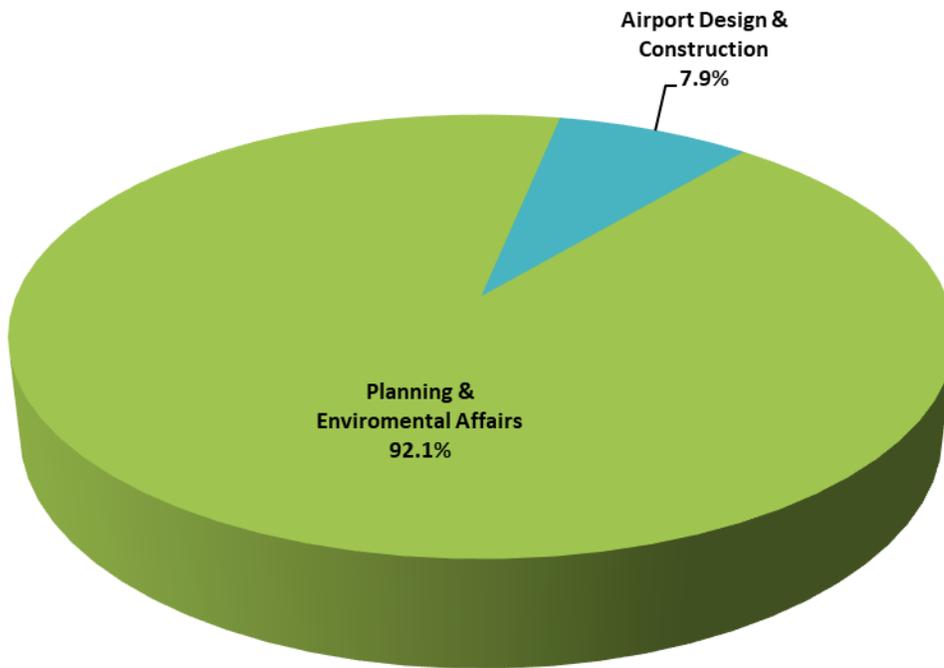


Figure 24 – FY 2022 Expense Budget by Department

Development Division

FY 2023 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2023 Conceptual Budget
Planning & Enviromental Affairs	\$24,987
Airport Design & Construction	2,313
Total ¹	\$27,300

¹Total may differ due to rounding

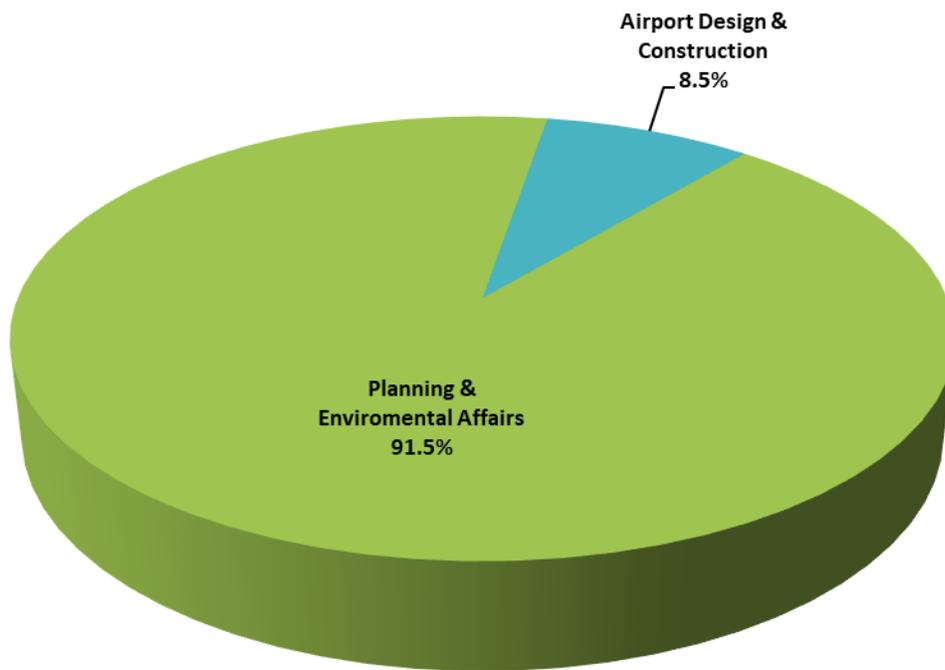


Figure 25 – FY 2023 Expense Conceptual Budget by Department

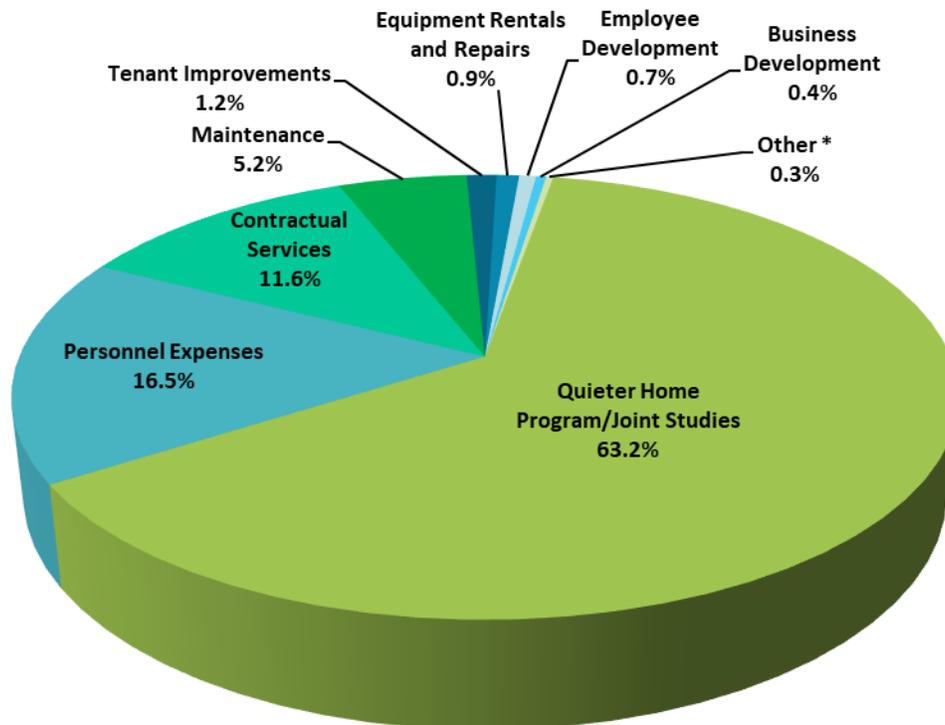
Development Division

FY 2022 Expense Budget by Category

(in thousands)

Category	FY 2022 Budget
Quieter Home Program/Joint Studies	\$17,504
Personnel Expenses	4,574
Contractual Services	3,201
Maintenance	1,450
Tenant Improvements	336
Equipment Rentals and Repairs	254
Employee Development	192
Business Development	112
Other *	81
Total ¹	\$27,703

¹ Total may differ due to rounding



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

Figure 26 – FY 2022 Expense Budget by Category

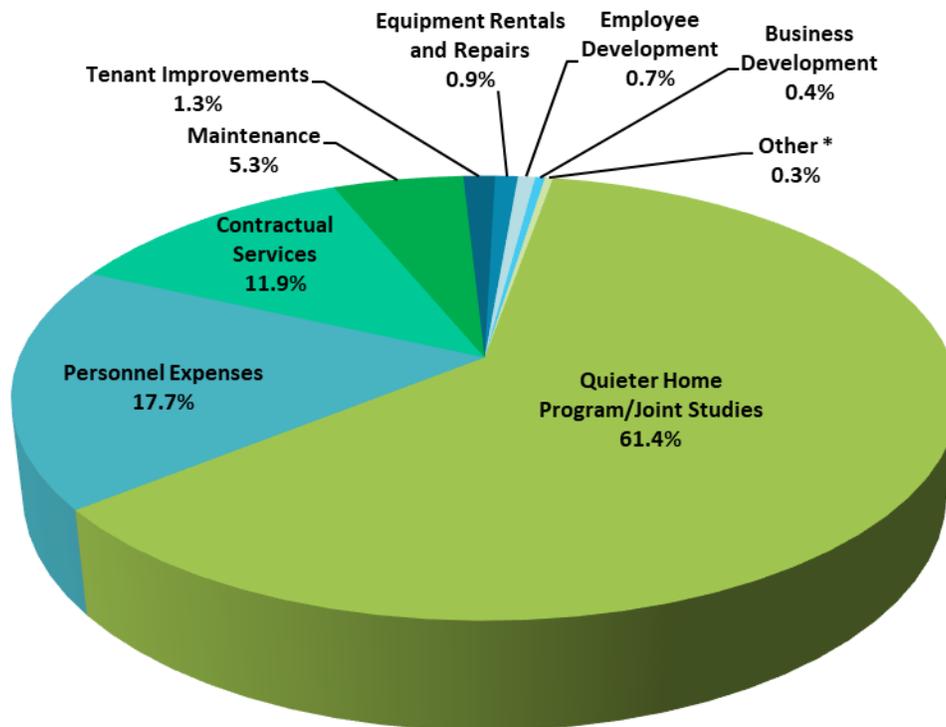
Development Division

FY 2023 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2023 Conceptual Budget
Quieter Home Program/Joint Studies	\$16,763
Personnel Expenses	4,832
Contractual Services	3,258
Maintenance	1,453
Tenant Improvements	350
Equipment Rentals and Repairs	254
Employee Development	193
Business Development	107
Other *	90
Total ¹	\$27,300

¹Total may differ due to rounding

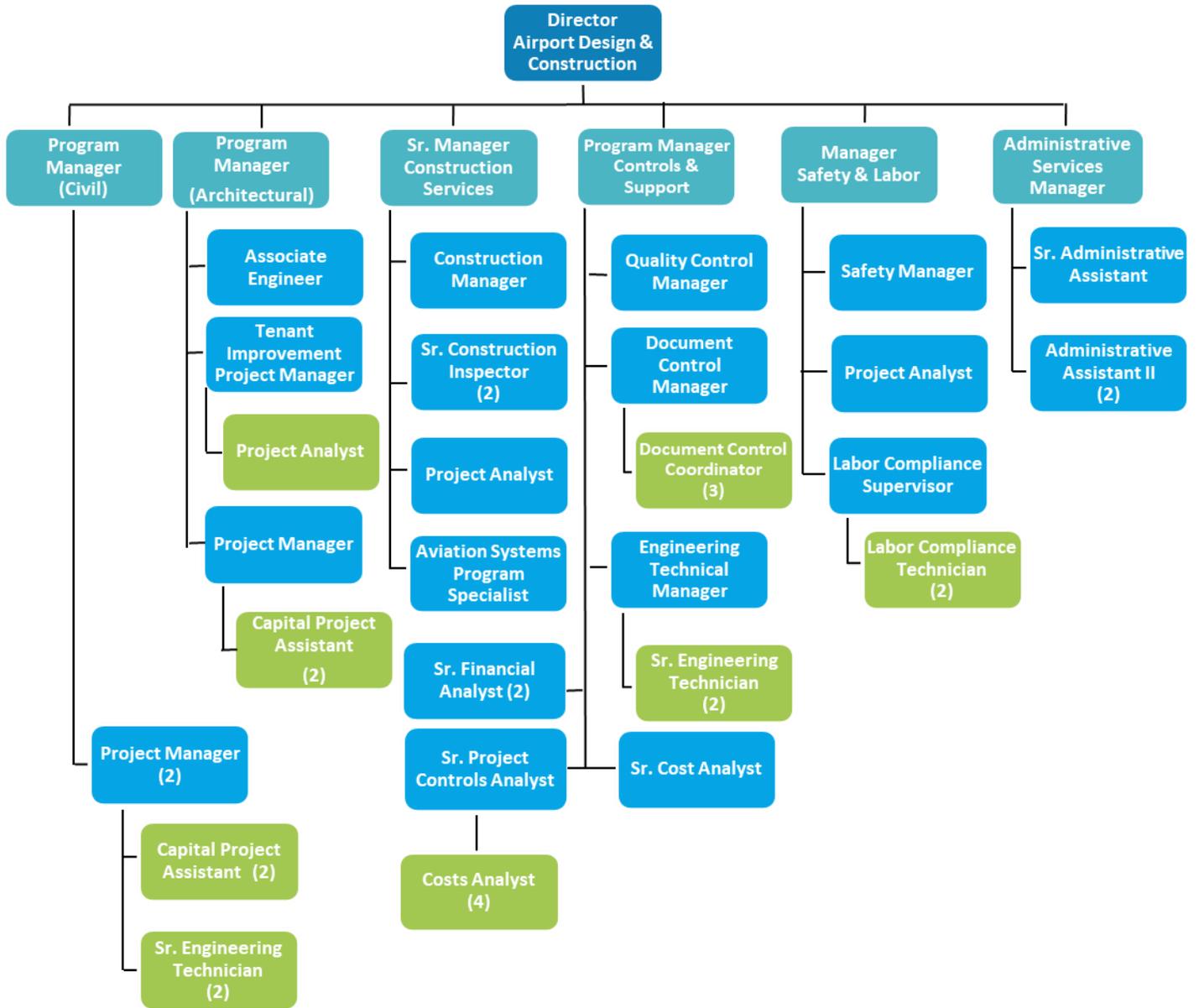


*Other includes operating equipment & systems, utilities and operating supplies, equipment rentals & repairs, etc.

Figure 27 – FY 2023 Expense Conceptual Budget by Category

Development Division – Airport Design & Construction

FY 2022 – FY 2023 Organizational Structure



No personnel changes in FY 2023.

Development Division – Airport Design & Construction

FY 2022 Budget – FY 2023 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$3,878	\$3,894	\$4,021	\$126	3.2%	\$4,448	\$427	10.6%
Overtime	4	5	5	(0)	0.0%	-	(5)	-100.0%
Benefits	1,400	2,093	2,187	94	4.5%	2,450	263	12.0%
Subtotal	5,282	5,992	6,213	221	3.7%	6,898	685	11.0%
Less: Capitalized Labor Recharge	(4,405)	(4,968)	(5,125)	(158)	3.2%	(5,712)	(586)	11.4%
Less: QHP Labor Recharge	(39)	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	839	1,025	1,087	63	6.1%	1,186	99	9.1%
Contractual Services	532	537	483	(53)	-10.0%	475	(8)	-1.6%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	2	5	5	-	0.0%	5	-	0.0%
Operating Supplies	29	66	35	(32)	-47.7%	44	10	27.5%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	34	31	31	(1)	-1.9%	31	-	0.0%
Business Development	11	27	17	(10)	-36.7%	25	8	47.6%
Equipment Rentals and Repairs	92	92	96	4	4.5%	96	-	0.0%
Tenant Improvements	697	340	336	(4)	-1.2%	350	14	4.2%
Total Non-Personnel Costs	1,397	1,098	1,002	(96)	-8.7%	1,026	24	2.4%
Total Operating Expenses	2,235	2,123	2,090	(33)	-1.6%	2,213	123	5.9%
Joint Studies / Sound Attenuation	-	100	100	-	0.0%	100	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	-	100	100	-	0.0%	100	-	0.0%
Total Expenses	2,235	2,223	2,190	(33)	-1.5%	2,313	123	5.6%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$2,235	\$2,223	\$2,190	(\$33)	-1.5%	\$2,313	\$123	5.6%

Development Division – Airport Design & Construction

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY22 vs FY21	Inc/(Dec) FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	\$2,223	\$2,190
Personnel Costs		
Salary adjustments and pay for performance	126	422
Burden (benefits & employer taxes) for current staff	94	263
Capitalization	(158)	(586)
Total Increase / (Decrease) in Personnel Costs	63	99
Non-Personnel Costs		
Aerial photos	20	(40)
Operating supplies	(32)	10
Professional services	(67)	32
Other, net	(17)	22
Total Increase / (Decrease) in Non-Personnel Costs	(96)	24
Total Increase / (Decrease)	(33)	123
FY 2022 Budget / FY 2023 Conceptual Budget	\$2,190	\$2,313

Development Division – Airport Design & Construction

FY 2021 Progress Report

1. Based on the Board certification of the EIR (January 9, 2020) for the New T1 (Phase 1) and the approved program budget of \$3B, complete the procurement process to select the Design-Build partner necessary to deliver the New T1 Phase 1 (Terminal 1 Replacement) on the schedule yet to be set by the Board.

Measures of success:

- Over the course of the procurement/program validation for the New T1 Phase 1, proactively manage the schedule to ensure all milestone dates are met
- Begin the validation of planning criteria, program requirements, and associated budget with the Design-Build team
- Complete the procurement phase of the New T1 Design-Build contracts in March 2021

Progress: The procurement for the New T1 will be completed in September 2021. For various reasons outside the control of the Airport Authority, milestone dates associated with Board approval of the New T1 Phase 1 Validation Amendment have been delayed by more than four months. The Validation Phase is planned for completion/Board Approval of the Maximum Contract Price (MCP) in July of 2021.

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

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

2. ADC will progress the 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 all phases by January 2021.

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

Progress: The ASF project milestone dates were met, and all elements of the project were completed on time. The project is in the close-out phase and the end of project savings is in the process of being confirmed. The Program Management staffing was managed effectively, within the allocated budget.

Strategic Plan Focus Area:

- Advance the New T1

Development Division – Airport Design & Construction

Strategic Initiative:

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

3. ADC will complete phase 2 and begin phase 3 of the Hydrant Fueling system on time and within the Board approved budget, while achieving project milestones necessary to start construction of the new Terminal 1, by November 2021.

Measures of success:

- Over the course of the Hydrant Fueling projects, proactively manage the schedule to ensure all milestone schedule dates are met
- Over the course of the Hydrant Fueling projects, 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

Progress: Hydrant Fueling infrastructure and associated fuel transmission lines were installed to gates 46-51, on schedule and within the Board approved budget. The Airport Fueling Operations (AFO) building was completed on time and within the Board approved budget. The West Fuel Truck Loading Facility has had a delay to the start of construction related to approval from the California Coastal Commission. This delay will be mitigated by the Design-Build team for the New Terminal 1 project, by January 2022.

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

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

4. Throughout the year, continue to develop an efficient high performing ADC team while managing both the CIP/New T1. 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)

Development Division – Airport Design & Construction

Progress: Program updates and communications have been modified to accommodate telecommuting protocols and the lack of group meetings.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

Development Division – Airport Design & Construction

FY 2022 – FY 2023 Goals

1. Based on the Board Approval of the Terminal and Roadways Contract (September 2020) for the New T1 (Phase 1) and the approved program budget of \$3 billion, ADC will complete the Validation Phase for Board approval of the Maximum Contract Price (MCP) to deliver the New T1 Phase 1 (Terminal 1 Replacement) on the schedule approved by the Board.

Measures of success:

- Over the course of the program validation for the New T1 Phase 1, proactively manage the schedule to ensure all milestone dates are met and the Maximum Contract Price is approved by the Board
- Manage program requirements, and associated budget with the Design-Build team to complete the design and establish a schedule to arrive at a Guaranteed Maximum Price (GMP) that is less than the MCP

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

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

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

Measures of success:

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

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

3. ADC will complete phase 3 of the Hydrant Fueling system on time and within the Board approved budget, while achieving project milestones and project coordination necessary to start construction of the New Terminal 1, by January 2022.

Measures of success:

- Over the course of the Hydrant Fueling projects, proactively manage the schedule to ensure all milestone schedule dates are met
- Over the course of the Hydrant Fueling projects, proactively manage the Board approved budget and limit additional scope, preserving program reserve funds to protect end of project savings

Development Division – Airport Design & Construction

- Maintain an efficient, lean, and cost-effective staff that will result in a staff budget cost within the program budget

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

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

4. Throughout the year, continue to develop an efficient high performing ADC team while managing both the CIP/New T1. 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)
- Provide Hybrid office/telecommuting work culture that leverages experience from COVID-19

Strategic Plan Focus Area:

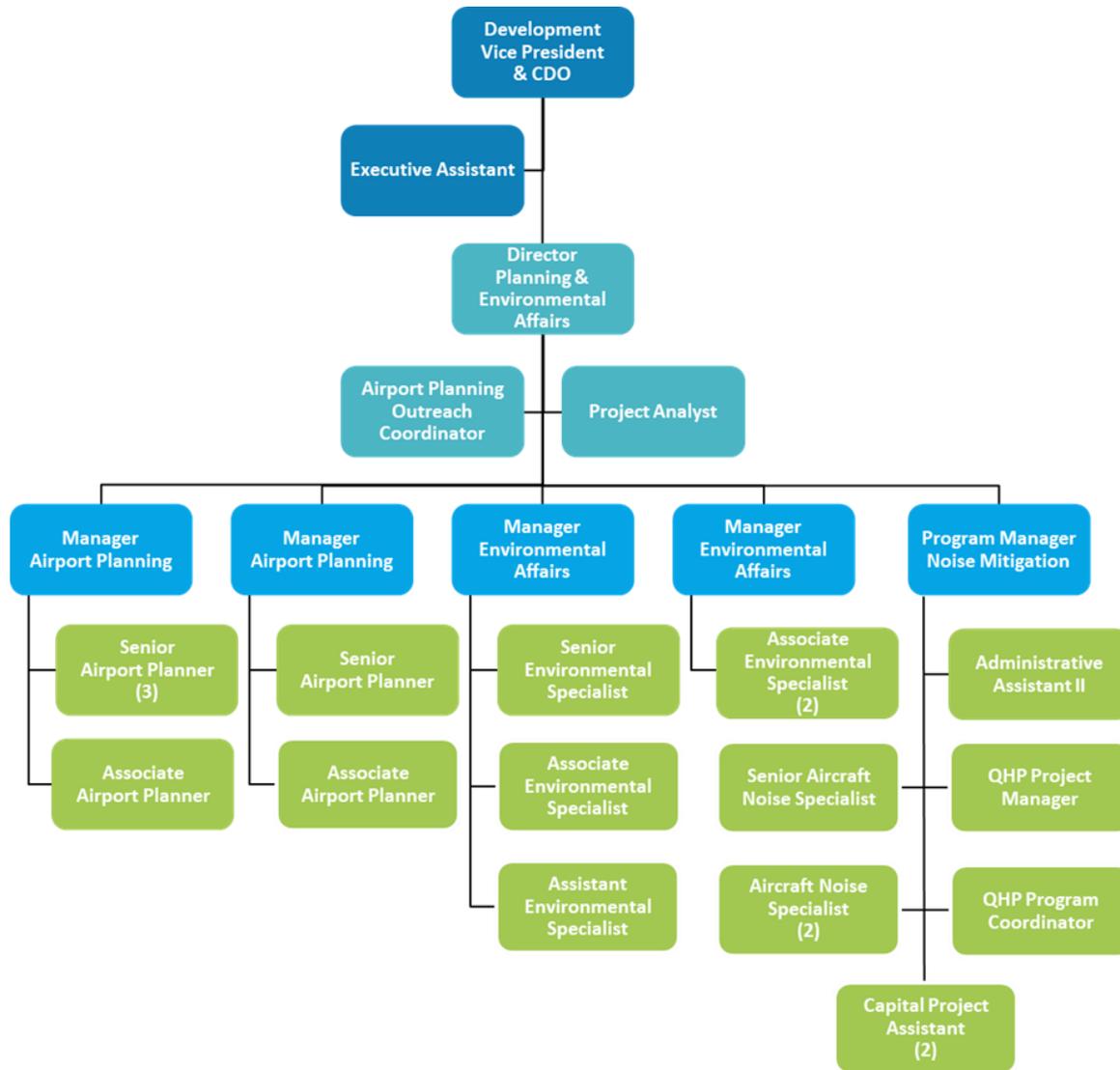
- Optimize Ongoing Business

Strategic Initiative:

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

Development Division – Planning & Environmental Affairs

FY 2022 - 2023 Organizational Structure



No personnel changes in FY 2023.

Development Division – Planning & Environmental Affairs

FY 2022 Budget – FY 2023 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$2,695	\$2,646	\$2,738	\$92	3.5%	\$2,847	\$110	4.0%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	1,275	1,282	1,389	107	8.4%	1,469	80	5.7%
Subtotal	3,970	3,928	4,127	199	5.1%	4,316	189	4.6%
Less: Capitalized Labor Recharge	(5)	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	(541)	(532)	(641)	(109)	20.4%	(670)	(30)	4.7%
Total Personnel Costs	3,424	3,396	3,487	90	2.7%	3,646	159	4.6%
Contractual Services	3,259	2,750	2,718	(33)	-1.2%	2,783	65	2.4%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	30	26	10	(17)	-63.6%	10	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	1,255	1,446	1,450	5	0.3%	1,453	3	0.2%
Operating Equipment & Systems	4	2	2	-	0.0%	2	-	0.0%
Operating Supplies	73	30	30	-	0.0%	30	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	126	161	161	1	0.3%	163	1	0.9%
Business Development	122	113	95	(19)	-16.6%	81	(14)	-14.3%
Equipment Rentals and Repairs	197	158	158	-	0.0%	158	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	5,066	4,686	4,623	(63)	-1.3%	4,679	56	1.2%
Total Operating Expenses	8,490	8,082	8,110	27	0.3%	8,325	215	2.7%
Joint Studies / Sound Attenuation	15,451	15,227	17,404	2,177	14.3%	16,663	(741)	-4.3%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	15,451	15,227	17,404	2,177	14.3%	16,663	(741)	-4.3%
Total Expenses	23,941	23,309	25,513	2,204	9.5%	24,987	(526)	-2.1%
Equipment Outlay Expenditures	(0)	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$23,941	\$23,309	\$25,513	\$2,204	9.5%	\$24,987	(\$526)	-2.1%

Development Division – Planning & Environmental Affairs

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY22 vs FY21	Inc/(Dec) FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	\$23,309	\$25,513
Personnel Costs		
Burden (benefits & employer taxes) for current staff	107	79
Salary adjustments and pay for performance	92	110
Capitalization	(109)	(30)
Total Increase / (Decrease) in Personnel Costs	90	159
Non-Personnel Costs		
Quieter Home Program	2,177	(741)
Airport Land Use Compatibility Plans	100	65
Professional Services	(42)	65
Professional services	(143)	-
Other, net	(21)	(9)
Total Increase / (Decrease) in Non-Personnel Costs	2,114	(685)
Total Increase / (Decrease)	2,204	(526)
FY 2022 Budget / FY 2023 Conceptual Budget	\$25,513	\$24,987

Development Division – Planning & Environmental Affairs

FY 2021 Progress Report

1. Complete federal environmental and state coastal review processes for the New T1 by May 2021.

Progress: During Fiscal Year 2021, the Planning & Environmental Affairs Department, in coordination with the Federal Aviation Administration, initiated the environmental review process under the National Environmental Policy Act (NEPA). Despite being delayed due to COVID impacts, an Administrative Draft Environmental Assessment (EA) for the proposed New T1 was completed. In addition, multiple Coastal Development Permit applications for ADP project components were successfully submitted to the California Coastal Commission.

Strategic Plan Focus Area:

- Advance the New T1

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.

Progress: During Fiscal Year 2021, the Planning & Environmental Affairs Department continued to provide guidance to the City of San Diego and the Port of San Diego on the current Airport Land Use Compatibility Plan (ALUCP) for San Diego International Airport; however, the formal process to begin updating SAN's ALUCP was delayed due to the COVID pandemic. Authority staff was also successful during the year in finalizing the Naval Air Station North Island ALUCP, which was the last of the ALUCPs to be established for the region's 16 airports.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

3. Ensure compliance with National Pollution Discharge Elimination System (NPDES) permits for stormwater runoff associated with the development of the Airport Support Facilities and other capital improvements, including progress towards the Airport Authority's Water Quality Improvement Plan goals for copper and zinc by June 2021.

Progress: During Fiscal Year 2021, the Planning & Environmental Affairs Department led implementation of the Authority's comprehensive Water Stewardship Plan, which seeks to conserve water, improve local water quality, and increase resilience to flooding. In addition, the Authority completed development of a new storm water cistern on the Airport's northside and installed new infiltration basins around the Airline Support Building on the southside.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Development Division – Planning & Environmental Affairs

Strategic Initiative:

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

4. Facilitate Ground Support Equipment (GSE) emissions reductions by supporting the procurement of renewable diesel and installation of airside charging infrastructure by June 2021.

Progress: During Fiscal Year 2021, the Planning & Environmental Affairs Department partnered with San Diego Gas & Electric and American Airlines to replace 16 airside charging ports around Terminal 2 with more modern, efficient equipment. This helped inform the submittal of a \$3.2 million grant application to the FAA during the year for 78 additional charging ports for the terminal, which would be nearly a 200% increase from the existing network.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

5. Continue increased pace of QHP insulating 400 homes during FY 2021, while continuing to engage the community on updating the Part 150 Noise Compatibility Program.

Progress: During Fiscal Year 2021, the Planning & Environmental Affairs Department successfully completed about 400 dwelling units through SAN's residential sound insulation program - "The Quieter Home Program" - despite construction interruptions due to the COVID pandemic. Also, the Airport Authority's Part 150 Study (or Noise Compatibility Program), which was guided by a citizen advisory committee and a technical advisory committee, resulted in new recommendations on potential ways to reduce aircraft noise in surrounding communities.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

Development Division – Planning & Environmental Affairs

FY 2022 – FY 2023 Goals

1. Complete the federal environmental and state coastal review processes for the New T1 during FY 2022.

Strategic Plan Focus Area:

- Advance the New T1

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 during FY 2022.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

3. Ensure compliance with the National Pollution Discharge Elimination System (NPDES) permits for stormwater runoff associated with the development of numerous airport facilities during FY 2022, as well as continue progress towards the Airport Authority’s Water Quality Improvement Plan FY 2026 goals for copper and zinc.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

4. Facilitate Ground Support Equipment (GSE) emission reductions by supporting the procurement of renewable diesel and installation of airside charging infrastructure during FY 2022.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

5. Continue the increased pace of annual residential sound insulation (400 dwelling units) through the “Quieter Home Program” and start the non-residential program by completing one property during FY 2022.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

Finance Division

YOU KNOW THIS
WHEN YOU JUST
DISCERN AN
island IN
THE
DISTANCE.

BEFORE THEY MAPPED
THE OCEANS
DEPTHS
A BUILDER WELDED SHEETS OF STEEL
AND WILLED A
SHIP THAT
floats.

YOU ARE MEANT TO TELL A
story
YOU KNOW THIS
WHEN YOU PAUSE TO LOOK ACROSS THE
SKY—
AND FEEL YOUR THOUGHTS UNFOLDING
AND FEEL THE BENEATH YOUR SKIN.
pulse

Finance Division

Overview

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

The **Accounting** department is responsible for 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 (GAAP); in-depth transaction review and strict adherence to Authority policies; consistent, organized, and systematic recordkeeping to provide detailed support of Authority financial history; and effective internal controls designed to safeguard Authority assets.

The **Airline Relations** 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, and cargo operators.

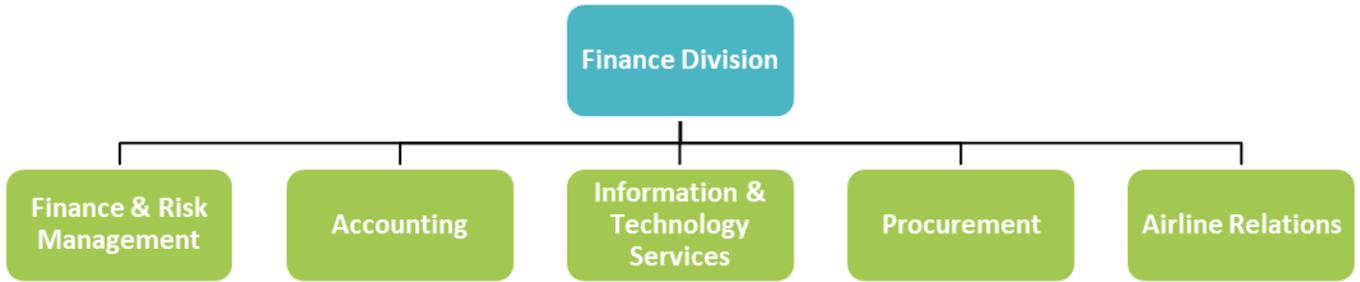
The **Finance & Risk Management** department develops and administers the Operating and Capital Budgets and strives to maintain a fiscally sound and sustainable organization that conforms to financial management best practices. It provides for beneficial treasury management; forecasts revenue and expenditures; 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 (CUSS kiosks, CUPPS workstations) 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, provides business outreach and education; and manages solicitations, price and contract negotiations and contract awards in a legal, ethical, and transparent manner. The department also manages the Procurement card program (P-card); shipping, receiving, and surplus; and warehouse operations.

Finance Division

FY 2022 – FY 2023 Organizational Structure



Division Personnel Summary

	FY 2020 Budget	FY 2021 Budget	FY 2022 Budget Transfers	FY 2022 Budget New/ (Eliminated)	FY 2022 Budget	FY 2023 Budget New/ (Eliminated)	FY 2023 Conceptual Budget
Airline Relations	4	4	-	-	4	-	4
Accounting	12	12	-	-	12	-	12
Information & Technology Services	29	29	-	-	29	-	29
Procurement	12	12	-	-	12	-	12
Finance & Risk Management	19	19	-	-	19	-	19
Total	76	76	-	-	76	-	76

Finance Division

FY 2022 Budget – FY 2023 Expense Conceptual Budget Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$6,606	\$6,527	\$5,946	(\$581)	-8.9%	\$6,648	\$702	11.8%
Overtime	80	152	152	-	0.0%	150	(2)	-1.3%
Benefits	4,557	3,362	3,748	386	11.5%	4,021	273	7.3%
Subtotal	11,243	10,041	9,846	(195)	-1.9%	10,819	973	9.9%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	11,243	10,041	9,846	(195)	-1.9%	10,819	973	9.9%
Contractual Services	3,061	3,046	3,418	372	12.2%	4,901	1,483	43.4%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	598	654	634	(20)	-3.0%	659	25	3.9%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	156	176	124	(52)	-29.6%	123	(1)	-0.8%
Operating Supplies	131	132	119	(14)	-10.2%	133	14	11.8%
Insurance	1,307	1,557	1,812	254	16.3%	1,993	181	10.0%
Employee Development	135	85	78	(6)	-7.4%	84	5	6.7%
Business Development	436	41	81	40	97.0%	86	5	6.3%
Equipment Rentals and Repairs	2,037	2,347	2,315	(32)	-1.4%	2,437	122	5.3%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	7,861	8,038	8,581	543	6.8%	10,416	1,835	21.4%
Total Operating Expenses	19,104	18,079	18,427	348	1.9%	21,235	2,808	15.2%
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%
Total Non-Operating Expenses	0	-	-	-	0.0%	-	-	0.0%
Total Expenses	19,104	18,079	18,427	348	1.9%	21,235	2,808	15.2%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$19,104	\$18,079	\$18,427	\$348	1.9%	\$21,235	\$2,808	15.2%

* Personnel costs include vacancy savings and costs related to the start of ADP

Finance Division

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY22 vs FY21	Inc/(Dec) FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	\$18,079	\$18,427
Personnel Costs		
Burden (benefits & employer taxes) for current staff	386	273
Salary adjustments and pay for performance	(581)	700
Total Increase / (Decrease) in Personnel Costs *	(195)	973
Non-Personnel Costs		
Expenses associated with the start of ADP	400	1,200
Insurance premiums	254	181
IT licenses, maintenance and support	93	112
Credit card fees	8	213
Copier machine leases and charges	(114)	10
Other, net	(99)	119
Total Increase / (Decrease) in Non-Personnel Costs	543	1,835
Total Increase / (Decrease)	348	2,808
FY 2022 Budget / FY 2023 Conceptual Budget	\$18,427	\$21,235

* Personnel costs include vacancy savings and costs related to the start of ADP

Finance Division

FY 2022 Expense Budget by Department

(in thousands)

Departments	FY 2022 Budget
Information & Technology Services	\$7,981
Finance & Risk Management	5,691
Accounting	1,730
Procurement	1,665
Airline Relations	475
Other *	886
Total ¹	\$18,427

* Includes New T1 Operating Budget & increase in Paid Time Off Balance

¹ Total may differ due to rounding

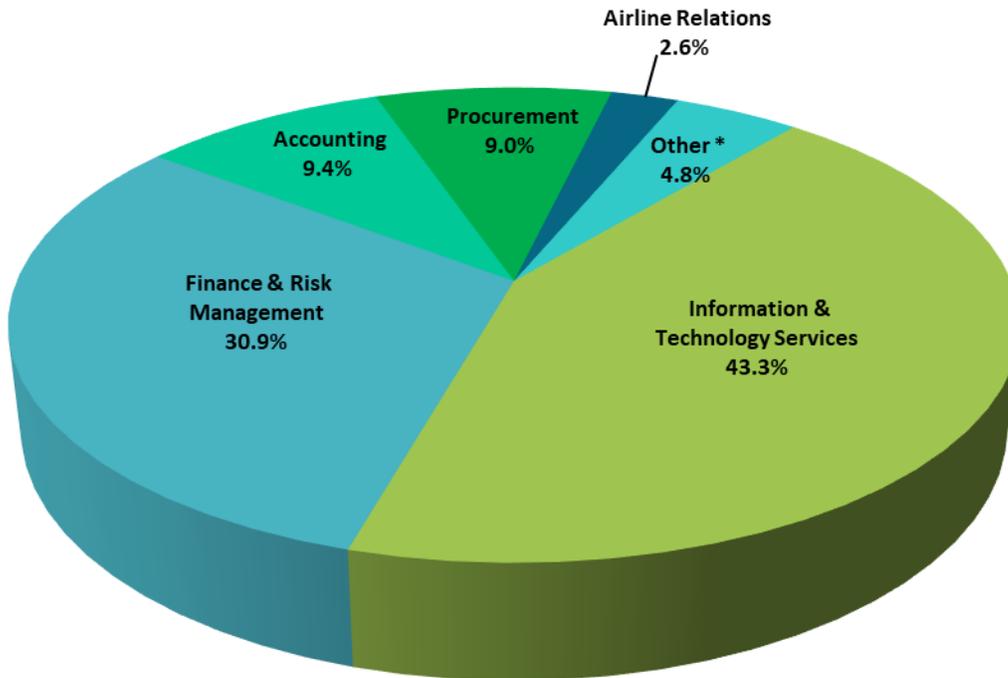


Figure 28 – FY 2022 Expense Budget by Department

Finance Division

FY 2023 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2023 Conceptual Budget
Information & Technology Services	\$8,481
Finance & Risk Management	6,360
Accounting	1,828
Procurement	1,718
Airline Relations	497
Other *	2,352
Total ¹	\$21,235

* Includes Vacancy Savings partially offset by New T1 Operating Budget

¹ Total may differ due to rounding

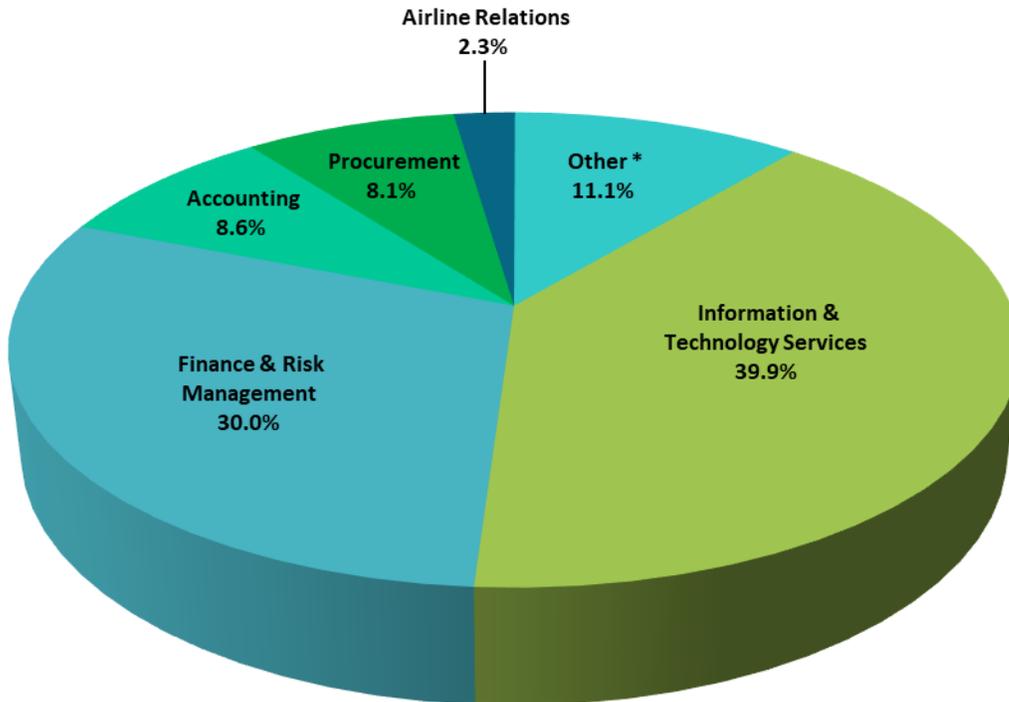


Figure 29 – FY 2023 Expense Conceptual Budget by Department

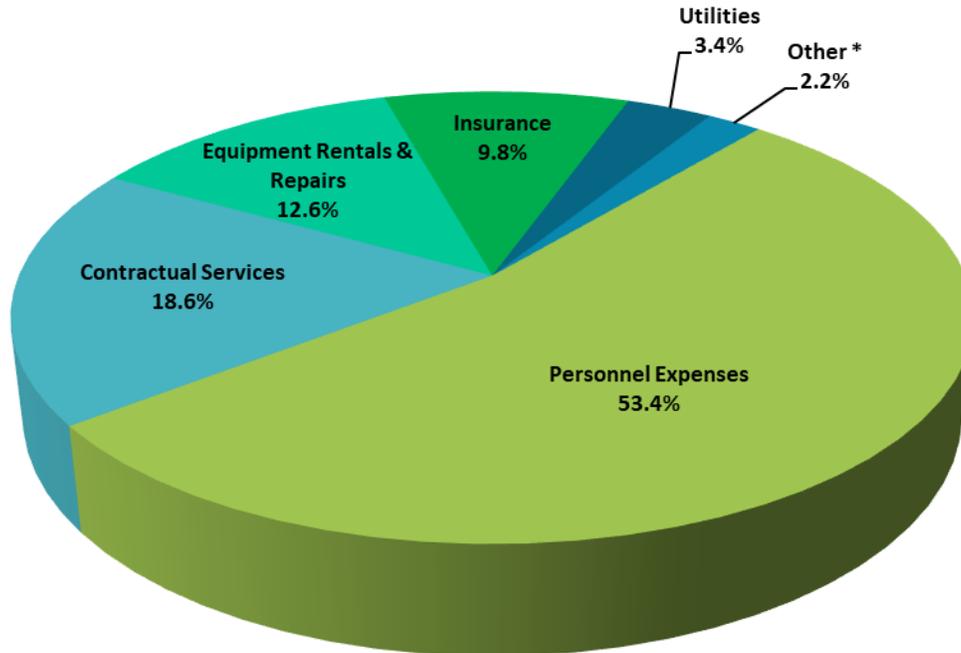
Finance Division

FY 2022 Expense Budget by Category

(in thousands)

Category	FY 2022 Budget
Personnel Expenses	\$9,846
Contractual Services	3,418
Equipment Rentals & Repairs	2,315
Insurance	1,812
Utilities	634
Other *	402
Total ¹	<u><u>\$18,427</u></u>

¹ Total may differ due to rounding



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

Figure 30 – FY 2022 Expense Budget by Category

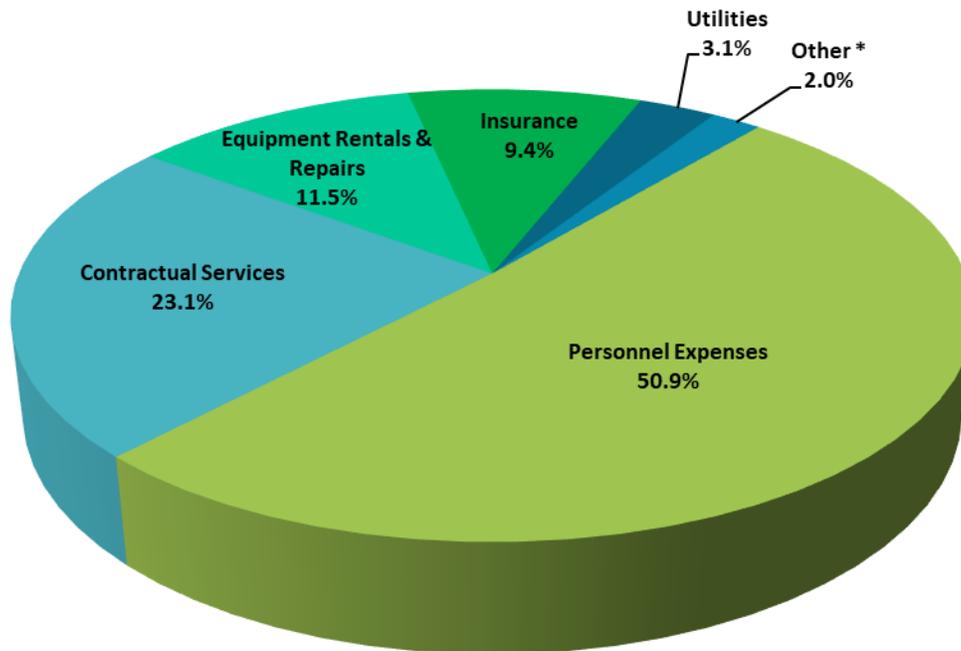
Finance Division

FY 2023 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2023 Conceptual Budget
Personnel Expenses	\$10,819
Contractual Services	4,901
Equipment Rentals & Repairs	2,437
Insurance	1,993
Utilities	659
Other *	425
Total ¹	<u><u>\$21,235</u></u>

¹ Total may differ due to rounding

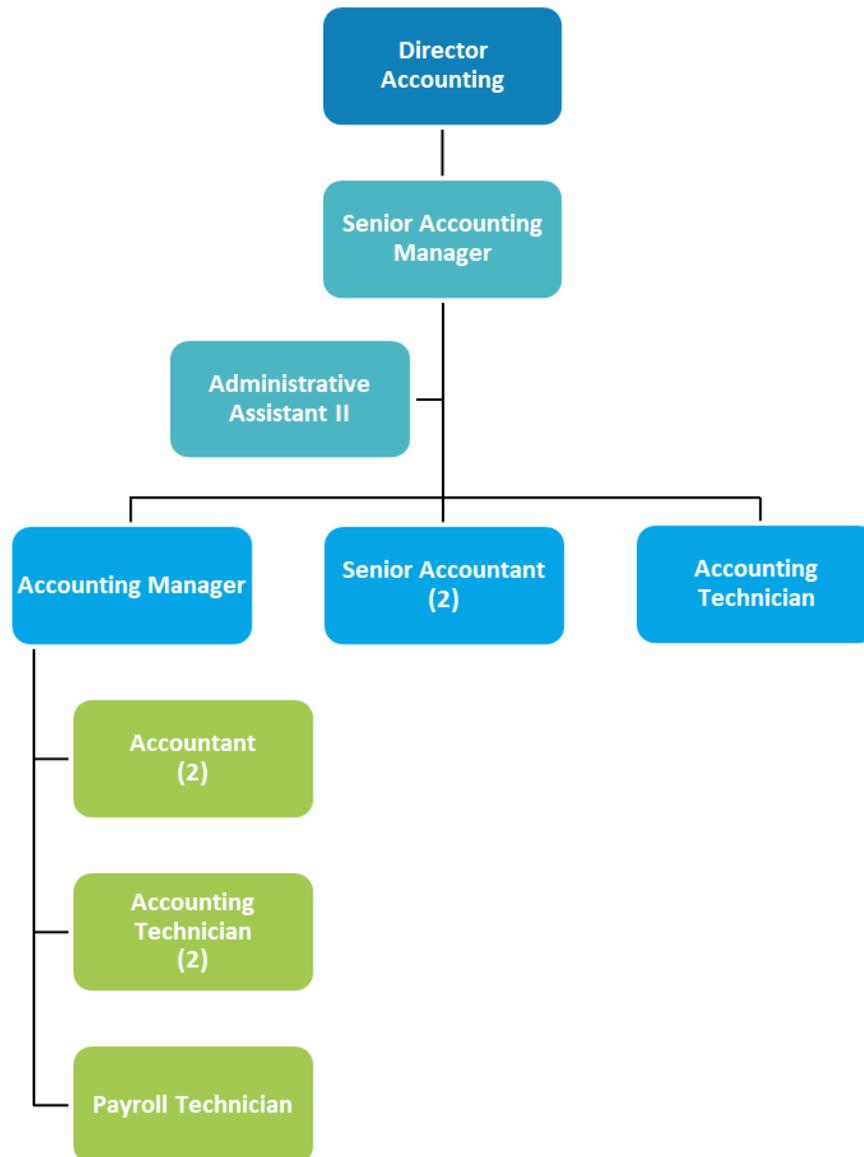


*Other includes business and employee development, operating supplies, operating equipment & systems, etc.

Figure 31 – FY 2023 Expense Conceptual Budget by Category

Finance Division – Accounting

FY 2022 – FY 2023 Organizational Structure



No personnel changes in FY 2023.

Finance Division – Accounting

FY 2022 Budget – FY 2023 Expense Conceptual Budget Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$994	\$991	\$969	(\$22)	-2.2%	\$1,008	\$39	4.0%
Overtime	0	2	2	-	0.0%	-	(2)	-100.0%
Benefits	495	532	511	(21)	-3.9%	541	29	5.7%
Subtotal	1,490	1,525	1,482	(43)	-2.8%	1,549	66	4.5%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	1,490	1,525	1,482	(43)	-2.8%	1,549	66	4.5%
Contractual Services	195	152	177	25	16.3%	207	30	16.7%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	1	-	3	3	0.0%	2	(1)	-33.3%
Operating Supplies	6	10	4	(7)	-65.0%	4	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	9	4	8	4	82.2%	11	3	30.5%
Business Development	397	16	56	40	260.0%	56	1	1.1%
Equipment Rentals and Repairs	-	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	608	182	248	65	35.9%	279	32	12.8%
Total Operating Expenses	2,097	1,708	1,730	22	1.3%	1,828	98	5.6%
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%
Total Non-Operating Expenses	0	-	-	-	0.0%	-	-	0.0%
Total Expenses	2,097	1,708	1,730	22	1.3%	1,828	98	5.6%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$2,097	\$1,708	\$1,730	\$22	1.3%	\$1,828	\$98	5.6%

Finance Division – Accounting

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY22 vs FY21	Inc/(Dec) FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	<u>\$1,708</u>	<u>\$1,730</u>
Personnel Costs		
Burden (benefits & employer taxes) for current staff	(21)	29
Salary adjustments and pay for performance	(22)	37
Total Increase / (Decrease) in Personnel Costs	<u>(43)</u>	<u>66</u>
Non-Personnel Costs		
Allowance for bad debt	40	-
Auditing & actuarial services	25	30
Other, net	1	2
Total Increase / (Decrease) in Non-Personnel Costs	<u>65</u>	<u>32</u>
Total Increase / (Decrease)	<u>22</u>	<u>98</u>
FY 2022 Budget / FY 2023 Conceptual Budget	<u>\$1,730</u>	<u>\$1,828</u>

Finance Division – Accounting

FY 2021 Progress Report

1. Implementation of GASB Statement No. 87, *Leases* for the fiscal year ending June 30, 2021, including collaborating with the Finance Budget team to work through the implications on the budget and rate setting.

Progress: At the onset of the COVID-19 pandemic the Government Accounting Standards Board postponed the effective date of its Statement No. 87, *Leases* by 18 months. The new effective date for the Authority is fiscal year ending June 30, 2022. Staff continues to gather, evaluate, and compute all Authority leases in preparation for the FY 2022 implementation.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 2D. Implement a sustainable 20-year capital plan

2. Provide innovative solutions to improve efficiency of accounting functions and support organizational priorities.

- New T1 job cost set up and coding
- Automation of accounts payable processing
- Develop improved methods for processing concessions data gathering and billing
- Assist with implementation of workforce management software

Progress: Accounting, in collaboration with other departments has worked to establish a detailed coding methodology to carefully track and record the New T1 projects costs.

In response to the COVID-19 pandemic, the Accounting Department quickly adopted to remote processing which required developing methods to complete accounting processes electronically. This required close collaboration with all departments across the Authority. Next steps are to evaluate additional software options to utilize AI to further automate processes.

The Accounts Receivable Statistics Module of the ERP was set up to gain additional functionality and increase data analytics capabilities.

Accounting staff assisted with the set-up of workforce management system, with implementation anticipated in late FY21.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

Finance Division – Accounting

3. Continued excellence in financial reporting and stringent internal controls that result in a clean audit with no findings.

Progress: The FY 2020 audit was completed on time and with no findings.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 2D. Implement a sustainable 20-year capital plan

Finance Division – Accounting

FY 2022 – FY 2023 Goals

1. Contribute to the Authority’s strong financial standing by providing accurate and timely financial reporting and stringent internal controls that result in a clean audit with no findings.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 2D. Implement a sustainable 20-year capital plan

2. Provide innovative solutions that support the optimization of business processes and improve the ability to efficiently operate remotely through the automation of accounts payable processes.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

3. Implementation of GASB Statement No. 87, *Leases* for the fiscal year ending June 30, 2022.

Strategic Plan Focus Area:

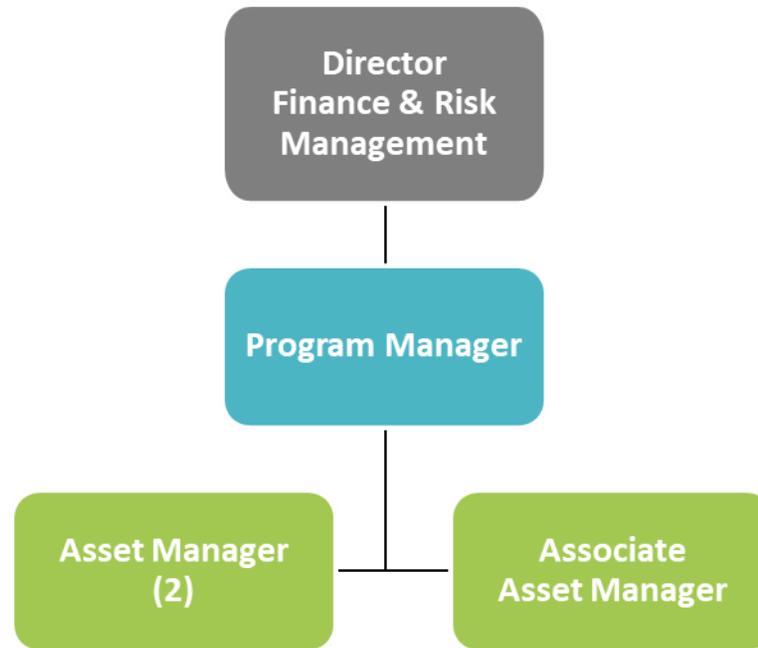
- Optimize Ongoing Business

Strategic Initiative:

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

Finance Division – Airline Relations

FY 2022 - FY 2023 Organizational Structure



Position in grey resides in Finance & Risk Management department and is shown for structural purposes.

No personnel changes in FY 2023.

Finance Division – Airline Relations

FY 2022 Budget – FY 2023 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$332	\$322	\$322	\$0	0.0%	\$335	\$13	4.0%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	164	150	146	(4)	-2.7%	155	9	6.1%
Subtotal	496	472	468	(4)	-0.9%	490	22	4.7%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	496	472	468	(4)	-0.9%	490	22	4.7%
Contractual Services	41	-	-	-	0.0%	-	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	1	2	1	(1)	-33.3%	1	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	3	1	1	-	0.0%	1	-	0.0%
Business Development	9	4	4	-	0.0%	4	-	0.0%
Equipment Rentals and Repairs	0	0	0	-	0.0%	0	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	55	7	7	(0)	-7.1%	7	-	0.0%
Total Operating Expenses	551	480	475	(5)	-1.0%	497	22	4.6%
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%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	551	480	475	(5)	-1.0%	497	22	4.6%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$551	\$480	\$475	(\$5)	-1.0%	\$497	\$22	4.6%

Finance Division – Airline Relations

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY22 vs FY21	Inc/(Dec) FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	\$480	\$475
Personnel Costs		
Salary adjustments and pay for performance	-	13
Burden (benefits & employer taxes) for current staff	(4)	9
Total Increase / (Decrease) in Personnel Costs	(4)	22
Non-Personnel Costs		
Other, net	(1)	-
Total Increase / (Decrease) in Non-Personnel Costs	(1)	-
Total Increase / (Decrease)	(5)	22
FY 2022 Budget / FY 2023 Conceptual Budget	\$475	\$497

Finance Division – Airline Relations

FY 2021 Progress Report

1. Implement the new Airline Fuel Consortium Lease.

Progress: The Fuel Lease has been implemented and the projects required to be completed by the Consortium are in process.

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

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

2. Implement the new Airline Support Building lease along with the transition of the Airlines from the existing facilities to the new one.

Progress: All four Airlines submitted executed leases. They are all in the process of completing their tenant improvements. All airlines will be moved into the new building prior to July 5, 2021.

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

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

Finance Division – Airline Relations

FY 2022 – FY 2023 Goals

1. Partner with Airside and Terminal Operations and our Airline stakeholders in the implementation of outbound passenger biometric technology deployment.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

2. Partner with the Airlines, ADC, and the Design Build Team to create a process that will enable a successful buildout of the Airline spaces in the new TI.

Strategic Plan Focus Area:

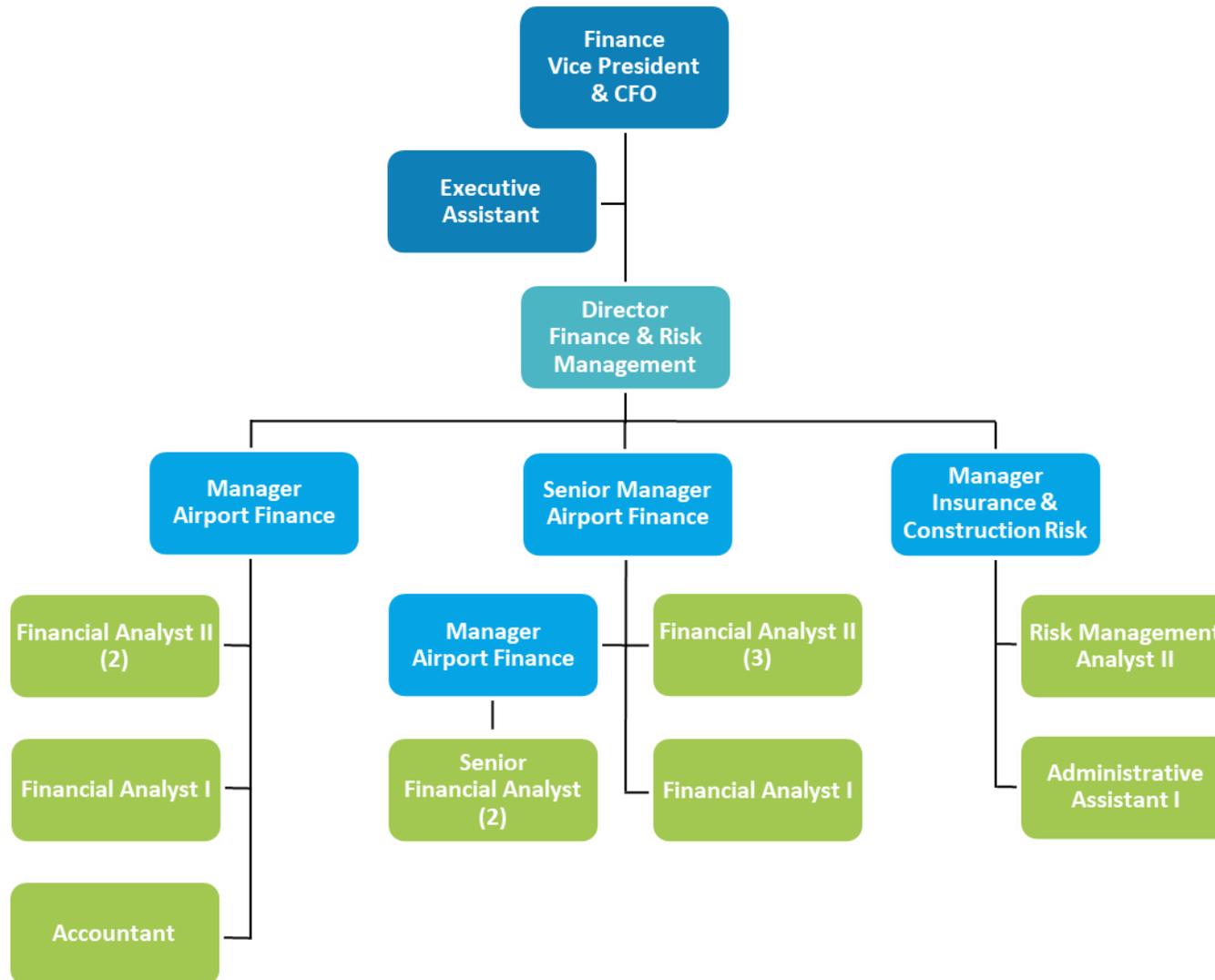
- Advance the New T1

Strategic Initiative:

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

Finance Division – Finance & Risk Management

FY 2022 – FY 2023 Organizational Structure



No personnel changes in FY 2023.

Finance Division – Finance & Risk Management

FY 2022 Budget – FY 2023 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$1,747	\$1,595	\$1,611	\$16	1.0%	\$1,764	\$152	9.5%
Overtime	0	-	-	-	0.0%	-	-	0.0%
Benefits	840	803	844	42	5.2%	935	91	10.7%
Subtotal	2,587	2,398	2,456	58	2.4%	2,699	243	9.9%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	2,587	2,398	2,456	58	2.4%	2,699	243	9.9%
Contractual Services	1,514	1,304	1,266	(38)	-2.9%	1,504	239	18.8%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	7	7	7	-	0.0%	7	-	0.0%
Insurance	1,307	1,557	1,812	254	16.3%	1,993	181	10.0%
Employee Development	38	25	22	(3)	-11.8%	25	3	12.1%
Business Development	21	9	10	1	11.5%	14	4	41.1%
Equipment Rentals and Repairs	104	130	119	(12)	-8.9%	119	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	2,991	3,032	3,235	203	6.7%	3,662	426	13.2%
Total Operating Expenses	5,578	5,430	5,691	261	4.8%	6,360	669	11.8%
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%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	5,578	5,430	5,691	261	4.8%	6,360	669	11.8%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$5,578	\$5,430	\$5,691	\$261	4.8%	\$6,360	\$669	11.8%

Finance Division – Finance & Risk Management

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY22 vs FY21	Inc/(Dec) FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	\$5,430	\$5,691
Personnel Costs		
Burden (benefits & employer taxes) for current staff	42	91
Salary adjustments and pay for performance	16	152
Total Increase / (Decrease) in Personnel Costs	58	243
Non-Personnel Costs		
Insurance premiums	254	181
Credit card fees	8	213
Other, net	(60)	33
Total Increase / (Decrease) in Non-Personnel Costs	203	426
Total Increase / (Decrease)	261	669
FY 2022 Budget / FY 2023 Conceptual Budget	\$5,691	\$6,360

Finance Division – Finance & Risk Management

FY 2021 Progress Report

1. Establish a new Variable Debt Program that will provide adequate interim funding for New T1 prior to the next Bond issuance.

Progress: Based on the Market conditions it was determined in consultation with the Authority’s Financial Advisor to hold off issuing the Variable Debt RFP. The RFP will be released in March 2021 with Board Approval in June 2021 or July 2021.

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

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

2. Update the Authority 20-year Capital Budget through a facilitated Stakeholder meeting. In addition, partner with Airport Design and Construction to establish revised cost estimates for the projects in the 20-year capital program.

Progress: With the onset of the COVID 19 Pandemic the focus of the Authority’s Capital Program was limited to essential projects and the New T1.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 2D. Implement a sustainable 20-year capital plan

3. Work with the Authority’s Construction Broker to create & bind the Owners Construction Insurance Program (OCIP) for New T1. In addition, create and bind the Builders Risk policies for New T1 and evaluate other insurance coverages to further mitigate risk to the Authority.

Progress: The issuance of the OCIP is predicated on the project being approved to move forward with construction. Staff anticipates binding these insurance coverages in line with the Board approval of the New T1 Contract Maximum Price.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

Finance Division – Finance & Risk Management

FY 2022 – FY 2023 Goals

1. Establish a new Underwriter Pool and issue the first tranche of Bonds to fund the New T1.

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

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

2. Create a reporting and tracking process for New T1 Operating & Non-Operating expenses.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

3. Collaborate with Revenue Generation on the new concessions program and parking strategy by providing input into business terms and financial modeling needed to ensure the programs meet the Authority's financial objectives.

Strategic Plan Focus Area:

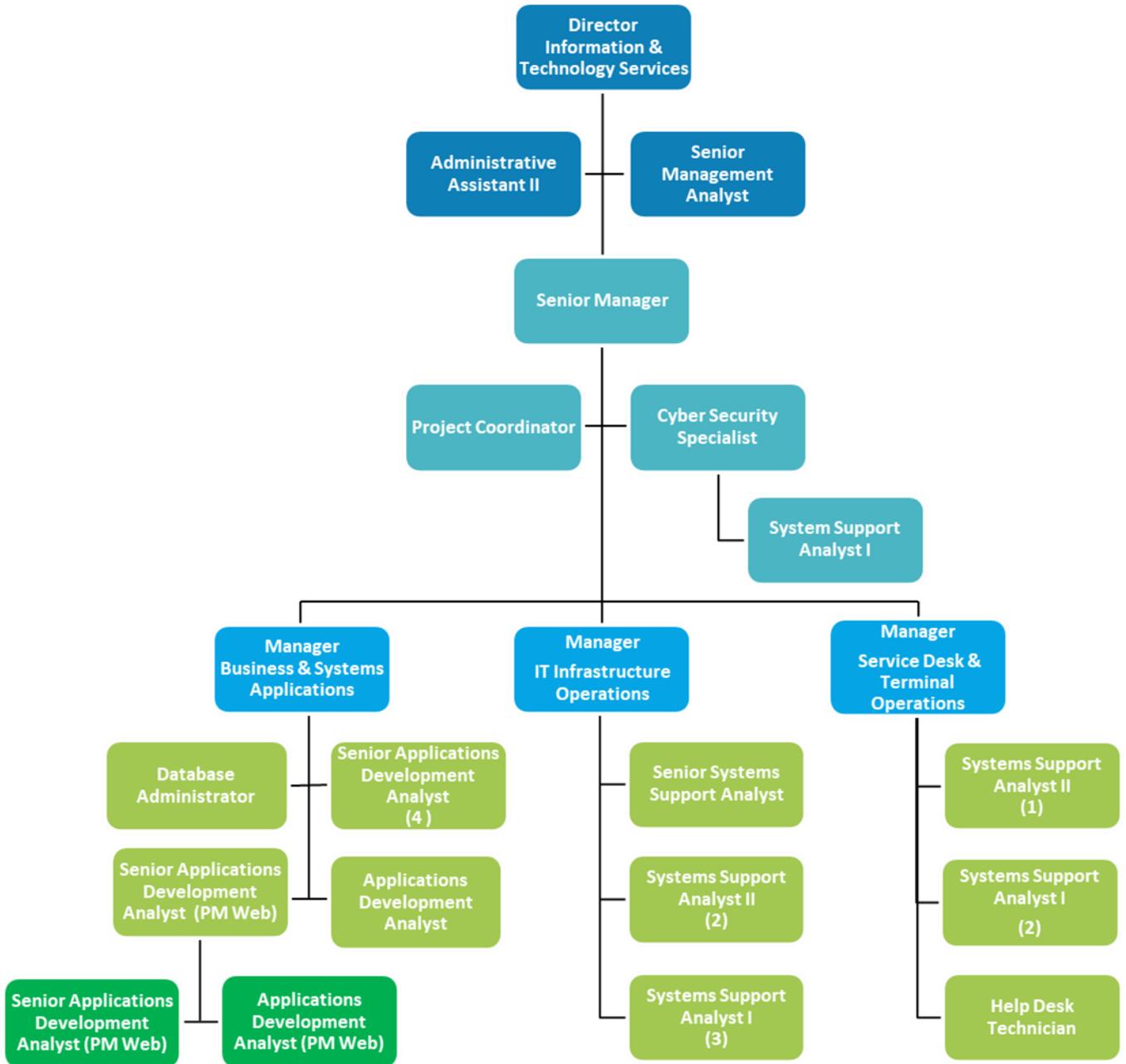
- Optimize Ongoing Business

Strategic Initiative:

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

Finance Division – Information & Technology Services

FY 2022 – FY 2023 Organizational Structure



No personnel changes in FY 2023.

Finance Division – Information & Technology Services

FY 2022 Budget – FY 2023 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$2,542	\$2,255	\$2,226	(\$28)	-1.3%	\$2,410	\$184	8.2%
Overtime	79	150	150	-	0.0%	150	-	0.0%
Benefits	1,297	1,241	1,245	4	0.3%	1,366	120	9.7%
Subtotal	3,918	3,646	3,622	(24)	-0.7%	3,926	304	8.4%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	3,918	3,646	3,622	(24)	-0.7%	3,926	304	8.4%
Contractual Services	1,308	1,378	1,343	(35)	-2.5%	1,378	35	2.6%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	598	654	634	(20)	-3.0%	659	25	3.9%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	155	175	120	(55)	-31.4%	120	-	0.0%
Operating Supplies	93	74	67	(7)	-9.7%	81	14	20.9%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	77	45	37	(8)	-18.3%	37	-	0.0%
Business Development	6	3	3	(0)	-4.6%	3	-	0.0%
Equipment Rentals and Repairs	1,892	2,175	2,155	(21)	-0.9%	2,277	122	5.7%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	4,129	4,505	4,359	(145)	-3.2%	4,556	196	4.5%
Total Operating Expenses	8,047	8,150	7,981	(170)	-2.1%	8,481	500	6.3%
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%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	8,047	8,150	7,981	(170)	-2.1%	8,481	500	6.3%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$8,047	\$8,150	\$7,981	(\$170)	-2.1%	\$8,481	\$500	6.3%

Finance Division – Information & Technology Services

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY22 vs FY21	Inc/(Dec) FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	\$8,150	\$7,981
Personnel Costs		
Salary adjustments and pay for performance	(28)	184
Burden (benefits & employer taxes) for current staff	4	120
Total Increase / (Decrease) in Personnel Costs	(24)	304
Non-Personnel Costs		
Copier machine leases and charges	(114)	10
Authority equipment needs	(55)	-
Enterprise Resource Planning software hosting	(45)	35
IT licenses, maintenance and support	93	112
Other, net	(25)	39
Total Increase / (Decrease) in Non-Personnel Costs	(145)	196
Total Increase / (Decrease)	(170)	500
FY 2022 Budget / FY 2023 Conceptual Budget	\$7,981	\$8,481

Finance Division – Information & Technology Services

FY 2021 Progress Report

1. Replace our aging network infrastructure with optimal technology to provide additional growth capacity, redundancy, and security. Enhance the construction program management tool PMWeb by providing additional training to staff to increase adoption, enhance reporting and workflows, refining the integrations with E1 and creating new integrations with ECMS and Primavera 6.

Progress: The AVSec Network Redesign CIP was approved by the Board in July of 2020. I&TS has received the network infrastructure and is in the process of programming the equipment. Training for PMWeb has been conducted to increase staff adoption, reports and workflows have been enhanced and integrations with E1 have been refined. We are currently in the process of documenting all the E1 to PMWeb integrations and their associated dependencies.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

2. Optimize solutions to enable Authority staff to effectively telecommute to maintain physical distancing when necessary. Collaborate with internal and external stakeholders in the design of innovative technology solutions for the new admin building and the terminal 1 replacement as conditions allow. Engage strategic partners on cellular 5G so that we can make informed technology decisions.

Progress: I&TS has optimized the telecommuting experience for staff by implementing MS Teams to enhance collaboration, Adobe eSign to efficiently route documents for signature and deployed VPNs (Virtual Private Networks) with two-factor authentication to ensure cybersecurity for staff working remotely. We have collaborated with internal and external stakeholders in the design of innovative technology solutions for the new admin building and the terminal 1 replacement including passenger processing systems and enhanced Wi-Fi. We have engaged strategic partners on cellular 5G and will solicit for a lead mobile network operator in March of 2021.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

Finance Division – Information & Technology Services

3. Continue prioritizing cybersecurity initiatives including remediating findings from the DHS NCATS (National Cybersecurity Assessments and Technical Services) audit, NIST (National Institute of Standards Technology) audit of the AVSec network, baggage handling system, and building automation systems (HVAC) and maintain PCI compliance ensuring all credit card data is properly secured.

Progress: We have collaborated with internal and external stakeholders to remediate the findings from the DHS NIST audit. We are 100% complete on the Wi-Fi, 80% complete on the HVAC, 60% complete on the baggage handling system and 90% complete on the AVSec network NIST findings. We have submitted the necessary evidence to renew PCI compliance for our credit card processing systems.

Strategic Plan Focus Area:

Optimize Ongoing Business

Strategic Initiative:

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

Finance Division – Information & Technology Services

FY 2022 – FY 2023 Goals

1. In support of the New T1, replace our aging network infrastructure with optimal technology to provide additional growth capacity, redundancy, and security. Enhance the construction program management tool PMWeb by improving operational efficiency through process standardization, enhancing user experience by implementing PMWeb's version 6 features, establishing a robust data governance model to improve data quality, and developing new datasets, metrics, and executive dashboards by leveraging the Authority's business intelligence data warehouse.

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

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

2. Optimize solutions to enable Authority staff to effectively telecommute to maintain physical distancing and employee safety. Partner with ADC and joint venture teams to refine the design of innovative technology solutions in the new administrative building and terminal 1 replacement. Collaborate with the lead MNO (Mobile Network Operator) in the design of 5G cellular infrastructure airport wide.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

3. Continue prioritizing cybersecurity initiatives including remediating findings from the DHS NCATS (National Cybersecurity Assessments and Technical Services) audit, NIST (National Institute of Standards Technology) audit of the AVSec network, baggage handling system, and building automation systems (HVAC) and maintain PCI compliance ensuring all credit card data is properly secured.

Strategic Plan Focus Area:

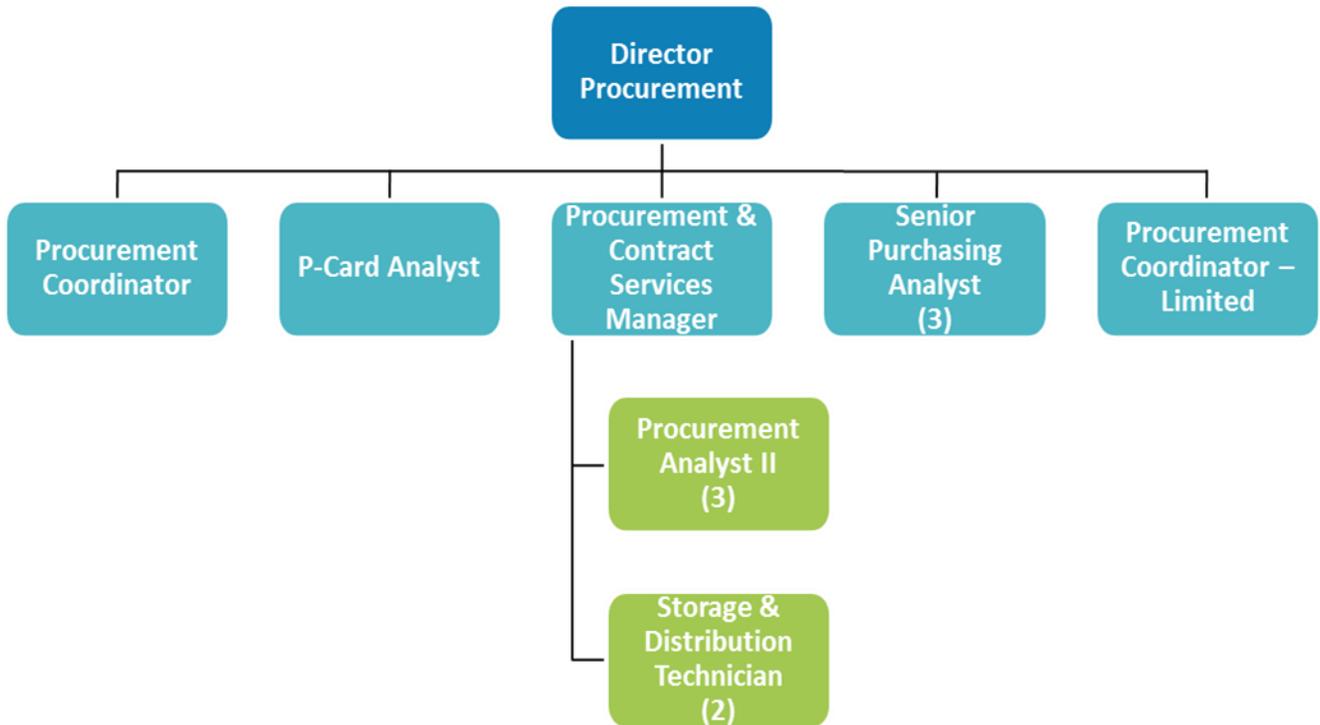
- Optimize Ongoing Business

Strategic Initiative:

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

Finance Division – Procurement

FY 2022 – FY 2023 Organizational Structure



No personnel changes in FY 2023.

Finance Division – Procurement

FY 2022 Budget – FY 2023 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$991	\$1,013	\$983	(\$30)	-2.9%	\$1,023	\$39	4.0%
Overtime	0	-	-	-	0.0%	-	-	0.0%
Benefits	519	555	549	(6)	-1.1%	582	33	6.0%
Subtotal	1,510	1,568	1,532	(36)	-2.3%	1,605	72	4.7%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	1,510	1,568	1,532	(36)	-2.3%	1,605	72	4.7%
Contractual Services	3	12	32	20	167.3%	12	(20)	-62.6%
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	23	40	40	1	1.8%	40	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	9	9	10	1	13.8%	10	-	0.0%
Business Development	4	10	9	(1)	-11.3%	9	-	0.0%
Equipment Rentals and Repairs	40	42	42	-	0.0%	42	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	79	112	133	21	18.6%	113	(20)	-14.7%
Total Operating Expenses	1,589	1,680	1,665	(15)	-0.9%	1,718	53	3.2%
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%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	1,589	1,680	1,665	(15)	-0.9%	1,718	53	3.2%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$1,589	\$1,680	\$1,665	(\$15)	-0.9%	\$1,718	\$53	3.2%

Finance Division – Procurement

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY22 vs FY21	Inc/(Dec) FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	<u>\$1,680</u>	<u>\$1,665</u>
Personnel Costs		
Burden (benefits & employer taxes) for current staff	(6)	33
Salary adjustments and pay for performance	<u>(30)</u>	<u>39</u>
Total Increase / (Decrease) in Personnel Costs	(36)	72
Non-Personnel Costs		
Temporary staffing	20	(20)
Other, net	<u>1</u>	<u>1</u>
Total Increase / (Decrease) in Non-Personnel Costs	21	(20)
Total Increase / (Decrease)	<u>(15)</u>	<u>53</u>
FY 2022 Budget / FY 2023 Conceptual Budget	<u>\$1,665</u>	<u>\$1,718</u>

Finance Division – Procurement

FY 2021 Progress Report

1. Work in partnership with key stakeholders to determine appropriate procurement methods for advancement of New T1 projects and services that incorporate innovative industry trends and sound contracting practices in accordance with the agreed upon schedule.

Progress: In support of the New T1, contracts already executed include Commissioning Services, Architectural and Engineering Services, Coastal Consulting services, six (6) Artist contracts, and the Terminal and Roadways Design Build Contract. A Request for Qualifications was completed for concession approaches and for the Administration Building which shortlisted teams qualified to respond to Request for Proposals.

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

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

2. Work in partnership with key stakeholders to determine appropriate procurement methods for optimizing business efficiencies, improving services, and supporting financial, social, and environmental, obligations and opportunities.

Progress: Procurement serves as a centralized resource to manage and facilitate the selection and contract award process in accordance with Authority policies, innovative industry trends and sound contracting practices. Significant efforts were made in response to the Covid 19 pandemic to reduce non-essential spending and further negotiate existing contracts prior to executing renewal options. The department continues to achieve cost savings on new contracts through competition and negotiations. Contract negotiations also result in value added services, operational efficiencies, and cost containment for the Authority. An average savings of 14% has been achieved through competition and an average savings of 3% has been achieved through additional contract negotiations.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

3. 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.

Progress: Procurement continues to participate in various local contractor outreach, networking and training events sponsored by the Authority and various local business associations.

All the solicitations facilitated by Procurement in FY21 document small, local, veteran, and disadvantaged business participation. Outreach plans include preferences under policy 5.12 or inclusionary methods. As of February, 506 new vendors have registered in the Authority’s vendor

Finance Division – Procurement

database since 7/1/2020 as a result of outreach by Procurement and Small Business Development. Of the 24 projects solicited since 7/1/2020, 1,471 vendors have actively participated by downloading an opportunity; 20% are certified Small Business Enterprises (SBEs), 28% are self-claimed Local Business Enterprises (LBEs), 8% are certified local businesses, 7% are certified Disadvantaged Business Enterprises (DBEs) and 3% are Veteran-owned Small Business (VOSB) or Service-Disabled Veteran Small Business (SDVSB) certified.

The following summary reflects 23 executed contract awards for a total of \$34,993,768.84 resulting from competitive solicitations that closed since 7/1/2020.

- Certified Local Businesses received 3 awards (12.5%) for a total of \$13,830,052 (40%)
- Local Business Enterprises received 6 awards (25%) for a total of \$31,088,260 (89%)
- Certified SBE's received 5 awards (21%) for a total of \$14,011,252 (40%)
- Certified DBE's received 0 awards
- VOSB/SDVSB's received 0 awards

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

Finance Division – Procurement

FY 2021 – FY 2022 Goals

1. Work in partnership with key stakeholders to determine appropriate procurement methods for advancement of New T1 projects and services that incorporate innovative industry trends and sound contracting practices in accordance with the agreed upon schedule.

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

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

2. Continue to navigate through the significant impacts that COVID 19 has had on our business and operation by collaborating with key stakeholders to determine appropriate procurement methods for contracting opportunities that reduce non-essential spending, optimize business efficiencies, improve services, and that support financial, social, environmental and safety, obligations.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

3. Promote the Authority's Brand Promise to the local business community and support the inclusion and utilization of diverse suppliers to fairly compete and participate in the performance of all Authority Contracts through outreach, engagement, and transparency. Continue to maintain project specific outreach plans, tracking small and local business participation and contract awards on solicitations facilitated by Procurement; and participating in various contractor outreach and supplier training events.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

Operations Division



Operations Division

Overview

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

The **Airside & Terminal Operations** department oversees the myriad of daily activities occurring on the airfield, terminal, and landside with responsibility for maintaining a safe, secure environment in which the airport's tenants can operate. The department manages these activities in accordance with federal and state regulations, local ordinances and the airport's Rules and Regulations. It participates in the inspection of terminal buildings and select facilities to identify any maintenance and safety deficiencies to ensure operating standards are being met; ensures the prompt reporting of any deficiencies identified; and assures all contract requirements are met.

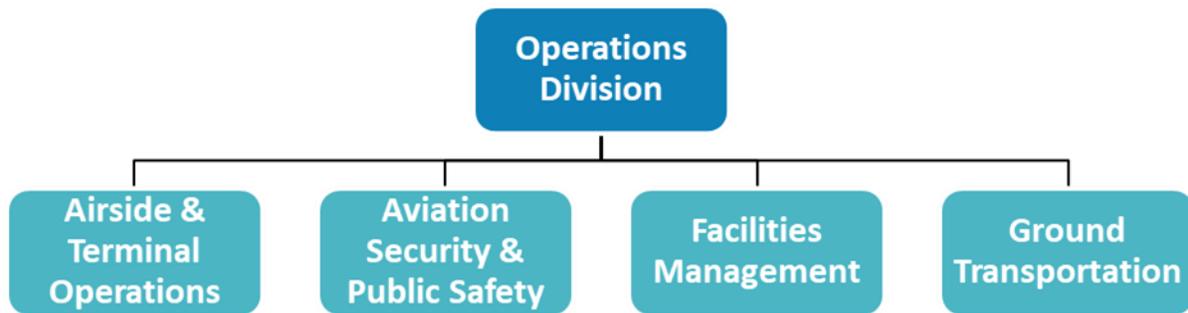
The **Aviation Security & Public Safety (AVSEC & PS)** department implements all required FAA and TSA security programs and security equipment improvements; manages the Service Level Agreement with Harbor Police; coordinates with all Homeland Security and state agencies for passenger inspection services; develops, administers and implements the Airport Security Program and Airport Emergency Plan; operates the Authority's Security Operations Center and Airport Communications Center; and ensures high level of emergency/crisis preparedness through coordination with local, state and federal agencies.

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

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

Operations Division

FY 2022 – FY 2023 Organizational Structure



Division Personnel Summary

	FY 2020 Budget	FY 2021 Budget	FY 2022 Budget Transfers	FY 2022 Budget New/ (Eliminated)	FY 2022 Budget	FY 2023 Budget New/ (Eliminated)	FY 2023 Conceptual Budget
Operations Division							
Aviation Security & Public Safety ¹	18	18	2	-	20	-	20
Airside & Terminal Operations	25	26	-	-	26	-	26
Ground Transportation	71	71	-	-	71	-	71
Facilities Management ²	88	88	(2)	-	86	-	86
Total	202	203	-	-	203	-	203

¹ 2 positions transferred from Facilities Management

² 2 positions transferred to Aviation Security & Public Safety

Operations Division

FY 2022 Budget – FY 2023 Expense Conceptual Budget Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$14,756	\$15,330	\$15,211	(\$119)	-0.8%	\$16,124	\$912	6.0%
Overtime	662	512	455	(56)	-11.0%	480	25	5.5%
Benefits	7,983	8,578	8,499	(78)	-0.9%	9,210	711	8.4%
Subtotal	23,401	24,419	24,166	(253)	-1.0%	25,814	1,648	6.8%
Less: Capitalized Labor Recharge	(35)	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	23,366	24,419	24,166	(253)	-1.0%	25,814	1,648	6.8%
Contractual Services	26,097	19,228	22,627	3,399	17.7%	30,077	7,450	32.9%
Safety and Security	29,457	34,176	36,385	2,209	6.5%	37,739	1,354	3.7%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	12,150	13,644	14,059	414	3.0%	14,800	741	5.3%
Maintenance	10,330	10,987	9,892	(1,095)	-10.0%	10,130	238	2.4%
Operating Equipment & Systems	93	100	102	2	1.8%	133	31	30.8%
Operating Supplies	374	364	403	39	10.8%	448	45	11.2%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	237	193	196	3	1.8%	194	(2)	-1.2%
Business Development	71	154	117	(37)	-23.8%	124	7	6.0%
Equipment Rentals and Repairs	341	808	949	141	17.5%	901	(48)	-5.1%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	79,148	79,655	84,731	5,076	6.4%	94,547	9,816	11.6%
Total Operating Expenses	102,514	104,074	108,897	4,823	4.6%	120,361	11,464	10.5%
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%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	102,514	104,074	108,897	4,823	4.6%	120,361	11,464	10.5%
Equipment Outlay Expenditures	912	268	686	417	155.4%	620	(65)	-9.5%
Total Authority Expenses Incl Equip Outlay	\$103,426	\$104,342	\$109,582	\$5,240	5.0%	\$120,981	\$11,399	10.4%

Operations Division

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY22 vs FY21	Inc/(Dec) FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	\$104,342	\$109,582
Personnel Costs		
Burden (benefits & employer taxes) for current staff	(78)	711
Salary adjustments, pay for performance and contracted wage increases	(175)	937
Total Increase / (Decrease) in Personnel Costs	(253)	1,648
Non-Personnel Costs		
Employee & Inter Terminal shuttle	2,033	3,072
Port District law enforcement - Harbor Police Department	1,481	937
Rental Car Center (RCC) shuttles	968	2,344
Guard Services	699	64
Valet operations	696	975
Old Town Connector	425	433
Utilities	414	741
Security & credentialing cost associated with start of ADP	137	34
Professional services	133	-
Maintenance equipment and vehicles	110	150
Terminal Operations	(89)	326
Aircraft Rescue and Fire Fight (ARFF)	(92)	261
Credential services	(199)	132
Green Oval Painting	(346)	(404)
Major, annual maintenance and supplies	(499)	392
Parking and shuttle operations	(550)	187
Other, net	173	107
Total Increase / (Decrease) in Non-Personnel Costs	5,493	9,751
Total Increase / (Decrease)	5,240	11,399
FY 2022 Budget / FY 2023 Conceptual Budget	\$109,582	\$120,981

Operations Division

FY 2022 Expense Budget by Department

(in thousands)

Departments	FY 2022 Budget
Facilities Management	\$35,673
Aviation Security & Public Safety	33,476
Ground Transportation	25,229
Airside & Terminal Operations	15,205
Total ¹	<u>\$109,582</u>

¹ Total may differ due to rounding

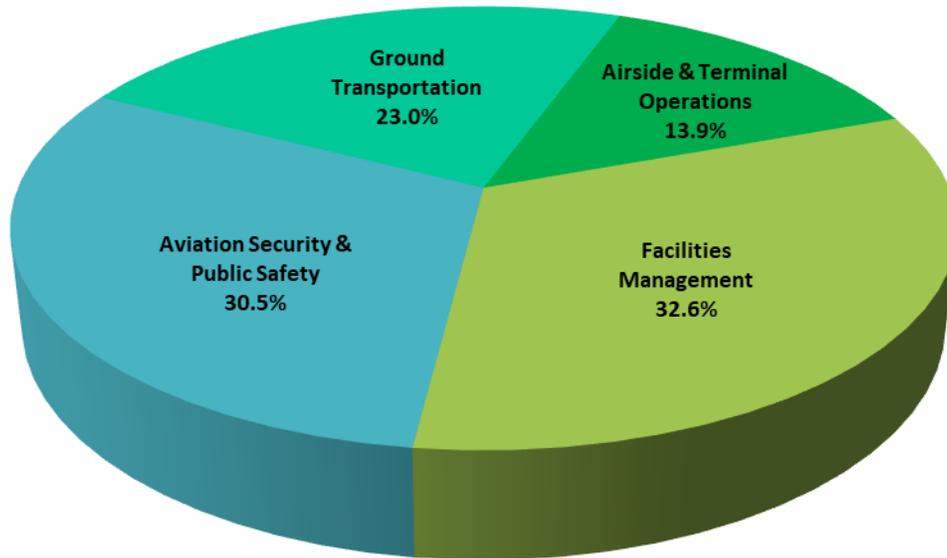


Figure 32 – FY 2022 Expense Budget by Department

Operations Division

FY 2023 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2023 Conceptual Budget
Facilities Management	\$37,075
Aviation Security & Public Safety	34,905
Ground Transportation	33,009
Airside & Terminal Operations	15,992
Total ¹	<u>\$120,981</u>

¹Total may differ due to rounding

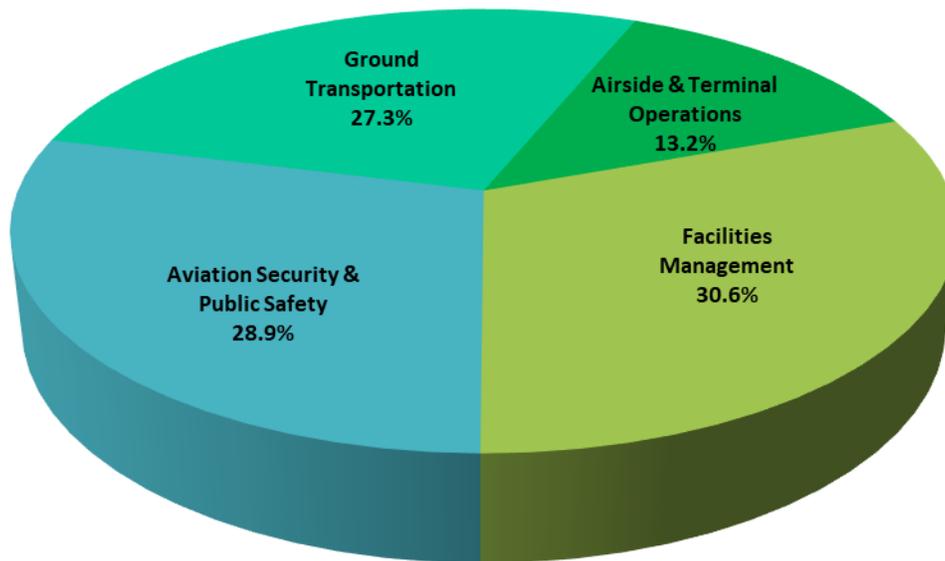


Figure 33 – FY 2023 Expense Conceptual Budget by Department

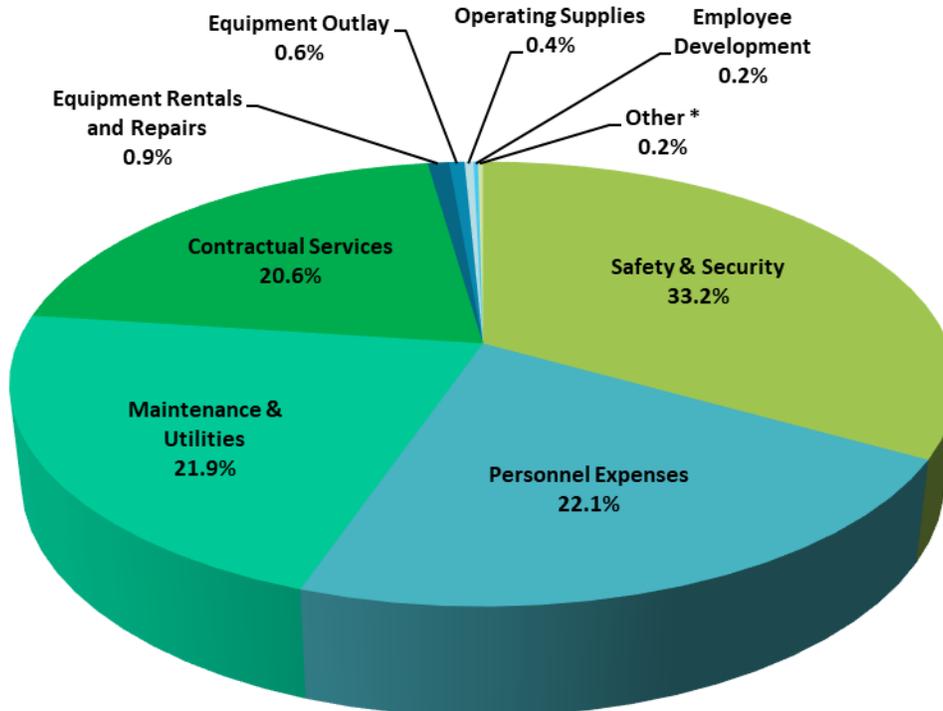
Operations Division

FY 2022 Expense Budget by Category

(in thousands)

Category	FY 2022 Budget
Safety & Security	\$36,385
Personnel Expenses	24,166
Maintenance & Utilities	23,951
Contractual Services	22,627
Equipment Rentals and Repairs	949
Equipment Outlay	686
Operating Supplies	403
Employee Development	196
Other *	219
Total ¹	<u><u>\$109,582</u></u>

¹Total may differ due to rounding



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

Figure 34 – FY 2022 Expense Budget by Category

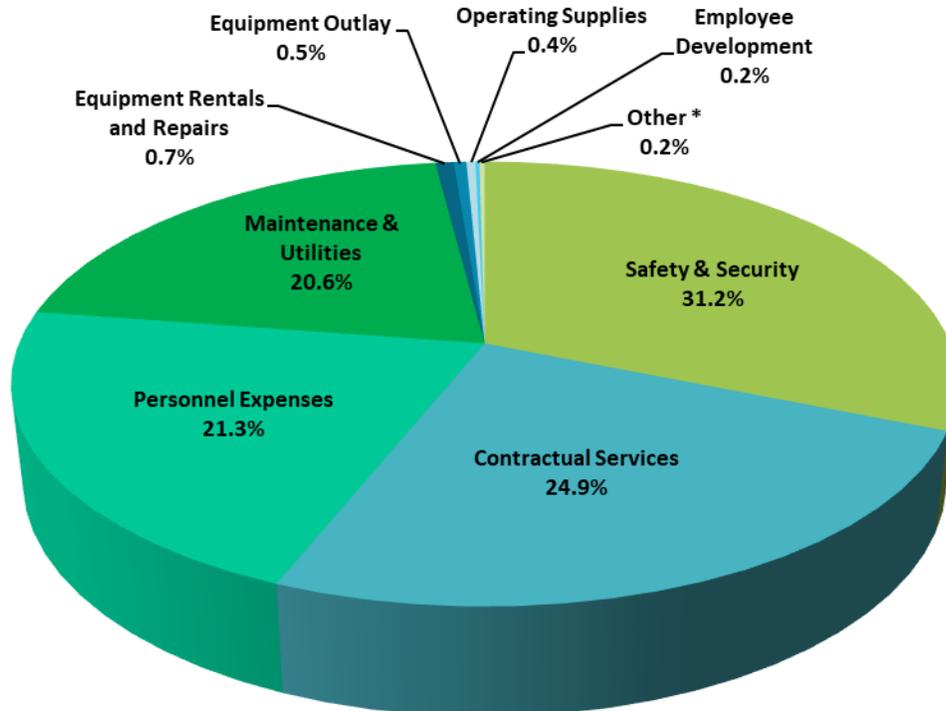
Operations Division

FY 2023 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2023 Conceptual Budget
Safety & Security	\$37,739
Contractual Services	30,077
Personnel Expenses	25,814
Maintenance & Utilities	24,931
Equipment Rentals and Repairs	901
Equipment Outlay	620
Operating Supplies	448
Employee Development	194
Other *	258
Total ¹	\$120,981

¹Total may differ due to rounding

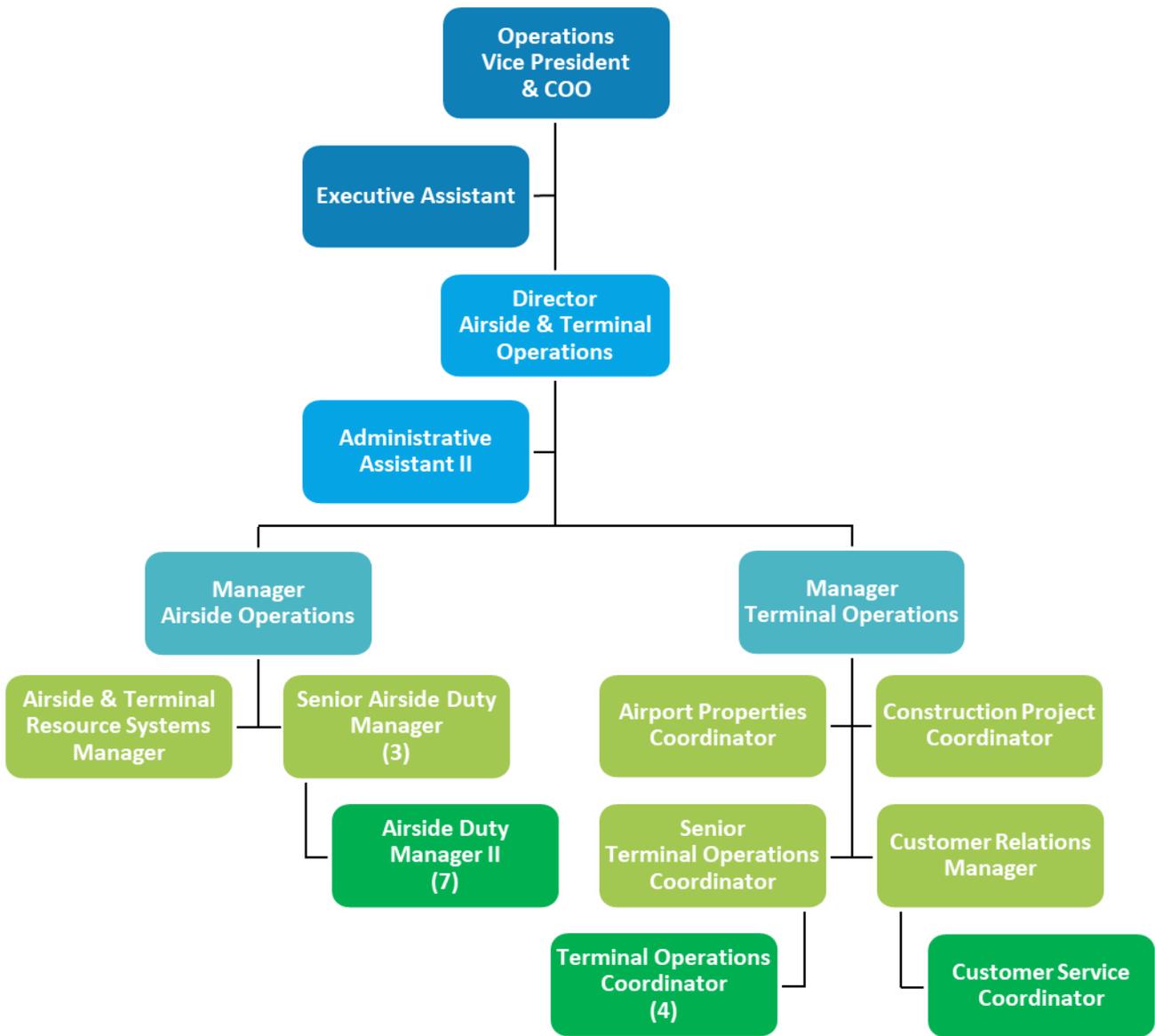


*Other includes operating equipment & systems, business development, etc.

Figure 35 – FY 2023 Expense Conceptual Budget by Category

Operations Division – Airside & Terminal Operations

FY 2022 – FY 2023 Organizational Structure



No personnel changes in FY 2023

Operations Division – Airside & Terminal Operations

FY 2022 Budget – FY 2023 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$2,556	\$2,569	\$2,565	(\$5)	-0.2%	\$2,671	\$106	4.1%
Overtime	38	44	30	(14)	-31.8%	30	-	0.0%
Benefits	1,303	1,328	1,337	9	0.7%	1,413	76	5.7%
Subtotal	3,897	3,942	3,932	(10)	-0.2%	4,115	182	4.6%
Less: Capitalized Labor Recharge	(1)	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	3,896	3,942	3,932	(10)	-0.2%	4,115	182	4.6%
Contractual Services	4,521	4,363	4,274	(89)	-2.0%	4,600	326	7.6%
Safety and Security	5,592	6,639	6,547	(92)	-1.4%	6,808	261	4.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	(0)	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	22	11	11	-	0.0%	11	0	3.0%
Operating Supplies	33	23	30	7	28.2%	30	1	2.3%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	39	38	41	4	9.5%	42	1	2.4%
Business Development	45	79	78	(1)	-1.6%	84	6	7.5%
Equipment Rentals and Repairs	107	277	293	16	5.8%	302	9	3.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	10,359	11,430	11,273	(156)	-1.4%	11,878	604	5.4%
Total Operating Expenses	14,255	15,372	15,205	(166)	-1.1%	15,992	787	5.2%
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%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	14,255	15,372	15,205	(166)	-1.1%	15,992	787	5.2%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$14,255	\$15,372	\$15,205	(\$166)	-1.1%	\$15,992	\$787	5.2%

Operations Division – Airside & Terminal Operations

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY22 vs FY21	Inc/(Dec) FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	<u>\$15,372</u>	<u>\$15,205</u>
Personnel Costs		
Burden (benefits & employer taxes) for current staff	9	76
Salary adjustments, pay for performance and contracted wage increases	(19)	106
Total Increase / (Decrease) in Personnel Costs	<u>(10)</u>	<u>182</u>
Non-Personnel Costs		
Aircraft Rescue and Fire Fight (ARFF)	(92)	261
Terminal Operations	(89)	326
Other, net	25	17
Total Increase / (Decrease) in Non-Personnel Costs	<u>(156)</u>	<u>604</u>
Total Increase / (Decrease)	<u>(166)</u>	<u>787</u>
FY 2022 Budget / FY 2023 Conceptual Budget	<u>\$15,205</u>	<u>\$15,992</u>

Operations Division – Airside & Terminal Operations

FY 2021 Progress Report

1. Deliver operational subject matter expert analysis and support for the New T1's Airside, Terminal & Roadways, and Administration Building projects.

Progress: The department has and continues to provide subject matter analysis and support for the New T1's Airside, Terminal & Roadways and Administration Building projects. This goal will carry over to FY22.

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

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

2. Implement outbound passenger biometric technology for air carriers.

Progress: The implementation of passenger biometric technology has been placed on hold due to the COVID-19 pandemic economic impact. This goal will carry over to FY22.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

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

Progress: The FAA FAR Part 139 certification inspection was delayed by the FAA due to the COVID-19 pandemic. The administrative portion of this inspection will begin in February 2021. There were no SDIA airfield incidents/accidents attributed to Part 139 compliance to date during FY21. This goal will carry over to FY22.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

Operations Division – Airside & Terminal Operations

4. Oversee the construction and coordination activities associated with the removal and replacement of the EMAS.

Progress: The EMAS project was delayed due to an administrative issue with the California Coastal Commission. Coordination continues and the project has been approved for construction to begin on February 13, 2021. This goal will carry over to FY22.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

Operations Division – Airside & Terminal Operations

FY 2022 – FY 2023 Goals

1. Deliver operational subject matter expert analysis and support for the New T1’s Airside, Terminal & Roadways, and Administration Building projects

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

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

2. Implement outbound passenger biometric technology for air carriers.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

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

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

4. Oversee the construction and coordination activities associated with the removal and replacement of the EMAS.

Strategic Plan Focus Area:

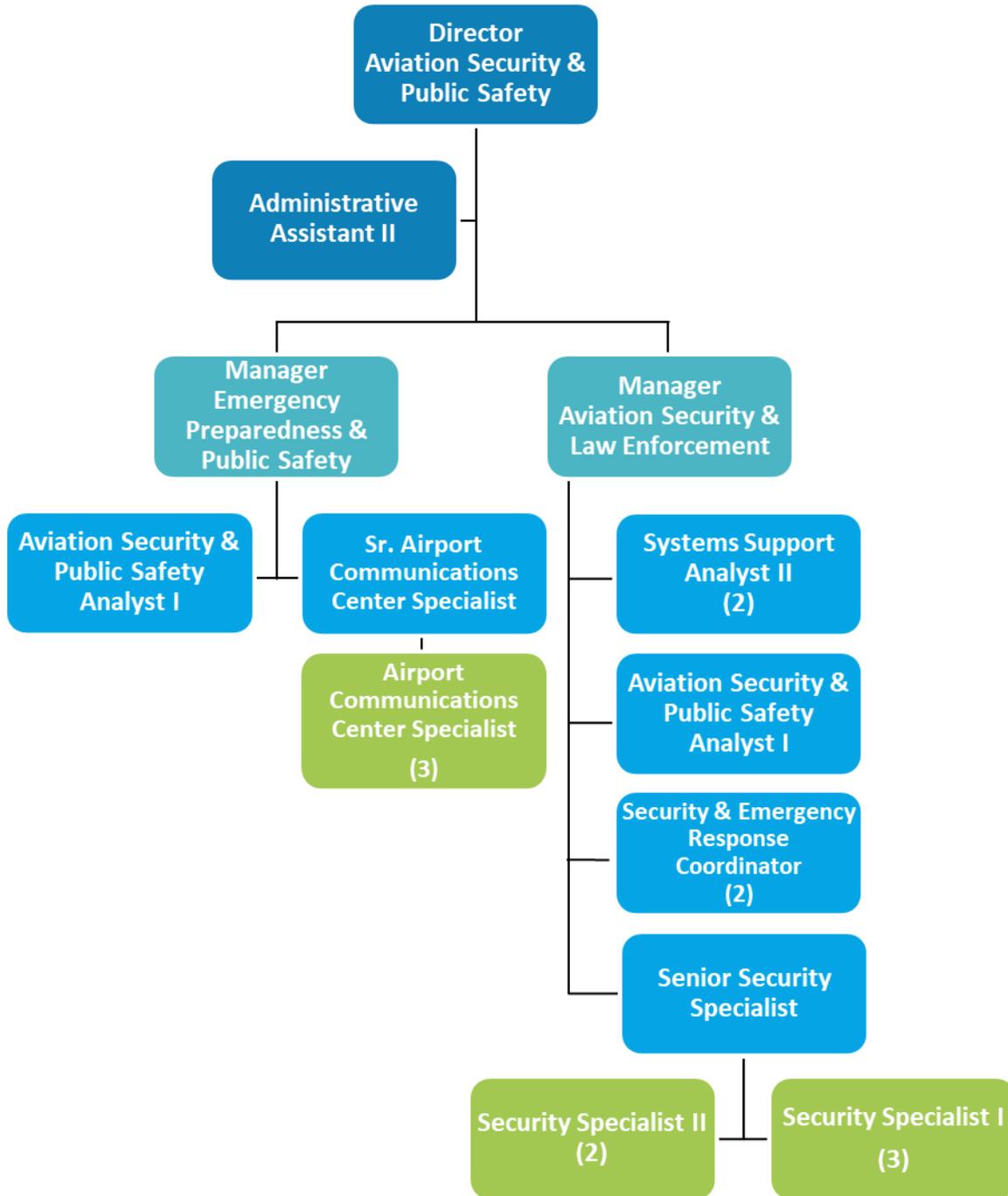
- Optimize Ongoing Business

Strategic Initiative:

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

Operations Division – Aviation Security & Public Safety

FY 2022 – FY 2023 Organizational Structure



No personnel changes in FY 2023.

Operations Division – Aviation Security & Public Safety

FY 2022 Budget – FY 2023 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$1,379	\$1,380	\$1,495	\$115	8.3%	\$1,555	\$60	4.0%
Overtime	47	55	50	(5)	-9.1%	50	-	0.0%
Benefits	717	781	839	58	7.4%	889	49	5.8%
Subtotal	2,143	2,216	2,385	168	7.6%	2,493	109	4.6%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	2,143	2,216	2,385	168	7.6%	2,493	109	4.6%
Contractual Services	504	728	530	(198)	-27.2%	642	112	21.1%
Safety and Security	23,864	27,537	29,839	2,301	8.4%	30,931	1,093	3.7%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	1	-	-	-	0.0%	1	1	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	27	47	44	(3)	-7.1%	79	35	81.5%
Operating Supplies	206	179	199	20	11.3%	239	40	20.3%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	22	22	25	3	11.5%	26	1	3.0%
Business Development	8	43	6	(37)	-86.2%	6	0	6.2%
Equipment Rentals and Repairs	29	159	173	15	9.3%	178	5	2.9%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	24,662	28,715	30,816	2,100	7.3%	32,103	1,287	4.2%
Total Operating Expenses	26,805	30,931	33,200	2,269	7.3%	34,596	1,396	4.2%
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%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	26,805	30,931	33,200	2,269	7.3%	34,596	1,396	4.2%
Equipment Outlay Expenditures	299	268	276	7	2.7%	309	33	12.1%
Total Authority Expenses Incl Equip Outlay	\$27,104	\$31,200	\$33,476	\$2,276	7.3%	\$34,905	\$1,429	4.3%

Operations Division – Aviation Security & Public Safety

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY22 vs FY21	Inc/(Dec) FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	\$31,200	\$33,476
Personnel Costs		
Salary adjustments, pay for performance and contracted wage increases *	110	60
Burden (benefits & employer taxes) for current staff	58	49
Total Increase / (Decrease) in Personnel Costs	168	109
Non-Personnel Costs		
Port District law enforcement - Harbor Police Department	1,481	937
Guard Services	699	64
Security & credentialing cost associated with start of ADP	137	34
Credential services	(199)	132
Other, net	(10)	154
Total Increase / (Decrease) in Non-Personnel Costs	2,108	1,321
Total Increase / (Decrease)	2,276	1,429
FY 2022 Budget / FY 2023 Conceptual Budget	\$33,476	\$34,905

* 2 positions transferred from Facilities Management

Operations Division – Aviation Security & Public Safety

FY 2021 Progress Report

1. Ensure that SAN continues to comply with all applicable federal, state, and local regulations and achieves excellence in the areas of Public Safety, Emergency/Disaster Preparedness and Airport Certification by planning and conducting annual tabletop exercises in compliance with FAR Part 139.325(g)(4) for FY 2021 (April 2021) and FY 2022 (April 2022).

Progress: Due to the pandemic, the FAA required mass-casualty field exercise that was scheduled to take place in April 2020 (FY20) was postponed to January 2021 (FY21). Consequently, the FAA required Part 139 tabletop exercise won't take place until October 2021 (FY22).

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

2. The Authority's current Video Management System's (VMS) latest software update is being released and the current version will no longer be supported. The software release is a new product and is not capable of supporting the current and evolving needs of Authority. For FY 2021, the department will finalize a replacement solution that is a mature product and is better suited to support the growing demands of the Authority.

Progress: The Authority continues to work with ADC and the New T1 design team to finalize a VMS replacement. Although a final decision has not been made, the staff is actively working on a solution that will satisfy the Authority's needs while ensuring the network and VMS security. As there are multiple uncontrollable factors, AVSEC may not identify a replacement VMS until FY 22.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

Operations Division – Aviation Security & Public Safety

FY 2022 – FY 2023 Goals

1. Ensure that SAN continues to comply with all applicable federal, state, and local regulations and achieves excellence in the areas of Public Safety, Emergency/Disaster Preparedness and Airport Certification by planning and conducting annual tabletop exercises in compliance with FAR Part 139.325(g)(4) for FY 2022 (October 2021) and FY 2023 (October 2022).

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

2. Ensure that SDIA’s Aviation Security Department develops and executes strategies to ensure departmental New T1 readiness pertaining to staffing levels, airport badging, contracts, construction activities, regulatory compliance, and maintaining operational excellence.

Strategic Plan Focus Area:

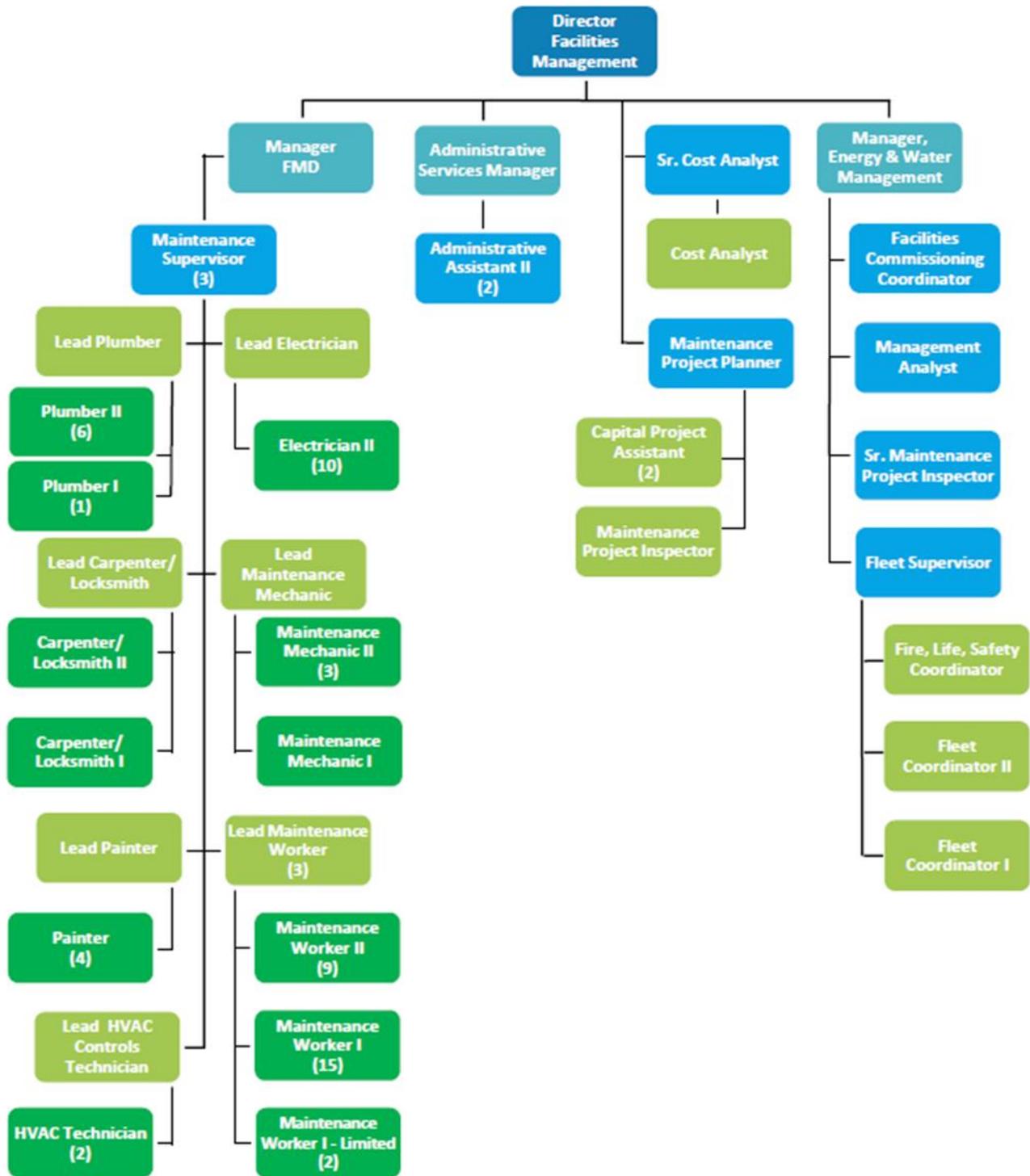
- Advance the New T1

Strategic Initiative:

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

Operations Division – Facilities Management

FY 2022 – FY 2023 Organizational Structure



No personnel changes in FY 2023.

Operations Division – Facilities Management

FY 2022 Budget – FY 2023 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$6,562	\$6,894	\$6,861	(\$33)	-0.5%	\$7,153	\$293	4.3%
Overtime	311	225	225	-	0.0%	225	-	0.0%
Benefits	3,581	3,826	3,787	(39)	-1.0%	4,028	241	6.4%
Subtotal	10,454	10,945	10,873	(72)	-0.7%	11,407	534	4.9%
Less: Capitalized Labor Recharge	(34)	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	10,420	10,945	10,873	(72)	-0.7%	11,407	534	4.9%
Contractual Services	337	71	204	133	187.2%	204	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	12,147	13,641	14,056	414	3.0%	14,796	741	5.3%
Maintenance	10,330	10,987	9,892	(1,095)	-10.0%	10,130	238	2.4%
Operating Equipment & Systems	33	40	45	5	11.3%	40	(5)	-10.2%
Operating Supplies	88	109	109	-	0.0%	109	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	107	72	69	(3)	-3.8%	63	(6)	-8.6%
Business Development	1	7	7	-	0.0%	7	-	0.0%
Equipment Rentals and Repairs	6	41	58	17	41.5%	58	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	23,049	24,969	24,439	(529)	-2.1%	25,408	969	4.0%
Total Operating Expenses	33,469	35,914	35,313	(601)	-1.7%	36,815	1,502	4.3%
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%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	33,469	35,914	35,313	(601)	-1.7%	36,815	1,502	4.3%
Equipment Outlay Expenditures	588	-	360	360	0.0%	260	(100)	-27.8%
Total Authority Expenses Incl Equip Outlay	\$34,057	\$35,914	\$35,673	(\$241)	-0.7%	\$37,075	\$1,402	3.9%

Operations Division – Facilities Management

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY22 vs FY21	Inc/(Dec) FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	\$35,914	\$35,673
Personnel Costs		
Salary adjustments, pay for performance and contracted wage increases*	(33)	293
Burden (benefits & employer taxes) for current staff	(39)	241
Total Increase / (Decrease) in Personnel Costs	(72)	534
Non-Personnel Costs		
Utilities	414	741
Professional services	133	-
Maintenance equipment and vehicles	110	150
Green Oval Painting	(346)	(404)
Major, annual maintenance and supplies	(499)	392
Other, net	19	(10)
Total Increase / (Decrease) in Non-Personnel Costs	(169)	869
Total Increase / (Decrease)	(241)	1,402
FY 2022 Budget / FY 2023 Conceptual Budget	\$35,673	\$37,075

* 2 positions transferred to Aviation Security & Public Safety

Operations Division – Facilities Management

FY 2021 Progress Report

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

Progress: In support of the New T1 the Facilities Management Department "FMD" has engaged in cross-departmental training and existing staff development through the mentorship program. Currently, FMD has two full-time staff members on temporary assignment mentoring with the Airside and Terminal Operations Department to be fully adept with Terminal Operations with anticipation of the New T1. Internally, FMD has a Maintenance Worker mentoring within the Electrical department to ensure full Electrician coverage once New T1 make-ready projects are underway. This will maximize staff efficiency and bandwidth while also minimizing overtime.

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

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

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

Progress: FMD has reviewed on-call contracts and will review projects on a case-by-case basis to either award project work to contractor or to bring work in house to facilities staff. With regards to future contracts, agreements will be advertised with the flexibility to allow authority to increase/decrease services with a predetermined fee schedule calculation adjustment.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

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

Progress: FMD painters to paint the airfield ovals instead of using a contractor, thereby saving the Authority over \$300K every year that oval painting is required.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

Operations Division – Facilities Management

FY 2022 – FY 2023 Goals

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

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

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

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

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

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

Strategic Plan Focus Area:

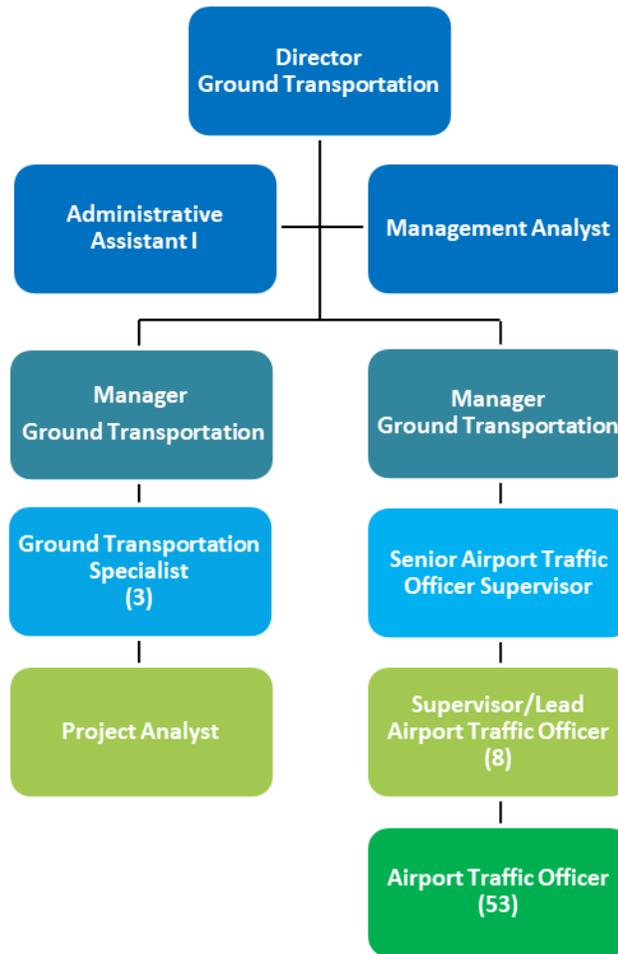
- Transform the Customer Experience

Strategic Initiative:

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

Operations Division – Ground Transportation

FY 2022 – FY 2023 Organizational Structure



No personnel changes in FY 2023.

Operations Division – Ground Transportation

FY 2022 Budget – FY 2023 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$4,260	\$4,487	\$4,291	(\$196)	-4.4%	\$4,744	\$453	10.6%
Overtime	266	188	150	(38)	-20.0%	175	25	16.7%
Benefits	2,381	2,642	2,535	(107)	-4.0%	2,880	345	13.6%
Subtotal	6,907	7,316	6,976	(340)	-4.6%	7,799	823	11.8%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	6,907	7,316	6,976	(340)	-4.6%	7,799	823	11.8%
Contractual Services	20,735	14,066	17,619	3,553	25.3%	24,631	7,012	39.8%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	2	3	3	-	0.0%	3	0	3.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	11	3	3	0	11.1%	3	0	3.0%
Operating Supplies	47	53	65	12	23.7%	69	4	5.9%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	69	61	61	-	0.0%	63	2	3.0%
Business Development	17	25	26	2	7.7%	27	1	3.0%
Equipment Rentals and Repairs	199	332	425	93	28.2%	363	(62)	-14.7%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	21,078	14,542	18,203	3,661	25.2%	25,159	6,956	38.2%
Total Operating Expenses	27,985	21,857	25,179	3,321	15.2%	32,958	7,779	30.9%
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%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	27,985	21,857	25,179	3,321	15.2%	32,958	7,779	30.9%
Equipment Outlay Expenditures	25	-	50	50	0.0%	52	1	3.0%
Total Authority Expenses Incl Equip Outlay	\$28,010	\$21,857	\$25,229	\$3,371	15.4%	\$33,009	\$7,781	30.8%

Operations Division – Ground Transportation

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY22 vs FY21	Inc/(Dec) FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	<u>\$21,857</u>	<u>\$25,229</u>
Personnel Costs		
Burden (benefits & employer taxes) for current staff	(107)	345
Salary adjustments, pay for performance and contracted wage increases	(233)	478
Total Increase / (Decrease) in Personnel Costs	<u>(340)</u>	<u>823</u>
Non-Personnel Costs		
Employee & Inter Terminal shuttle	2,033	3,072
Rental Car Center (RCC) shuttles	968	2,344
Valet operations	696	975
Old Town Connector	425	433
Parking and shuttle operations	(550)	187
Other, net	139	(54)
Total Increase / (Decrease) in Non-Personnel Costs	<u>3,711</u>	<u>6,957</u>
Total Increase / (Decrease)	<u>3,371</u>	<u>7,781</u>
FY 2022 Budget / FY 2023 Conceptual Budget	<u>\$25,229</u>	<u>\$33,009</u>

Operations Division – Ground Transportation

FY 2021 Progress Report

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.

Progress: Ground Transportation has continued to develop and implement strategies that accommodate the changing requirements of the transportation industry and technology. Some of the developments in the past year include – transitioning to an Open Taxi System, which allows all City of San Diego permitted taxis to pick up at the airport, streamlining airport Codes and Rules and Regulations to align with other regulatory agencies, implementing queue-matching pickup procedures for TNC companies, implementing pilot program request proposal guidelines, enabling cashier-less parking operations, expanding online parking product and reservation capabilities, and enabling online visibility of all airport shuttles for passengers.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

2. Plan, maintain, and improve ground transportation infrastructure to ensure safety and efficiency through the ongoing construction of Airport Support Facilities, Terminal 1 expansion and technological changes in the industry.

Progress: Ground Transportation has preserved robust access and ongoing operations throughout the construction of the new Airport (Belly Cargo) Support Facility, the north side Cistern and Facilities Maintenance campus, improvements to the Terminal Link Road Security Gates, and ongoing construction to existing airport roadways, parking lots, and terminals. Ground Transportation staff responded proactively and comprehensively to significant ongoing operational changes due to the COVID-19 pandemic. Ground Transportation facilitated several operational improvements to online and remote staff and stakeholder training, service and product offerings, time entry and workforce tracking, website integration, and online services.

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

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

Operations Division – Ground Transportation

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.

Progress: Ground Transportation expanded online application, permitting, and automated payment processing for commercial modes. Ground Transportation expanded the use of our website for stakeholder resources, training, documents, and communication. Ground Transportation facilitated improvements to the Authority website parking product offerings for parking reservations and valet services. Ground Transportation implemented numerous online training courses for our Airport Traffic Officers and stakeholders. Ground Transportation implemented online time entry and workforce tracking for Airport Traffic Officers which increases efficiency for staff deployment, management, and accountability, while eliminating outdated paper processes. Permitting staff enabled online application, permitting, and automated payment processing for more commercial modes. Ground Transportation facilitated the roll-out of several operational and technological improvements for the TNC and Taxi modes including passenger queue-match efficiency, streamlined payment processing, regulatory efficiency, insurance requirement updates, vehicle equipment updates, and vehicle dispatch and supply management capabilities.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

Operations Division – Ground Transportation

FY 2022 – FY 2023 Goals

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

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 1D. Develop a plan for transportation to and at the airport that anticipates and responds to technological changes
2. Plan, maintain, and improve ground transportation infrastructure to ensure safety and efficiency through the ongoing construction of the new Terminal 1, Terminal 1 Parking Plaza, Administration Building, and on-airport roadways while responding to technological changes in the transportation industry.

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

- 1D. Develop a plan for transportation to and at the airport that anticipates and responds to technological changes
3. Integrate new technology, products, services, and business methods to ensure world-class services to travelers, employees, business operators, and other users; improve efficiency and safety; and ensure sustainability.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

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.

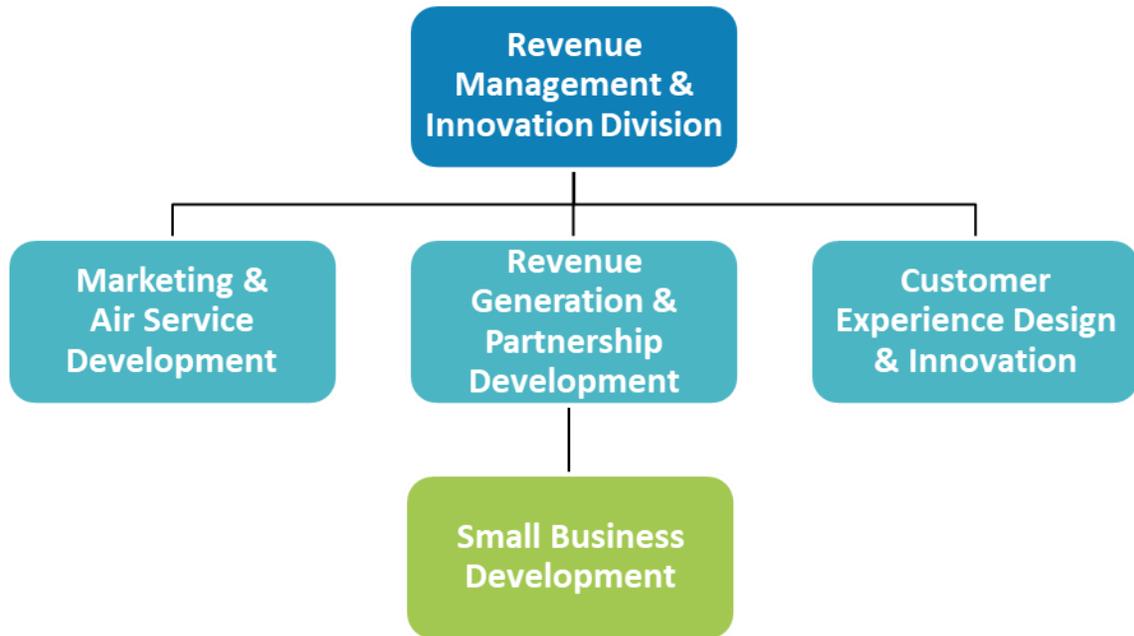
The **Customer Experience Design & Innovation** department identifies and maps interactions a customer has with the Airport in order to identify opportunities to enhance or deliver new products and services that support a positive, meaningful experience across those interactions. The department is responsible 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 2022 – FY 2023 Organizational Structure



Division Personnel Summary

	FY 2020 Budget	FY 2021 Budget	FY 2022 Budget Transfers	FY 2022 Budget New/ (Eliminated)	FY 2022 Budget	FY 2023 Budget New/ (Eliminated)	FY 2023 Conceptual Budget
Revenue Management & Innovation Division							
Customer Experience Design & Innovation	12	13	-	-	13	-	13
Marketing & Air Service Development	13	11	-	-	11	-	11
Revenue Generation & Partnership Development	13	15	-	-	15	-	15
Small Business Development	4	3	-	-	3	-	3
Total	42	42	-	-	42	-	42

Revenue Management & Innovation Division

FY 2022 Budget – FY 2023 Expense Conceptual Budget Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$3,575	\$3,675	\$3,601	(\$73)	-2.0%	\$4,019	\$418	11.6%
Overtime	1	-	-	-	0.0%	-	-	0.0%
Benefits	1,909	1,861	1,762	(99)	-5.3%	1,989	228	12.9%
Subtotal	5,485	5,535	5,363	(173)	-3.1%	6,008	646	12.0%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	5,485	5,535	5,363	(173)	-3.1%	6,008	646	12.0%
Contractual Services	2,890	2,102	2,349	247	11.7%	2,683	334	14.2%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	10,177	10,177	10,642	466	4.6%	10,645	3	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	51	43	38	(5)	-11.6%	38	-	0.0%
Operating Supplies	10	9	9	-	0.0%	9	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	109	59	67	8	12.7%	59	(8)	-11.2%
Business Development	851	407	1,035	628	154.3%	1,745	710	68.7%
Equipment Rentals and Repairs	71	38	196	158	413.9%	196	0	0.0%
Tenant Improvements	100	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	14,258	12,835	14,336	1,500	11.7%	15,375	1,040	7.3%
Total Operating Expenses	19,743	18,371	19,698	1,328	7.2%	21,384	1,686	8.6%
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%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	19,743	18,371	19,698	1,328	7.2%	21,384	1,686	8.6%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$19,743	\$18,371	\$19,698	\$1,328	7.2%	\$21,384	\$1,686	8.6%

Revenue Management & Innovation Division

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY22 vs FY21	Inc/(Dec) FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	\$18,371	\$19,698
Personnel Costs		
Salary adjustments and pay for performance	(73)	418
Burden (benefits & employer taxes) for current staff	(99)	228
Total Increase / (Decrease) in Personnel Costs	(173)	646
Non-Personnel Costs		
Air service development incentive	484	401
Rent	466	3
Receiving and distribution center operator	307	101
Property management software	150	-
Marketing consultant, advertising, and promotional activities	100	260
CDP marketing fund	18	125
CDP ventilation cleaning	-	100
Other, net	(25)	50
Total Increase / (Decrease) in Non-Personnel Costs	1,500	1,040
Total Increase / (Decrease)	1,328	1,686
FY 2022 Budget / FY 2023 Conceptual Budget	\$19,698	\$21,384

Revenue Management & Innovation Division

FY 2022 Expense Budget by Department

(in thousands)

Departments	FY 2022 Budget
Revenue Generation & Business Development	\$14,918
Marketing & Air Service Development	2,740
Customer Experience Design & Innovation	1,689
Small Business Development	352
Total ¹	\$19,698

¹ Total may differ due to rounding

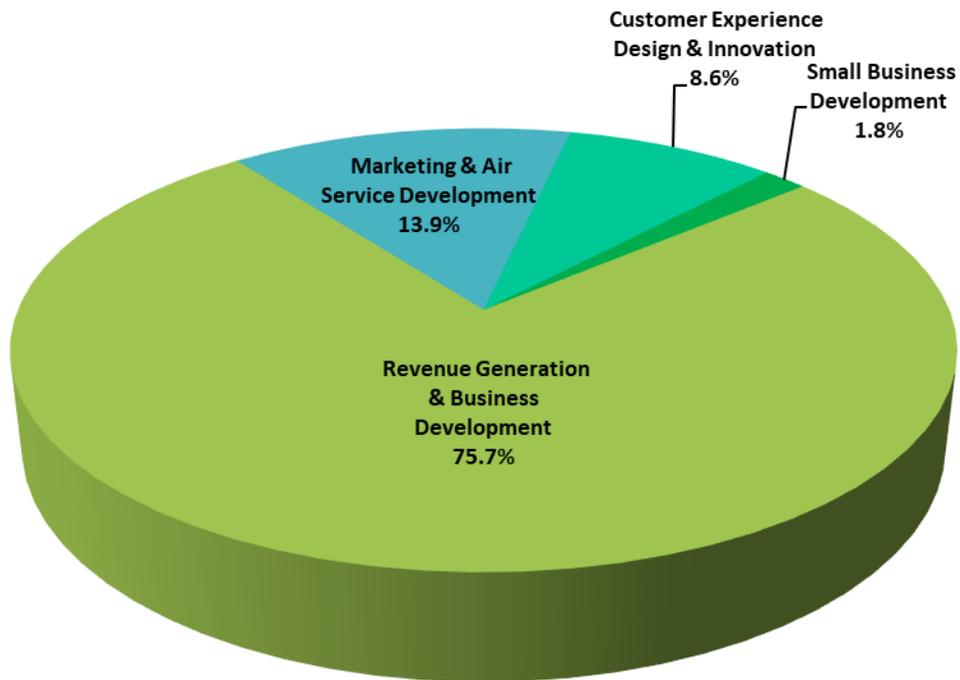


Figure 36 – FY 2022 Expense Budget by Department

Revenue Management & Innovation Division

FY 2023 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2023 Conceptual Budget
Revenue Generation & Business Development	\$15,410
Marketing & Air Service Development	3,570
Customer Experience Design & Innovation	1,873
Small Business Development	531
Total ¹	\$21,384

¹Total may differ due to rounding

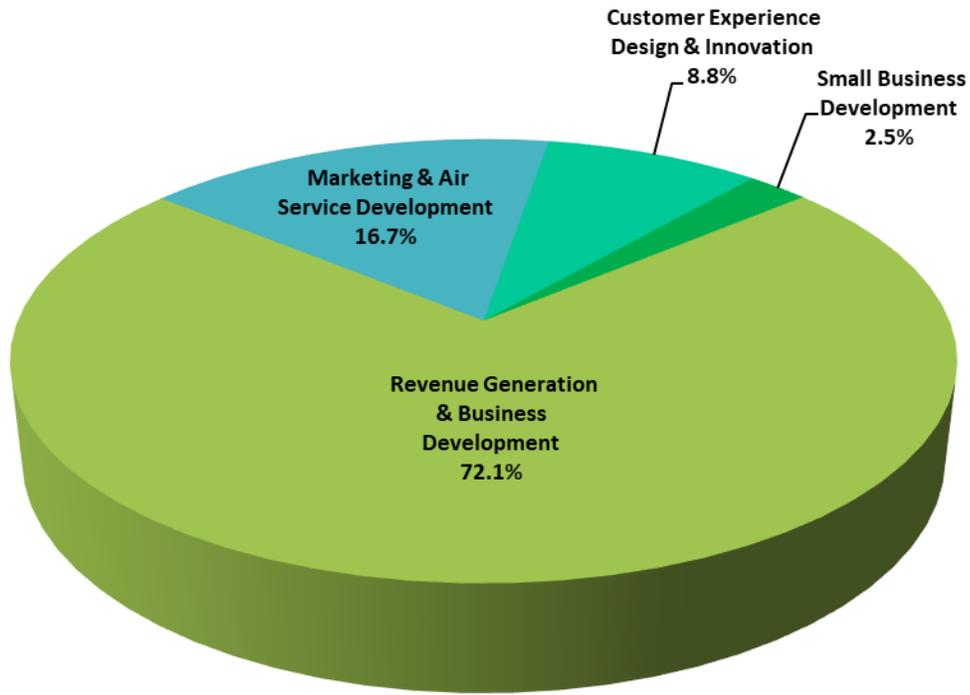


Figure 37 – FY 2023 Expense Conceptual Budget by Department

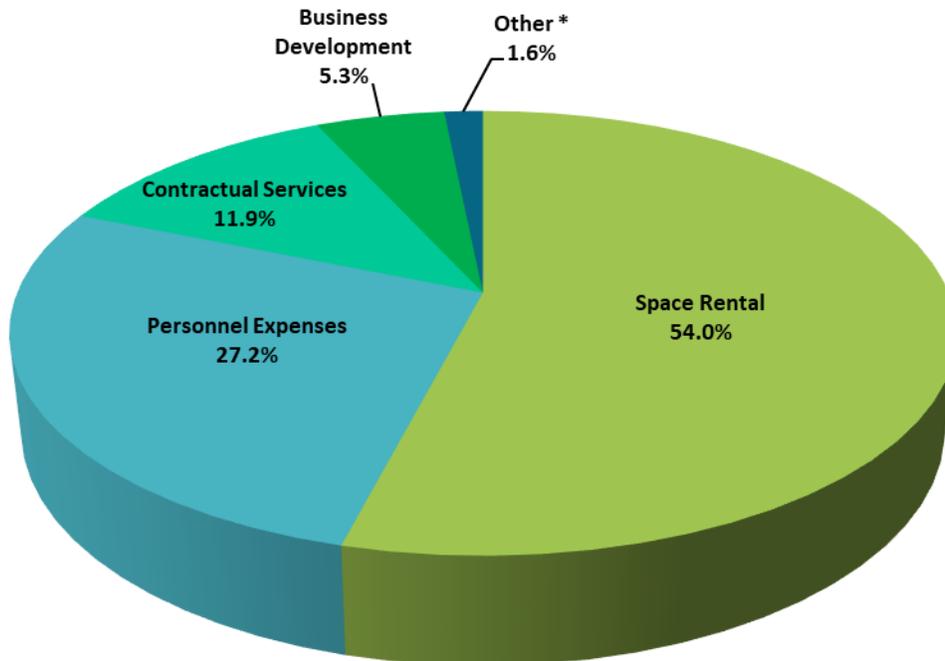
Revenue Management & Innovation Division

FY 2022 Expense Budget by Category

(in thousands)

Category	FY 2022 Budget
Space Rental	\$10,642
Personnel Expenses	5,363
Contractual Services	2,349
Business Development	1,035
Other *	309
Total ¹	\$19,698

¹Total may differ due to rounding



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

Figure 38 – FY 2022 Expense Budget by Category

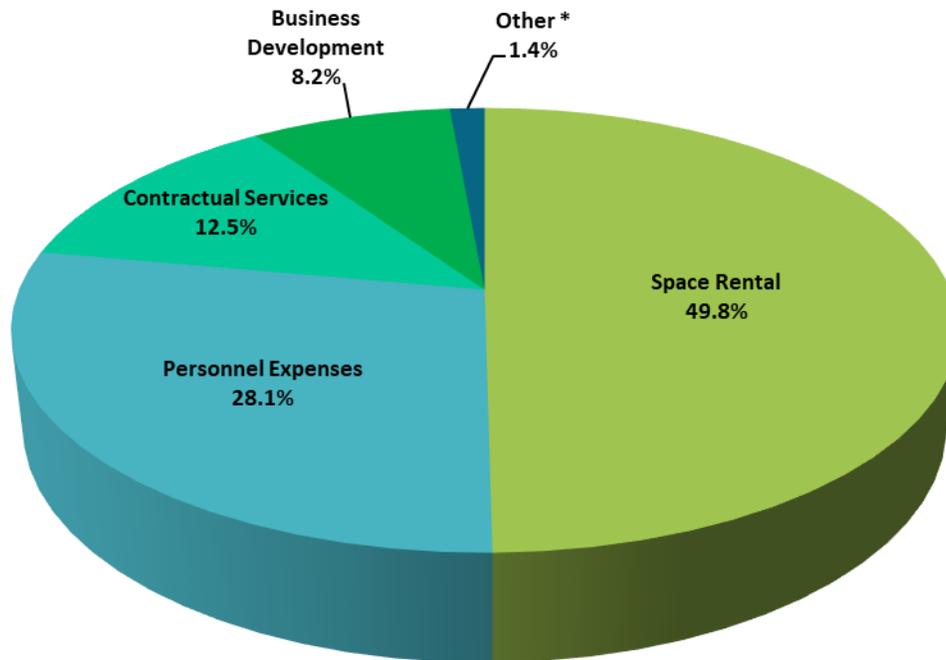
Revenue Management & Innovation Division

FY 2023 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2023 Conceptual Budget
Space Rental	\$10,645
Personnel Expenses	6,008
Contractual Services	2,683
Business Development	1,745
Other *	302
Total ¹	\$21,384

¹Total may differ due to rounding

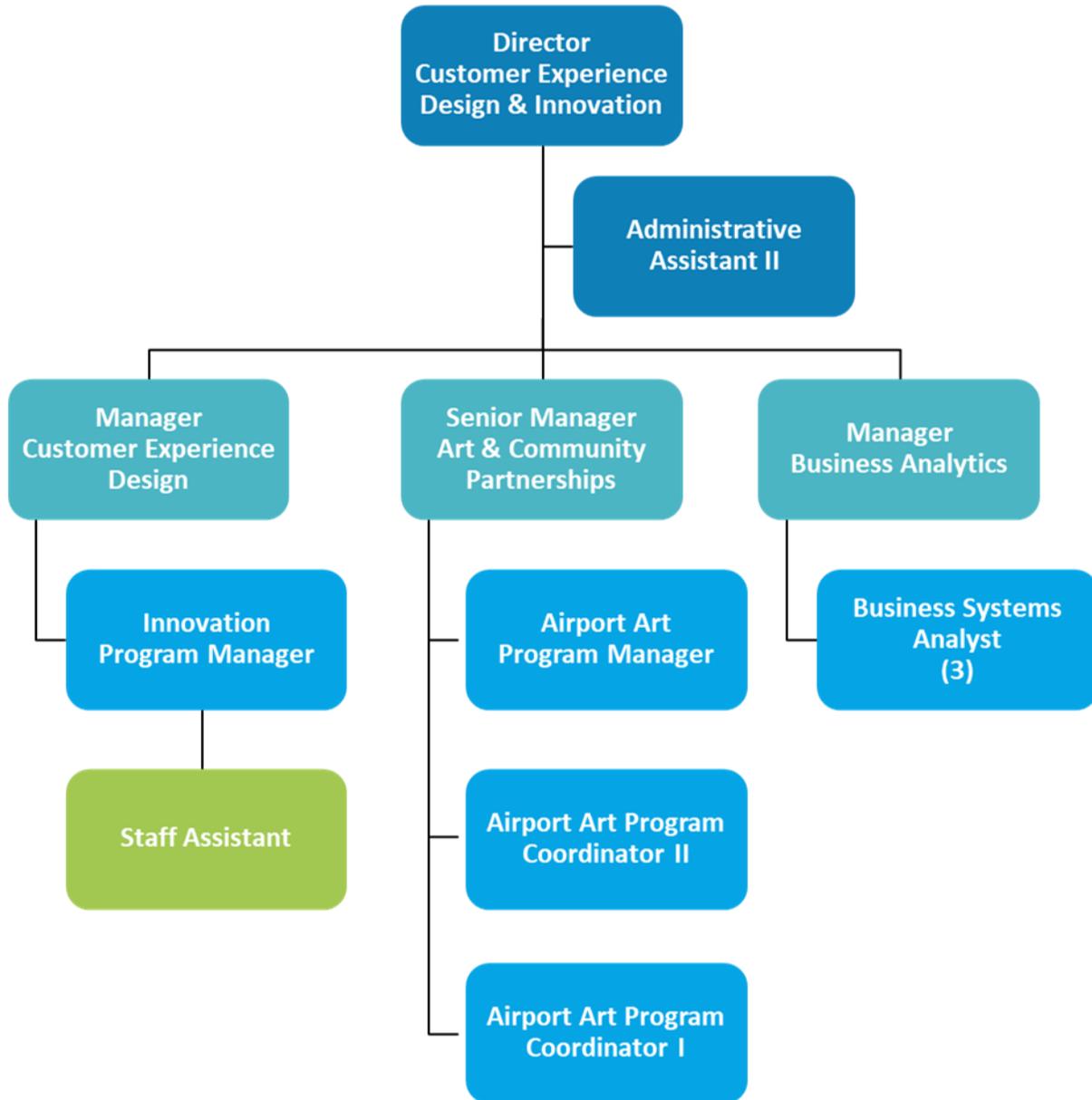


*Other includes operating equipment & systems, operating supplies, equipment rentals & repairs, employee development, etc.

Figure 39 – FY 2023 Expense Conceptual Budget by Category

Revenue Management & Innovation Division – Customer Experience Design & Innovation

FY 2022 – FY 2023 Organizational Structure



No personnel changes in FY 2023.

Revenue Management & Innovation Division – Customer Experience Design & Innovation

FY 2022 Budget – FY 2023 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$1,007	\$1,059	\$1,017	(\$42)	-4.0%	\$1,116	\$99	9.7%
Overtime	0	-	-	-	0.0%	-	-	0.0%
Benefits	524	562	493	(69)	-12.3%	553	60	12.2%
Subtotal	1,532	1,621	1,510	(111)	-6.9%	1,669	159	10.5%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	1,532	1,621	1,510	(111)	-6.9%	1,669	159	10.5%
Contractual Services	339	59	87	28	48.0%	120	33	37.9%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	28	43	38	(5)	-11.6%	38	-	0.0%
Operating Supplies	0	2	2	-	0.0%	2	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	8	18	25	8	42.3%	18	(8)	-29.7%
Business Development	31	27	25	(2)	-7.6%	25	-	0.0%
Equipment Rentals and Repairs	-	2	2	-	0.0%	2	0	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	407	150	179	29	19.1%	204	25	14.2%
Total Operating Expenses	1,939	1,771	1,689	(82)	-4.7%	1,873	184	10.9%
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%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	1,939	1,771	1,689	(82)	-4.7%	1,873	184	10.9%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$1,939	\$1,771	\$1,689	(\$82)	-4.7%	\$1,873	\$184	10.9%

Revenue Management & Innovation Division – Customer Experience Design & Innovation

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY22 vs FY21	Inc/(Dec) FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	\$1,771	\$1,689
Personnel Costs		
Salary adjustments and pay for performance	(42)	99
Burden (benefits & employer taxes) for current staff	(69)	60
Total Increase / (Decrease) in Personnel Costs	(111)	159
Non-Personnel Costs		
Art performances, conservation, installation, and handling	33	4
Promotional activities	14	-
Other, net	(17)	22
Total Increase / (Decrease) in Non-Personnel Costs	29	25
Total Increase / (Decrease)	(82)	184
FY 2022 Budget / FY 2023 Conceptual Budget	\$1,689	\$1,873

Revenue Management & Innovation Division – Customer Experience Design & Innovation

FY 2021 Progress Report

1. Customer Experience and Innovation: Implement the customer experience design, assisting other Airport Authority departments in identifying and implementing programs and processes to improve the customer experience and deliver on the brand promise, Good Feelings, Nonstop. Begin a one-year program for third-horizon innovations through the Airport Innovation Lab.

Progress: The Customer Experience Design team has created an internal steering group that consists of representatives from multiple departments. This group is focused on coordinating initiatives and assist in keeping a consistent approach to customer experience in all areas. The team has also developed a customer experience maturity report to help identify our current understanding and focus on customer experience. The Innovation team launched the first-ever 1 year cohort, to help the Authority look at innovative solutions that need more time to develop.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

2. Data Analytics/BI: refine the customer-centric Business Intelligence & Analytics Program that enables data driven, customer experience-centric decision-making capabilities. 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.

Progress: The data analytics team has created multiple dashboards to meet authority business units’ needs. In addition, the team has worked with leadership to develop a prioritization approach to ensure that the team is meeting the needs of the business.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

3. Arts Program: Execute the Arts Master Plan and associated recommendations, including planning for New T1 arts opportunities, providing increased enhancement of the customer experience through programming, and partnering with community-based arts organizations.

Progress: The Arts program has continued to execute the arts master plan and is focused on the New T1 lead artist and associated procurements to develop a robust arts program for the new terminal.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

Revenue Management & Innovation Division – Customer Experience Design & Innovation

FY 2022 – FY 2023 Goals

1. Arts Program: Execute the Arts Master Plan and associated recommendations, including implementing New T1 arts opportunities, providing increased enhancement of the customer experience through programming, and partnering with community-based artists and arts organizations.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

2. Build a culture of Customer Experience focus by leading other Airport Authority Departments in design-thinking workshops to identify and implement programs that enhance and improve the customer experience in a COVID-19 environment. Launch a test-case program and one-year program for first- and third-horizon innovations, respectively, through the Airport Innovation Lab.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

3. Refine the customer-centric Business Intelligence & Analytics Program that enables data driven, customer experience-centric decision-making capabilities. 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 Plan Focus Area:

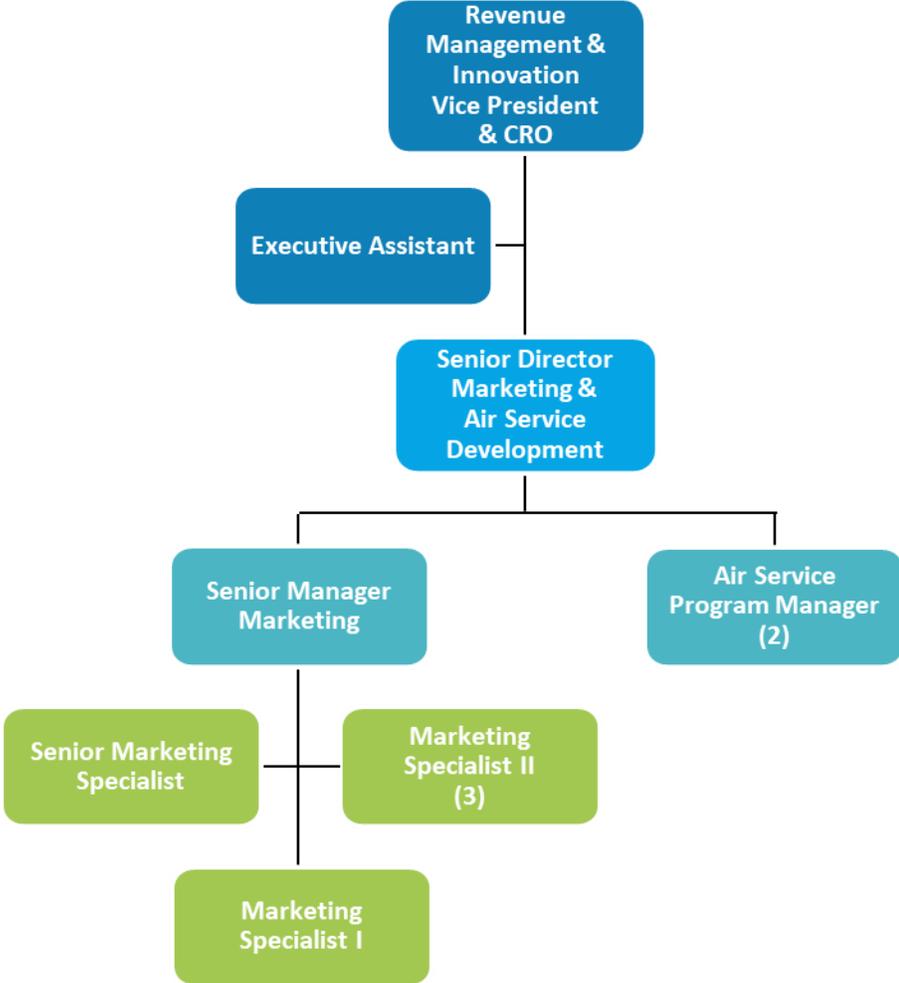
- Optimize Ongoing Business

Strategic Initiative:

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

Revenue Management & Innovation Division – Marketing & Air Service Development

FY 2022 – FY 2023 Organizational Structure



No personnel changes in FY 2023.

Revenue Management & Innovation Division – Marketing & Air Service Development

FY 2022 Budget – FY 2023 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$1,099	\$1,196	\$1,021	(\$175)	-14.6%	\$1,061	\$41	4.0%
Overtime	0	-	-	-	0.0%	-	-	0.0%
Benefits	571	575	481	(94)	-16.3%	502	21	4.3%
Subtotal	1,670	1,771	1,502	(269)	-15.2%	1,564	62	4.1%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	1,670	1,771	1,502	(269)	-15.2%	1,564	62	4.1%
Contractual Services	525	340	350	10	2.9%	480	130	37.1%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	16	-	-	-	0.0%	-	-	0.0%
Operating Supplies	8	3	3	-	0.0%	3	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	97	21	21	-	0.0%	21	-	0.0%
Business Development	787	269	853	584	216.7%	1,491	639	74.9%
Equipment Rentals and Repairs	11	7	11	4	50.0%	11	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	1,443	641	1,238	597	93.2%	2,006	769	62.1%
Total Operating Expenses	3,113	2,412	2,740	328	13.6%	3,570	830	30.3%
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%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	3,113	2,412	2,740	328	13.6%	3,570	830	30.3%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$3,113	\$2,412	\$2,740	\$328	13.6%	\$3,570	\$830	30.3%

Revenue Management & Innovation Division – Marketing & Air Service Development

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY22 vs FY21	Inc/(Dec) FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	<u>\$2,412</u>	<u>\$2,740</u>
Personnel Costs		
Burden (benefits & employer taxes) for current staff	(94)	21
Salary adjustments and pay for performance	(175)	41
Total Increase / (Decrease) in Personnel Costs	<u>(269)</u>	<u>62</u>
Non-Personnel Costs		
Air service development incentive	484	401
Marketing consultant, advertising, and promotional activities	100	260
CDP marketing fund	(22)	75
Other, net	35	33
Total Increase / (Decrease) in Non-Personnel Costs	<u>597</u>	<u>769</u>
Total Increase / (Decrease)	<u>328</u>	<u>830</u>
FY 2022 Budget / FY 2023 Conceptual Budget	<u>\$2,740</u>	<u>\$3,570</u>

Revenue Management & Innovation Division – Marketing & Air Service Development

FY 2021 Progress Report

1. Secure Air Service to a Latin American hub and deepen relationships with carriers capable of providing service to a second Asia hub.

Progress: Due to the pandemic, the focus on Air Service pivoted from acquiring new Latin America and Asia service to retaining existing service and regaining lost service. Service to London and Frankfurt remain suspended due to on-going fallout in demand and international travel restrictions. Japan Airlines is scheduled to return March 2021.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 1A. Attract domestic and international airlines and passengers

2. Launch in-terminal programming that engages each of the senses of customers and creates a positive and memorable brand experience.

Progress: Project was put on hold due to pandemic. “Let’s Go Safely” campaign was created in its place (awarded ACI-NA Honorable Mention for Large Airport campaign) and conveyed safety measures in place to protect the customer and employee experience.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

3. Launch a new San.org website.

Progress: Project put on hold due to pandemic.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

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

Revenue Management & Innovation Division – Marketing & Air Service Development

FY 2022 – FY 2023 Goals

1. Restore international and domestic nonstop service lost due to COVID-19. ELT update alignment - Restoring and increasing domestic and international air service destinations (including new incentive plan).

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 1A. Attract domestic and international airlines and passengers

2. Create customer-facing communication plan for New T1 including dedicated webpage. ELT update alignment – New T1 communication plan and budget.

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

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

3. Develop brand toolkit rollout plan and brand reengagement strategy to promote cultural adoption of brand promise. ELT update alignment - Create a customer journey experience that fulfills the airport's brand promise.

Strategic Plan Focus Area:

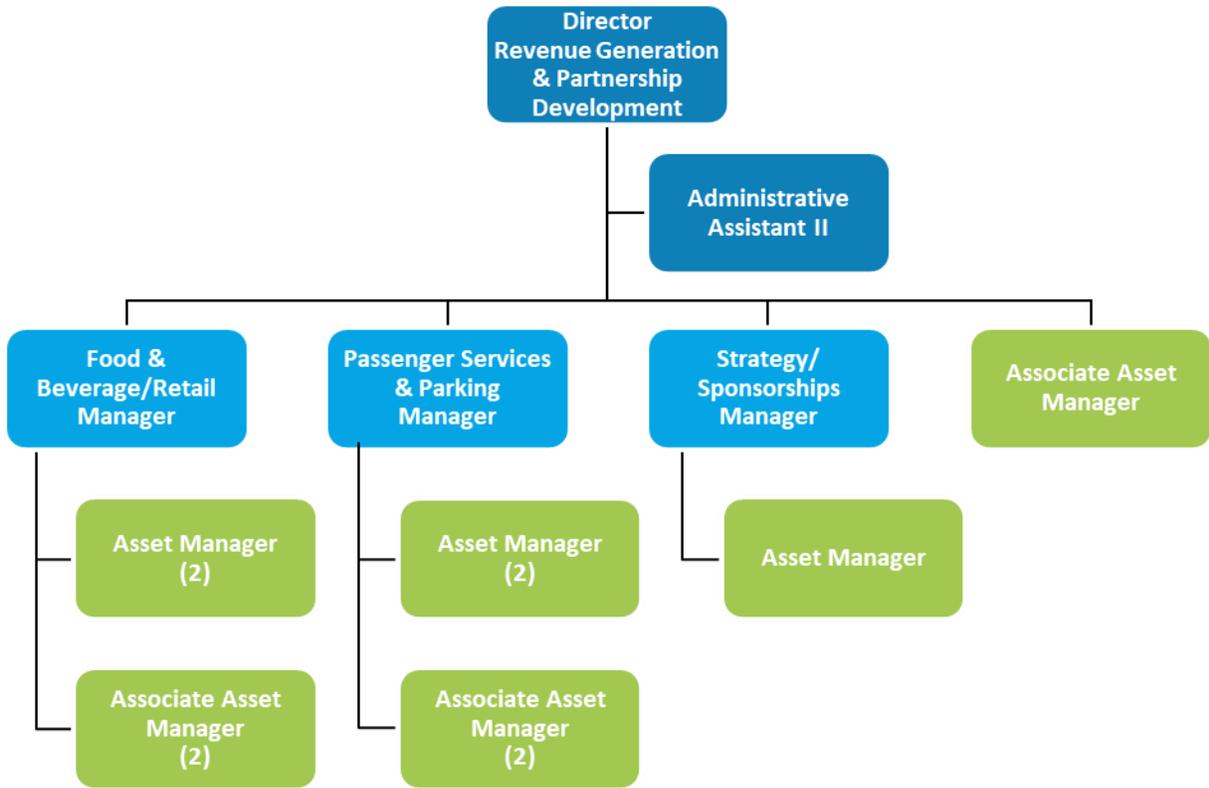
- Transform the Customer Experience

Strategic Initiative:

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

Revenue Management & Innovation Division – Revenue Generation & Partnership Development

FY 2022 – FY 2023 Organizational Structure



No personnel changes in FY 2023.

Revenue Management & Innovation Division – Revenue Generation & Partnership Development

FY 2022 Budget – FY 2023 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$1,295	\$1,256	\$1,400	\$144	11.4%	\$1,559	\$159	11.3%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	697	651	710	59	9.1%	800	90	12.7%
Subtotal	1,992	1,907	2,110	203	10.6%	2,359	249	11.8%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	1,992	1,907	2,110	203	10.6%	2,359	249	11.8%
Contractual Services	2,004	1,671	1,877	206	12.3%	2,048	171	9.1%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	10,177	10,177	10,642	466	4.6%	10,645	3	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	7	-	-	-	0.0%	-	-	0.0%
Operating Supplies	2	3	3	-	0.0%	3	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	3	17	17	-	0.0%	17	-	0.0%
Business Development	9	65	114	49	74.7%	183	69	60.4%
Equipment Rentals and Repairs	21	5	155	150	3000.0%	155	-	0.0%
Tenant Improvements	100	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	12,323	11,937	12,808	871	7.3%	13,051	243	1.9%
Total Operating Expenses	14,315	13,844	14,918	1,074	7.8%	15,410	492	3.3%
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%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	14,315	13,844	14,918	1,074	7.8%	15,410	492	3.3%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$14,315	\$13,844	\$14,918	\$1,074	7.8%	\$15,410	\$492	3.3%

Revenue Management & Innovation Division – Revenue Generation & Partnership Development

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY22 vs FY21	Inc/(Dec) FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	\$13,844	\$14,918
Personnel Costs		
Salary adjustments and pay for performance	144	159
Burden (benefits & employer taxes) for current staff	59	90
Total Increase / (Decrease) in Personnel Costs	203	249
Non-Personnel Costs		
Receiving and distribution center operator	307	101
CDP ventilation cleaning	-	100
Property management software	150	-
Rent	466	3
Other, net	(52)	39
Total Increase / (Decrease) in Non-Personnel Costs	871	243
Total Increase / (Decrease)	1,074	492
FY 2022 Budget / FY 2023 Conceptual Budget	\$14,918	\$15,410

Revenue Management & Innovation Division – Revenue Generation & Partnership Development

FY 2021 Progress Report

1. Selection of airport wide optimal concession business management model in order to direct design/builder of new terminal concession requirements.

Progress: Evaluations of models will determine the selection of which management model will be utilized for concession development and management. An RFI and RFQ was issued, interviews were conducted with Proposers and staff is in the process of interviewing other airports to gather additional information regarding each model. Executive team was interviewed to determine key attributes for the selection process. A presentation with the results of the interviews and collection of data will be presented to the Executive team for their consideration of which management model to pursue.

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

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

2. Develop parking revenue strategy to maximize revenue and minimize impact of New T1 construction.

Progress: Due to COVID-19 development of the parking revenue strategy development was delayed as the Executive team wanted to hold off on release of the RFP. At the request of the ELT, RG&PD is conducting research into parking revenue approaches, which includes a survey of other airports, a period for interviews and then a recap of the information collected. This information will then be presented to the Executive team for next steps.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

3. Develop two-year concession marketing calendar to promote terminal activities and promotions to enhance the passenger experience and provide ROI to concessions.

Progress: Due to COVID-19 pandemic the concession marketing two-year plan have been delayed until enplanements resume a level closer to CY2019. During the past year, an awareness program was implemented to inform the passengers the concessions are open, safe, and ready to take care of their needs.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

Revenue Management & Innovation Division – Revenue Generation & Partnership Development

FY 2022 – FY 2023 Goals

1. Develop parking revenue strategy to maximize revenue and minimize impact of New T1 construction.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

2. Development and operation of a full-service airport lounge in Terminal 2 West.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

3. Finalize a Cellular Strategy that includes a Lead MNO (Mobile Network Operator) to provide best in class cellular network performance as well as an efficient and cost-effective management model.

Strategic Plan Focus Area:

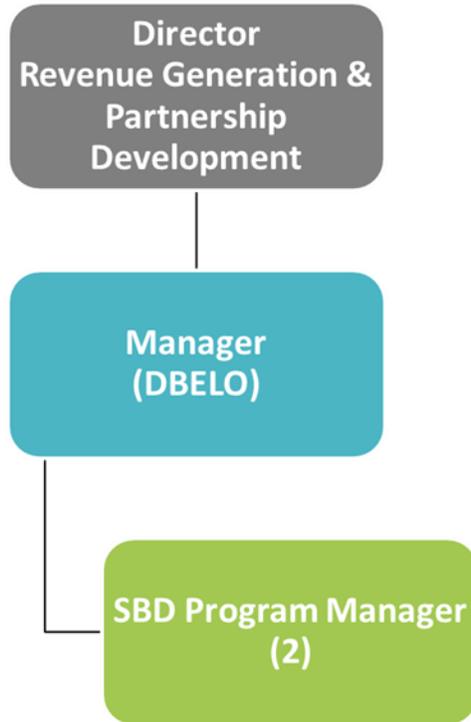
- Advance the New T1

Strategic Initiative:

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

Revenue Management & Innovation Division – Small Business Development

FY 2022 – FY 2023 Organizational Structure



Director position resides in Revenue Generation & Partnership Development Department and is shown for structural purposes.

No personnel changes in FY 2023.

Revenue Management & Innovation Division – Small Business Development

FY 2022 Budget – FY 2023 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change	FY 2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Operating Expenses								
Salaries & Wages	\$173	\$163	\$163	\$0	0.0%	\$283	\$119	73.1%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	117	73	78	5	6.2%	135	57	73.7%
Subtotal	290	236	241	5	1.9%	417	176	73.3%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	290	236	241	5	1.9%	417	176	73.3%
Contractual Services	21	32	35	3	7.7%	35	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	(0)	1	1	-	0.0%	1	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	0	4	4	-	0.0%	4	-	0.0%
Business Development	25	45	43	(2)	-5.5%	46	3	7.0%
Equipment Rentals and Repairs	38	24	28	4	16.8%	28	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	85	107	111	4	3.8%	114	3	2.7%
Total Operating Expenses	375	343	352	9	2.5%	531	179	51.0%
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%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	375	343	352	9	2.5%	531	179	51.0%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$375	\$343	\$352	\$9	2.5%	\$531	\$179	51.0%

Revenue Management & Innovation Division – Small Business Development

Major Drivers of FY 2022 Budget & FY 2023 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY22 vs FY21	Inc/(Dec) FY23 Conceptual vs FY22
FY 2021 Budget / FY 2022 Budget	\$343	\$352
Personnel Costs		
Burden (benefits & employer taxes) for current staff	5	57
Salary adjustments and pay for performance	-	119
Total Increase / (Decrease) in Personnel Costs	5	177
Non-Personnel Costs		
Training and business development travel	17	3
Promotional activities	13	-
Other, net	(26)	-
Total Increase / (Decrease) in Non-Personnel Costs	4	3
Total Increase / (Decrease)	9	180
FY 2022 Budget / FY 2023 Conceptual Budget	\$352	\$531

Revenue Management & Innovation Division – Small Business Development

FY 2021 Progress Report

1. Collaborate with the ASF contractors, New T1 contractors, and other major projects to facilitate their Small Business goals and work with internal and external stakeholders on the development of the New T1 Concession Program and inclusion of ACDBE opportunities.

Progress: Small Business Development continues to work with the ASF prime contractor to identify opportunities. ASF small business goals are on target to exceeding the committed goal (Small Business goal committed: 35%, Current Small Business achievement: 40.5%).

The New T1 Concession Program management model approach (developer or multi-prime) is under evaluation. Once the model of choice and key stakeholders has been determined and finalized, the team will work with internal and or external stakeholders on identifying methods to include opportunities for ACDBEs.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

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

Progress: The Small Business Development team has continued to provide the business community the tools, education, outreach, and transparency, especially during the pandemic. The team has paved the way in making small businesses aware of various relief loans/COVID-19 resources, webinars, and outreach events through the utilization of a new communication portal. In person training and events were adjusted to a virtual setting.

The team hosted the annual "Meet the Primes" event for the first time in a virtual format on October 27-29 and November 3-4, 2020. Over the course of five days nineteen sessions were offered, which provided a unique opportunity to educate about opportunities, how to obtain available resources and introduced businesses to prime contractors, concessionaire operators, public agencies, Airport Authority departments and business support services. There were a total of 1300 logins with 397 total of attendees.

To ensure the integrity of the Disadvantaged Business Enterprise (DBE) and Airport Concession Disadvantaged Business Enterprise (ACDBE) Programs, the team educated businesses on the new virtual DBE and ACDBE certification processing by administering on-site meetings and hearings through computer, tablet, and mobile device technologies.

The team participated in and hosted a myriad of educational webinars, training, opportunity awareness and outreach events during the fiscal year including:

Revenue Management & Innovation Division – Small Business Development

EDUCATION:

- Internal and External Stakeholder Meeting for the Federal Fiscal Year 2021-2023 goal ACDBE Goal Methodology
- Joint Venture Compliance Reporting Training Webinar
- Virtual Turner School of Construction Fall 2020
- Veterans Appreciation Panel
- Labor Compliance Webinar
- Cal OSHA/Injury & Illness and Prevention Program Webinar
- Small Business Development Center Meet the Buyers featuring San Diego County Regional Airport Authority
- Planetbids Webinar Panel on Systems Methods for Increasing Diversity Panel

OPPORTUNITY AWARENESS/OUTREACH:

- CalTrans Procurement Fair
- Meet the Buyers, State of California Department of General Services
- SUNDT Construction Webinar on Airport Support Facilities Project and Future Opportunities
- Virtual Meet the Primes

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 3A. Execute regional engagement and education plan to clearly communicate SAN's role in economic growth
3. Improve the collaboration between SBD and our internal stakeholders by providing training on departmental procedures and services that SBD can provide.

Progress: Small Business Development extended an invitation to all Airport Authority departments to attend Meet the Primes on November 3, 2020. The team delivered a presentation to educate about the robust Small Business Development Program and how the Airport Authority achieves maximization of contract opportunities for small, local, service disabled/veteran owned small businesses and disadvantaged businesses.

Additionally, the team was featured at SANLive to educate about 2020 Meet the Primes, about the SBD Program and encouraged all departments for their support for 2021 Meet the Primes.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

Revenue Management & Innovation Division – Small Business Development

FY 2022 – FY 2023 Goals

1. Collaborate with New T1 contractors and other major projects to facilitate their Small Business, Local Business, Veteran Owned Small Business goals.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

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

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

3. Work with internal and external stakeholders on the development of the New T1 Concession Program and inclusion of ACDBE opportunities.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

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

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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 \$110.5M for the FY 2022 Budget and \$112.5M for the FY 2023 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 239.

In addition, the Board has adopted a debt policy that calls for minimum debt service coverage of 140% (1.40x) for aggregate debt service coverage (senior and subordinate) calculated where PFCs used to pay debt service and the federal Interest Subsidy, if any, are added to Net Revenues (rather than deducted from Debt Service).

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-Alternative Minimum Tax (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

Debt Service

Series 2017, 2019 & 2020 Bonds – Subordinate Airport Revenue Bonds

On July 18, 2017, the Airport Authority issued \$291.2M of Series A and B Subordinate Airport Revenue Bonds (Series 2017 Bonds). The Subordinate Series 2017 Bonds were issued to finance certain capital improvements at 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.

On December 11, 2019, the Airport Authority issued \$463.7M of Series A and B Subordinate Airport Revenue Bonds (Series 2019 Bonds). The Subordinate Series 2019 Bonds were issued to finance certain capital improvements at SDIA including Airport Support Facilities, Storm Water Infiltration Beds, Baggage handling and Bag make-up upgrades, fund a portion of the interest accruing on the subordinate Series 2019 Bonds, refund \$34.3M of the Airport Authority's outstanding variable rate debt, fund the subordinate reserve fund, pay the costs of issuance of the subordinate Series 2019 Bonds and to refund the 2010 Series C bonds. The Series 2019 Bonds are structured as serial and term bonds that bear interest at rates ranging from 4.0% to 5.0% and mature in fiscal years 2021 to 2050. The bonds were issued at a premium of \$96.9M, which is being amortized over the life of the bonds. Interest on the senior Series 2019 Bonds is payable semiannually on January 1 and July 1, of each year.

On April 8, 2020, the Airport Authority issued \$241.6M of Series A, B and C Subordinate Airport Revenue Bonds (Series 2020 Bonds). The Subordinate Series 2020 Bonds were issued as forward delivery Bonds (the Bonds were priced concurrently with the 2019 Bonds in November 2019). The Series 2020 Bonds were issued to refund the Series 2010 A and B Bonds. The Series 2020 Bonds are structured as serial bonds that bear interest at a rate of 5.0% and mature in fiscal years 2021 to 2041. The bonds were issued at a premium of \$49.4M, which is being amortized over the life of the bonds. Interest on the senior Series 2019 Bonds is payable semiannually on January 1 and July 1 of each year.

The Series 2017 Bonds, 2019 Bonds and 2020 Bonds are payable solely from and secured by a pledge of "Subordinate Net Revenues." Subordinate Net Revenues are generally defined as all revenues and other cash receipts of the Airport Authority's Airport operations remaining after Senior Lien payments have been deposited by the Trustee in accordance with the Senior Lien Trust Indenture.

The Authority intends to issue Airport Revenue bonds in FY 2022. The proceeds from the sale of the Subordinate Series 2022 Bonds shall be used to provide funds for development and construction of the New Terminal 1 program.

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 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.

Debt Service

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 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	AA-
Series 2017, 2019 and 2020 (Subordinate)	A-	A2	A+
Series 2014 (Special Facility)	BBB+	A3	N/A

Variable Rate Debt

At the end of FY2021, the Airport Authority has no outstanding short-term debt. However, the Airport Authority entered into a revolving line of credit, issued by Bank of America, on July 19, 2021. The Revolving Credit Agreement is for a term of three years and has a total available commitment of \$200.0M.

Debt Service

Debt Service Coverage

The following table shows debt service coverage on the aggregate senior and subordinate lien debt.

	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	FY 2023 Conceptual Budget
Airport Revenues	\$ 280,573	\$ 252,553	\$ 245,931	\$ 355,227
Operations & Maintenance Expenses	(136,298)	(125,130)	(97,540)	(173,563)
Net Revenue available for Senior & Subordinate Lien Debt Service	144,275	127,423	148,391	181,665
Senior Bond Debt Service	26,006	26,000	26,215	26,444
PFCs used to pay Debt Service	(11,261)	(11,259)	(11,171)	-
Federal Relief	(6,502)	-	(6,400)	-
Senior Bond Debt Service, Net of PFCs	\$ 8,244	\$ 14,741	\$ 8,644	\$ 26,444
Senior Bonds Debt Service Coverage (x)	17.50	8.64	17.17	6.87
Subordinate Net Revenues	\$ 136,031	\$ 136,169	\$ 139,748	\$ 155,221
Subordinate Lien Bond Debt Service	59,239	64,036	67,422	72,773
Variable Rate Debt Service	1,895	193	-	-
PFCs used to pay Debt Service	(18,745)	(8,746)	(18,834)	-
BAB Subsidy	(2,089)	-	-	-
Federal Relief	(14,314)	-	(12,000)	-
Subordinate Debt Service, Net of PFCs and BAB Subsidy	\$ 25,986	\$ 55,483	\$ 36,588	\$ 72,773
Subordinate Debt Service Coverage (x)	5.23	2.45	3.82	2.13
Aggregate (Senior and Subordinate Lien) Debt Service	\$ 87,140	\$ 90,229	\$ 93,637	\$ 99,217
PFCs used to pay Debt Service	(30,005)	(20,005)	(30,005)	-
BAB Subsidy	(2,089)	-	-	-
Federal Relief	(20,815)	(26,021)	(18,400)	-
Total Debt Service, Net of PFCs and BAB Subsidy	\$ 34,230	\$ 44,202	\$ 45,232	\$ 99,217
Total Debt Service Coverage (x)	4.21	2.88	3.28	1.83
Net Revenue (Including PFC, BAB Subsidy and CARES Act Grant)	\$ 87,140,009	\$ 90,229,277	\$ 93,637,247	\$ 99,216,666
Net Revenue (Including PFC, BAB Subsidy and Federal Relief)	\$ 197,186	\$ 173,450	\$ 196,796	\$ 181,665
Revenue Method - Debt Service Coverage on Aggregate Debt	2.26	1.92	2.10	1.83

Debt Service

The following table shows debt service coverage on the CFC bond debt.

	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	FY 2023 Conceptual Budget
CFC Collections	\$ 30,240	\$ 20,630	\$ 23,962	\$ 29,098
Transfer From Stabilization Account	3,564	8,000	2,100	0
Interest Earnings	1,502	647	134	146
Total Amounts Available	\$ 35,306	\$ 29,277	\$ 26,196	\$ 29,244
Rolling Coverage Fund Balance	\$ 6,576	\$ 6,575	\$ 6,576	\$ 6,575
Total Amounts Available, plus Rolling Coverage Fund Balance	\$ 41,882	\$ 35,853	\$ 32,772	\$ 35,819
Aggregate Annual Debt Service	\$ 21,919	\$ 21,918	\$ 21,921	\$ 21,917
Coverage excluding Rolling Coverage Fund	1.61	1.34	1.20	1.33
Coverage including Rolling Coverage Fund	1.91	1.64	1.50	1.63

Debt Service

Outstanding Debt Service *

(in thousands)

Aggregate Senior and Subordinate Debt Service						Special Facility Debt
Year Ended July 1	2013 Senior Bonds Principal and Interest	2017 Subordinate Bonds Principal and Interest	2019 Subordinate Bonds Principal and Interest	2020 Subordinate Bonds Principal and Interest	Total	2014 CFC Bonds
2021	26,000	18,919	25,712	25,870	96,501	21,919
2022	25,994	18,916	26,561	25,864	97,335	21,918
2023	26,003	18,915	27,994	25,867	98,779	21,921
2024	26,000	18,916	27,994	20,337	93,246	21,917
2025	25,998	18,912	26,889	20,328	92,128	21,919
2026	26,003	18,915	26,889	20,331	92,137	21,920
2027	26,002	18,916	26,894	20,335	92,147	21,919
2028	25,996	18,917	26,889	20,338	92,139	21,919
2029	25,990	18,915	26,889	20,332	92,126	21,920
2030	26,003	18,916	26,888	18,008	89,815	21,920
2031	16,668	18,918	36,720	16,744	89,049	21,918
2032	16,979	18,915	37,957	16,816	90,667	21,922
2033	17,240	18,917	37,939	15,260	89,355	21,920
2034	17,606	18,912	39,473	10,809	86,800	21,920
2035	18,016	18,915	43,905	10,805	91,641	21,917
2036	18,552	18,918	43,877	10,812	92,159	21,918
2037	19,105	18,916	43,845	10,807	92,673	21,921
2038	19,692	18,913	43,808	10,811	93,223	21,918
2039	20,294	18,913	43,769	10,820	93,796	21,919
2040	20,923	18,918	43,734	-	83,575	21,919
2041	67,600	18,918	18,423	-	104,941	21,918
2042	67,600	18,921	18,418	-	104,939	21,921
2043	67,598	18,915	18,418	-	104,930	21,922
2044	-	18,919	18,416	-	37,335	21,922
2045	-	18,916	18,417	-	37,333	21,919
2046	-	18,914	18,421	-	37,334	-
2047	-	18,916	18,418	-	37,334	-
2048	-	-	18,417	-	18,417	-
2049	-	-	18,417	-	18,417	-
2050	-	-	22,223	-	22,223	-
2051	-	-	0	-	0	-
Total	\$ 647,861	\$ 510,729	\$ 872,613	\$ 331,292	\$ 2,362,494	\$ 547,987

Debt Service

Debt Service by Source

<i>(in thousands)</i>	FY2020 Actuals	FY2021 Budget	FY2022 Budget	Inc / (Dec) FY22 vs FY21 Budget	% Change	FY2023 Conceptual Budget	Inc / (Dec) FY23 Conceptual vs FY22 Budget	% Change
Interest and Fees on Variable Rate Debt	\$1,024	\$2,083	\$875	(\$1,208)	-58.0%	\$875	\$0	0.0%
Principal on Revenue Bonds	25,670	30,630	33,005	2,375	7.8%	36,090	3,085	9.3%
Interest on Revenue Bonds	65,245	65,867	64,556	(1,311)	-2.0%	63,127	(1,430)	-2.2%
Principal on Special Facility Bonds	5,890	6,090	6,320	230	3.8%	6,670	350	5.5%
Interest on Special Facility Bonds	16,029	15,828	15,601	(227)	-1.4%	15,247	(354)	-2.3%
Principal & Interest Expense - Capitalized Leases	878	877	877	0	0.0%	877	0	0.0%
Cost of Issuance and Other fees	2,418	532	2,871	2,340	439.8%	2,822	(49)	-1.7%
Amortization on Bond Premiums	(9,624)	(9,589)	(13,633)	(4,044)	42.2%	(13,206)	427	-3.1%
Total Debt Service	\$107,530	\$112,319	\$110,473	(\$1,846)	-1.6%	\$ 112,503	\$2,030	1.8%

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Capital Program



Capital Program

Overview

The Capital Program at SAN consists of the Capital Improvement Program (CIP), which uses traditional (Design-Bid-Build) project delivery, as well as the New T1 program, which is being implemented under an alternative project delivery method (Design-Build). The Capital Program is a rolling five-year program that provides critical improvements and asset preservation. The Capital Program includes capital improvement projects that address federal security requirements, airfield safety, environmental remediation, terminal upgrades, and development. Funding sources for the projects include 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 Airport Authority staff and project sponsors to determine if there are any significant issues and/or risks in undertaking the project. Taking into account the Airport 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 Airport Authority's ability to provide natural resource conservation while being socially responsible are evaluated.

Following the interviews, the development team forwards evaluations of the proposed projects to the Airport Authority's Executive Leadership Team (ELT) consisting of the Vice Presidents and President/CEO who oversee the Capital Improvement Program. The ELT then selects projects to advance further for development of scope, schedule, budget, and identification of risks and proposed funding sources. The ELT then recommends projects to be included in the Capital Improvement Program or they may revise the list of projects to be presented to the Airport Authority Board based on funding availability and project necessity. Following Airport Authority Board approval of the CIP, project teams begin project implementation as planned and approved. The ELT meets weekly, reviews all new project requests, changes to project scopes, budgets, and schedules, and ensures the efficient use of the Airport Authority's capital resources to accommodate the ever-changing Airport environment and regulatory requirements.

Capital Program

Prioritization Criteria for Capital Projects

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)

FY 2021 – 2025 Beginning Capital Program Budget	\$3,728,201
Airline Support Building Tenant Improvements	<u>21,300</u>
<i>Subtotal</i>	<i>3,749,501</i>
FY 2021 - 2025 Project Closeouts /Adjustments	<u>(128,713)</u>
FY 2021 - 2025 Ending Capital Program Balance	\$3,620,788
FY 2022 - 2026 New Capital Projects/Allowances/Adjustments	<u>29,166*</u>
FY 2022 - 2026 Capital Program Budget	<u>\$3,649,954*</u>

*Pending Board approval

Capital Program

Sources of Funds by Fiscal Year

(in thousands)

	Pre-FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Capital Improvement Program							
Airport Revenue Bonds	\$148,545	\$94,375	\$36,623	\$2,117	\$3,621	\$2,406	\$287,687
Major Maintenance Funds	15,622	21,974	20,679	28,728	25,047	29,594	141,644
Airport Cash	75,957	(36,412)	3,931	18,392	39,462	9,824	111,153
Federal Grants	9,269	207	11,396	21,470	6,150	3,500	51,992
Other	8,439	23,178	14,698	385	1,595	-	48,295
Passenger Facility Charges	1,466	-	959	6,757	-	-	9,181
Subtotal Capital Improvement Program	259,298	103,323	88,287	77,848	75,874	45,324	649,954
New T1 Program							
Airport Revenue Bonds	-	261,794	716,585	697,355	492,335	563,740	2,731,808
Airport Cash	104,151	115,849	-	-	-	-	220,000
Federal Grants	-	8,929	17,888	3,018	9,815	3,271	42,922
Customer Facility Charges *	-	5,270	-	-	-	-	5,270
Subtotal New T1 Program	104,151	391,842	734,473	700,373	502,150	567,011	3,000,000
Total Sources of Funds	\$363,450	\$495,165	\$822,760	\$778,221	\$578,024	\$612,335	\$3,649,954

*Includes proceeds from CFC backed Special Facility Bonds and pay-as-you-go usage

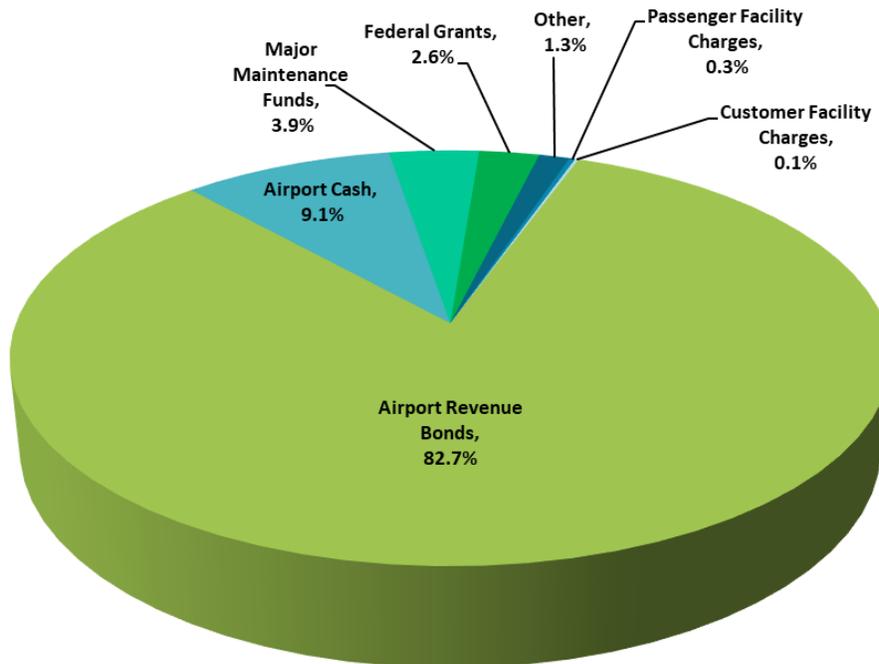


Figure 40 – Total Sources of Funds

Capital Program

Uses of Funds by Fiscal Year

(in thousands)

	Pre-FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Capital Improvement Program							
Landside/Ancillary	\$151,505	\$16,731	\$24,119	\$26,104	\$45,338	\$5,000	\$268,796
Airside	34,059	25,351	51,306	30,430	11,714	32,657	185,518
Terminal	39,958	30,493	6,876	14,066	11,076	1,498	103,968
Administrative	53,407	11,118	5,986	7,247	7,746	6,169	91,672
Subtotal Capital Improvement Program	278,929	83,692	88,287	77,848	75,874	45,324	649,954
New T1 Program							
Terminal	39,288	264,174	521,349	529,161	402,667	492,431	2,249,070
Landside/Ancillary	24,222	37,405	140,760	123,221	61,890	27,050	414,547
Airside	13,120	31,797	58,606	47,739	37,593	47,530	236,383
Administrative	27,522	58,467	13,758	253	-	-	100,000
Subtotal New T1 Program	104,151	391,842	734,473	700,373	502,150	567,011	3,000,000
Total Uses of Funds	\$383,080	\$475,534	\$822,760	\$778,221	\$578,024	\$612,335	\$3,649,954

Funding

Airport Improvement Program (AIP)

AIP grants are offered to the Airport Authority to provide funding assistance for eligible capital projects that meet the criteria of the federal program.

Title 49 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 Airport Authority expends funds for eligible capital projects, it is then reimbursed with grant proceeds. Projected expenditures to be reimbursed by AIP grants are \$10.9M in FY 2021 and \$18.2M in FY 2022.

Capital Program

Passenger Facility Charge (PFC)

PFCs were initially authorized through the Aviation Safety and Capacity Expansion Act of 1990. The Act allowed public agencies that manage commercial airports, to charge each enplaning passenger a facility charge in accordance with FAA requirements. The passenger facility charge is levied on the passenger tickets, collected by the airline, and forwarded to the airport (less a handling fee charged by the airlines). The revenues collected are to preserve or enhance safety, security, 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 2020 to provide \$40.0M funding for the Terminal 2 West FIS project. A subsequent amendment to this application was submitted to FAA to apply an additional \$11.1M in PFC funding to the project, for a total of \$51.1M. Approval for this amendment is expected in the Fall of 2020.

Customer Facility Charge (CFC)

California state law authorizes an airport to collect fees for financing, designing, and constructing consolidated car rental facilities, constructing, and operating a common-use transportation system and terminal modifications to accommodate and provide customer access. The Board approved 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

(in thousands)

Current Airside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104149	SDIA Airport Development Plan	Project will define the future plan for SDIA through the year 2035 and beyond. The near-term phase will focus on airfield efficiency/circulation improvements, the replacement of Terminal 1 with a 30-gate terminal and the SDCRAA administration building. The redevelopment of the former TDY property for airfield and ground transportation uses 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 California Coastal Act, as well as the National Environmental Policy Act (NEPA) and preparation of an FAA approved Airport Layout Plan (ALP) package.	\$6,590	PFC / Cash	Q1/2012	Q2/2022	None
104245C	Airline Support Building	Project will provide a new airline provisioning and cargo facility located on the south side of the Airport with both public and airfield access to facilities.	5,894	Bonds	Q4/2018	Q1/2022	None
104245E	Gate P-18 Relocation	The project will relocate and construct a new AOA Gate P-18.	2,285	Bonds	Q2/2019	Q1/2022	None
104249A	West Refueler Loading Facility	Project will replace the existing 5-bay fuel rack with a new one on the west side of the airfield. The existing fuel rack will be demolished prior to the construction of the new Terminal 1.	14,080	Other (Airline)	Q1/2021	Q1/2023	None
104250	FAR Part 150 Study Update	Project will 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	Q3/2019	Q1/2022	None
104251	Northside Apron Improvements	Project will prepare a master development and implementation plan for the air cargo, remain overnight aircraft parking, and other supporting and miscellaneous development proposed on the northside. Includes implementation of phase 1 air cargo development and apron improvements.	\$33,513	Bonds / Major Maint.	Q4/2018	Q4/2026	None

Airside CIP Projects

(in thousands)

Current Airside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104255A	Rehabilitate Cross Taxiways C2, C5 & D	Project will provide a partial depth mill and overlay of existing asphalt pavement on Taxiways C2, C5 & D, including replacement of impacted pavement markings; removal and reinstallation of existing in-pavement lights in the taxiways impacted by the pavement rehabilitation; and removal of in-pavement runway status lights (RWSL) on Taxiway D.	\$4,135	AIP / Bonds	Q2/2019	Q1/2022	None
104262	Replace Emergency Generators	Project will provide a study to evaluate the condition of existing generators; and connect generators to the Airport Monitoring & Maintenance System.	2,100	Major Maint.	Q4/2019	Q4/2025	None
104264	Runway Electrical Vault Upgrades	Project will install clean agent type fire suppression system in airfield lighting vault to protect runway lighting equipment and monitor 24/7 as are Airport's other fire systems. Replace runway vault lighting regulators and electrical gear including main switchboard, as required.	1,273	Bonds	Q1/2020	Q1/2023	None
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 Maint.	Q2/2021	Q4/2025	None
104277	Airfield Pavement Management Program	Project will 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	Q1/2021	Q2/2022	None
104280	Airside Electric Vehicle Supply Equipment	Project will procure and install 39 dual-port Electrical Vehicle chargers to supply power to 78 pieces of electric ground support equipment (GSE) at Terminal 2 gates. Partial funding from SDG&E.	3,100	Other (Grants) / Major Maint.	Q2/2020	Q1/2023	None
104281	Upgrade/Replace EMAS	Project will 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.	\$15,574	AIP / Bonds	Q2/2020	Q2/2022	None

Airside CIP Projects

Current Airside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104282A	Perimeter Security Fencing / Perimeter Intrusion Detection System (PIDS) Master Plan Study	Project will evaluate the entire Perimeter Intrusion Detection System (PIDS) currently installed on Airport property. The PIDS encompasses approximately 90% of the existing perimeter security fence. The project will also evaluate the entire existing perimeter fence. This project does not include the limits of the ADP.	\$500	Bonds	Q2/2020	Q2/2022	None
104291	ARFF Building HVAC Improvements	Project will replace existing ARFF building HVAC system. The current system is beyond its useful life and no longer serviceable and a new system will improve efficiency, reduce costs and provide a better environment for ARFF personnel.	780	Bonds	Q1/2021	Q1/2023	None
104293	Airfield Stormwater Treatment Control BMPs	Project will design and 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	Q1/2021	Q4/2026	None
104298	Fuel Co. Hydrant Fueling Projects Development	Project will provide review of design plans and specifications by subject matter experts during approximately seven (7) fueling projects being designed and built by the SAN Fueling Company. It will also provide oversight in the field during the construction of these projects, including but not limited to safety and environmental compliance.	3,500	Other (Airline)	Q3/2021	Q1/2028	None
New FY17	Construct Taxiway A	Project will construct a new 5,000' x 50' taxiway parallel to Taxiway B, including lighting, storm drain, electrical, striping and security fencing.	38,936	AIP / Bonds	Q1/2023	Q4/2023	None
New FY13	Relocate Taxiway B	Project will relocate Taxiway B 37.5 ft. south between Taxiway B4 and B10 to meet FAA standards of required distance from center-line of the runway.	30,863	AIP / PFC	Q4/2023	Q3/2024	None
New 21-03	Airfield Safety Area Manhole / Utility Vault Covers	Project will conduct a study of existing utility/stormwater vault covers in the Runway Safety Area & Taxiway Safety Area. As determined, rehabilitate the infrastructure to maintain compliance with FAA FAR Part 139 so the safety area supports load of ARFF vehicles and aircraft without damage.	680	Bonds	Q1/2022	Q3/2023	None
Subtotal - Current Airside CIP Projects			\$172,733				

Airside CIP Projects

(in thousands)

New Airside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
New FY22	Replace P-01 Perimeter Access Gate	Project will replace existing sliding gate P-01 with high-speed bi-fold gate and provide guard post building for contractor & security personnel, providing operational safety & security.	\$2,285	Major Maint.	Q1/2022	Q2/2024	None
New FY22	Noise Exposure Map (NEM) Update	Project will provide an updated NEM in 2026 to determine if 65 dB and greater noise contours have changed based on actual aircraft operation levels and flight paths. As part of the Board-approved mitigation measures for ADP, project will determine if boundaries of SAN's Quieter Home Program need to be adjusted.	500	AIP / Major Maint.	Q1/2026	Q4/2026	None
New FY22	Rehabilitate Aircraft Rescue & Fire Fighting (ARFF) Station	Project will rehabilitate ARFF station to comply with FAA AC 150/5310-15A requirements. This includes expansion of apparatus bay structure, storage facilities, maintenance workshop areas, additional building to support fitness & training, flooring, paint, etc.	10,000	AIP / Major Maint.	Q1/2024	Q3/2026	None
Subtotal - New Airside CIP Projects			\$12,785				
Total Airside CIP Projects			\$185,518				

Landside/Ancillary CIP Projects

(in thousands)

Current Landside/Ancillary CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104197	Admiral Boland Way Murals - Public Art	Project provides an on-going opportunity for artistic design and enhancement to be integrated along the north end of the Admiral Boland Way.	\$125	Cash	Q2/2015	TBD	None
104205	Widen Sassafras Street Intersection	Project will increase the width of Sassafras Street between Pacific Hwy and Kettner Boulevard up to the railroad crossing in order to mitigate traffic impacts due to RCC opening, increased FBO tenants and future cargo use.	5,663	Bonds	Q1/2015	Q3/2023	None
104226	Replace Sidewalk T2W Existing to Green Build - Phase 1	Project replaces concrete sidewalk, curb and base in order to repair existing cracking, spalling and faulting at Terminal 2 West.	2,000	Bonds / Major Maint.	Q1/2017	Q1/2022	None
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 and software to ensure minimal response time.	964	Cash	Q4/2018	Q4/2025	None
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.	20,820	Bonds / Cash	Q1/2018	Q3/2022	None
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.	5,721	Bonds / Cash	Q1/2018	Q1/2022	None
104245C	Airline Support Building	Project will provide a new airline provisioning and cargo facility located on the south side of the Airport with both public and airfield access to facilities.	39,445	Bonds	Q4/2018	Q1/2022	None
104245D	Fueling Operator Facility	Project will design and construct the facility to be utilized by the Airport Fueling Operator.	7,612	Other	Q2/2019	Q1/2022	None
104245F	Northside Utilities	Project will 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	Bonds	Q2/2019	Q1/2022	Minimal

Landside/Ancillary CIP Projects

(in thousands)

Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104245G	ASF - Stormwater Management	Project will collect, treat and reuse stormwater for irrigation, cooling tower, Terminal gray water and RCC vehicle washes. Project will address current and future regulatory requirements.	\$35,566	Bonds	Q1/2019	Q1/2022	None
104252	Northside Utility Infrastructure - Cargo Development	Project will prepare a master development and implementation plan for the utility and storm drainage improvements needed to support new development on the northside. Includes implementation of phase 1 utility and storm drainage improvements.	8,651	Cash	Q4/2018	Q4/2025	None
104265	T2W Crosswalk Improvements	Project will provide safety and aesthetic enhancements at the primary pedestrian crosswalk in front of Terminal 2	1,105	Bonds	Q4/2019	Q2/2023	None
104266	Airport Support Building - Public Art	Project will 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	Bonds	Q4/2019	Q4/2023	None
104274	East Solid Waste Disposal and Recycling Facility	Project will replace the existing Solid Waste, Recycling, Triturator and Vehicle Wash Facility on the east side of the Airport. Provides containment for airport solid waste operations to ensure regulatory compliance for both stormwater and industrial waste permits.	26,101	Bonds / Cash	Q1/2020	Q2/2024	None
104274A	West Solid Waste Facility	Project will provide a facility that will partially replace the existing trash and recycling facility to the west side of the Airport. The existing facility is in the footprint of the new Terminal 1.	9,400	Bonds / Major Maint.	Q1/2021	Q1/2023	None
104275	Parking Revenue Control System Upgrade	Project will upgrade the SKIDATA and HUB PARCS Systems to the latest version. This is required for maintaining a fully supported and PCI Compliant environment.	800	Bonds	Q1/2020	Q4/2022	None
104296	Transportation Technology Master Plan	Project will provide a study for real-time visual monitoring of airport traffic conditions, data collection/analytics, Automated License Plate Reader (ALPR) cameras, Vehicle ID Readers (AVI) and related software & infrastructure.	\$600	Bonds	Q4/2021	Q2/2022	None

Landside/Ancillary CIP Projects

(in thousands)

Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104297	T2 Transportation Island Master Plan	Project will assess current conditions, provide plans for improvements to access, wayfinding signage, operator locations, passenger queue, lighting, curb/gutter and crosswalks. Improvements will be made to effectively & safely manage increased vehicle and passenger activity.	\$500	Bonds	Q4/2021	Q2/2022	None
104295A-E	Tenant Improvements at Airline Support Building	These five projects will enable airlines to construct required tenant space in the existing Airline Support Building, which was constructed as part of the Airport Support Facilities (ASF) project, in order to operate a Belly Cargo and Ground Support Equipment (GSE) maintenance facility within the existing base building. The buildouts will include airlines Southwest, American, Delta and United, as well as, SANCO.	21,300	Other	Q3/2021	Q1/2022	None
New 17-05	Rehabilitate Terminal 2 Loop Pavement	Project will rehabilitate 128,000 square feet of Terminal 2 Loop pavement with full depth, partial asphalt concrete replacement to provide a safe ingress/egress for passengers and service vehicles.	2,057	Bonds	Q1/2024	Q4/2025	None
New 18-08	Taxi/TNC Lot Relocation	Project will relocate existing Taxi/TNC Lot to another location on the south side of Airport. This includes pavement striping, CCTV cameras, video display, etc.	1,181	Bonds	Q1/2024	Q2/2025	None
New 20-01	Stormwater Infiltration Beds	Project will 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	Major Maint.	Q1/2022	Q4/2025	None
New 21-09	Parking Lot Camera Upgrade to Digital	Project will upgrade 20 parking lot cameras to digital format & DVR storage, along with servers, switches, workstations/monitors, software and licenses in Terminal 2 West and Economy/Employee Parking Lots to improve security and reduce liability.	\$2,150	Cash	Q2/2024	Q4/2025	None

Landside/Ancillary CIP Projects

(in thousands)

Current Landside/Ancillary CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
New 21-12	Airport Roadway & Vehicle Monitoring	Project will install systems for real-time visual monitoring of airport traffic conditions, data collection/analytics, Automated License Plate Reader (ALPR) cameras, Vehicle ID Readers (AVI) and related software & infrastructure.	\$31,800	Cash	Q1/2024	Q4/2025	None
New 21-13	ZEV - Acquire RCC Buses - Phase 1	Project will procure Zero Emission Vehicles (ZEV) to provide transportation between the terminals and the Rental Car Center and replace existing buses at the end of their useful life.	5,000	AIP / Cash	Q1/2025	Q4/2025	None
New 21-14	ZEV - Acquire RCC Buses - Phase 2	Project will procure Zero Emission Vehicles (ZEV) to provide transportation between the terminals and the Rental Car Center and replace existing buses at the end of their useful life.	5,000	AIP / Cash	Q1/2026	Q4/2026	None
Subtotal - Current Landside/Ancillary CIP Projects			\$255,796				
New Landside/Ancillary CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
New 22-01	ADP Offsite Intersection / Roadway Segment Improvements	Project will participate in implementation of improvements and strategies identified in the Airport Connection Study to fulfill the ADP EIR Mitigation Measure (MM#4)	\$13,000	Major Maint.	Q1/2021	Q3/2025	None
Subtotal - New Landside/Ancillary CIP Projects			\$13,000				
Total Landside/Ancillary CIP Projects			\$268,796				

Terminal CIP Projects

(in thousands)

Current Terminal CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104149	SDIA Airport Development Plan	Project will define the future plan for SDIA through the year 2035 and beyond. The near-term phase will focus on airfield efficiency/circulation improvements, the replacement of Terminal 1 with a 30-gate terminal and the SDCRAA administration building. The redevelopment of the former TDY property for airfield and ground transportation uses 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 California Coastal Act, as well as the National Environmental Policy Act (NEPA) and preparation of an FAA approved Airport Layout Plan (ALP) package.	\$6,590	PFC / Cash	Q1/2012	Q2/2022	None
104194B	Replace & Refurbish Passenger Boarding Bridges in T2 - Phase 2	Project provides for refurbishment of existing passenger boarding bridges in Terminal 2, based on an updated assessment.	8,446	PFC / Bonds / Major Maint.	Q2/2015	Q4/2025	\$30
104194D	Refurbish Passenger Boarding Bridges - T1	Project will refurbish passenger boarding bridges at Terminal 1 including: replace Pre-Conditioned Air (PCA) units and precooling at gates 3-9; and install new collection tanks, safety shoes, condensate pumps and drain hoses at gates 3-9 and 12-18.	2,460	Bonds	Q4/2018	Q3/2022	None
104240	T2E Roof Replacement	Project will modernize Terminal 2 East existing roof by upgrading existing roof-mounted support structures and drainage systems, and applying a liquid sprayed epoxy system to extend the life of the existing roof membrane.	6,550	Bonds	Q3/2017	Q2/2023	None
104254	AVSEC Network Redesign	Project will redesign the network infrastructure for the Aviation & Security network. Replace fiber cabling/network equipment in all terminals and airfield gates. Implement a network architecture that provides redundancy and high availability.	\$13,038	Bonds	Q3/2019	Q1/2023	None

Terminal CIP Projects

(in thousands)

Current Terminal CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104256	SDIA Common Use System	Project will 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. Implement both a new Resource Management System (RMS) and a Business Intelligence (BI) Platform to improve reporting at the Airport.	\$11,872	Major Maint.	Q3/2019	Q1/2023	None
104257	Gate Information Displays	Project will provide Gate Information Display monitors along with the required power and data at all hold-rooms in Terminal 2 East.	1,910	Major Maint.	Q4/2018	Q4/2025	None
104258	Fire Department Violations Remediation	Project will provide interior remodeling of Terminal 2 East & West as required to remediate remaining code compliance issues identified during the San Diego Fire Department 2018 site visit. The interior improvements under this project exclude areas affected by the new Terminal 1 program.	1,682	Major Maint.	Q3/2019	Q3/2023	None
104258A	Fire Department Violations Remediation - T2E	Project will mitigate fire code violations in Terminal 2 East upper floor and complete unfinished construction on the exit/service corridor buildout.	296	Bonds	Q3/2019	Q1/2022	None
104263	Electrical Modernization in T2E and T2W	Project will replace and modernize the outdoor electrical main switchboard (MSB) feeding Terminal 2 East and associated downstream electrical equipment located within the existing main electrical room; expand and construct a larger electrical room to meet latest code and safety requirements; and provide additional capacity, redundancy and system reliability to accommodate for terminal long term use.	9,855	Bonds	Q4/2015	Q3/2023	None
104268	T2E Renovation Master Plan	Project will 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	Major Maint.	Q4/2019	Q4/2025	None

Terminal CIP Projects

(in thousands)

Current Terminal CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104272	Replace Baggage Handling System and Baggage Makeup Units in T2E	Project will modernize existing Terminal 2 East Baggage Handling System (BHS), remove abandoned conveyors, reconfigure main and sortation devices, resolve dieback and jamming issues, and optimize system performance, supporting current airline operations and future growth projections.	\$15,946	Major Maint.	Q1/2020	Q4/2025	None
104276	Replace Existing Sidewalk T2E - Phases 2-4	Project will demolish and replace existing concrete sidewalk at Terminal 2 East; remove and replace existing electrical/communication conduits; and install new LED in-pavement lighting and outlets.	3,542	Major Maint.	Q1/2020	Q2/2023	None
104279	Server & Storage Hardware Refresh	Project will replace the computer hardware supporting the Terminal 2 systems that will no longer be supported including CUPPS, CUSS, IDS, workstations, directories, etc. The technology will match the new Terminal 1.	1,225	Major Maint.	Q1/2021	Q2/2024	None
104286	T2 Concession Utilities & Beaudevin Downsize	Project will upgrade/upsized utilities supporting five concessions in Terminal 2 East & West in coordination with the Concessions Enhancement Program. In addition, the project will remodel a portion of the current Beaudevin concession area to become part of the hold room at Gate 41.	3,100	Major Maint.	Q2/2022	Q4/2023	None
104287	T2 Accessibility Barrier Removal	Project will remove ADA barriers to provide an accessible path of travel to concessions at Terminal 2, in support of the Concessions Enhancement Program.	600	Major Maint.	Q2/2022	Q4/2023	None
104289	Replace T2E Roof Hydronic Pipe Insulation	Project will remove and replace all existing hydronic pipe insulation and valves with new at Terminal 2 East. Currently, insulation is deteriorated beyond repair, jeopardizing the underlying supply and return pipes and life expectancy.	2,200	Major Maint.	Q1/2021	Q1/2023	None
104290	Remodel Terminal 2 East for Access Control Office & Harbor Police Department Relocations	Project will provide structural repairs and repurposing of space in Terminal 2 East in order to relocate the Access Control Office, Harbor Police Dept., Lost & Found and the Airside Ops Duty Manager.	\$6,100	Bonds	Q1/2021	Q4/2022	None

Terminal CIP Projects

(in thousands)

Current Terminal CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
FMDT	FMD Capital Expenditures	Project provides for the necessary ongoing maintenance of various capital improvement projects throughout the Airport.	\$2,856	Cash	Q3/2012	Q3/2022	None
New 21-07	Remodel Terminal 2 West Westend Gallery	Project will restore the previous Terminal 2 West gallery to accommodate Public Art exhibitions. Work will include floor repair, lighting, storage area, painting, wall for concession area, etc.	550	Major Maint.	Q4/2024	Q4/2025	None
New 21-08	T2 Baggage Claim Assignment Displays	Project will install 15 baggage claim assignment monitors on Terminal 2 ramp areas to improve baggage operations.	650	Major Maint.	Q3/2024	Q4/2025	None
Subtotal - Current Terminal CIP Projects			\$101,668				
New Terminal CIP Projects							
New 22-04	Hyoco LED Sign Replacement at Elevated Departure Roadway	Project will replace 18 existing Hyoco signs on the Elevated Departure Roadway with modern digital signage and replace proprietary Hyoco software with SITA's Common Use Airport Vision software.	\$2,300	Major Maint.	Q1/2022	Q1/2024	None
Subtotal - New Terminal CIP Projects			\$2,300				
Total Terminal CIP Projects			\$103,968				

Administrative CIP Projects

(in thousands)

Current Administrative CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104041	Public Art Allowance	The Public Art Allowance is to provide a source of funds for inclusion of public art in conjunction with the appropriate CIP project.	\$2,274	Major Maint. / Cash	Q1/2022	Q4/2026	None
104069	Capital Project Allowance	The Capital Project Allowance is a program account to provide a source of funds for the design and construction of unforeseen projects during the course of implementing the Airport Capital Improvement Program.	5,000	Major Maint.	Q1/2022	Q4/2022	None
104196	Exhibition Display Equipment - Public Art	Project provides for the purchase of equipment to become part of the Public Art Program's permanent cache of installation/display resources and provide flexibility for future art exhibits.	110	Cash	Q2/2015	TBD	None
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	Major Maint.	Q1/2016	Q2/2022	None
104244	Battery Energy Storage	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	Major Maint.	Q4/2017	Q1/2022	Savings \$170
104245B	Facilities Maintenance Department Facility	Project will provide a 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.	49,112	Bonds	Q1/2018	Q1/2022	None
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.	\$2,876	Bonds / Cash	Q2/2019	Q2/2025	Minimal

Administrative CIP Projects

(in thousands)

Current Administrative CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104285	Facilities Condition Assessment	Project will provide a condition assessment of the Airport roadways and bridges.	\$400	Major Maint.	Q1/2022	Q4/2022	None
109901	CIP Support	Professional staff support for the Capital Improvement Program	28,878	Cash	Q1/2022	Q4/2026	None
NEW 21-15	Facilities Condition Assessment	Project will provide definitive long and short-range understanding of costs associated with facilities maintenance and/or replacement as an update to the previous baseline assessment completed in 2015.	500	Major Maint.	Q1/2025	Q4/2025	None
Subtotal - Current Administrative CIP Projects			\$90,591				
New Administrative CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
NEW 22-06	Fleet Conversion to Electric Vehicles	Project will procure new electric/hybrid vehicles as part of EIR mitigation effort to convert 100% of gasoline fleet to hybrid or electrical by 2024 – includes 27 hybrid or electric vehicles.	\$1,081	Major Maint.	Q1/2022	Q3/2025	None
Subtotal - New Administrative CIP Projects			\$1,081				
Total Administrative CIP Projects			\$91,672				
Total FY 2022 CIP Budget			\$649,954				

New T1 Program

(in thousands)

New T1 Program							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
413001	ADP Terminal and Roadway	Project will design and construct a new Terminal 1 building with up to 30 gates, aircraft boarding bridges, new entry, circulation, arrival and departure roadways, pedestrian bridges, demolition of buildings, surface features and utilities, new and relocated utilities, storm drainage collection, storage and transmission facilities, parking structure and existing central utility plant upgrades.	2,487,155	AIP / Bonds / Cash	Q1/2021	Q4/2027	\$13,634
415001	ADP Program Contingency	Project will provide contingency funds for the Airside, Landside and Terminal developments in the ADP Program	180,218	Bonds	Q1/2021	Q4/2027	None
411001	ADP Airside	Project will design and construct the airside portions of the Terminal 1 Replacement Program which includes relocated Taxiway B, new Taxiway A, new taxi lanes, RON and apron parking areas, and related utility infrastructure outside the new terminal building and within the Airport Operations Areas (AOA).	219,106	AIP / Bonds	Q3/2020	Q4/2028	None
413002	ADP Shuttle Lot Relocation	Project will rehabilitate 128,000 square feet with full depth, partial asphalt concrete replacement to provide a safe ingress/egress for passengers and service vehicles.	10,700	Bonds / Cash	Q1/2021	Q3/2024	None
414002	ADP Administration Building	Project will design and build a new Airport Administration Building to replace the existing building which is in the footprint of the new Terminal 1.	102,821	Bonds	Q1/2021	Q1/2025	None
Total New T1 Program Budget			\$3,000,000				
Grand Total FY 2022 Capital Program Budget			\$3,649,954				

Performance Indicators



at first, coffee.

s, we are open
by Gates 36-47 for a
of yum and summer.

Gates
Baggage Claim
Ground

STARBUCKS COFFEE

Thank you
airport employees

We appreciate all
keep our airport running

Keep up the good

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.

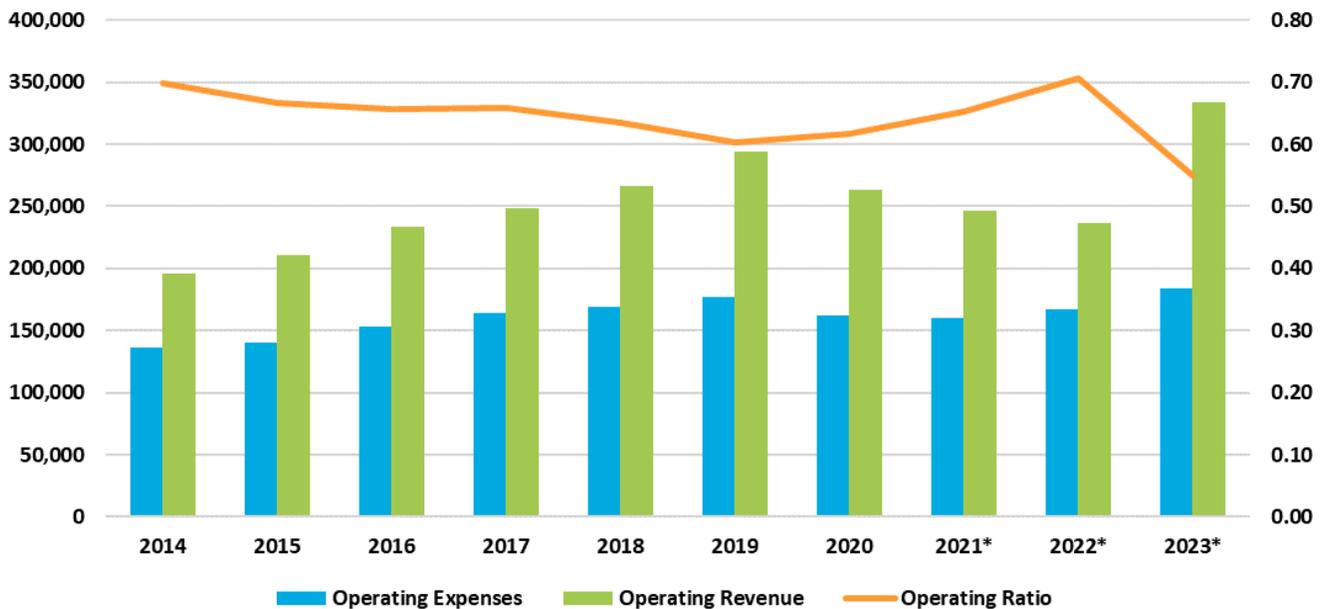
Operating Ratio

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, 2014 to 2023

Fiscal Year	Operating Expenses (\$) ¹	Operating Revenue (\$) ¹	Operating Ratio	% Change
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	177,219	293,679	0.60	-5.1%
2020	162,251	263,036	0.62	2.2%
2021*	160,465	246,105	0.65	5.7%
2022*	167,228	237,040	0.71	8.2%
2023*	183,904	334,112	0.55	-22.0%

¹ in thousands



* Budgeted FY 2021, FY 2022, & FY 2023

Figure 41 – Operating Ratio

Source: San Diego County Regional Airport Authority

Performance Indicators

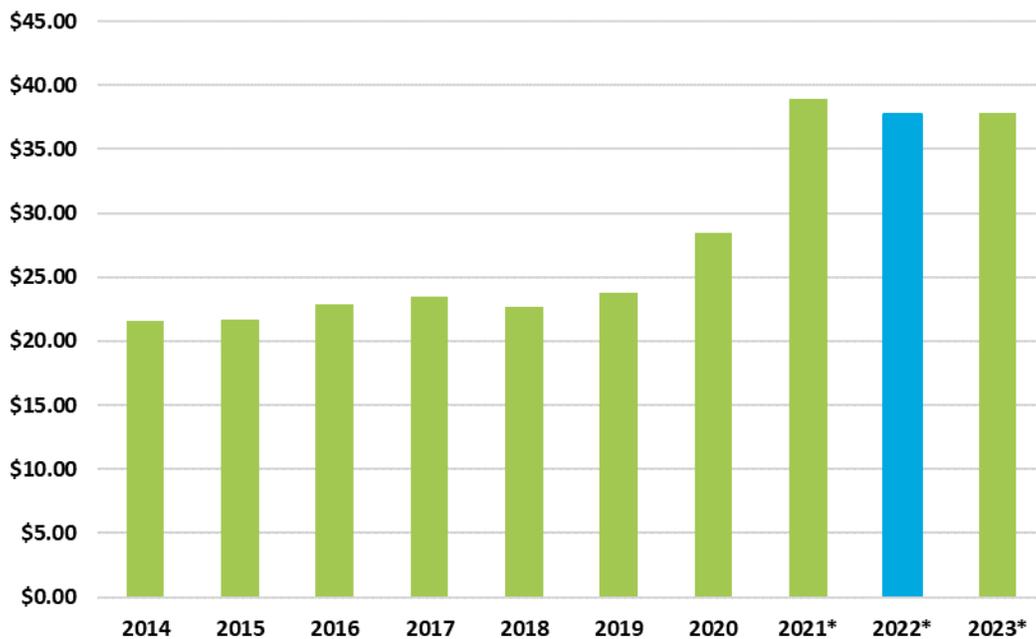
Operating Revenue per Enplanement

This is a measure of operating revenues per enplaned passenger.

Fiscal Years ended June 30, 2014 to 2023

Fiscal Year	Operating Revenue (\$) ¹	Enplaned Passengers ¹	Operating Revenue per Enplanement	% Change
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	11,732	22.68	-3.4%
2019	293,679	12,356	23.77	4.8%
2020	263,036	9,235	28.48	19.8%
2021*	246,105	6,329	38.89	36.5%
2022*	237,040	6,275	37.77	-2.9%
2023*	334,112	8,832	37.83	0.1%

¹ in thousands



* Budgeted FY 2021, FY 2022, & FY 2023

Figure 42 – Operating Revenue per Enplaned Passenger

Source: San Diego County Regional Airport Authority

Performance Indicators

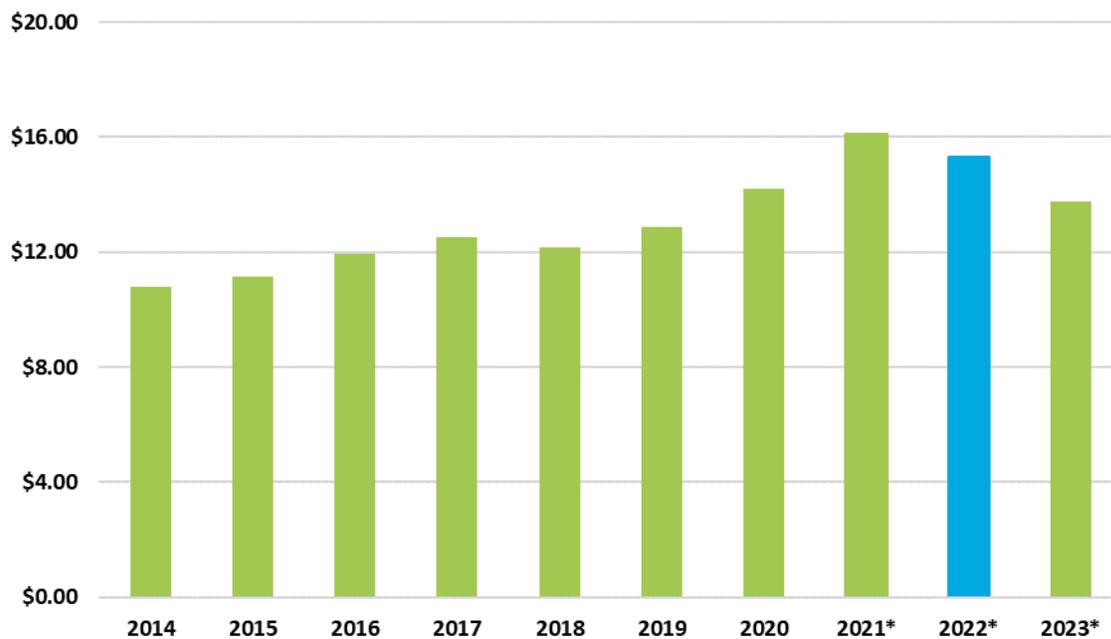
Non-Airline Revenue per Enplanement

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, 2014 to 2023

Fiscal Year	Non-Airline Revenue (\$) ¹	Enplaned Passengers ¹	Non-Airline Revenue per Enplanement	% Change
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	11,732	12.18	-2.5%
2019	159,325	12,356	12.89	5.8%
2020	131,198	9,235	14.21	10.2%
2021*	101,836	6,329	16.09	13.3%
2022*	96,108	6,275	15.32	-4.8%
2023*	121,478	8,832	13.75	-10.2%

¹ in thousands



* Budgeted FY 2021, FY 2022, & FY 2023

Figure 43 – Non-Airline Revenue per Enplaned Passenger

Source: San Diego County Regional Airport Authority

Performance Indicators

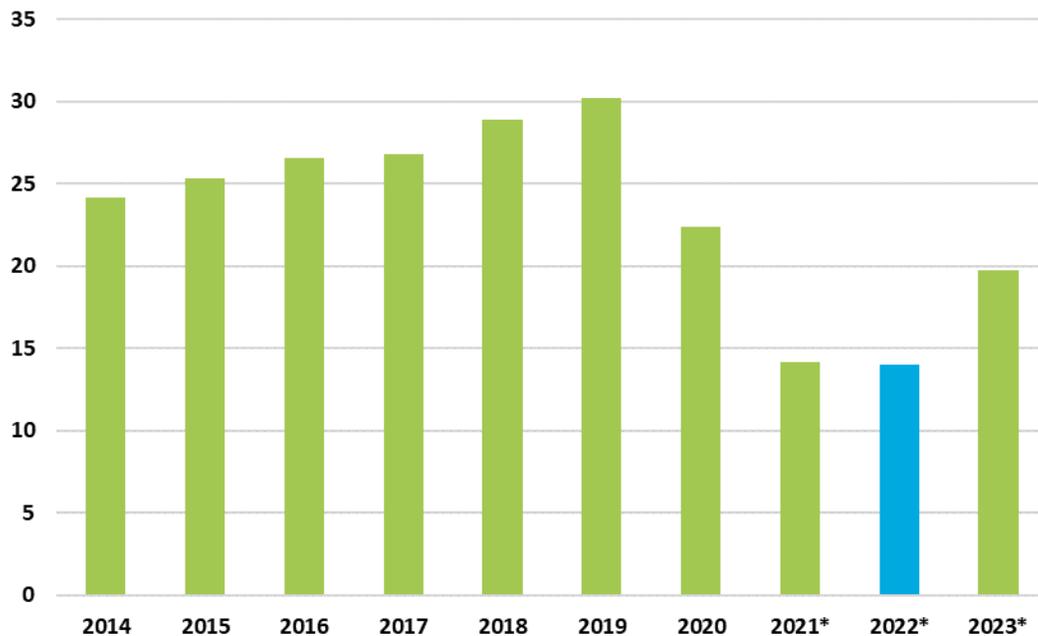
Enplaned Passengers per FTEs

This divides the Full-Time Equivalent (FTE) employees by enplaned passengers and measures the Airport’s staffing productivity level.

Fiscal Years ended June 30, 2014 to 2023

Fiscal Year	FTEs	Enplaned Passengers ¹	Enplaned Passengers per Employee
2014	376	9,082	24
2015	384	9,713	25
2016	384	10,206	27
2017	395	10,596	27
2018	406	11,732	29
2019	409	12,356	30
2020	413	9,235	22
2021*	448	6,329	14
2022*	448	6,275	14
2023*	448	8,832	20

¹ in thousands



* Budgeted FY 2021, FY 2022, & FY 2023

Figure 44 – Enplaned Passenger per FTE

Source: San Diego County Regional Airport Authority

Performance Indicators

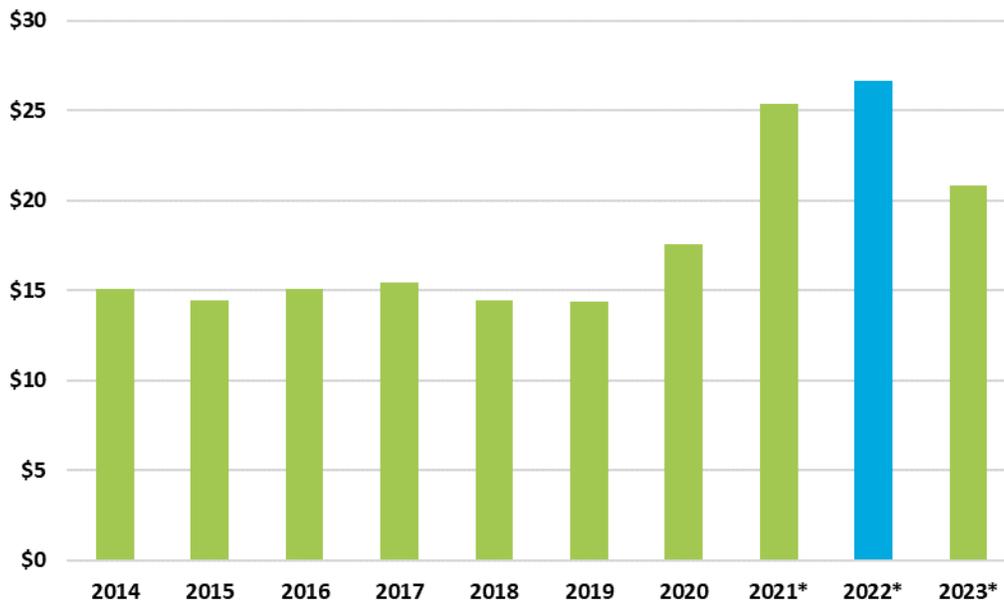
Operating Expenses per Enplanement

This divides operating expenses by enplanement and measures the Airport Authority’s relative operating efficiency.

Fiscal Years ended June 30, 2014 to 2023

Fiscal Year	Operating Expenses (\$) ¹	Enplaned Passengers ¹	Operating Expenses per Enplanement (\$) ¹	% Change
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	11,732	14.42	-6.7%
2019	177,219	12,356	14.34	-0.5%
2020	162,251	9,235	17.57	22.5%
2021*	160,465	6,329	25.36	44.3%
2022*	167,228	6,275	26.65	5.1%
2023*	183,904	8,832	20.82	-21.9%

¹ in thousands



* Budgeted FY 2021, FY 2022, & FY 2023

Figure 45 – Operating Expense per Enplaned Passenger

Source: San Diego County Regional Airport Authority

Performance Indicators

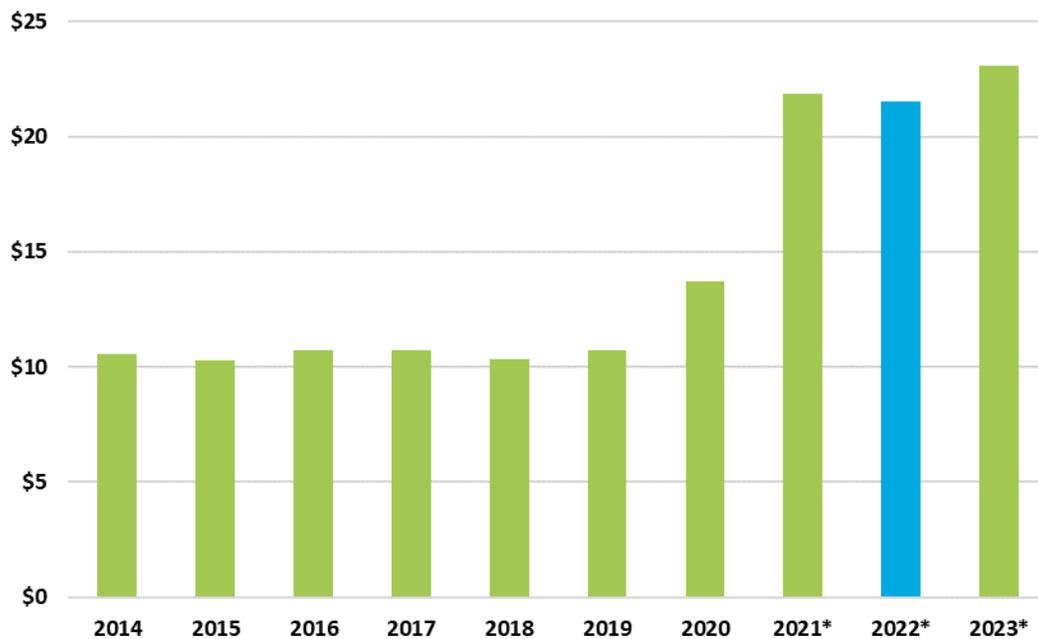
Airline Cost per Enplaned Passenger

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, 2014 to 2023

Fiscal Year	Enplaned Passengers ¹	Cost per Enplanement (\$)
2014	9,082	\$ 10.54
2015	9,713	\$ 10.26
2016	10,206	\$ 10.71
2017	10,596	\$ 10.71
2018	11,732	\$ 10.35
2019	12,356	\$ 10.74
2020	9,235	\$ 13.73
2021*	6,329	\$ 21.85
2022*	6,275	\$ 21.51
2023*	8,832	\$ 23.05

¹ in thousands



* Budgeted FY 2021, FY 2022, & FY 2023

Figure 46 – 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

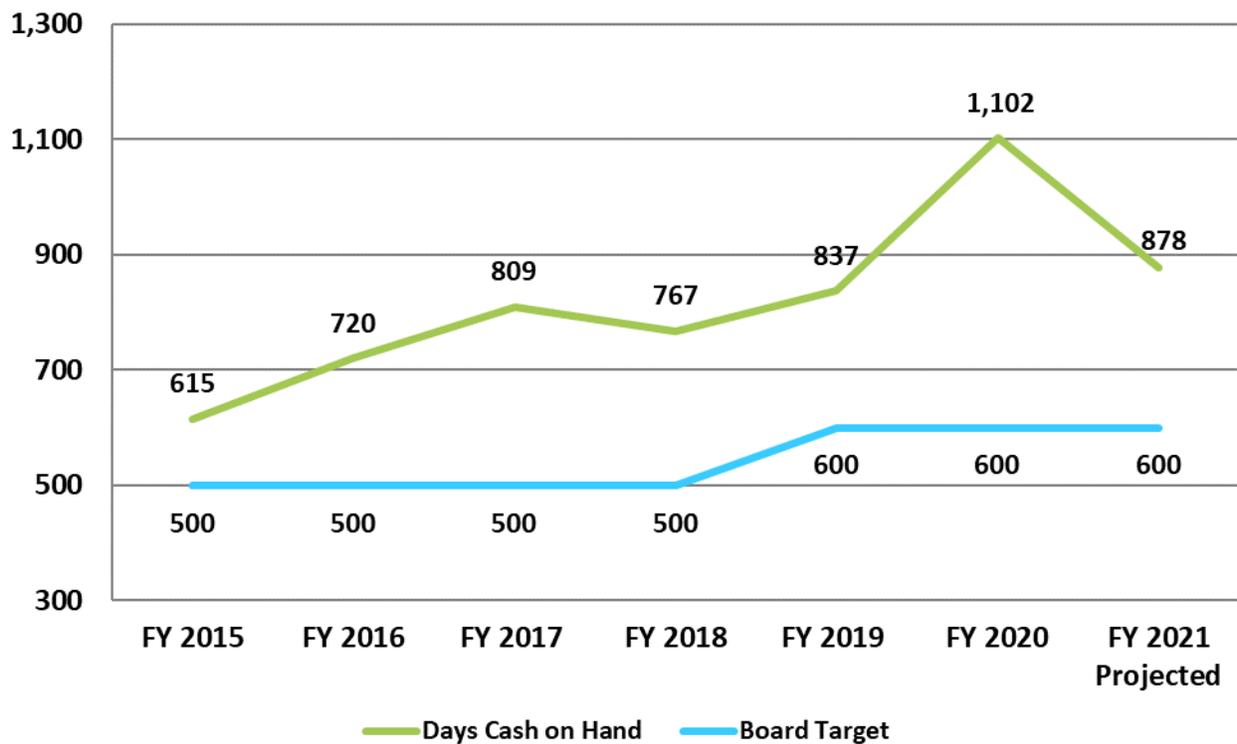


Figure 47 – Days Cash on Hand

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Supplemental Data



Supplemental Data

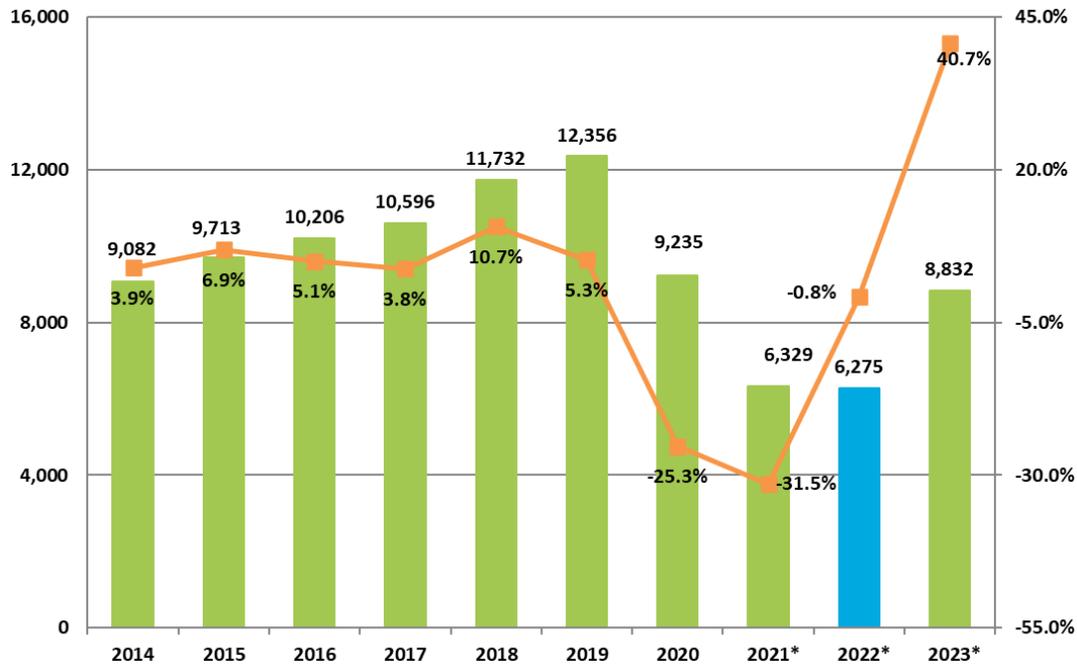
Annual Enplaned Passengers

In FY 2022, enplaned passenger traffic at SAN is projected to reach 6.3M, which represents a slight decrease of 0.8% from the enplanements used in the FY 2021 Budget. Enplaned passengers are projected to increase by 40.7% to 8.8M in the FY 2023 Conceptual Budget.

Fiscal Years ended June 30, 2014 to 2023

Fiscal Year	Enplaned Passengers ¹	% Change
2014	9,082	3.9%
2015	9,713	6.9%
2016	10,206	5.1%
2017	10,596	3.8%
2018	11,732	10.7%
2019	12,356	5.3%
2020	9,235	-25.3%
2021*	6,329	-31.5%
2022*	6,275	-0.8%
2023*	8,832	40.7%

¹ in thousands



* Budgeted FY 2021, FY 2022, & FY 2023

Figure 48 – Annual Enplaned Passengers

Supplemental Data

Airline Market Share FY 2014 – FY 2020

The more diverse an airport's airline market share, the less susceptible it is to the effects of an airline's financial position or changing service levels. Five carriers accounted for approximately 82% of the enplaned passengers.

Air Carrier	Enplanements (in thousands)							Market Share						
	2014	2015	2016	2017	2018	2019	2020	2014	2015	2016	2017	2018	2019	2020
Southwest Airlines	3,353	3,737	3,840	3,967	4,458	4,656	3,475	36.9%	38.5%	37.6%	37.4%	38.0%	37.7%	37.6%
Delta Airlines	916	992	1,062	1,089	1,127	1,337	1,058	10.1%	10.2%	10.4%	10.3%	9.6%	10.8%	11.5%
American Airlines ¹	694	747	1,369	1,339	1,367	1,339	1,051	7.6%	7.7%	13.4%	12.6%	11.6%	10.8%	11.4%
United Airlines	1,168	1,114	1,166	1,266	1,406	1,481	1,043	12.9%	11.5%	11.4%	11.9%	12.0%	12.0%	11.3%
Alaska Airlines ²	830	872	903	919	1,032	1,253	976	9.1%	9.0%	8.8%	8.7%	8.8%	10.1%	10.6%
Spirit Airlines	201	252	327	287	318	324	225	2.2%	2.6%	3.2%	2.7%	2.7%	2.6%	2.4%
Frontier Airlines	185	151	119	180	255	277	201	2.0%	1.6%	1.2%	1.7%	2.2%	2.2%	2.2%
JetBlue Airways	173	179	183	225	248	231	195	1.9%	1.8%	1.8%	2.1%	2.1%	1.9%	2.1%
Hawaiian Airlines	99	97	102	108	109	150	103	1.1%	1.0%	1.0%	1.0%	0.9%	1.2%	1.1%
Air Canada	37	41	49	93	111	130	90	0.4%	0.4%	0.5%	0.9%	0.9%	1.1%	1.0%
British Airways	85	84	90	90	83	83	58	0.9%	0.9%	0.9%	0.9%	0.7%	0.7%	0.6%
Japan Airlines	54	59	60	60	62	67	44	0.6%	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%
Sun Country Airlines	27	29	35	40	41	40	37	0.3%	0.3%	0.3%	0.4%	0.4%	0.3%	0.4%
Lufthansa	-	-	-	-	13	50	35	-	-	-	-	0.1%	0.4%	0.4%
Westjet	32	34	35	41	39	43	29	0.4%	0.3%	0.3%	0.4%	0.3%	0.3%	0.3%
Allegiant Airlines	8	7	17	49	45	31	13	0.1%	0.1%	0.2%	0.5%	0.4%	0.2%	0.1%
Edelweiss	-	-	-	1	7	6	2	-	-	-	0.0%	0.1%	0.1%	0.0%
Virgin America ²	157	176	211	212	184	-	-	1.7%	1.8%	2.1%	2.0%	1.6%	-	-
Condor	-	-	-	4	8	-	-	-	-	-	0.0%	0.1%	-	-
Volaris	23	20	21	4	-	-	-	0.3%	0.2%	0.2%	0.0%	-	-	-
US Airways ¹	554	523	-	-	-	-	-	6.1%	5.4%	-	-	-	-	-
Total Air Carrier	8,596	9,114	9,588	9,976	10,911	11,499	8,636	94.1%	94.6%	93.8%	93.9%	94.1%	93.1%	93.5%
Regional														
Compass	9	140	250	195	251	296	161	0.1%	1.4%	2.4%	1.8%	2.1%	2.4%	1.7%
Horizon Air	84	84	65	54	82	64	107	0.9%	0.9%	0.6%	0.5%	0.7%	0.5%	1.2%
Skywest Airlines	341	372	302	372	487	497	331	3.8%	3.8%	3.0%	3.5%	4.2%	4.0%	3.6%
Other	52	3	2	-	-	-	-	0.6%	0.0%	0.0%	-	-	-	-
Total Regional	486	599	618	621	820	857	599	5.0%	4.8%	5.9%	6.1%	5.9%	6.9%	6.5%
Total Passengers	9,082	9,713	10,206	10,596	11,732	12,356	9,235	100%						

¹ 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

² 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 49 – Airline Market Share

Supplemental Data

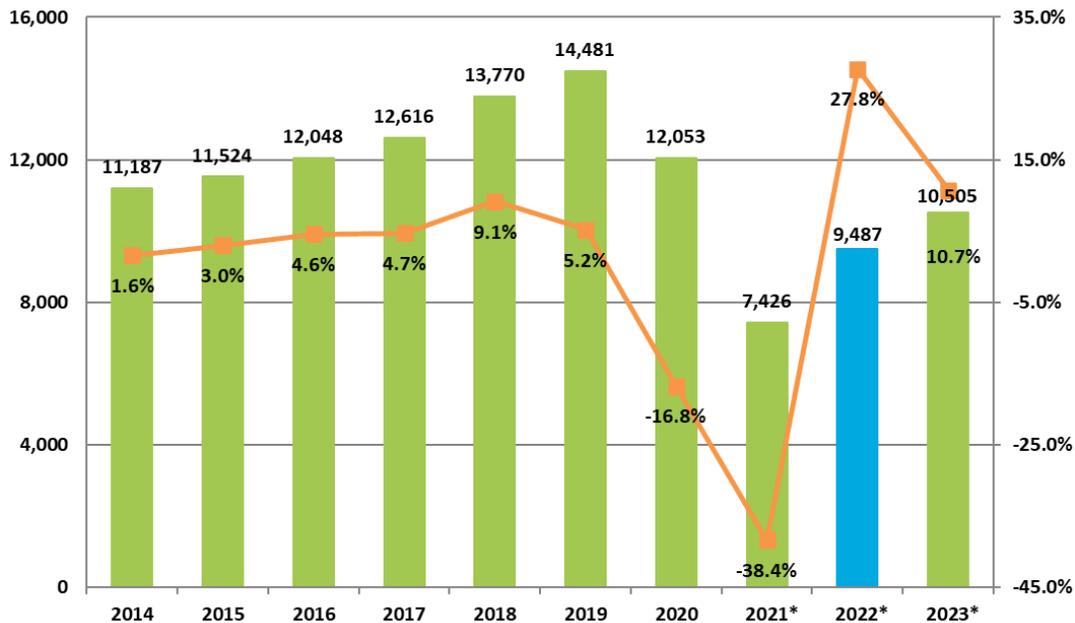
Aircraft Landed Weight

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 2022, landed weight is estimated to increase by 21.9% over FY 2021 year-end projections.

Fiscal Years ended June 30, 2014 to 2023

Fiscal Year	Landed Weight ¹	% Change
2014	11,187	1.6%
2015	11,524	3.0%
2016	12,048	4.6%
2017	12,616	4.7%
2018	13,770	9.1%
2019	14,481	5.2%
2020	12,053	-16.8%
2021*	7,426	-38.4%
2022*	9,487	27.8%
2023*	10,505	10.7%

¹ in million pounds



* Budgeted FY 2021, FY 2022, & FY 2023

Figure 50 – Aircraft Landed Weight

Supplemental Data

Airline Landed Weight FY 2014 – FY 2020

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						
	2014	2015	2016	2017	2018	2019	2020	2014	2015	2016	2017	2018	2019	2020
Southwest Airlines	3,925,362	4,214,314	4,257,162	4,470,104	4,924,451	5,180,064	4,422,096	35.1%	36.6%	35.3%	35.4%	35.8%	35.8%	36.7%
Delta Airlines	1,016,878	1,077,103	1,153,074	1,175,285	1,183,702	1,389,312	1,221,773	9.1%	9.3%	9.6%	9.3%	8.6%	9.6%	10.1%
American Airlines ¹	1,349,554	1,359,911	1,467,922	1,428,538	1,471,318	1,415,134	1,201,659	12.1%	11.8%	12.2%	11.3%	10.7%	9.8%	10.0%
United Airlines	1,340,736	1,227,974	1,250,500	1,355,185	1,492,873	1,566,148	1,201,192	12.0%	10.7%	10.4%	10.7%	10.8%	10.8%	10.0%
Alaska Airlines ²	884,727	888,065	924,310	999,875	1,131,807	1,411,255	1,162,582	7.9%	7.7%	7.7%	7.9%	8.2%	9.7%	9.6%
Skywest Airlines	396,054	408,608	359,197	465,023	627,038	637,117	481,705	3.5%	3.5%	3.0%	3.7%	4.6%	4.4%	4.0%
Federal Express	419,127	384,686	444,038	390,716	388,782	375,807	394,288	3.7%	3.3%	3.7%	3.1%	2.8%	2.6%	3.3%
JetBlue Airlines	189,979	193,848	199,232	244,364	293,160	281,715	260,940	1.7%	1.7%	1.7%	1.9%	2.1%	1.9%	2.2%
Spirit Airlines	245,669	296,925	351,977	286,162	328,424	331,366	230,911	2.2%	2.6%	2.9%	2.3%	2.4%	2.3%	1.9%
Compass Airlines	10,979	172,754	307,793	296,581	312,883	377,941	215,030	0.1%	1.5%	2.6%	2.4%	2.3%	2.6%	1.8%
Frontier Airlines	192,493	153,880	115,238	167,590	232,794	247,145	204,924	1.7%	1.3%	1.0%	1.3%	1.7%	1.7%	1.7%
Hawaiian Airlines	147,325	146,284	147,406	147,568	161,486	237,560	155,345	1.3%	1.3%	1.2%	1.2%	1.2%	1.6%	1.3%
United Parcel	121,742	127,660	135,318	146,778	143,678	138,860	146,624	1.1%	1.1%	1.1%	1.2%	1.0%	1.0%	1.2%
Horizon Air	94,972	88,241	60,268	54,799	100,303	82,650	146,100	0.8%	0.8%	0.5%	0.4%	0.7%	0.6%	1.2%
British Airways	166,980	166,980	183,760	217,360	208,926	210,432	141,615	1.5%	1.4%	1.5%	1.7%	1.5%	1.5%	1.2%
Subtotal	10,502,577	10,907,233	11,357,193	11,845,927	13,001,625	13,882,505	11,586,784	93.9%	94.7%	94.3%	93.9%	94.4%	95.9%	96.1%
All Others	684,189	616,487	690,949	770,141	768,321	598,724	466,296	6.1%	5.3%	5.7%	6.1%	5.6%	4.1%	3.9%
Total	11,186,766	11,523,720	12,048,142	12,616,068	13,769,945	14,481,229	12,053,080	100.0%						

¹ 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

² 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 51 – Top 15 Airlines Ranked by Landed Weight

Supplemental Data

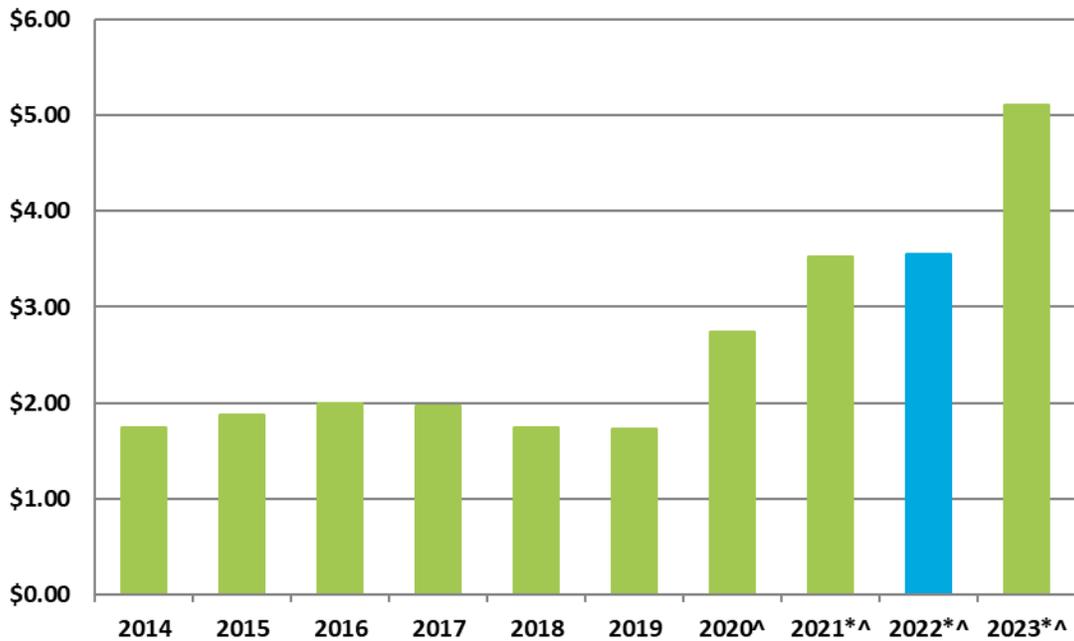
Landing Fees

Landing fees are revenues from passenger and cargo aircraft for commercial landings at the Airport. Beginning in FY 2021, landing fee includes Airside Security.

Fiscal Years ended June 30, 2014 to 2023

Fiscal Year	Landing Fees (\$) per 1,000 lbs	% Change
2014	1.74	-5.0%
2015	1.88	7.9%
2016	2.00	6.5%
2017	1.97	-1.4%
2018	1.74	-11.5%
2019	1.73	-1.0%
2020 [^]	2.74	59.0%
2021* [^]	3.52	28.3%
2022* [^]	3.55	0.9%
2023* [^]	5.11	43.9%

[^] Signatory Rate



* Budgeted FY 2021, FY 2022, & FY 2023

[^] Signatory Rate

Figure 52 – Landing Fees

Supplemental Data

Terminal Rates Billed to Airlines

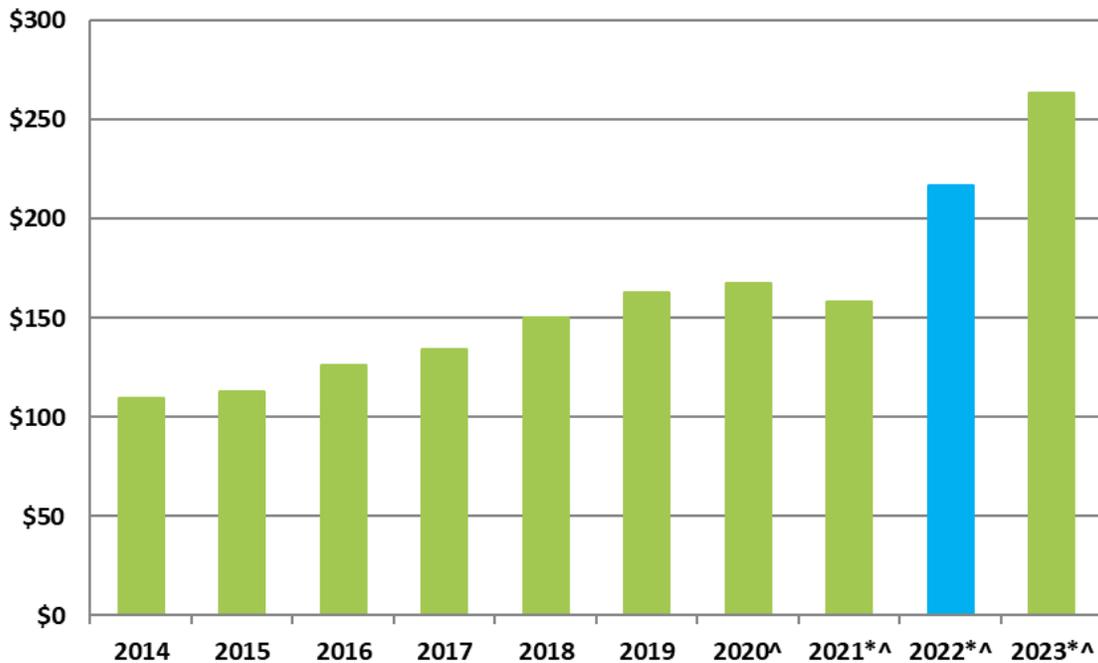
Terminal rates are rates billed to airlines for the rent of terminal space per square foot. Beginning in FY 2021, landing fee includes Terminal Security.

Fiscal Years ended June 30, 2014 to 2023

Fiscal Year	Terminal Rates Per Sq. Ft. (\$) ¹	% Change
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	162.82	8.4%
2020 [^]	167.28	2.7%
2021* [^]	157.92	-3.0%
2022* [^]	216.78	29.6%
2023* [^]	263.22	66.7%

¹ Net of janitorial credit

[^] Signatory Rate



* Budgeted FY 2021, FY 2022, & FY 2023

Figure 53 – 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
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
2019	204,627	12,539	217,166	10,167	759	228,092
2020	170,757	10,990	181,747	8,174	825	190,746

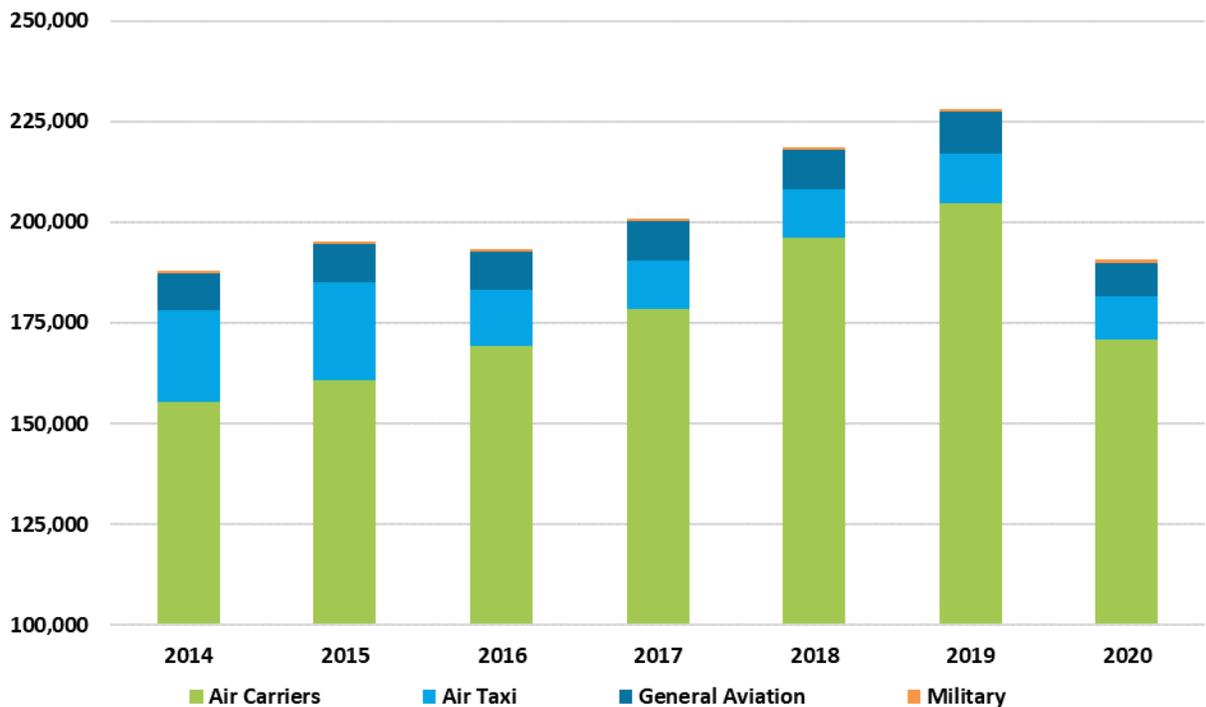


Figure 54 – Aircraft Operations

Source: San Diego County Regional Airport Authority

Supplemental Data

Historical Revenue by Source

(in thousands)

Revenue by Major Sources	FY 2014 Actuals	FY 2015 Actuals	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	FY 2023 Conceptual Budget
Airline Revenue	\$ 97,876	\$ 102,331	\$ 112,205	\$ 116,381	\$ 123,157	\$ 134,354	\$ 131,838	\$ 144,269	\$ 140,932	\$ 212,634
Federal Relief	-	-	-	-	-	-	36,895	54,326	80,000	-
Parking and Ground Transportation	43,030	45,958	52,546	54,355	53,254	62,818	50,751	32,116	33,258	46,611
QHP & CIP Grants	16,298	22,839	19,050	3,318	21,468	19,763	16,228	23,094	25,259	42,721
Passenger Facility Charges	35,770	38,517	40,258	42,200	46,953	49,198	34,393	24,170	23,962	33,740
Rental Car License Fees and License Fees - Other	24,901	26,210	27,816	30,162	37,247	41,155	32,245	26,253	22,945	29,266
Ground Rentals	8,445	11,568	15,194	18,497	20,073	20,647	18,925	18,350	22,616	22,751
Customer Facility Charges	27,545	32,465	33,208	36,528	41,037	41,919	30,240	20,739	20,609	29,098
Terminal Concessions	18,799	21,962	24,018	26,146	28,363	30,102	24,999	21,237	13,236	18,889
Interest Income	5,211	5,747	5,999	8,134	13,374	16,812	19,690	7,590	10,388	23,273
Non-Airline Revenue - Other ¹	3,146	3,850	4,840	(13,581)	(9,227)	12,815	18,470	3,870	4,053	3,961
BAB Interest Rebate	4,636	4,631	4,656	4,651	4,666	4,686	2,089	-	-	-
Total Revenue	\$ 285,656	\$ 316,077	\$ 339,790	\$ 326,790	\$ 380,365	\$ 434,268	\$ 416,763	\$ 376,014	\$ 397,258	\$ 462,943

¹ 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 55 – Historical Revenue by Source

Supplemental Data

Airport Authority's Largest Sources of Revenues

(in thousands)

Tenant	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	% of Total Operating Revenue
Southwest Airlines	\$ 29,549	\$ 33,107	\$ 33,839	\$ 35,961	\$ 38,404	\$ 42,359	\$ 44,940	17.1%
Delta Airlines	12,005	13,561	14,418	16,123	17,007	18,368	22,064	8.4%
Alaska Airlines ¹	8,008	9,713	10,612	11,705	16,353	17,436	20,633	7.8%
United Airlines	15,364	15,687	14,518	16,227	17,520	18,335	20,204	7.7%
American Airlines ²	15,785	15,888	15,322	17,075	16,581	17,073	17,150	6.5%
Enterprise Rent-A-Car	7,162	7,998	9,451	11,188	12,286	12,780	12,238	4.7%
Hertz Rent-A-Car	6,150	6,236	8,225	11,143	11,017	11,539	10,829	4.1%
Avis-Rent-A-Car ³							8,447	3.2%
Uber Technologies, Inc	-	-	-	-	-	8,619	7,556	2.9%
SSP America	-	-	4,477	5,004	5,869	6,798	6,914	2.6%

Source : San Diego County Regional Airport Authority

¹ 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

² 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

³ Avis Budget Car Rental LLC entered into a purchase agreement on February 2, 2020, with BW-Budget-SDA LLC acquiring all agreements at SAN.

Figure 56 – Airport Authority's Largest Sources of Revenues

Source: San Diego County Regional Airport Authority

Supplemental Data

Economic and Operational Trends

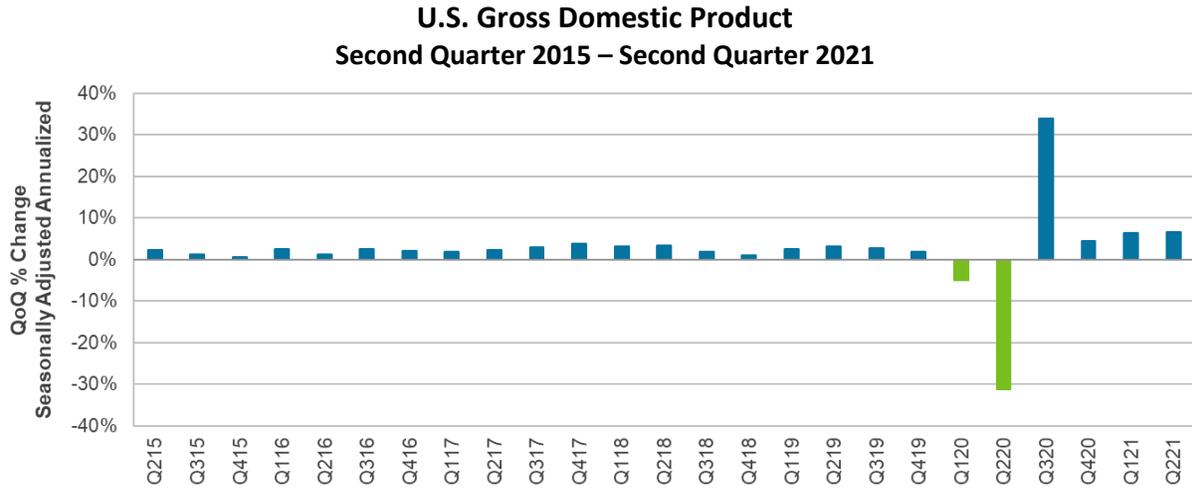


Figure 57 – U.S. Gross Domestic Product

Source: Bloomberg

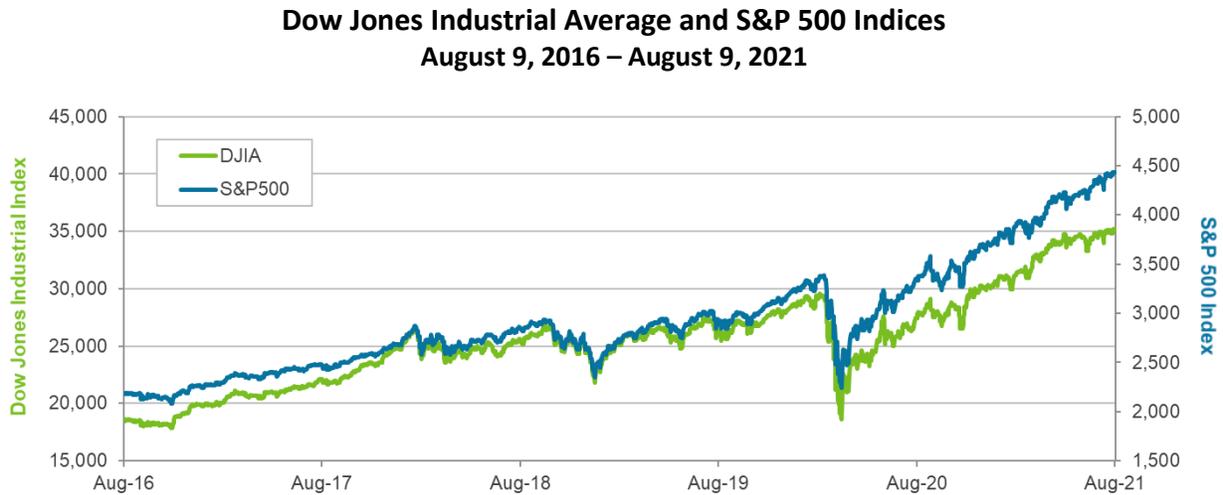


Figure 58 – Dow Jones Industrial Average and S&P 500 Indices

Source: Bloomberg

Supplemental Data

San Diego County Principal Employers

November 2020				August 2011			
Employer	Local Employees	Rank	Percentage of Total Industry Employment	Employer	Local Employees	Rank	Percentage of Total Industry Employment
University of California, San Diego	35,802	1	2.3%	U.S. Federal Government	46,300	1	2.9%
Naval Base San Diego	34,534	2	2.3%	State of California	45,500	2	2.9%
Sharp Health Care	19,468	3	1.3%	University of California, San Diego	27,393	3	1.7%
Scripps Health	16,295	4	1.1%	County of San Diego	15,109	4	1.0%
General Atomics Aeronautical	6,745	5	0.4%	Sharp Health Care	14,696	5	0.9%
San Diego State University	6,454	6	0.4%	Scripps Health	13,830	6	0.9%
Rady's Children Hospital	5,711	7	0.4%	San Diego Unified School District	13,730	7	0.9%
San Diego Community College Distric	5,400	8	0.4%	Qualcomm Inc.	10,509	8	0.7%
Sempra Energy	5,063	9	0.3%	City of San Diego	10,211	9	0.6%
YMCA of San Diego	5,057	10	0.3%	Kaiser Permanente	8,200	10	0.5%

Figure 59 – Principal Employers

Sources: Employers - San Diego Journal Book of Lists: 2021 & 2012;

Total Industry Employment - California Employment Development Dept., Labor Market Info

Supplemental Data

San Diego County Employment by Industry Sectors

Industry Sectors	June 2021	
	Industry Employment	% of Total
Professional and Business Services	251,200	17.7%
Government	236,200	16.7%
Education and Health Services	213,900	15.1%
Trade, Transportation and Utilities	208,600	14.7%
Leisure and Hospitality	156,000	11.0%
Manufacturing	115,600	8.2%
Construction and Mining	84,400	6.0%
Financial Activities	72,700	5.1%
Other Services	46,200	3.3%
Information	22,500	1.6%
Agriculture	9,500	0.7%
Total	1,416,800	

Figure 60 – 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
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%
2019	1,582,300	1,529,500	52,900	3.3%	4.2%
2020	1,584,400	1,365,100	219,300	13.8%	13.7%

Figure 61 – Labor Force, Employment and Unemployment Rate

Source: California Employment Development Department, Labor Market Information Division

Supplemental Data

Population & Per Capita Personal Income San Diego County

Calendar Year	Estimated Population ⁽¹⁾	% Change	Per Capita Personal Income ⁽¹⁾	% Change	Total Personal Income ⁽¹⁾ <i>(in billions)</i>	% Change
2012	3,174,446	1.2 %	\$50,670	1.5 %	\$152.7	4.8 %
2013	3,208,946	1.1 %	\$51,223	1.1 %	\$157.8	3.3 %
2014	3,248,547	1.2 %	\$52,889	3.3 %	\$167.1	5.9 %
2015	3,275,084	0.8 %	\$54,708	3.4 %	\$175.9	5.3 %
2016	3,300,891	0.8 %	\$55,797	2.0 %	\$184.2	4.7 %
2017	3,327,564	0.8 %	\$56,437	1.1 %	\$192.5	4.5 %
2018	3,352,564	0.8 %	\$57,473	1.8 %	\$202.8	5.4 %
2019	3,357,442	0.1 %	\$64,862	12.9 %	\$217.8	7.4 %
2020	3,362,150	0.1 %	\$63,169	(2.6)%	\$213.8	(1.8)%

Figure 62 – Population & Per Capita Personal Income San Diego County

Source: California Department of Transportation - San Diego County

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ACCRUAL BASIS OF ACCOUNTING – Under this method, revenue is recorded when earned and expenses are recorded when liabilities are incurred.

AIRCRAFT OPERATIONS – The landing or takeoff of an aircraft.

AIRCRAFT RESCUE AND FIRE FIGHTING (ARFF) – A special category of firefighting that involves the response, hazard mitigation, evacuation and possible rescue of passengers and crew of an aircraft (typically) involved in an airport ground emergency.

AIRLINE OPERATING AND LEASE AGREEMENT (AOLA) – Agreement with passenger airlines and cargo carriers operating at SAN. The AOLA establishes how the signatory and non-signatory airlines will be assessed annual rates and charges for their use of the airport.

AIRLINE SUPPORT BUILDING (ASB) – Facility used by airlines to process belly cargo.

AIRPORT AUTHORITY – Refers to the *San Diego County Regional Airport Authority (SDCRAA)*.

AIRPORT AUTHORITY ACT – California State Bill AB 93: Division 17: Chapter 1, dated January 11, 2001, which establishes the San Diego County Regional Airport Authority, as a local governmental entity.

NEW TERMINAL 1 – Project name that defines phases and improvement for the new Terminal 1.

AIRPORT IMPROVEMENT PROGRAM (AIP) – The FAA's AIP provides both entitlement and discretionary grants for eligible airport projects. This program, authorized periodically by Congress, distributes the proceeds of the federal tax on airline tickets to airports, through grants, for eligible construction projects and land acquisition. See *Federal Grants*.

AIRPORT LAND USE COMMISSION (ALUC) – An agency required by state law to exist in counties served by a commercial and/or general aviation airport. The purpose of the ALUC is to protect public health, safety, and welfare by ensuring the orderly development of airports and the adoption of land use measures that minimize the public's exposure to excessive noise and safety hazards within areas around public airports, to the extent that these areas are not already devoted to incompatible uses. The San Diego County Regional Airport Authority (SDCRAA) serves as the Airport Land Use Commission for airports in San Diego County.

AIRPORT MASTER PLAN – An airport master plan represents the approved actions to be accomplished for phased development of the airport. Master plans address the airfield, terminal, landside access improvements, modernization, and expansion of existing airports, and establish the premise for site selection and planning for a new airport.

AIRPORT REVENUE BONDS – Bonds issued by municipality or Airport Authority wherein airport revenues back the tax-exempt, lower interest rate bond.

ALTERNATIVE MINIMUM TAX (AMT) – A supplemental income tax imposed by the United States federal government required in addition to baseline income tax.

AMERICA RESCUE PLAN ACT – also called the COVID-19 Stimulus Package is an economic stimulus bill passed by the 117th United States Congress and signed into law on March 11, 2021, to speed up the United States' recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession.

AMORTIZATION – An accounting technique used to periodically lower the book value of a loan or intangible asset over a set period.

AUDIT – An official inspection of an individual or organization's accounts, typically by an independent body

AUTHORITY FUND BALANCE – The Airport Authority's fund balance is generally defined as the difference between its assets and liabilities.

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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.

CARES ACT GRANT – Coronavirus Aid, Relief, and Economic Security Act approved by the United States Congress and signed by the President on March 27, 2020, is one of those legislative actions to address the crisis created by the COVID-19 pandemic and includes among its relief measures direct aid in the form of grants for airports as well as direct aid, loans and loan guarantees for passenger and cargo airlines.

COMMERCIAL PAPER (CP) – Short-term promissory note issued for periods up to 270 days, with maturities commonly at 30, 60 and 90 days. The Airport Authority currently has commercial paper programs with two series, AMT, and *non-AMT*.

COMMON USE SYSTEM SUPPORT (CUSS) – A shared service kiosk system used by multiple airlines that allow for convenient passenger check-in.

CONCESSIONAIRE – A person or company having a lease, contract, or operating permit arrangement with the Airport Authority, entitling them to do business at the airport.

COST PER ENPLANED PASSENGER (CPE) – The total annual cost of fees and charges paid by the airlines, divided by the total enplanements.

CUSTOMER FACILITY CHARGE (CFC) – Airport-required fees collected by car rental agencies and used to fund new car rental facilities.

DEBT POLICY – A framework by which decisions are made concerning the use and management of debt, with a comprehensive financial plan used in effecting strategic initiatives.

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*.

ENGINEERED MATERIAL ARRESTING SYSTEM (EMAS) – A bed of engineered materials built at the end of a runway to reduce the severity of the consequences of a runway excursion.

ENPLANED PASSENGER – Any revenue passenger boarding an aircraft at the Airport, including any passenger that previously disembarked from another aircraft.

ENTERPRISE FUND – In governmental accounting, a fund that provides goods and services to the public for a fee that makes the entity self-supporting.

FEDERAL AVIATION ADMINISTRATION (FAA) – The FAA is part of the Department of Transportation (DOT) and, within the airspace of the United States, promotes air safety, regulates air commerce, controls the use of navigable airspace, develops, and operates air navigation facilities, develops, and operates the air traffic control system and administers federal grants for the development of public-use airports.

FEDERAL GRANTS – Entitlement funds, determined by a formula according to enplanements at individual airports. The Airport Authority applies for discretionary grants of funds from the FAA through a Letter of Intent (LOI) process. Each LOI represents an intention to obligate funds from future federal budget appropriations. The issuance of a LOI is subject to receipt of Congressional appropriations for grants to airports and does not itself constitute a binding commitment of funds by the FAA. For planning purposes, the amounts in an approved LOI from the FAA are used by the Airport Authority as an estimate of federal discretionary grants to be received.

FISCAL YEAR (FY) – The annual period beginning July 1st and ending June 30th.

FIXED BASE OPERATOR (FBO) – Commercial business, at the Airport, authorized by the Airport Authority to sell aviation fuels and provide other aviation-related services, primarily to General Aviation.

FLIGHT INFORMATION DISPLAY SYSTEM (FIDS) – A computer system used in airports to display flight information to passengers.

FULL-TIME EQUIVALENT (FTE) – Employee working on average at least 30 hours of service per week in a given month.

GENERAL AVIATION – The activities of privately owned aircraft that are not used for commercial purposes, such as the movement of passengers or freight.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES – Uniform minimum standards and guidelines for accounting and financial statement reporting.

GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) – A group that represents public finance officials throughout the United States and Canada to promote excellence in state and local government financial management.

INTERNATIONAL AIR TRANSPORT ASSOCIATION (IATA) – An association that supports aviation with global standards for airline safety, security, efficiency and sustainability.

INNOVATION LAB – A physical and / or virtual space to enable and support Airport-related innovations.

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LANDED WEIGHT – Refers to maximum gross certificated landed weight, in one-thousand-pound units, as stated in the airlines' flight operations manual. Landed weight is used to calculate landing fees for both airline and general aviation aircraft operated at the Airport.

LANDING FEES – Revenues from passenger and cargo carriers for commercial aircraft landings at airports.

LAW ENFORCEMENT OFFICERS (LEO) – A public-sector employee whose duties primarily involve the enforcement of laws.

LEGACY CARRIERS – Refer to those airlines that flew interstate routes prior to the Airline Deregulation Act of 1978. U.S. legacy carriers mainly include American, Delta, United, Alaska and Hawaiian Airlines.

LOCAL BUSINESS ENTERPRISE (LBE) – Locally owned business, which provides goods and / or services to SAN.

LOW-COST CARRIERS – Refer to airlines such as JetBlue, Frontier, Allegiant, Southwest, and Spirit.

MAJOR MAINTENANCE FUND (MMF) – Established to be used to fund Capital Projects in the airfield area, terminal area, common use systems, airline terminal support cost centers, and indirect cost centers.

MAJOR MAINTENANCE PROGRAM (MMP) – Includes projects that are defined as major repairs to existing buildings or structures and does not prolong or extend the estimated useful life of the asset. Major maintenance projects are generally not capitalized and are expensed in the operating budget.

MINIMUM ANNUAL GUARANTEE (MAG) – The minimum annual amount remitted to the Airport Authority by Tenants as consideration for the rights and privileges granted by the Tenant Lease agreement between the Airport Authority and Tenant. The MAG is typically paid as monthly rent and is adjusted upon commencement of each Fiscal Year as specified in the Tenant Lease.

NATIONAL ENVIRONMENTAL POLICY ACT (NEPA) – A United States environmental law that promotes the enhancement of the environment and established the President's Council on Environmental Quality.

NET REVENUE – Generally defined as operating revenue less operating expenses.

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*.

REAL GROSS DOMESTIC PRODUCT (REAL GDP) – An inflation-adjusted measure that reflects the value of all goods and services produced by an economy each year (expressed in base-year prices).

RECEIVING AND DISTRIBUTION CENTER (RDC) – A central warehouse for the delivery and distribution of goods at an airport. All supplies for the concessions within an airport, as well as Airport Authority supplies, will flow through this center.

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.

SAN – Three-letter geocode designated to San Diego International Airport by the International Air Transport Association (IATA).

SDCRAA – *San Diego County Regional Airport Authority*.

Glossary

SERVICE-DISABLED VETERAN SMALL BUSINESS (SDVSB) – A business owned and controlled by a veteran with service-connected disability that has been determined by the Department of Veterans Affairs or Department of Defense.

SERVICE LEVEL AGREEMENT – Agreement between the San Diego Port District and the Airport Authority defining the services that the Airport Authority obtains from the Port.

SMALL BUSINESS ENTERPRISE (SBE) – Independently owned and operated for profit US business contributing to US economy, not dominant in national industry and NAICS (North American Industry Classification System) qualifies size standards by industry.

TELEDYNE-RYAN (TDY) – Former Teledyne-Ryan property within the Airport footprint to be used in the SDIA Airport Development Program and Green Build project.

TERMINAL DEVELOPMENT PROGRAM – Planned series of various terminal and airfield improvements essential to accommodating the growing passengers' demands at SAN.

TRANSPORTATION NETWORK COMPANY (TNC) – Connects paying passengers with drivers who provide the transportation on their own non-commercial vehicles.

TRANSPORTATION SECURITY ADMINISTRATION (TSA) – An agency of the U.S. Department of Homeland Security that has authority over the security of the traveling public in the United States.

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