



**San Diego County Regional Airport Authority**  
**FY 2024 ADOPTED BUDGET &**  
**FY 2025 APPROVED CONCEPTUAL BUDGET**  
San Diego, California



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# Introductory Letter & Executive Summary



August 24, 2023

Gil Cabrera, Airport Authority Board Chair

Mary Casillas-Salas, Vice Chair

Lidia S. Martinez

Marni von Wilpert

Paul McNamara

Rafael Perez

Esther C. Sanchez

James Sly

Ex-Officio Members

Gayle Miller

Colonel Thomas M. Bedell

Gustavo Dallarda

Dear Airport Authority Board Members:

Establishing the budget is a systematic and deliberative process reflecting the Airport Authority Board's continuous leadership and direction as expressed through the San Diego County Regional Airport Authority's (SDCRAA, or Airport Authority) Strategic Plan. This year, the Airport Authority looks to the post-pandemic recovery and the return to air traffic levels approaching pre-pandemic levels. At the same time, we are continuing to manage construction of the New Terminal 1 Program (the New T1).

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

Submitted herein is the Airport Authority's adopted Operating and Capital Budget for the Fiscal Year 2024 and approved Conceptual Budget for Fiscal Year 2025. The budget is the culmination of an extensive, collaborative effort, which included workshops with members of the Airport Authority Board and staff that evaluated the organization's operating and capital improvement needs and obligations. Multi-year budgeting aims to facilitate the integration of strategic and financial planning and resource allocation. Last year, the Airport Authority Board approved the Fiscal Year 2024 Conceptual Budget, which was significantly revised through this year's budget process. Passenger activity has returned to historic levels and as the Airport Authority looked deeply at the organization's needs and business prospects, we have incorporated revenue and expense assumptions accordingly. After completing the Airport Authority's budget preparation and evaluation process, a revised Fiscal

Year 2024 Budget was presented and discussed with the Airport Authority Board in May and June 2023 for review and formal adoption. In addition, the Fiscal Year 2025 Conceptual Budget was approved and will be revised to reflect any changes in initiatives, the aviation industry, and economic and geopolitical events next year.

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

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

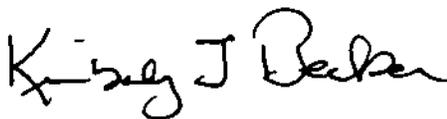
The Fiscal Year 2024 and Conceptual Fiscal Year 2025 Operating budget ("Budget") of \$427.4 million and \$483.1 million, respectively, marks the Airport Authority's 21st fiscal year operating budget. The Fiscal Year 2024 and Conceptual Fiscal Year 2025 total Revenue budgets are \$618.4 million and \$661.1 million, respectively.

The Capital Program is comprised of 1) The New T1; and 2) The Capital Improvement Program (CIP). Collectively, these programs address SAN's current and future facility requirements and are budgeted at approximately \$3.9 billion.

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

Maintaining the Airport Authority's strong and resilient financial position is paramount; this budget accomplishes that initiative. Accordingly, every effort has been made to ensure that the Fiscal Year 2024 Budget and the Fiscal Year 2025 Conceptual Budget reflect the resources required to execute the Airport Authority's Strategic Plan initiatives as supported and directed by the Airport Authority Board.

Respectfully submitted,



**Kimberly J. Becker**

President | Chief Executive Officer



**Scott M. Brickner, CPA**

Vice President | Chief Financial Officer

## Executive Summary

### Strategic Plan

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

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

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

The Fiscal Year 2024 (FY 2024) and Fiscal Year 2025 (FY 2025) Conceptual Budgets reflect our aligned efforts based on four overarching Focus Areas: Advance Airport Development, Transform the Customer Experience, Optimize Ongoing Business, and Cultivating Our Culture. Corresponding Strategic Plan initiatives are listed below each Focus Area below:

#### **Advance Airport Development**

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

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

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

#### **Optimize Ongoing Business**

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

## Executive Summary

- Manage ongoing business effectively through change.
- Use technology to optimize ongoing business.

### Cultivating Our Culture

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

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

## Passenger Satisfaction

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

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

## Economic and Operational Trends Affecting the Budget

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

US economic indicators indicate a slowdown in Calendar Year (CY) 2023 as compared to the rapid recovery seen in CY2022. The most significant challenges have been from inflation and a particularly challenging labor market that has caused staffing shortages impacting all facets of the Airport and its customers. We continually monitor global, national, and local economic trends to evaluate potential impacts to Airport activity, revenues, and expenses. The current Bloomberg consensus estimate for CY 2022 US GDP growth is 2.1% (see *Figure 59* in **Supplemental Data**).

The Air Trade Area for SAN includes San Diego County, portions of neighboring Orange, Imperial, and Riverside Counties, and Baja California, Mexico. The Census Bureau estimates the population of San Diego County to be 3.28 million as of July 2022. 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.

## Executive Summary

San Diego County had enjoyed a relatively stable economic climate during the years leading up to the recent pandemic, and despite the closures of numerous businesses since 2020, economic recovery for the region has been solid. The US Bureau of Labor Statistics notes that the county’s average unemployment rate for May 2023 was 3.5%, compared to 3.4% for the State of California.

SAN and the U.S. airports system made strong recovery progress in FY 2022, growing 104.8 and 91.8 percent from their low FY 2021 numbers, respectively. SAN’s faster recovery restored part of its share of U.S. system enplanements to 1.16 percent in FY 2022. In FY 2023, through June, SAN was at 96.6% of its 2019 level which is slightly under the U.S. system’s 97.9% recovery rate.

Based on experience, future airline traffic at SAN will likely continue to be affected by various forces and events. These include local, national, and international economic policies, geopolitical events, world health emergencies, federal regulatory and legislative actions, the financial health of the airline industry, fuel prices, and natural disasters. The Airport Authority cannot accurately predict 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 single carrier dominates and where many low-cost carriers serve the market. In CY 2022, air service was provided by 17 passenger airlines. Southwest Airlines, the largest carrier, served 35.6% of the passengers who traveled through SAN (see *Figure 1*); its lead in market share is expected to continue.

In CY 2022, low-cost carriers accounted for 49.7% of seat capacity and 44.1% of enplaned passengers. In addition, their presence in certain markets stimulates pricing competition among all carriers, typically stimulating demand through lower fares.

**SAN Enplaned Passengers in CY 2022**



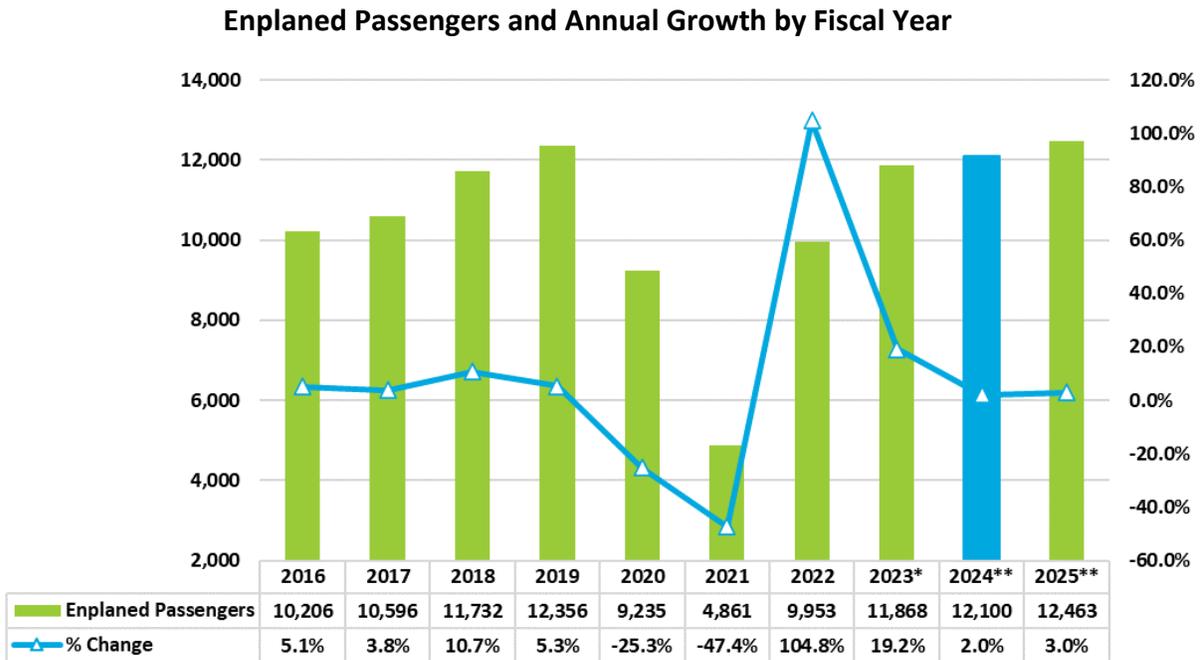
*\*Including regional affiliates*

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

## Executive Summary

In FY 2023, the airport saw the addition/resumption of nonstop service to Cleveland, Colorado Springs, Indianapolis, and Provo (including seasonal and limited-service markets). In FY 2023, SAN offered nonstop service to 70 domestic and 11 international destinations (including seasonal). In addition, the Airport Authority’s Air Service Development team continues to pursue recovery of and expand international and domestic opportunities.

The aforementioned economic and industry factors are reflected in the FY 2024 Budget and the FY 2025 Conceptual Budget, which are predicated on the current trend of passenger enplanements, as shown in *Figure 2*. In FY 2024, enplaned passenger traffic at SAN is projected to increase to 12.1 million. Likewise, enplaned passengers are projected to increase by 3.0% to 12.5 million in the FY 2025 Conceptual Budget.



\* Unaudited Actual FY 2023

\*\* Budgeted FY 2024 & FY 2025

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

## Executive Summary

### Budget Process

The Airport Authority operates on a July 1 through June 30 Fiscal Year. The annual budget cycle includes the preparation of two budgets: one 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 senior management collaborating with the Airport Authority Board to review the Strategic Plan progress, discuss strategy and policy, and update initiatives to drive business and operational 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 and action plans with Strategic Plan initiatives. The Airport Authority Board is consulted frequently 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 staff reviews financial results for the first six months of the fiscal year. In February and March, departments submit budget requests reflecting the needs to execute Strategic Plan initiatives. Meetings are held with each division to review their budget requests and weigh the cost/benefit impact, where appropriate.

The next step in the budgeting process is the creation of the Revenue Budget. This budget has two distinct parts, Airline Revenue and Non-Airline Revenue. In building these two sections, the Finance team first builds a forecast of the enplanements and landed weight in partnership with Air Service Development. These forecasts are a key component in the rest of the revenue streams. In addition, Finance reviews the current revenue trends and partners with the Revenue Generation Department on future trends in non-airline revenue. Finally, the expense budget, amortization, and debt service allocations are input into the Airline rates and charges model to create the Airline Revenue. After completing this process, the Finance team checks to ensure that the total budget is adequate to maintain a strong financial position.

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

## Executive Summary

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

**Figure 3 – SDCRAA Budget Calendar**

## Executive Summary

### Financial Plan

The financial plan includes the FY 2024 Budget and the FY 2025 Conceptual Budget, which is influenced by several factors. The Authority's Purpose and Strategic Plan, Capital Program, the Airline Operating Lease Agreement (AOLA), and the master and subordinate indentures are the primary factors, in addition to various grant opportunities through the Federal Aviation Administration (FAA) and other government agencies. The Airport Authority reached a 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 airport use. Additional details are provided on **page 19**.

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

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

The Airport Authority's debt management policy is 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.

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

## Executive Summary

### Budget Summary

The following table summarizes the forecasted revenue and expenses of the FY 2024 Budget and FY 2025 Conceptual Budget before depreciation, bond principal repayment, and capital equipment outlay.

(In Thousands)	FY 2022 Actuals	FY 2023 Budget	FY 2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY 2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Revenue</b>								
<b>Airline Revenue</b>								
Landing Fees	\$ 35,354	\$ 45,581	\$ 53,621	\$ 8,040	17.6%	\$ 59,378	\$ 5,757	10.7%
Aircraft Parking Fees	8,856	11,395	13,405	2,010	17.6%	14,844	1,439	10.7%
Building Rentals	97,047	133,213	148,651	15,438	11.6%	151,088	2,437	1.6%
Security Surcharge	-	-	-	-	0.0%	-	-	0.0%
Common Use Fees	8,231	11,105	10,185	(920)	-8.3%	10,210	25	0.2%
Other Aviation Revenue	(1,713)	(5,186)	(2,343)	2,843	-54.8%	(1,454)	889	-37.9%
<b>Total Airline Revenue</b>	<b>147,775</b>	<b>196,108</b>	<b>223,519</b>	<b>27,411</b>	<b>14.0%</b>	<b>234,066</b>	<b>10,547</b>	<b>4.7%</b>
<b>Non-Airline Revenue</b>								
Terminal Rent Non-Airline	2,567	2,592	2,589	(4)	-0.1%	2,599	10	0.4%
Terminal Concessions	43,165	24,358	32,697	8,339	34.2%	33,799	1,102	3.4%
Rental Car License Fees	38,647	33,616	40,951	7,335	21.8%	42,178	1,227	3.0%
License Fees - Other	6,326	6,275	8,299	2,025	32.3%	8,551	252	3.0%
Parking Revenue	44,181	35,349	52,215	16,866	47.7%	68,408	16,193	31.0%
Ground Transportation Permits and Citations	12,894	14,335	20,287	5,952	41.5%	22,017	1,730	8.5%
Ground Rentals	20,699	23,776	25,832	2,057	8.7%	26,252	419	1.6%
Grant Reimbursements	325	296	296	-	0.0%	296	-	0.0%
Other Operating Revenue	2,674	1,691	1,789	97	5.8%	1,800	11	0.6%
<b>Total Non-Airline Revenue</b>	<b>171,479</b>	<b>142,288</b>	<b>184,955</b>	<b>42,668</b>	<b>30.0%</b>	<b>205,899</b>	<b>20,944</b>	<b>11.3%</b>
<b>Total Operating Revenue</b>	<b>319,254</b>	<b>338,396</b>	<b>408,474</b>	<b>70,079</b>	<b>20.7%</b>	<b>439,965</b>	<b>31,491</b>	<b>7.7%</b>
<b>Operating Expenses</b>								
Personnel Costs	46,373	56,775	58,215	1,440	2.5%	62,315	4,101	7.0%
Contractual Services	34,491	46,720	55,775	9,055	19.4%	58,346	2,571	4.6%
Safety and Security	34,191	38,064	37,248	(816)	-2.1%	39,084	1,835	4.9%
Space Rental	11,330	10,501	10,573	72	0.7%	10,591	18	0.2%
Utilities	14,193	16,556	21,566	5,010	30.3%	23,913	2,347	10.9%
Maintenance	10,747	12,170	12,767	596	4.9%	13,501	734	5.8%
Operating Equipment & Systems	340	1,045	355	(690)	-66.0%	370	16	4.4%
Operating Supplies	496	706	765	59	8.4%	742	(23)	-3.0%
Insurance	1,741	2,005	2,219	214	10.7%	2,434	216	9.7%
Employee Development	537	854	949	94	11.0%	963	15	1.5%
Business Development	1,781	2,953	3,193	240	8.1%	3,500	307	9.6%
Equipment Rentals and Repairs	3,154	3,910	4,223	313	8.0%	4,252	29	0.7%
Tenant Improvements	431	692	857	164	23.8%	891	34	4.0%
<b>Total Operating Expenses before Depreciation &amp; Amortization</b>	<b>159,806</b>	<b>192,952</b>	<b>208,703</b>	<b>15,751</b>	<b>8.2%</b>	<b>220,901</b>	<b>12,199</b>	<b>5.8%</b>
<b>Income from Operations before Depreciation &amp; Amortization</b>	<b>159,448</b>	<b>145,444</b>	<b>199,772</b>	<b>54,327</b>	<b>37.4%</b>	<b>219,064</b>	<b>19,292</b>	<b>9.7%</b>
<b>Non-Operating Revenue/(Expenses)</b>								
Passenger Facility Charges	40,394	40,078	45,854	5,777	14.4%	47,229	1,374	3.0%
Customer Facility Charges	30,333	31,284	34,544	3,260	10.4%	35,580	1,036	3.0%
QHP Revenue	14,393	19,065	19,663	598	3.1%	20,028	365	1.9%
QHP Expense	(16,934)	(21,166)	(21,763)	(597)	2.8%	(23,128)	(1,365)	6.3%
BAB Interest Rebate	-	-	-	-	0.0%	-	-	0.0%
Interest Income	19,683	24,072	43,915	19,844	82.4%	49,654	5,739	13.1%
Interest Expense	(122,619)	(144,502)	(169,711)	(25,208)	17.4%	(215,643)	(45,933)	27.1%
Bond Amortization Costs	21,582	26,690	26,072	(618)	-2.3%	25,430	(642)	-2.5%
Other Non Operating Revenue/(Expense)	(74,619)	(10)	(25)	(15)	150.0%	(25)	-	0.0%
<b>Total Non-Operating Revenue/(Expenses), Net</b>	<b>(87,787)</b>	<b>(24,490)</b>	<b>(21,450)</b>	<b>3,040</b>	<b>-12.4%</b>	<b>(60,876)</b>	<b>(39,426)</b>	<b>183.8%</b>
<b>Income/ (Loss) before Capital Grant Contributions and Federal Relief</b>	<b>71,661</b>	<b>120,955</b>	<b>178,322</b>	<b>57,367</b>	<b>47.4%</b>	<b>158,188</b>	<b>(20,134)</b>	<b>-11.3%</b>
Capital Grant Contributions	12,958	32,592	65,934	33,342	102.3%	68,636	2,702	4.1%
<b>Net Income/ (Loss) before Federal Relief</b>	<b>84,619</b>	<b>153,547</b>	<b>244,256</b>	<b>90,709</b>	<b>59.1%</b>	<b>226,824</b>	<b>(17,432)</b>	<b>-7.1%</b>
Federal Relief	78,922	-	-	-	0.0%	-	-	0.0%
<b>Net Income/ (Loss) before Depreciation, Principal &amp; Capital Outlay</b>	<b>\$ 5,697</b>	<b>\$ 153,547</b>	<b>\$ 244,256</b>	<b>\$ 90,709</b>	<b>59.1%</b>	<b>\$ 226,824</b>	<b>\$ (17,432)</b>	<b>-7.1%</b>

\* Excludes principal payments on debt and capital outlay

## Executive Summary

Total Operating Revenues for FY 2024 are budgeted at \$408.5 million, an increase of \$70.1 million (20.7%) over the FY 2023 Budget. This revenue reflects two sources: 1) Airline revenue of \$223.5 million and 2) Non-Airline revenue of \$185.0 million. Airline revenue is derived primarily from landing fees, aircraft parking fees, building rentals, common use fees, and other aviation revenue. Non-Airline revenue comprises public parking and ground transportation fees, terminal and other concessions, rental car fees, ground rents, and other operating revenues. FY 2025 Operating revenues are budgeted at \$440.0 million, an increase of \$31.5 million (7.7%), of which \$234.1 million represents Airline revenue, and \$205.9 million is from Non-Airline revenue.

Total FY 2024 Airline Revenue includes an increase of \$27.4 million (14.0%) compared to the FY 2023 Budget. This result is driven mainly by a reduction of \$20.0 million in federal relief funds being applied to reduce Airline Rents, Fees, and Charges as compared to FY 2023 and \$8.2 million of increases in operating and maintenance expenses, including utilities and contracted services.

Total FY 2025 Airline Revenue is budgeted to increase by \$10.6 million (4.7%) compared to FY 2024. This increase is mainly due to the reduction of \$10.5 million in federal relief funds being applied to reduce Airline Rents, Fees, and Charges as compared to FY 2024.

Total FY 2024 Non-Airline Revenue projects a net increase of \$42.7 million (30.0%) from the FY 2023 Budget. The increases are primarily driven by: 1) increases of \$7.3 million in rental car license revenue and \$8.3 million in concessions revenue reflecting a revenue budget based on a percentage of gross sales; 2) an increase of \$16.9 million in parking revenue due to an increase in enplanements and impact of the parking revenue management strategy implemented in March 2023; 3) an increase of \$6.0 million in ground transportation revenue reflecting an increase in transactions due to higher enplanements and utilization of services and a fee adjustment for Transportation Network Companies (TNC) in FY 2024; 4) and an increase of \$2.0 million in in-flight and ground handling license revenue due to increased enplanements and services provided.

Total FY 2025 Non-Airline Revenue is budgeted to increase by \$20.9 million (11.3%) compared to FY 2024. The increase is driven by an increase of \$16.2 million in parking revenue driven by the opening of phase 1 of the New T1 parking garage in FY 2025, increases of \$1.7 million in ground transportation revenue, \$1.1 million in concessions revenue, and \$1.2 million in rental car license revenue.

The divisional and departmental operating expense budgets of \$208.7 million, which address the Airport Authority's overall strategies, initiatives, and mandated obligations, reflect an increase of \$15.8 million (8.2%) in the FY 2024 operating expense budget from the FY 2023 Budget. In addition, FY 2025 operating expenses are projected to increase by \$12.2 million (5.8%) over the FY 2024 Budget.

The FY 2024 Operating Expense increase of \$15.8 million (8.2%) is driven by several factors. First, salaries and wages, including overtime and benefits, are projected to increase by \$1.0 million (1.5%) over the FY 2023 Budget, reflecting increases due to pay-for-performance, contracted wage, and salary adjustments. With higher capitalized labor expenses, personnel expenses resulted in a net increase of \$1.4 million (2.5%) in the FY 2024 Budget over the FY 2023 Budget for personnel expenses.

In FY 2024, Contractual Services is budgeted to have a net increase of \$9.1 million (19.4%) from the FY 2023 Budget, reflecting an increase in parking and employee shuttle operations and Rental Car

## Executive Summary

Center (RCC) shuttles. FY 2024 Utility costs increased by \$5.0 million (30.3%) due to rate increases, and Maintenance costs increased by \$0.6 million (4.9%).

FY 2025 Operating Expenses are budgeted to increase by \$8.1 million (5.4%); this increase reflects the hiring of vacant positions, wage and salary increases required under union contract agreements, and pay-for-performance increases for non-union employees. In addition, the Non-Personnel Expenses increase is primarily driven by contractual services and safety and security costs.

FY 2024 Non-Operating Revenue/(Expense) is projected to decrease by \$3.0 million (-12.4%) from the FY 2023 Budget, primarily reflecting an increase of \$25.2 million in interest expense due to Bonds issuance. This increase is partly offset by increased PFCs, CFCs, interest revenue, and interest income. Capital Grant contributions are budgeted to increase by \$33.3M due to Federal grants associated with the New T1.

FY 2025 Non-Operating Revenue/(Expense) is budgeted to increase by \$39.4 million versus the FY 2024 Budget, mainly due to higher interest expenses from new bonds issuance and expected PFC and CFC revenue increases. In addition, Capital Grant contributions mainly associated with the New T1 are budgeted to increase in FY 2025 by \$2.7M.

## 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 2024 cash and investments will increase by \$93.3 million to \$2.41 billion versus the FY 2023 projected of \$2.32 billion. This increase of 4.0% from the FY 2023 projected is primarily due to bond proceeds from a planned debt issuance related to the New Terminal 1 (NT1). FY 2025 cash and investments are projected to increase by \$270.9 million (11.2%) to \$2.68 billion, due to proceeds from additional bond issuance necessitated by capital spending for the New T1.

## 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 anything with a useful life of more than one year and a cost greater than \$5,000. The Airport Authority's current Capital Program includes projects started before FY 2024, as well as new projects to be undertaken at SAN between FY 2024 and FY 2028, including the New Terminal 1 (New T1), at an estimated total cost of approximately \$3,853.5 million (see additional information in "New T1" section below).

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

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

# Executive Summary

Funding sources for projects in the Capital Program include the Federal Aviation Administration’s Airport Improvement Program (AIP), Transportation Security Administration (TSA) reimbursable agreements, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), Airport Operating Revenues, Airport Revenue Bonds, Special Facility Bonds and short-term borrowing using a revolving line of credit.

## Sources of Funds

*In thousands*

Airport Revenue Bonds	\$3,121,386
Airport Cash	340,324
Federal Grants	321,516
Major Maintenance Fund	66,209
Other	4,007
Passenger Facility Charges	107
<b>Total Sources of Funds</b>	<b><u><u>\$3,853,549</u></u></b>

## Uses of Funds by Location

*In thousands*

Terminal	\$2,704,902
Landside & Ancillary	595,044
Airside	379,521
Administrative	174,082
<b>Total Use of Funds</b>	<b><u><u>\$3,853,549</u></u></b>

Projected FY 2024 Capital Program expenditures total \$1,027.6 million, and projected FY 2025 expenditures are \$869.8 million. Further discussion of these expenditures and detailed descriptions can be found in the section titled **Capital Program**.

## Replacement of Terminal 1

While we pride ourselves on providing first-class passenger experience, we acknowledge that is not always possible in the 55-year-old Terminal 1. For that reason, 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 project includes airfield enhancements, significant improvements to roadways serving the airport, and a designated transit station area on airport property that will allow the airport to connect to 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 passenger satisfaction levels. Construction began in the second half of 2021—the first phase is scheduled to open in late summer 2025, and the project is scheduled to be completed in early 2028.

# Executive Summary

## Airline Operating Lease Agreement (AOLA)

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

The agreement establishes the following fees for signatory airlines:

	Unit	FY 2024 Budget	FY 2025 Conceptual Budget
Landing Fee	1,000 lbs	\$3.69	\$3.97
Aircraft Parking Position Rental Rate	per space	\$186,363	\$206,371
Aircraft Parking Position Turn Fee	per turn	\$190.60	\$204.92
Aircraft Parking Position Overnight Fee	per overnight	\$571.81	\$614.75
Terminal Rental Rate	sq ft.	\$292.56	\$293.57
Joint Use Fee (90%)	per enplanement	\$6.76	\$6.69
Joint Use Charges - 10% Share (MORE THAN 1% OF ENPLANEMENTS)	per airline	\$793,846	\$809,681
Joint Use Charges - 10% Share (1% OR LESS ENPLANEMENTS)	per airline	\$182,075	\$185,707
Common Use Fee	per enplanement	\$1.30	\$1.27
Federal Inspection Services (FIS) Fee	per available seat	\$10.00	\$10.00

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

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

Based on the fees above, the airline cost per enplaned passenger is forecasted to be \$17.83 for FY 2024 and \$18.12 for the FY 2025 Conceptual Budget.

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

The agreement has no provisions that grant the airlines direct approval rights over capital projects, except for certain transportation projects exceeding a total of \$350.0 million, as defined in the AOLA. It also allows flexibility to meet the demands of varying airline activity and capacity for new entrant carriers. The terms of the new agreement financially support the execution of the New T1.

## Outstanding Debt

As of July 1, 2023, the Airport Authority’s outstanding long-term debt will consist of \$2,822.3 million of subordinate airport revenue bonds (Series 2017, 2019, 2020, and 2021 Bonds) and \$269.0 million of senior special facility revenue bonds. The Airport Authority does not have a legal debt limit. The master bond indenture requires the Airport Authority to establish certain reserves and to maintain net

## Executive Summary

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

In July 2021, the Airport Authority and Bank of America NA agreed to a \$200.0 million Subordinate Revolving Credit Agreement. As of the end of the Fiscal Year 2022, the Airport Authority had outstanding Subordinate Revolving Obligations of \$80.1 million.

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 minus operating expenses divided by principal and interest requirements for the fiscal year) is displayed in *Figure 5*. For FY 2023, debt service coverage on revenue method aggregate debt is projected to be 1.79 times and 2.00 times for FY 2024.

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

	FY 2022 Actuals	FY 2023 Budget	FY 2024 Budget	FY 2025 Conceptual Budget
Aggregate Debt Service Coverage - Revenue Method (x)	2.94	1.79	2.48	2.87
Senior Lien Debt Service Coverage (x)	8.64	17.17	6.87	6.87
Subordinate Lien Debt Service Coverage (x)	2.45	3.82	2.13	2.13

**Figure 5 – Debt Service Coverage**

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

The Airport Authority received its eighteenth consecutive Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for its annual Budget for the fiscal year beginning July 1, 2022. The GFOA established the Distinguished Budget Presentation Awards Program (Budget Awards Program) in 1984 to encourage and assist state and local governments in preparing budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA’s best practices on budgeting and then to recognize individual governments that succeed in achieving that goal.

## Executive Summary

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

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



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# Airport Authority Overview



## **Airport Authority Overview**

### **Board of Directors**

**Gil Cabrera, Airport Authority Board Chair**

**Mary Casillas-Salas, Vice Chair**

**Lidia S. Martinez**

**Paul McNamara**

**Rafael Perez**

**Esther C. Sanchez**

**James Sly**

**Marni von Wilpert**

### **Ex-Officio Members**

**Gustavo Dallarda**

**Col. Thomas M. Bedell**

**Gayle Miller**

## Airport Authority Overview

### Executive Management Team

#### **Kimberly Becker**

PRESIDENT / CHIEF EXECUTIVE OFFICER

#### **Amy Gonzalez**

GENERAL COUNSEL

#### **Lee Parravano**

CHIEF AUDITOR

#### **Scott Brickner**

VICE PRESIDENT / CHIEF FINANCIAL OFFICER  
*Finance Division*

#### **Hampton Brown**

VICE PRESIDENT / CHIEF REVENUE OFFICER  
*Revenue Management & Innovation Division*

#### **Rick Francis**

VICE PRESIDENT / CHIEF OPERATIONS OFFICER  
*Operations Division*

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

VICE PRESIDENT / CHIEF DEVELOPMENT OFFICER  
*Development Division*

## Airport Authority Overview

### Director Staff

#### **Monty Bell**

DIRECTOR  
*Human Resources*

#### **Jessica Bishop**

DIRECTOR  
*Information & Technology Services*

#### **Bob Bolton**

DIRECTOR  
*Airport Design & Construction*

#### **Michelle Brega**

SENIOR DIRECTOR  
*External Relations*

#### **Andre Bruckner**

DIRECTOR  
*Business Intelligence*

#### **Maya Dayan**

DIRECTOR  
*Capital Financial Planning & Airline Relations*

#### **John Dillon**

DIRECTOR  
*Finance & Risk Management*

#### **John Graves**

DIRECTOR  
*Marketing, Arts, & Air Service Development*

#### **Matt Harris**

DIRECTOR  
*Government Relations*

#### **Jonathan Heller**

DIRECTOR  
*Communications*

#### **Sjohnna Knack**

DIRECTOR  
*Planning & Environmental Affairs / QHP*

#### **Stephen Mosca**

DIRECTOR  
*Facilities Management*

#### **Mark Nichols**

DIRECTOR  
*Ground Transportation*

#### **Brendan Reed**

SENIOR DIRECTOR  
*Operational Readiness, Activation, & Transition*

#### **Tony Russell**

DIRECTOR / AUTHORITY CLERK  
*Board Services*

#### **Elizabeth Stewart**

DIRECTOR  
*Accounting*

#### **Jana Vargas**

DIRECTOR  
*Procurement*

#### **Clint Welch**

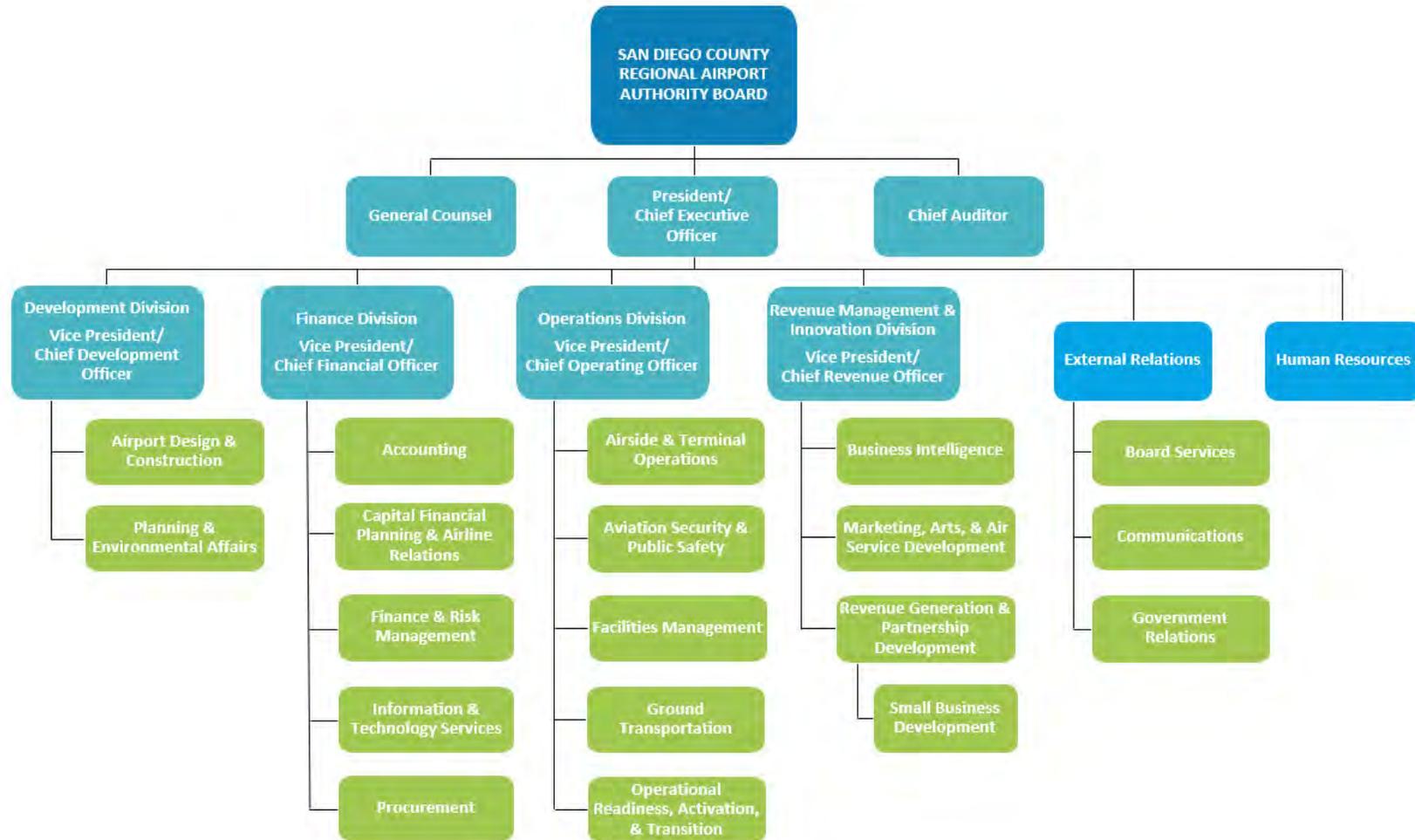
DIRECTOR  
*Aviation Security & Public Safety*

#### **Deanna Zachrisson**

DIRECTOR  
*Revenue Generation & Partnership Development*

# Airport Authority Overview

## SDCRAA Organizational Structure



## Airport Authority Overview

### Purpose, Culture & Leadership Mindsets

In FY 2023, the Executive Leadership team and Authority Senior Leaders spent several months with multiple offsite meetings to create our vision for the future. Out of these meetings came a Purpose Statement. The creation of this statement included all levels of staff. After creating the Purpose Statement, the team worked on creating a Culture Statement and our Leadership Mindsets. These three statements are stated below.

#### **Purpose Statement**

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

#### **Culture Statement**

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

#### **Leadership Mindset**

We are inclusive, believe the best in people, listen, collaborate, show empathy, and embrace thoughtful decision-making.

#### **Organizational Strategies and Initiatives**

The Airport Authority continues to make significant progress in executing its strategic plan reaffirming its long-term strategies. The original plan was set to expire in FY 2022. With the pandemic and the beginning of construction for the New T1, it was determined that extending the existing plan to the end of phase one of the New T1 was in the best interests of the Authority. With that objective in FY 2023, the Executive Leadership Team and Airport Authority Senior Leaders came together to refresh the Strategic Plan and update the strategic initiatives. The following are the four focus areas, along with their associated initiatives. The four focus areas and their associated initiatives are the guiding principles for allocating scarce and restricted resources to SAN programs as part of the annual budget process.

#### **Advance Airport Development**

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

#### **Initiatives:**

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

## Airport Authority Overview

- Use technology to advance airport development.

### **Transform the Customer Experience**

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

#### **Initiatives:**

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

### **Optimize Ongoing Business**

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

#### **Initiatives:**

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

## Airport Authority Overview

- Manage ongoing business effectively through change.
- Use technology to optimize ongoing business.

### **Cultivating Our Culture**

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

#### **Initiatives:**

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

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

# Overview of Financial Policies & Guidelines



## Financial Policies and Guidelines

### Overview

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

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

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

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

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

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

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

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

## 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 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 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 operations & maintenance (O&M) Reserve, the O&M Subaccount Reserve and the Renewal and Replacement Reserve) shall be at least 600 days of budgeted operating and maintenance expenses for the current fiscal year (see Figure 49 in **Performance Indicators**).

(in thousands)

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023 Projected
Unrestricted & Undesignated Cash and Available Funds	\$ 256,469	\$ 229,731	\$ 292,336	\$ 386,267	\$ 322,300	\$ 390,719	\$ 548,399
Unrestricted & Designated for Specific Capital Projects & Other Commitments	\$ 25,792	\$ 39,294	\$ 26,209	\$ 11,686	\$ 22,494	\$ 16,190	\$ 15,933
O&M and R&R Reserves	\$ 60,780	\$ 62,346	\$ 62,912	\$ 63,145	\$ 62,380	\$ 65,948	\$ 65,948
Total Unrestricted & Available Funds per Board Policy	\$ 343,041	\$ 331,371	\$ 381,457	\$ 461,098	\$ 407,175	\$ 472,857	\$ 630,279
Operating Expenses	\$ 154,748	\$ 157,674	\$ 165,927	\$ 152,378	\$ 139,258	\$ 156,925	\$ 180,831
<b>Days Cash on Hand</b>	<b>809</b>	<b>767</b>	<b>839</b>	<b>1,104</b>	<b>1,067</b>	<b>1,100</b>	<b>1,272</b>

**Figure 6 – FY 2017 to FY 2023 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 the trust and confidence of the public that it serves.

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

# Overview of Projected Fund Balance



## Overview of Projected Fund Balance

The Airport Authority Fund Balance is generally defined as the difference between its assets and liabilities. The Airport Authority's fund balance statement projects that FY 2024 cash and investments will increase by \$93.3 million to \$2,409.7 million versus the FY 2023 projected of \$2,316.4 million. This increase of 4.0% from the FY 2023 projected is mostly due to anticipated New T1 bond issuance, partially offset by capital expenditures. FY 2025 cash and investments are projected to increase by \$270.7 million (11.2%) to \$2,680.5 million, mainly reflecting a further anticipated New T1 bond issuance, partially offset by capital expenditures.

### Fund Equity Statement

(in thousands)

	FY 2022 Actual	FY 2023 Budget	FY 2023 Projected	FY 2024 Budget	FY 2025 Conceptual Budget
<b>Beginning Fund Balance:</b>	\$942,944	\$2,904,888	\$2,768,725	\$2,316,357	\$2,409,671
<b>Source of Funds</b>					
<b>Operating Revenue:</b>					
Receipts from customers	319,254	338,396	367,299	408,475	439,967
<b>Total Operating Revenue</b>	<b>319,254</b>	<b>338,396</b>	<b>367,299</b>	<b>408,475</b>	<b>439,967</b>
<b>Non-Operating Revenue &amp; Other Financing:</b>					
Federal Grants received (excluding Quieter Home Program)	76,754	32,592	58,174	65,934	68,636
Passenger Facility Charges Receipts	41,971	40,078	44,456	45,854	47,229
Customer Facility Charges Receipts	29,833	31,284	25,177	34,544	35,580
Bond Proceeds	2,274,126	-	-	914,100	902,600
Principal Payments received on Notes Receivable	2,372	2,541	2,372	2,541	2,634
Interest Received from Notes Receivable & Investments	12,420	24,497	39,205	43,915	49,654
Other Funding Sources	2,996	4,774	4,826	4,774	5,228
Hydrant Fuel Cost Recovery	2,437	2,437	1,808	2,437	2,437
<b>Total Non-Operating Revenue</b>	<b>2,523,009</b>	<b>138,202</b>	<b>176,018</b>	<b>1,114,099</b>	<b>1,113,998</b>
<b>Total Revenues</b>	<b>2,842,264</b>	<b>476,598</b>	<b>543,318</b>	<b>1,522,574</b>	<b>1,553,964</b>
<b>Use of Funds</b>					
<b>Operating Expenses:</b>					
Payments to Suppliers & Employees	(148,184)	(136,177)	(181,125)	(193,122)	(204,953)
Pension contribution					
<b>Total Operating Expenses</b>	<b>(148,184)</b>	<b>(136,177)</b>	<b>(181,125)</b>	<b>(193,122)</b>	<b>(204,953)</b>
<b>Non-Operating Expenses:</b>					
Capital Expenditures	(127,309)	(77,104)	(101,484)	(130,480)	(131,752)
Capital Expenditures Financed from Bond Proceeds	(142,557)	(596,466)	(511,019)	(882,779)	(709,782)
Capital Expenditures Financed from Major Maintenance Fund	(1,740)	(12,197)	(4,147)	(13,336)	(25,412)
Quieter Home Program, net and Joint Studies	(2,538)	(2,151)	(2,558)	(150)	(2,900)
Customer Facility Charges (CFC) Expenditures	(7,787)	(10,386)	(11,286)	(10,386)	(10,893)
Principal on Bonds and Variable rate debt paid	(425,759)	(43,385)	(43,385)	(43,385)	(44,840)
Interest and Debt Fees Paid (excl PFC funding)	(73,157)	(71,940)	(67,382)	(78,333)	(81,392)
Capitalized Interest Debt Service Payment	(6,797)	(75,130)	(73,435)	(76,437)	(70,301)
Airline Support Building Tenant Improvement	-	(4,140)	-	-	-
Payment of capital lease	(554)	(877)	(878)	(877)	(877)
<b>Total Non-Operating Expenses</b>	<b>(868,298)</b>	<b>(893,776)</b>	<b>(814,561)</b>	<b>(1,236,138)</b>	<b>(1,078,150)</b>
<b>Total Expenses</b>	<b>(1,016,482)</b>	<b>(1,029,953)</b>	<b>(995,686)</b>	<b>(1,429,260)</b>	<b>(1,283,103)</b>
<b>Excess (Deficit) of Source over Use of Funds</b>	<b>1,825,782</b>	<b>533,355</b>	<b>(452,368)</b>	<b>93,314</b>	<b>270,861</b>
<b>Ending Fund Balance</b>	<b>\$2,768,725</b>	<b>\$2,351,534</b>	<b>\$2,316,357</b>	<b>\$2,409,671</b>	<b>\$2,680,532</b>
Unrestricted Cash and Investments	\$406,910	\$584,307	\$598,111	\$611,641	\$645,227
<b>Total Bonds Reserves</b>	<b>2,163,742</b>	<b>1,522,996</b>	<b>1,425,367</b>	<b>1,405,959</b>	<b>1,570,910</b>
<b>Total Other Restricted Funds</b>	<b>198,074</b>	<b>244,231</b>	<b>292,879</b>	<b>392,072</b>	<b>464,396</b>
<b>Ending Fund Balance</b>	<b>\$2,768,725</b>	<b>\$2,351,534</b>	<b>\$2,316,357</b>	<b>\$2,409,671</b>	<b>\$2,680,532</b>

# Financial Projections



## Financial Projections

Based on the actual results experienced by the Airport Authority during FY 2022 and the budgets for FY 2023, FY 2024 and FY 2025, the following table shows projections for FY 2026.

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 2022 Actuals	FY 2023 Budget	FY 2024 Budget	FY 2025 Conceptual Budget	FY 2026 Projected
<b>Total Airline Revenue</b>	\$ 147,775	\$ 196,108	\$ 223,519	\$ 234,066	\$ 277,531
<b>Total Non-Airline Revenue</b>	171,479	142,288	184,955	205,899	226,347
<b>Total Operating Revenue</b>	319,254	338,396	408,474	439,965	503,878
<b>Total Operating Expenses before Depreciation &amp; Amortization</b>	159,806	192,952	208,703	220,901	280,480
<b>Income from Operations before Depreciation &amp; Amortization</b>	159,448	145,444	199,772	219,064	223,398
<b>Non-Operating Revenue/(Expenses)</b>					
Passenger Facility Charges	40,394	40,078	45,854	47,229	48,649
Customer Facility Charges	30,333	31,284	34,544	35,580	38,429
Quieter Home Program (Net) & Joint Studies	(2,541)	(2,101)	(2,100)	(3,100)	(3,225)
BAB Interest Rebate	-	-	-	-	-
Interest Income	19,683	24,072	43,915	49,654	41,499
Interest Expense	(131,257)	(144,502)	(169,711)	(149,595)	(58,349)
Bond Amortization Costs	21,582	26,690	26,072	25,430	15,108
Other Non Operating Revenue/(Expense)	(74,619)	(10)	(25)	(25)	-
<b>Total Other Non-Operating Revenue, Net</b>	<b>(96,426)</b>	<b>(24,490)</b>	<b>(21,450)</b>	<b>5,173</b>	<b>82,110</b>
<b>Income before Capital Grant Contributions</b>	<b>63,023</b>	<b>120,955</b>	<b>178,322</b>	<b>224,236</b>	<b>305,508</b>
Capital Grant Contributions	12,958	32,592	65,934	68,636	-
<b>Net Income/ (Loss) before Federal Relief</b>	<b>75,981</b>	<b>153,547</b>	<b>244,256</b>	<b>292,872</b>	<b>305,508</b>
Federal Relief	78,922	-	-	-	-
<b>Net Income before Depreciation, Principal &amp; Capital Outlay</b>	<b>\$ (2,941)</b>	<b>\$ 153,547</b>	<b>\$ 244,256</b>	<b>\$ 292,872</b>	<b>\$ 305,508</b>

# Budget Overview: Revenue



## Revenue Overview

### FY 2024 Revenue Budget – FY 2025 Conceptual Revenue Budget

<i>(in thousands)</i>	FY2022	FY2023	FY2024	Inc / (Dec)	%	FY2025	Inc / (Dec)	%
	Actuals	Budget	Proposed Budget	FY24 vs FY23 Budget	Change	Conceptual Budget	FY25 Conceptual vs FY24 Budget	Change
<b>Operating Revenue</b>								
<b>Airline Revenue</b>								
Landing Fees	\$ 35,354	\$ 45,581	\$ 53,621	\$ 8,040	17.6%	\$ 59,378	\$ 5,757	10.7%
Aircraft Parking Fees	8,856	11,395	13,405	2,010	17.6%	14,844	1,439	10.7%
Building Rentals	97,047	133,213	148,651	15,438	11.6%	151,088	2,437	1.6%
Common Use Fees	8,231	11,105	10,185	(920)	-8.3%	10,210	25	0.2%
Other Aviation Revenue	(1,713)	(5,186)	(2,343)	2,843	-54.8%	(1,454)	889	-37.9%
<b>Total Airline Revenue</b>	<b>147,775</b>	<b>196,108</b>	<b>223,519</b>	<b>27,411</b>	<b>14.0%</b>	<b>234,066</b>	<b>10,547</b>	<b>4.7%</b>
<b>Non-Airline Revenue</b>								
Terminal Rent Non-Airline	2,567	2,592	2,589	(4)	-0.1%	2,599	10	0.4%
Terminal Concessions	43,165	24,358	32,697	8,339	34.2%	33,799	1,102	7.2%
Rental Car License Fees	38,647	33,616	40,951	7,335	21.8%	42,178	1,227	3.0%
License Fees - Other	6,326	6,275	8,299	2,025	32.3%	8,551	252	3.0%
Parking Revenue	44,181	35,349	52,215	16,866	47.7%	68,408	16,193	31.0%
Ground Transportation Permits and Citations	12,894	14,335	20,287	5,952	41.5%	22,017	1,730	8.5%
Ground Rentals	20,699	23,776	25,832	2,057	8.7%	26,252	419	1.6%
Grant Reimbursements	325	296	296	-	0.0%	296	-	0.0%
Other Operating Revenue	2,674	1,691	1,789	97	5.8%	1,800	11	0.6%
<b>Total Non-Airline Revenue</b>	<b>171,479</b>	<b>142,288</b>	<b>184,955</b>	<b>42,668</b>	<b>30.0%</b>	<b>205,899</b>	<b>20,944</b>	<b>11.3%</b>
<b>Total Operating Revenue</b>	<b>319,254</b>	<b>338,396</b>	<b>408,474</b>	<b>70,079</b>	<b>20.7%</b>	<b>439,965</b>	<b>31,491</b>	<b>7.7%</b>
<b>Interest Income</b>	<b>19,683</b>	<b>24,072</b>	<b>43,915</b>	<b>19,844</b>	<b>82.4%</b>	<b>49,654</b>	<b>5,739</b>	<b>13.1%</b>
<b>Non-Operating Revenue</b>								
Passenger Facility Charges	40,394	40,078	45,854	5,777	14.4%	47,229	1,374	3.0%
Customer Facility Charges	30,333	31,284	34,544	3,260	10.4%	35,580	1,036	3.0%
Quieter Home Program	14,393	19,065	19,663	598	3.1%	20,028	365	1.9%
Federal Relief	78,922	-	-	-	0.0%	-	-	0.0%
Capital Grant Contributions	12,958	32,592	65,934	33,342	102.3%	68,636	2,702	4.1%
Other Non Operating Revenue	(74,519)	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Revenue</b>	<b>102,481</b>	<b>123,019</b>	<b>165,995</b>	<b>42,976</b>	<b>34.9%</b>	<b>171,472</b>	<b>5,477</b>	<b>3.3%</b>
<b>Total Revenue</b>	<b>\$ 441,418</b>	<b>\$ 485,486</b>	<b>\$ 618,385</b>	<b>\$ 132,899</b>	<b>27.4%</b>	<b>\$ 661,091</b>	<b>\$ 42,707</b>	<b>6.9%</b>

## Revenue Overview

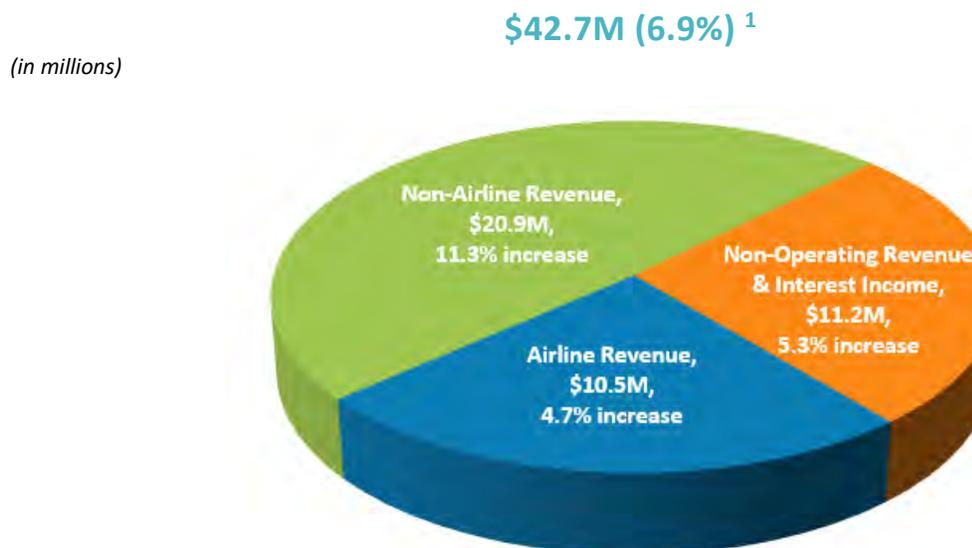
### FY 2024 Revenue Budget Increase vs FY 2023 Budget



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

**Figure 7 – FY 2024 Revenue Variance**

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



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

**Figure 8 – FY 2025 Revenue Variance**

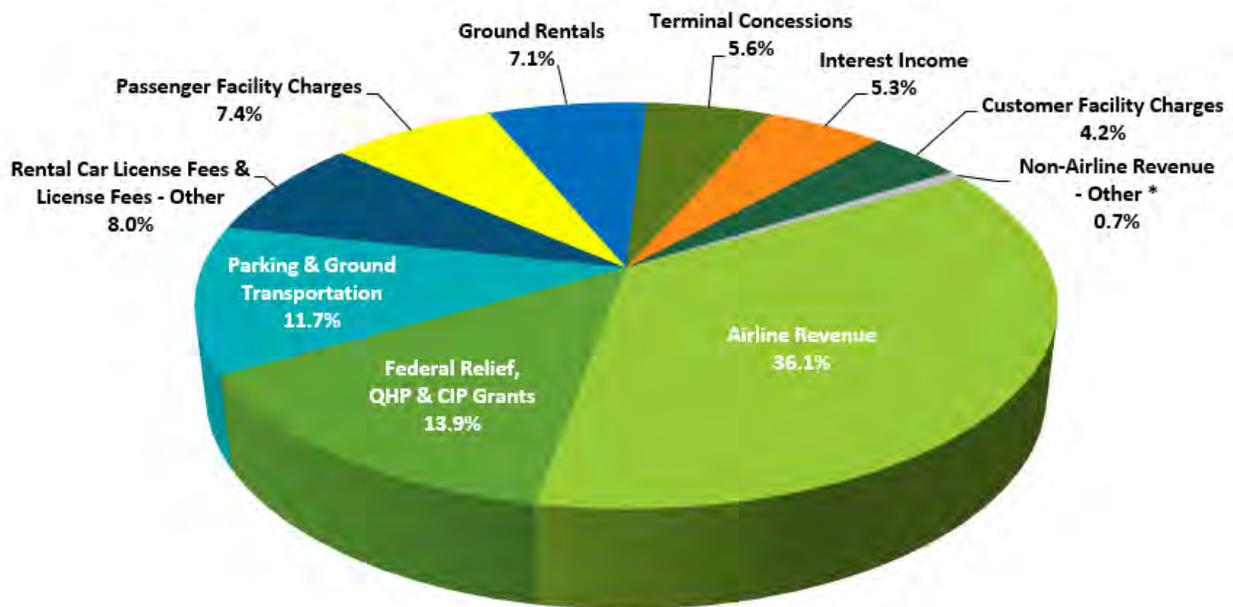
## Revenue Overview

### FY 2024 Revenue Budget by Major Sources

(in thousands)

Revenue by Major Sources	FY 2024 Budget
Airline Revenue	223,519
Federal Relief, QHP & CIP Grants	85,893
Parking & Ground Transportation	72,501
Rental Car License Fees & License Fees - Other	49,251
Passenger Facility Charges	45,854
Ground Rentals	43,915
Terminal Concessions	34,544
Interest Income	32,697
Customer Facility Charges	25,832
Non-Airline Revenue - Other *	4,377
<b>Total Revenue <sup>1</sup></b>	<b>\$618,385</b>

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



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

**Figure 9 – FY 2024 Revenue Budget by Sources**

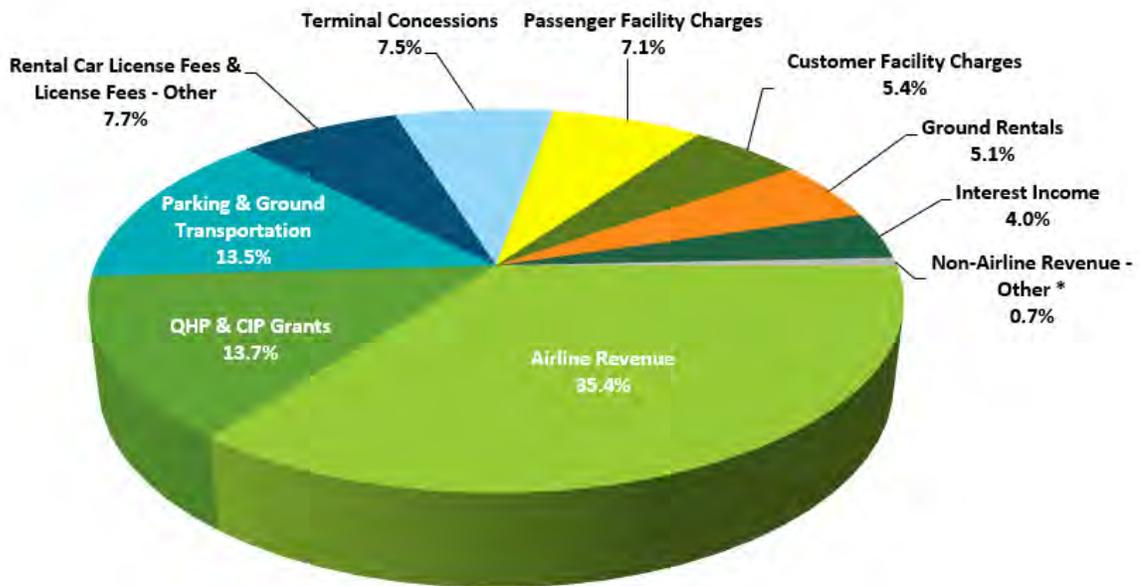
## Revenue Overview

### FY 2025 Revenue Budget by Major Sources

(in thousands)

Revenue by Major Sources	FY 2025 Conceptual Budget
Airline Revenue	234,066
QHP & CIP Grants	90,425
Parking & Ground Transportation	88,960
Rental Car License Fees & License Fees - Other	50,729
Terminal Concessions	49,654
Passenger Facility Charges	47,229
Customer Facility Charges	35,580
Ground Rentals	33,799
Interest Income	26,252
Non-Airline Revenue - Other *	4,398
<b>Total Revenue <sup>1</sup></b>	<b>\$661,091</b>

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



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

**Figure 10 – FY 2025 Revenue Budget by Sources**

## Revenue Overview

### Overview

Operating and Non-Operating Revenues for FY 2024 are projected to be \$618.4M, an increase of \$132.9M (27.4%) above the FY 2023 Budget. FY 2025 Conceptual Operating and Non-Operating revenues are budgeted to increase by \$42.7M (6.9%) over the FY 2024 Budget.

### Airline Operating Revenue

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

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

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

### Landing Fees

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

In FY 2024, landing fee revenues are projected to increase to \$53.6M, which is \$8.0M (17.6%) above the FY 2023 Budget due to increased airfield costs. Estimated landed weight for FY 2024 is projected to increase to 14,503 (million-pound units), a 17.9% increase from 12,299 (million pound units) in the FY 2023 Budget.

The FY 2024 Signatory landing fee rate (per 1,000 pounds of maximum gross landed weight) is projected to be \$3.69, which is flat compared to FY 2023.

In FY 2025, landing fee revenues are projected to increase by \$5.8M (10.7%) to \$59.4M over the FY 2024 Budget. The increase in fees is due to a reduction of federal relief funds applied to offset costs. Federal relief funding related to COVID-19 has ended and will not be applied beyond FY 2024.

The FY 2025 Signatory landing fee rate (per 1,000 pounds of maximum gross landed weight) is projected to increase to \$3.97, a 7.6% increase over the FY 2024 budgeted landing fee, reflecting a combination of increased net airfield costs and a 2.9% increase in projected landed weight to 14,921 (million-pound units).

## Revenue Overview

### Aircraft Parking and Turn Fees

Aircraft parking fees are projected to recover 20% of the direct and allocated costs of the airfield, including maintenance and operation expenses, airfield security, debt service, amortization of capital investments, Major Maintenance Fund (MMF) and coverage charges. This charge is assessed based on the number of aircraft parking positions assigned to each air carrier at the terminal gates and in remote positions, as well as the number of turns made on common use gates. Aircraft parking positions are 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 2024, aircraft parking and turn fees are projected to generate revenues of \$13.4M, a \$2.0M (17.6%) increase over the FY 2023 Budget due to an increase in airfield operations expenses. FY 2024 aircraft position rental signatory rate is \$186,363.00 annually per space, aircraft parking position signatory turn fee is \$190.60 per turn and aircraft parking position signatory overnight fee is \$571.81 per overnight stay.

In FY 2025, aircraft parking and turn fees are projected to increase by \$1.4M (10.7%) over the FY 2024 Budget due to increases in net airfield costs.

### Building Rentals

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

In FY 2024 Budget Building Rentals revenues are projected to increase to \$148.7M, an increase of \$15.4M (11.6%) over the FY 2023 Budget. FY 2024 Building Rentals revenues reflect increases in terminal operations expenses, debt service and bond reserves requirement contributions, partially offset by use of federal relief funds previously drawn. The FY 2024 signatory terminal rental rate is \$292.56 per square foot and the joint use fee is \$6.85 per enplanement.

In FY 2025, Building Rentals revenue is projected to increase by \$2.4M (1.6%) over the FY 2024 Budget due to higher operating and maintenance expenses, debt service, and MMF. The FY 2025 terminal rental signatory rate is projected to increase to \$293.57 per square foot and the joint use fee is \$6.78 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 by airlines located in common use equipped terminals.

FY 2024 Common Use Fee revenue is projected to be \$10.2M, a decrease of \$0.9M (-8.3%) to FY 2023 Budget. The reduction in FY 2024 Common Use Fee revenue is due to a decrease in amortization for equipment in common use equipped terminals. FY 2024 common use Signatory fee is \$1.30 per enplanement.

## Revenue Overview

In FY 2025, the Common Use Fee revenue will remain relatively flat at \$10.2M. The FY 2025 common use signatory fee is \$1.27 per enplanement.

## Other Aviation Revenue

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

In FY 2024, Other Aviation revenue is projected to be (\$2.3M), an increase of \$2.8M (54.8%) over the FY 2023 Budget due to the Air Service Incentive Program. The Air Service Incentive Program provides operating credits to Airlines who are new to serving SAN or who are serving previously unserved markets with non-stop service from SAN. The credits are reflected as a reduction to revenue.

In FY 2025, Other Aviation revenue is projected to increase by \$0.9M (37.9%) over the FY 2024 Budget.

	Unit	FY 2022 Actuals	FY 2023 Budget	FY 2024 Budget	FY 2025 Conceptual Budget	FY 2026 Projected
Landing Fee	1,000 lbs	\$3.01	\$3.69	\$3.69	\$3.97	\$4.77
Aircraft Parking Position Rental Rate	per space	\$114,738	\$155,509	\$186,363	\$206,371	\$255,306
Aircraft Parking Position Turn Fee	per turn	\$147.52	\$215.54	\$190.60	\$204.92	\$240.91
Aircraft Parking Position Overnight Fee	per overnight	\$442.56	\$646.62	\$571.81	\$614.75	\$722.74
Terminal Rental Rate	sq ft.	\$177.46	\$264.53	\$292.56	\$293.57	\$320.19
Joint Use Fee (90%)	per enplanement	\$5.63	\$7.05	\$6.76	\$6.69	\$9.99
Joint Use Charges - 10% Share (MORE THAN 1% OF ENPLANEMENTS)	per airline	\$593,203	\$732,282	\$793,846	\$809,681	\$1,244,992
Joint Use Charges - 10% Share (1% OR LESS ENPLANEMENTS)	per airline	\$124,726	\$159,192	\$182,075	\$185,707	\$285,549
Common Use Fee	per enplanement	\$1.19	\$1.58	\$1.30	\$1.27	\$1.67
Federal Inspection Services (FIS) Fee	per available seat	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Cost Per Enplanement		\$14.24	\$18.61	\$17.83	\$18.12	\$21.09
Debt Service Coverage		2.94	1.79	2.48	2.87	2.05
Enplanements *		9,953	10,138	12,100	12,463	12,837
% Increase in Enplanements versus prior year		104.8%	1.9%	19.3%	3.0%	3.0%

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

*\* In thousands*

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

**Figure 11 – FY 2022 Actuals to FY 2026 Airline Rates, Fees, and Charges**

## Revenue Overview

### Non-Airline Operating Revenue

The Non-Airline Operating revenue budget was derived by analyzing current agreements, recent trends, projected future events and historic revenue patterns, taking into consideration the projected FY 2024 enplaned passenger traffic.

The FY 2024 Budget assumes 12.1M enplaned passengers, which is a 19.8% increase over the FY 2023 Budget enplanements of 10.1M and a 3.0% increase over the FY 2023 year-end projected enplanements of 11.8M. FY 2025 enplanements are projected to grow to 12.5M, a 3.0% increase over the FY 2024 Budget enplanements.

### Terminal Rent Non-Airline

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

In FY 2024, Terminal Rent Non-Airline revenue is projected to be \$2.6M, in line with the FY 2023 Budget.

In FY 2025, Terminal Rent Non-Airline revenue is projected to remain flat over the FY 2024 Budget.

### Terminal Concessions

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

Concession revenue is based on percentage rent charged on food, beverage and merchandise sales and fixed rent for concessionaire storage/support space. Cost Recovery revenue is also generated through reimbursement of marketing costs, operations/maintenance costs, and 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 2024 Budget for Terminal Concessions is \$32.7M, an increase of \$8.3M (34.2%) over the FY 2023 Budget reflecting revenue based on gross sales. The increase is a result of increased passenger enplanements as demand for air travel has increased.

FY 2025 Terminal Concession revenues are budgeted at \$33.8M, an increase of \$1.1M (7.2%) over the FY 2024 Budget due to an increase in projected 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 Rental Car Center (RCC). The agreement calls for rental car companies to pay the Airport Authority a fee equaling 10% of gross sales or their minimum annual guarantee (MAG), whichever is higher.

## Revenue Overview

In FY 2024, Rental Car License Fees are projected at \$41.0M, an increase of \$7.3M (21.8%) over the FY 2023 Budget reflecting revenue based on gross sales. The increase is a result of increased passenger activity as demand for air travel has increased.

FY 2025 revenues are projected at \$42.2M, an increase of \$1.2M (3.0%) in line with the projected increase in passenger enplanements.

### License Fees – Other

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

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

FY 2024 revenues are budgeted at \$8.3M, an increase of \$2.0M (32.3%) from the FY 2023 Budget due to an increase in enplanements and expansion of services provided.

In FY 2025, license fee revenues are projected to increase by \$0.3M (3.0%) to \$8.6M due to higher enplanements.

### Parking

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

The FY 2024 revenue is budgeted at \$52.2M, an increase of \$16.9M (47.7%) from the FY 2023 Budget reflecting increased utilization and the implementation of a new parking revenue management strategy that was implemented in March 2023.

The FY 2025 Budget is \$68.4M, a projected increase of \$16.2M (31.0%), primarily reflecting an increase in the number of available parking spaces following the opening of phase 1 of the New T1 Parking Plaza in FY 2025.

### Ground Transportation Trip Fees and Citations

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

FY 2024 revenues are budgeted at \$20.3M, an increase of \$6.0M (41.5%) over the FY 2023 Budget due to a rate increase for TNCs of \$0.25 per pickup and drop-off, higher enplanements and increased transactions per outbound passenger (OP) based on current trends.

In FY 2025, these revenues are budgeted at \$22.0M, an increase of \$1.7M (8.5%) mostly reflecting increase in enplanements and higher transactions per OP.

## Revenue Overview

### 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 2024 revenue is budgeted at \$25.8M, an increase of \$2.1M (8.7%) over the FY 2023 Budget due to recognition of fuel farm projects cost recovery and CPI increase.

In FY 2025, revenues are budgeted at \$26.3M, an increase of \$0.4M (1.6%), primarily due to anticipated slight CPI increase assumptions on other agreements.

### Grant Reimbursements (Operating)

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

The FY 2024 budget for Grant Reimbursement revenue is projected to remain flat to the FY 2023 Budget, at \$0.3M.

In FY 2025, Grant Reimbursements revenue is projected to stay flat over the FY 2024 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 2024, these revenues are budgeted at \$1.8M, with an increase of \$0.1M over the FY 2023 Budget.

In FY 2025, other operating revenue is projected to remain flat over the FY 2024 Budget.

## 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 2024, interest income is budgeted at \$43.9M, a projected increase of \$19.8M (82.4%) from the FY 2023 Budget reflecting an increase in cash balances due to higher construction fund and bond reserve fund balances and an increase in interest rates.

FY 2025 interest income revenues are projected to increase by \$5.7M (13.1%) over the FY 2024 Budget due to anticipated increase in interest rates partially offset by lower cash balances.

## Revenue Overview

### Non-Operating Revenue

#### Passenger Facility Charges (PFC)

PFC revenue is comprised of a \$4.50 charge (net \$4.39 to the Airport after deduction of \$0.11 for the airline processing fee) paid by each ticketed passenger that boards an airplane at the Airport. The FY 2024 and FY 2025 Budget is based on the projected number of enplaned passengers at an estimated collection rate of 86%. Certain types of passengers, including military, are excluded from paying the PFCs.

FY 2024 PFC revenues are budgeted at \$45.9M, an increase of \$5.8M (14.4%) from the FY 2023 Budget due to higher enplaned passengers.

FY 2025 PFC revenue is projected to increase by \$1.4M (3.0%) over the FY 2024 Budget due to an increase in enplaned passengers.

#### Customer Facility Charges (CFC)

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

For FY 2024, CFC revenues are projected at \$34.5M, an increase of \$3.3M (10.4%) over the FY 2023 Budget reflecting an increase in enplanements.

In FY 2025, CFC revenues are budgeted at \$35.6M, an increase of \$1.0M (3.0%) over the FY 2024 Budget primarily due to higher enplanements.

#### Quieter Home Program

The Quieter Home Program (QHP) is a residential sound insulation program for eligible single and multi-family dwellings located within the FAA-accepted SAN 65-decibel Community Noise Equivalent Level contour. The project is eligible for a maximum airport improvement (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 2024 QHP revenue will be \$19.7M and FY 2025 QHP revenue will be \$20.0M.

#### Capital Grant Contribution

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

## Revenue Overview

The FY 2024 capital grant contributions increased by \$33.3M (102.3%) to \$65.9M due to grants related to the New T1 development project.

FY 2025 capital grant contributions are budgeted to increase by \$2.7M (4.1%) reflecting further grant funding for the 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 2024 and FY 2025, there is no new Federal Relief revenue, although funds already drawn will be applied to offset Airline Revenue.

# Budget Overview: Expenses



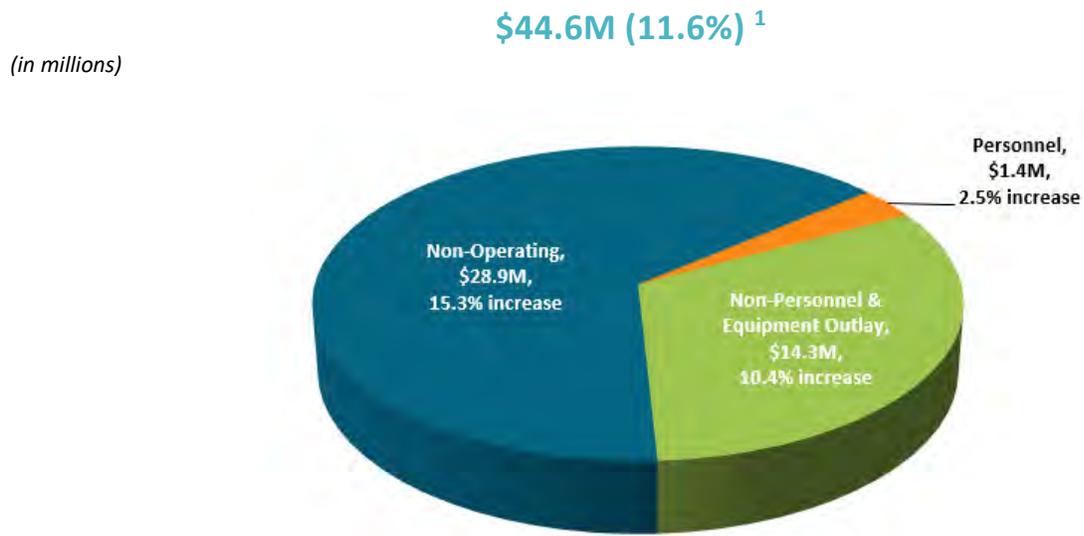
## Expense Overview

### FY 2024 Expense Budget – FY 2025 Conceptual Expense Budget

<i>(In Thousands)</i>	FY2022	FY2023	FY2024	Inc / (Dec)	%	FY2025	Inc / (Dec)	%
	Actuals	Budget	Proposed Budget	FY24 Budget vs FY23 Budget	Change	Conceptual Budget	FY25 Conceptual vs FY24 Proposed	Change
<b>Operating Expenses</b>								
Salaries	\$ 38,166	\$ 42,535	\$ 44,381	\$ 1,846	4.3%	\$ 47,098	\$ 2,717	6.1%
Benefits	13,703	21,827	20,970	(857)	-3.9%	22,711	1,741	8.3%
<b>Subtotal</b>	<b>51,869</b>	<b>64,363</b>	<b>65,351</b>	<b>989</b>	<b>1.5%</b>	<b>69,809</b>	<b>4,458</b>	<b>6.8%</b>
Less: Capitalized Labor Recharge	(4,870)	(6,893)	(6,472)	421	-6.1%	(6,796)	(324)	5.0%
Less: QHP Labor Recharge	(626)	(695)	(665)	30	-4.3%	(698)	(33)	5.0%
<b>Total Personnel Costs</b>	<b>46,373</b>	<b>56,775</b>	<b>58,215</b>	<b>1,440</b>	<b>2.5%</b>	<b>62,315</b>	<b>4,101</b>	<b>7.0%</b>
Contractual Services	34,491	46,720	55,775	9,055	19.4%	58,346	2,571	4.6%
Safety and Security	34,191	38,064	37,248	(816)	-2.1%	39,084	1,835	4.9%
Space Rental	11,330	10,501	10,573	72	0.7%	10,591	18	0.2%
Utilities	14,193	16,556	21,566	5,010	30.3%	23,913	2,347	10.9%
Maintenance	10,747	12,170	12,767	596	4.9%	13,501	734	5.8%
Operating Equipment & Systems	340	1,045	355	(690)	-66.0%	370	16	4.4%
Operating Supplies	496	706	765	59	8.4%	742	(23)	-3.0%
Insurance	1,741	2,005	2,219	214	10.7%	2,434	216	9.7%
Employee Development	537	854	949	94	11.0%	963	15	1.5%
Business Development	1,781	2,953	3,193	240	8.1%	3,500	307	9.6%
Equipment Rentals and Repairs	3,154	3,910	4,223	313	8.0%	4,252	29	0.7%
Tenant Improvements	431	692	857	164	23.8%	891	34	4.0%
<b>Total Non-Personnel Costs</b>	<b>113,433</b>	<b>136,177</b>	<b>150,488</b>	<b>14,312</b>	<b>10.5%</b>	<b>158,586</b>	<b>8,098</b>	<b>5.4%</b>
<b>Total Operating Expenses</b>	<b>159,806</b>	<b>192,952</b>	<b>208,703</b>	<b>15,751</b>	<b>8.2%</b>	<b>220,901</b>	<b>12,199</b>	<b>5.8%</b>
Joint Studies / Sound Attenuation	16,934	21,166	21,763	597	2.8%	23,128	1,365	6.3%
Debt Service	140,392	167,660	195,911	28,251	16.9%	237,868	41,957	21.4%
Legal Settlement Expense	-	10	25	15	150.0%	25	-	0.0%
Other Non-Operating Expenses	100	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>157,426</b>	<b>188,836</b>	<b>217,699</b>	<b>28,863</b>	<b>15.3%</b>	<b>261,021</b>	<b>43,322</b>	<b>19.9%</b>
<b>Total Expenses</b>	<b>317,232</b>	<b>381,788</b>	<b>426,402</b>	<b>44,614</b>	<b>11.7%</b>	<b>481,923</b>	<b>55,521</b>	<b>13.0%</b>
<b>Equipment Outlay Expenditures</b>	<b>954</b>	<b>988</b>	<b>964</b>	<b>(25)</b>	<b>-2.5%</b>	<b>1,208</b>	<b>244</b>	<b>25.3%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 318,186</b>	<b>\$ 382,776</b>	<b>\$ 427,366</b>	<b>\$ 44,590</b>	<b>11.6%</b>	<b>\$ 483,131</b>	<b>\$ 55,765</b>	<b>13.0%</b>

## Expense Overview

### FY 2024 Expense Budget Increase vs FY 2023 Budget



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

**Figure 12 – FY 2024 Expense Variance**

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

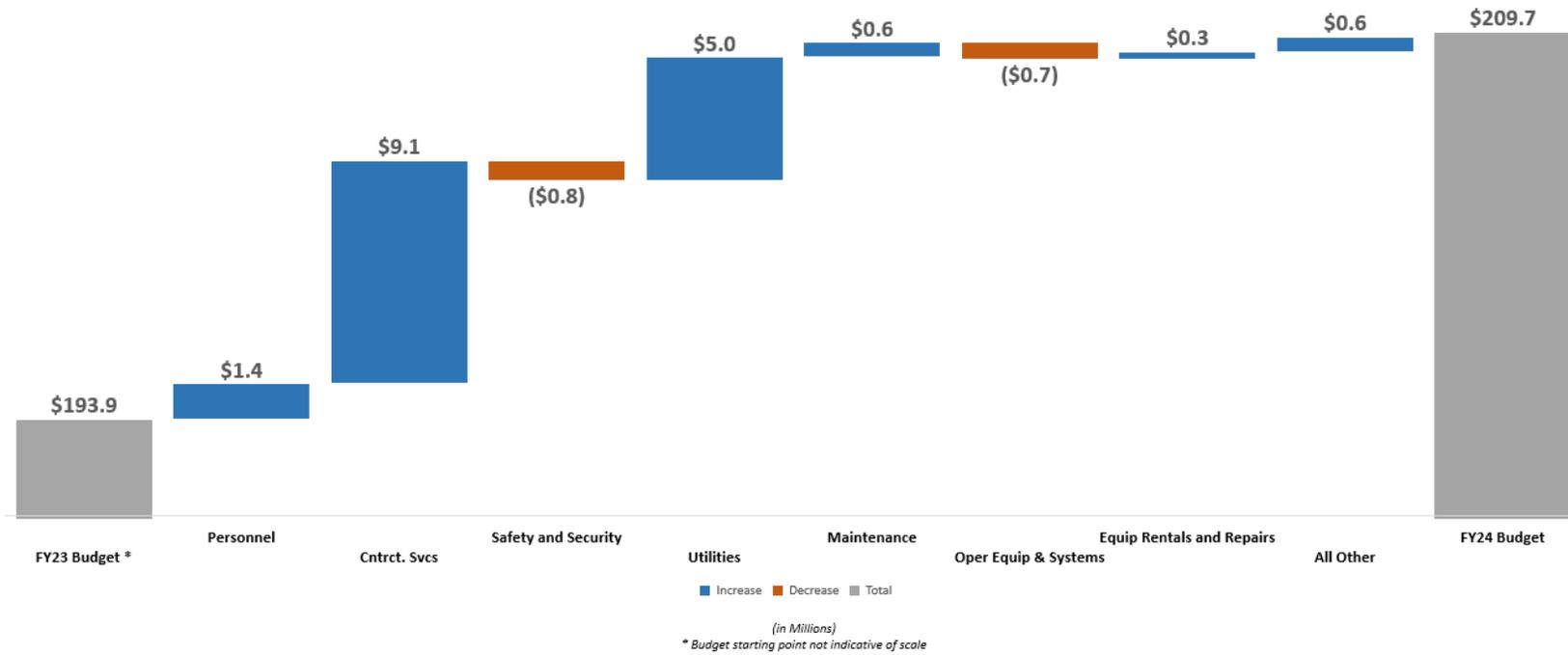


<sup>1</sup> Total may differ due to rounding.

**Figure 13 – FY 2025 Expense Variance**

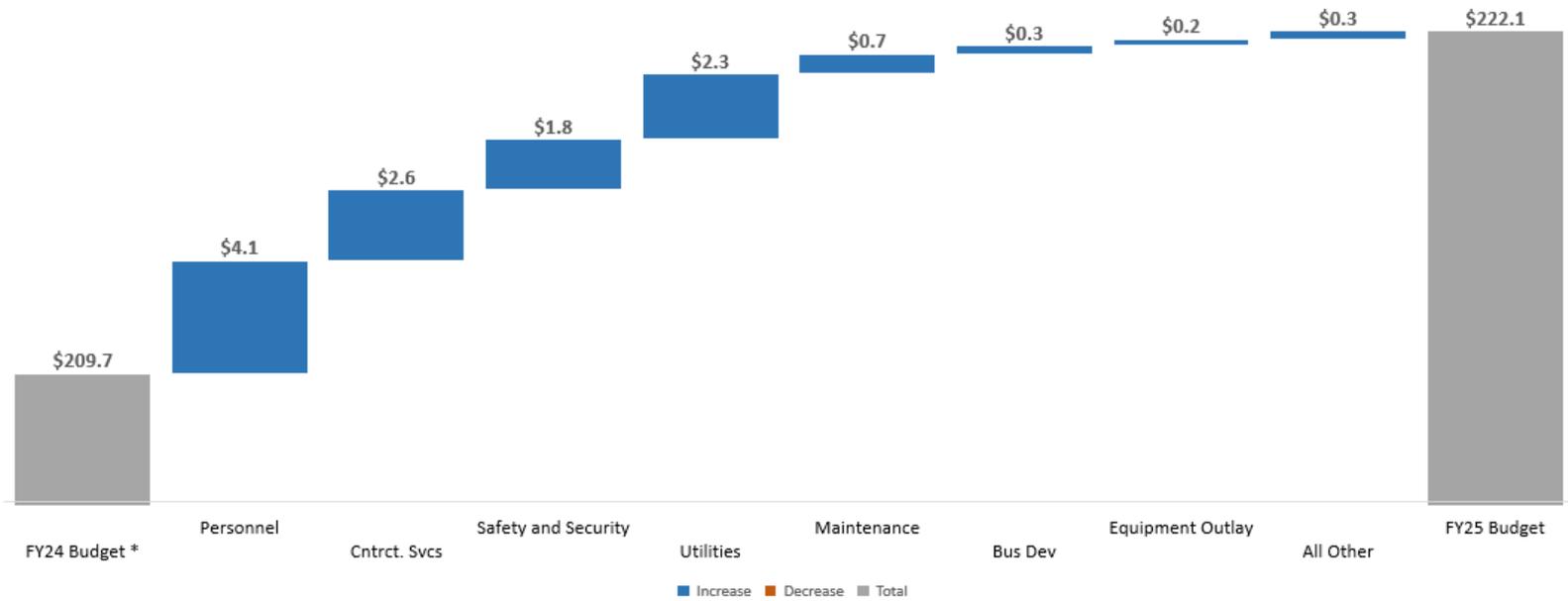
## Expense Overview

### Major Drivers of FY 2024 Operating Expenses Budget (including Equipment Outlay)



## Expense Overview

### Major Drivers of FY 2025 Operating Expenses Conceptual Budget (including Equipment Outlay)



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

## Expense Overview

### Overview

In FY 2024, SDCRAA total expenses, including debt service and equipment outlay, are projected to increase to \$427.4M from \$382.8M in the FY 2023 Budget. This represents an increase of \$44.6M (11.6%). The FY 2025 Conceptual Budget anticipates total expenses increasing to \$483.1M, representing an increase of \$55.8M (13.0%).

## 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 Quieter Home Program (QHP). Benefits include payroll taxes, retirement, health insurance, workers' compensation insurance, unemployment insurance, life insurance and short-term disability insurance.

In FY 2024, Salaries and Wages, including overtime, are projected to increase by \$1.8M (4.3%) over the FY 2023 Budget, reflecting wage and salary increases required under union contract agreements, pay-for-performance increases for non-union employees and inclusion of New T1 personnel support. Employee benefits are projected to decrease by \$0.9M (-3.9%) from the FY 2023 Budget, primarily reflecting a decrease in retirement expenses. These combined factors, together with lower capitalized labor expenses, resulted in a net increase of \$1.4M (2.5%) in the FY 2024 Budget over the FY 2023 Budget for personnel expenses.

In FY 2025, Salaries and Wages, including overtime, are projected to increase by \$2.7M (6.1%), 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 (8.3%) 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 \$4.1M (7.0%) in FY 2025.

## 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 2024, Contractual Services are budgeted to have a net increase of \$9.1M (19.4%) over the FY 2023 Budget, primarily due to an increase in parking and shuttle operations and Rental Car Center (RCC) buses expenses due to increase in enplanements and expenses related to the New T1 program.

In FY 2025, Contractual Services are budgeted to increase by \$2.6M (4.6%), primarily due to an increase in parking and shuttle operations.

## Expense Overview

### 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.

In FY 2024, Safety and Security costs are projected to decrease by \$0.8M (-2.1%) over the FY 2023 Budget. This is primarily due to decreases in Port District Harbor Police Department law enforcement and guard services.

FY 2025 Safety and Security costs are projected to increase by \$1.8M (4.9%) over the FY 2024 Budget, reflecting increases in Port District Harbor Police Department law enforcement, ARFF, and guard services.

### Space Rental

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

FY 2024 Space Rental expenses are projected to increase by \$0.07M (0.7%) from the FY 2023 Budget due to a new Airport Roadway property rental commencing in September 2023.

FY 2025 Space Rental costs are projected to remain relatively flat over the FY 2024 Budget.

### Utilities

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

FY 2024 utilities costs are projected to increase by \$5.0M (30.3%) from the FY 2023 Budget primarily due to electricity rate increase from SDG&E and increased usage related to higher enplanements.

FY 2025 utilities costs are budgeted to increase by \$2.3M (10.9%) from the FY 2024 Budget due to anticipated electricity rate increase from SDG&E and increased usage related to higher enplanements.

### Maintenance

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

FY 2024 Maintenance expense is projected to increase by \$0.6M (4.9%) from the FY 2023 Budget primarily due to contractual increases.

FY 2025 Maintenance expense is projected to increase by \$0.7M (5.8%) from the FY 2024 Budget primarily due to contractual increases.

### Operating Equipment and Systems

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

## Expense Overview

FY 2024 Operating Equipment and Systems expenses are projected to decrease by \$0.7M (-66.0%) from the FY 2023 Budget due to completion of new Administrative Building IT Equipment purchase.

FY 2025 Operating Equipment and Systems expenses are projected to stay flat over the FY 2024 Budget.

### Operating Supplies

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

FY 2024 Operating Supplies expenses are projected to increase by \$.06M (8.4%) from the FY 2023 budget.

FY 2025 Operating Supplies expenses are projected to decrease by \$0.02M (-3.0%) from the FY 2024 Budget.

### Insurance

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

FY 2024 Insurance expense is projected to increase by \$0.2M (10.7%) from the FY 2023 Budget, due to increases in premiums and increase in property values due to phased completion of miscellaneous CIP projects and increased replacement costs due to inflation.

FY 2025 Insurance expense is projected to increase by \$0.2M (9.7%) over the FY 2024 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 2024 Employee Development expense is projected to increase by \$0.09M (11.0%) from the FY 2023 Budget.

FY 2025 Employee Development expense is projected to remain flat over the FY 2024 Budget.

### Business Development

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

FY 2024 Business Development expense is projected to increase by \$0.2M (8.1%) from the FY 2023 Budget, primarily due to an increase in marketing and advertising costs.

FY 2025 Business Development expense is projected to increase by \$0.3M (9.6%) from the FY 2024 Budget.

## Expense Overview

### Equipment Rentals and Repairs

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

FY 2024 Equipment Rentals and Repairs expense is projected to increase by \$0.03M (8.0%) from the FY 2023 Budget.

FY 2025 Equipment Rentals and Repairs expense is projected to stay flat over the FY 2024 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 2024 Tenant Improvements expense is projected to increase by \$0.2M (23.8%) from the FY 2023 Budget due to additional contract staffing to support additional tenant improvements on Airside, in Terminals, and Landside.

FY 2025 Tenant Improvements expense is projected to increase by \$0.03M (4.0%) from the FY 2024 Budget also due to additional tenant improvements.

## Non-Operating Expenses

### Joint Studies / Sound Attenuation

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

FY 2024 Joint-Studies/Sound Attenuation expense is projected to increase by \$0.6M (2.8%) from the FY 2023 Budget based on anticipated work schedules tied to available levels of grant funding.

FY 2025 Joint-Studies/Sound Attenuation expense is projected to increase by \$1.4M (6.3%) from the FY 2024 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 2024 Debt Service costs are projected to increase by \$28.3M (16.9%) from the FY 2023 Budget due to the issuance of New T1 bonds.

FY 2025 Debt Service costs are projected to increase by \$42.0M (21.4%) from the FY 2024 Budget, primarily due to a full year of debt service for the bonds issued in FY 2024 and the expectations of further debt issuance during FY 2025 to complete the New T1 funding.

## Expense Overview

### Equipment Outlay

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

FY 2024 Equipment Outlay expenses are projected to decrease by \$0.03M (-2.5%) from the FY 2023 Budget due to completion of equipment replacement of FIS Facial Biometrics.

FY 2025 Equipment Outlay expenses are projected to increase by \$0.2M (25.3%) from the FY 2024 Budget for cyber security related equipment.

## Expense Overview

### FY 2024 Expense Budget by Division

(in thousands)

Divisions	FY 2024 Budget
Debt Service	\$195,911
Operations	142,632
Development	33,169
Revenue Management & Innovation	22,988
Finance	19,887
Executive	12,778
<b>Total <sup>1</sup></b>	<b>\$427,366</b>

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

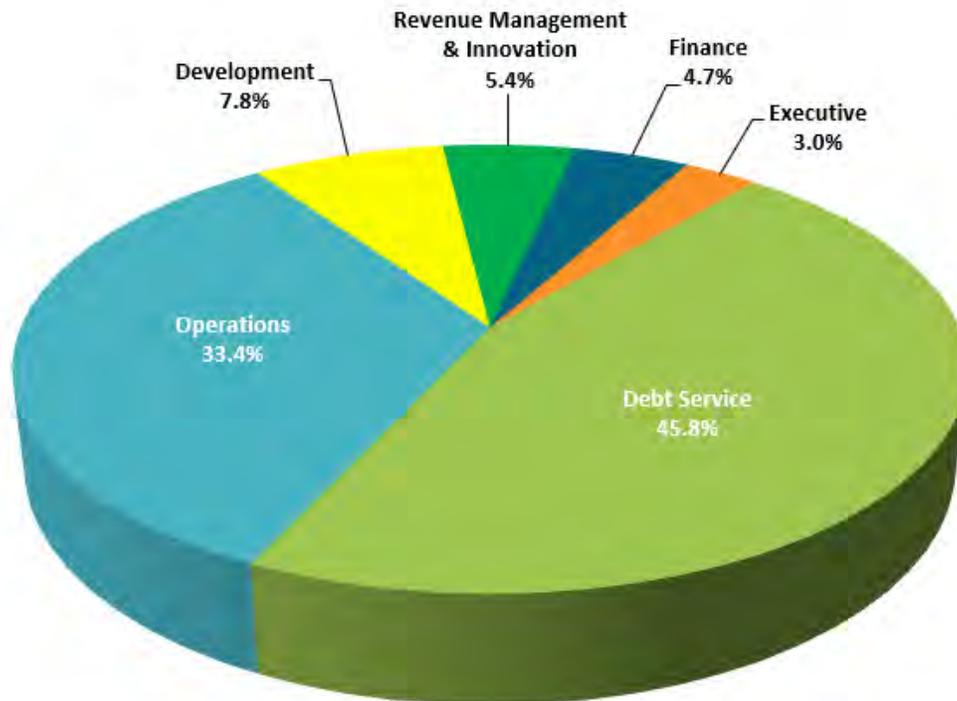


Figure 14 – FY 2024 Expense Budget by Division

## Expense Overview

### FY 2025 Expense Conceptual Budget by Division

(in thousands)

Divisions	FY 2025 Conceptual Budget
Debt Service	\$237,868
Operations	151,240
Development	34,199
Revenue Management & Innovation	23,959
Finance	22,544
Executive	13,321
<b>Total <sup>1</sup></b>	<b>\$483,130</b>

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

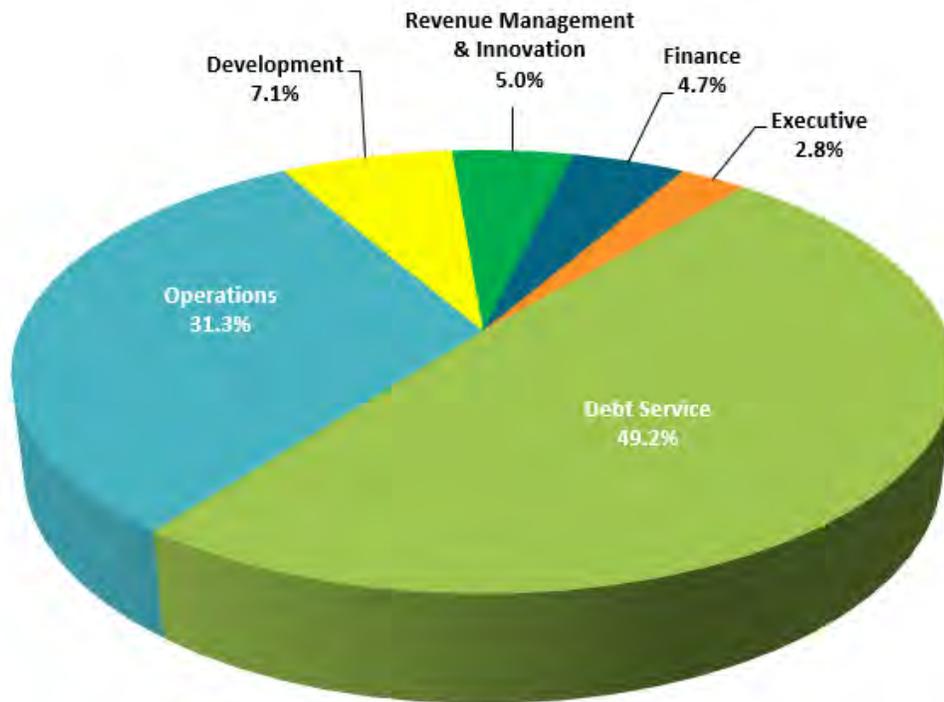


Figure 15 – FY 2025 Expense Conceptual Budget by Division

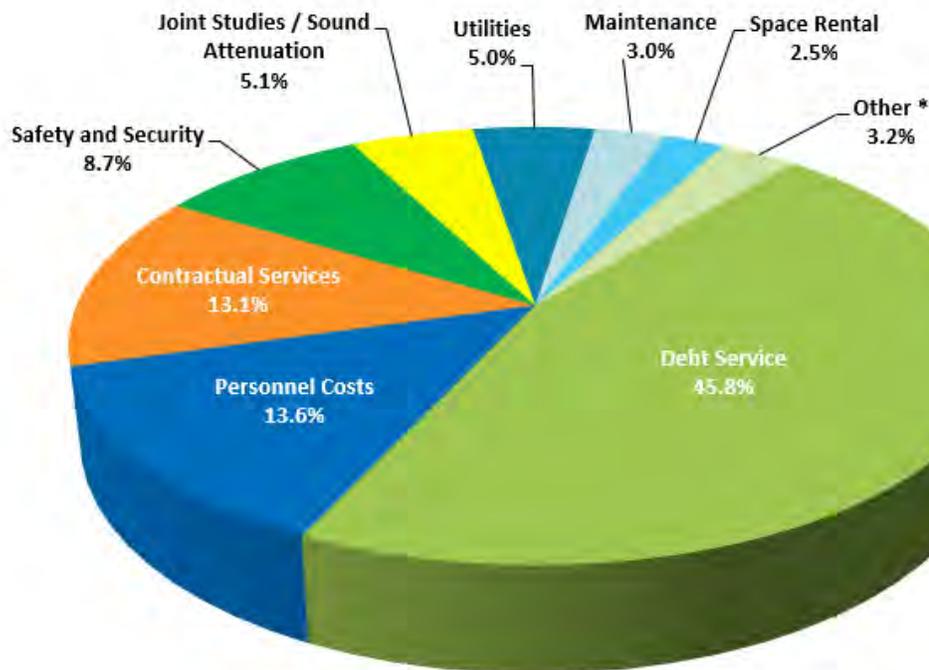
## Expense Overview

### FY 2024 Expense Budget by Category

(in thousands)

Category	FY 2024 Budget
Debt Service	\$195,911
Personnel Costs	58,215
Contractual Services	55,775
Safety and Security	37,248
Joint Studies / Sound Attenuation	21,763
Utilities	21,566
Maintenance	12,767
Space Rental	10,573
Other *	13,549
<b>Total <sup>1</sup></b>	<b>\$427,366</b>

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



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

Figure 16 – FY 2024 Expense Budget by Category

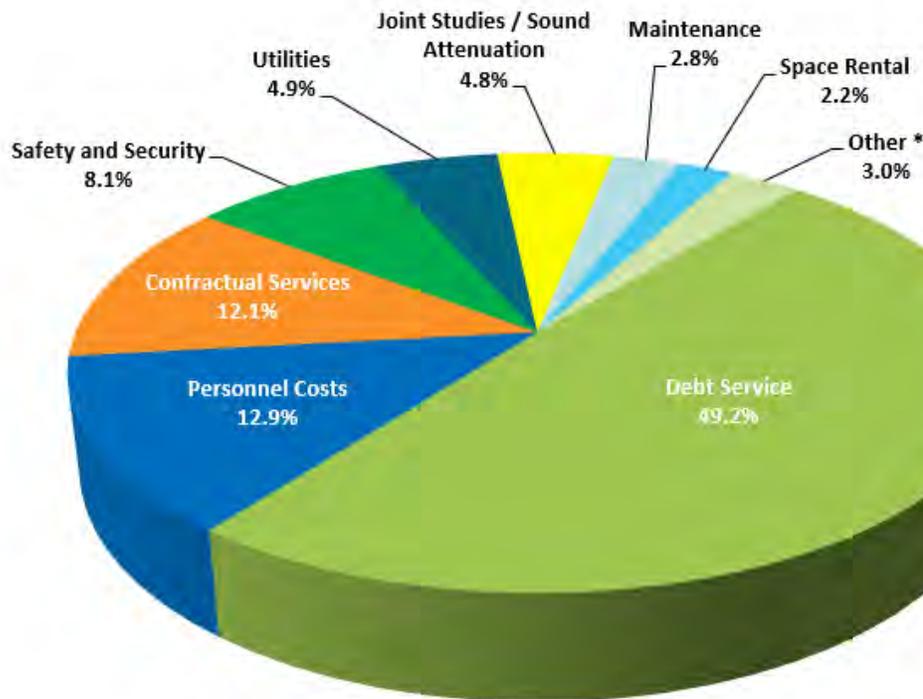
## Expense Overview

### FY 2025 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2025 Conceptual Budget
Debt Service	\$237,868
Personnel Costs	62,315
Contractual Services	58,346
Safety and Security	39,084
Utilities	23,913
Joint Studies / Sound Attenuation	23,128
Maintenance	13,501
Space Rental	10,591
Other *	14,386
<b>Total <sup>1</sup></b>	<b>\$483,130</b>

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



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

**Figure 17 – FY 2025 Expense Conceptual Budget by Category**

# Expense Overview

## Personnel Summary by Division

	FY 2022 Budget	FY 2023 Budget	FY 2024 Budget Transfers *	FY 2024 Budget New/ (Eliminated) ^	FY 2024 Budget	FY 2025 Budget New/ (Eliminated) ^	FY 2025 Conceptual Budget
<b>Executive Division</b>							
Board Services	7	6	-	-	6	-	6
Chief Auditor	7	7	-	-	7	-	7
Communications	7	6	-	-	6	-	6
Executive Office	2	2	-	-	2	-	2
General Counsel	6	6	-	-	6	-	6
Government Relations	3	4	-	-	4	-	4
Talent, Culture & Capability	18	17	-	(1)	16	-	16
<b>Subtotal</b>	<b>50</b>	<b>48</b>	<b>-</b>	<b>(1)</b>	<b>47</b>	<b>-</b>	<b>47</b>
<b>Operations Division</b>							
Aviation Security & Public Safety	20	21	-	9	30	-	30
Airside & Terminal Operations	26	27	-	-	27	-	27
Operational Readiness	-	-	1	1	2	-	2
Ground Transportation	71	71	-	-	71	-	71
Facilities Management	86	86	-	-	86	-	86
<b>Subtotal</b>	<b>203</b>	<b>205</b>	<b>1</b>	<b>10</b>	<b>216</b>	<b>-</b>	<b>216</b>
<b>Finance Division</b>							
Capital Financial Planning and Airline Relations	4	7	-	-	7	-	7
Accounting	12	12	-	-	12	-	12
Information & Technology Services	29	29	-	-	29	-	29
Procurement	12	12	-	-	12	-	12
Finance & Risk Management	19	16	-	(1)	15	-	15
<b>Subtotal</b>	<b>76</b>	<b>76</b>	<b>-</b>	<b>-1</b>	<b>75</b>	<b>-</b>	<b>75</b>
<b>Development Division</b>							
Airport Design & Construction	48	48	-	(7)	41	-	41
Planning and Environmental Affairs	29	29	(1)	-	28	-	28
<b>Subtotal</b>	<b>77</b>	<b>77</b>	<b>-1</b>	<b>-7</b>	<b>69</b>	<b>-</b>	<b>69</b>
<b>Revenue Management &amp; Innovation Division</b>							
Business Intelligence	13	13	(4)	-	9	-	9
Marketing, Arts & Air Service Development	11	11	4	(1)	14	-	14
Revenue Generation & Partnership Development	15	15	-	-	15	-	15
Small Business Development	3	3	-	-	3	-	3
<b>Subtotal</b>	<b>42</b>	<b>42</b>	<b>-</b>	<b>(1)</b>	<b>41</b>	<b>-</b>	<b>41</b>
<b>Total Positions</b>	<b>448</b>	<b>448</b>	<b>-</b>	<b>-</b>	<b>448</b>	<b>-</b>	<b>448</b>

\* See detailed information of the transfers in the divisional sections

^ There are 10 new positions and 10 eliminated positions in FY 2024. There are no new positions in FY 2025.

## Expense Overview

### FY 2024 Personnel Budget by Division

FY 2024 Total Authorized Positions: 448

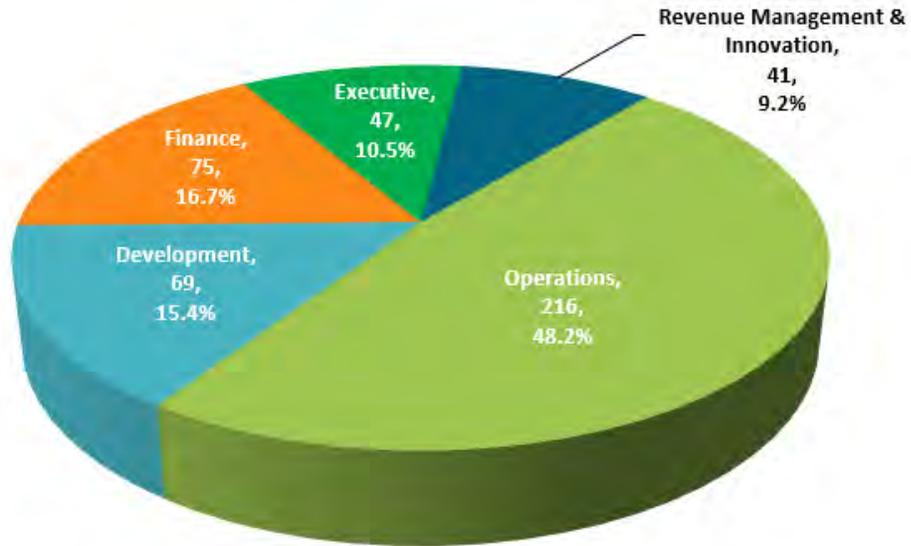


Figure 18 – FY 2024 Personnel Budget by Division

### FY 2025 Personnel Conceptual Budget by Division

FY 2025 Total Authorized Positions: 448

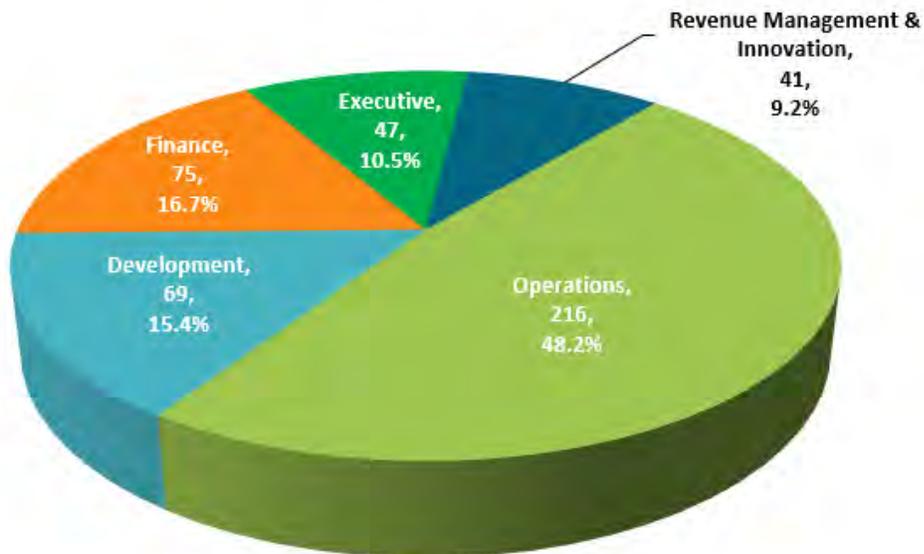


Figure 19 – FY 2025 Personnel Budget by Division

## Expense Overview

### FY 2024 Budget New Positions

Division	Department	New Positions
Operations	Aviation Security & Public Safety	Airport Coordination Center Specialist
Operations	Aviation Security & Public Safety	Airport Coordination Center Specialist
Operations	Aviation Security & Public Safety	Airport Coordination Center Specialist
Operations	Aviation Security & Public Safety	Airport Coordination Center Specialist
Operations	Aviation Security & Public Safety	Airport Coordination Center Specialist
Operations	Aviation Security & Public Safety	Airport Coordination Center Specialist
Operations	Aviation Security & Public Safety	Airport Coordination Center Specialist
Operations	Aviation Security & Public Safety	Airport Coordination Center Specialist
Operations	Operational Readiness, Activation & Transition	Senior Director Operational Planning & Readiness
<b>Total FY 2024 new positions</b>		<b>10</b>

**Figure 20 – FY 2024 Budget New Positions**

### FY 2024 Budget Eliminated Positions

Division	Department	Eliminated Positions
Development	Airport Design & Construction	Project Manager
Development	Airport Design & Construction	Project Manager
Development	Airport Design & Construction	Project Manager
Development	Airport Design & Construction	Project Analyst
Development	Airport Design & Construction	Cost Analyst
Development	Airport Design & Construction	Sr Construction Inspector
Development	Airport Design & Construction	Sr Construction Inspector
Executive	Human Resources	Sr Manager Talent & OD
Finance	Finance & Risk Management	Financial Analyst II
Revenue Mgmt & Innovation	Marketing, Arts, & Air Service Development	Marketing Specialist I
<b>Total FY 2024 eliminated positions</b>		<b>10</b>

**Figure 21 – FY 2024 Budget Eliminated Positions**

# Executive Division



## Executive Division

### Overview

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

The nine voting Board members are appointed to staggered three-year terms by the Chair of the San Diego County Board of Supervisors, the Mayor of the City of San Diego and groups of mayors of the other cities in San Diego County. Compensation for each voting Board member is \$200 per day of service, with a maximum of eight days of service per month. The Board chair receives an additional \$500 stipend per month.

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

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

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

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

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

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

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

## Executive Division

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

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

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

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

## Executive Division

### FY 2024 – FY 2025 Organizational Structure



### Division Personnel Summary

	FY 2022 Budget	FY 2023 Budget	FY 2024 Budget Transfers	FY 2024 Budget New/ (Eliminated)	FY 2024 Budget	FY 2025 Budget New/ (Eliminated)	FY 2025 Conceptual Budget
<b>Executive Division</b>							
Board Services	7	6	-	-	6	-	6
Chief Auditor	7	7	-	-	7	-	7
Communications	7	6	-	-	6	-	6
Executive Office	2	2	-	-	2	-	2
General Counsel	6	6	-	-	6	-	6
Government Relations	3	4	-	-	4	-	4
Human Resources	18	17	-	(1)	16	-	16
<b>Total</b>	<b>50</b>	<b>48</b>	<b>-</b>	<b>(1)</b>	<b>47</b>	<b>-</b>	<b>47</b>

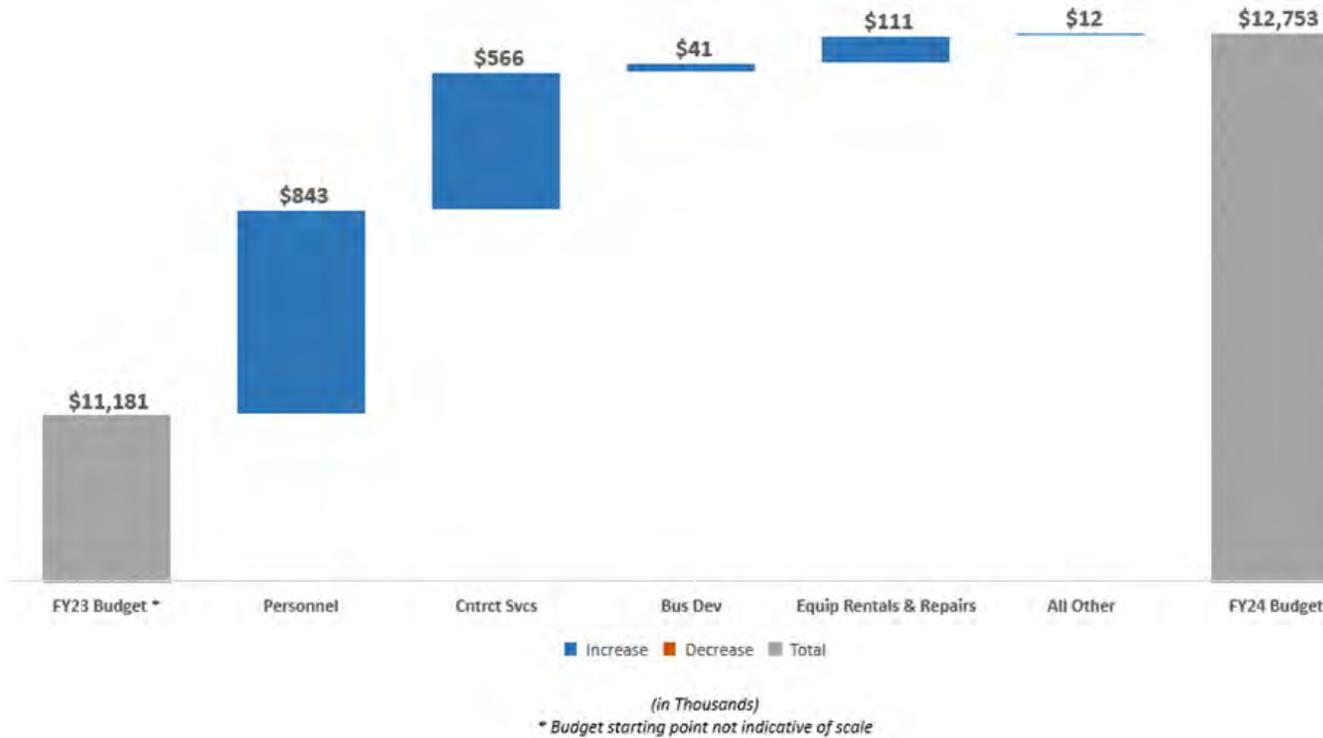
## Executive Division

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	4,832	5,579	6,399	820	14.7%	6,661	262	4.1%
Benefits	2,425	2,582	2,605	23	0.9%	2,759	154	5.9%
<b>Subtotal</b>	<b>7,257</b>	<b>8,161</b>	<b>9,004</b>	<b>843</b>	<b>10.3%</b>	<b>9,421</b>	<b>416</b>	<b>4.6%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>7,257</b>	<b>8,161</b>	<b>9,004</b>	<b>843</b>	<b>10.3%</b>	<b>9,421</b>	<b>416</b>	<b>4.6%</b>
Contractual Services	1,395	1,633	2,198	566	34.6%	2,304	106	4.8%
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	31	42	48	6	13.6%	56	8	15.6%
Operating Supplies	17	23	23	(0)	-0.2%	23	-	0.0%
Insurance	1	1	1	0	16.7%	1	-	0.0%
Employee Development	211	363	369	7	1.8%	375	6	1.5%
Business Development	406	663	704	41	6.2%	716	11	1.6%
Equipment Rentals and Repairs	211	294	405	111	37.6%	401	(4)	-1.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>2,273</b>	<b>3,020</b>	<b>3,749</b>	<b>729</b>	<b>24.2%</b>	<b>3,875</b>	<b>126</b>	<b>3.4%</b>
<b>Total Operating Expenses</b>	<b>9,530</b>	<b>11,181</b>	<b>12,753</b>	<b>1,573</b>	<b>14.1%</b>	<b>13,296</b>	<b>543</b>	<b>4.3%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	100	10	25	15	150.0%	25	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>100</b>	<b>10</b>	<b>25</b>	<b>15</b>	<b>150.0%</b>	<b>25</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>9,630</b>	<b>11,191</b>	<b>12,778</b>	<b>1,588</b>	<b>14.2%</b>	<b>13,321</b>	<b>543</b>	<b>4.2%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>9,630</b>	<b>11,191</b>	<b>12,778</b>	<b>1,588</b>	<b>14.2%</b>	<b>13,321</b>	<b>543</b>	<b>4.2%</b>

## Executive Division

### Major Drivers of FY 2023 Budget & FY 2024 Budget



**Personnel:** Salary Adjustments, Pay for Performance, Vacancy Recruitment, and Burden (Benefits & Employer Taxes) for Current Staff. Eliminated 1 position

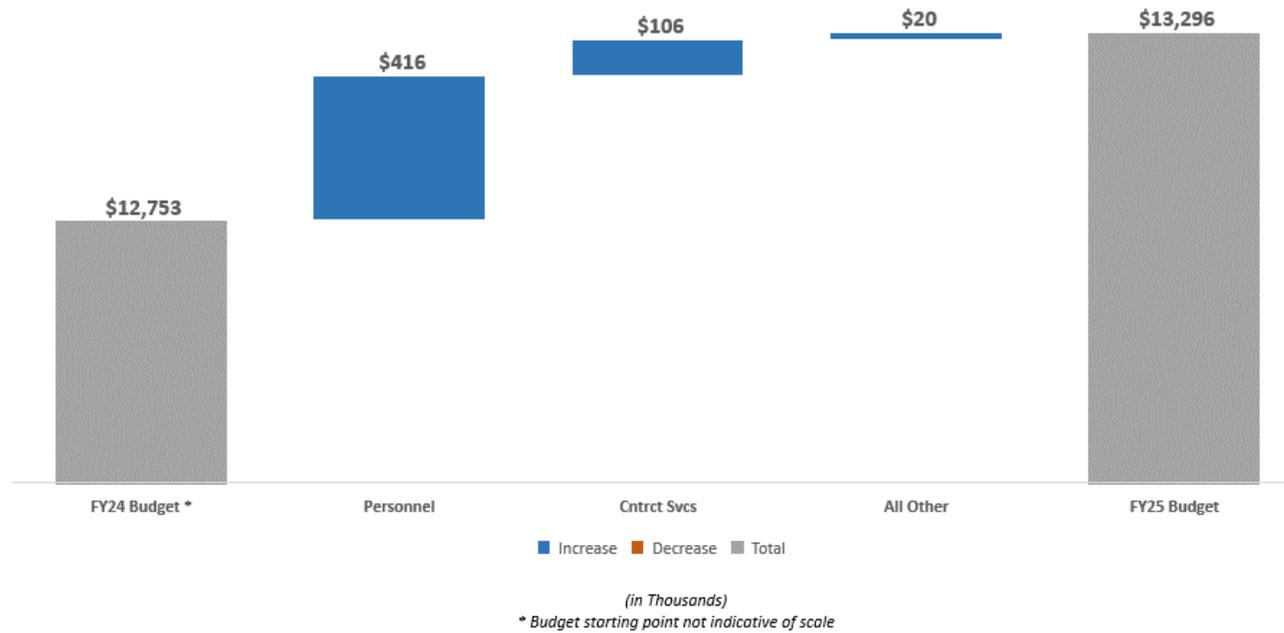
**Contractual Services:** \$340K New T1 Communications Outreach transferred from Finance division, \$170K Legal Services

**Equipment & Software:** \$108K Human Resources new and replacement software

*The above does not include non-operating expenses.*

## Executive Division

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



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

**Contractual Services:** \$110K New T1 Communications Outreach transferred from Finance division

*The above does not include non-operating expenses.*

## Executive Division

### FY 2024 Expense Budget by Department

(in thousands)

Departments	FY 2024 Budget
Human Resources	\$3,640
General Counsel	2,787
Chief Auditor	1,424
Communications	1,420
Government Relations	1,311
Executive Office	1,214
Board Services	982
<b>Total <sup>1</sup></b>	<b>\$12,778</b>

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

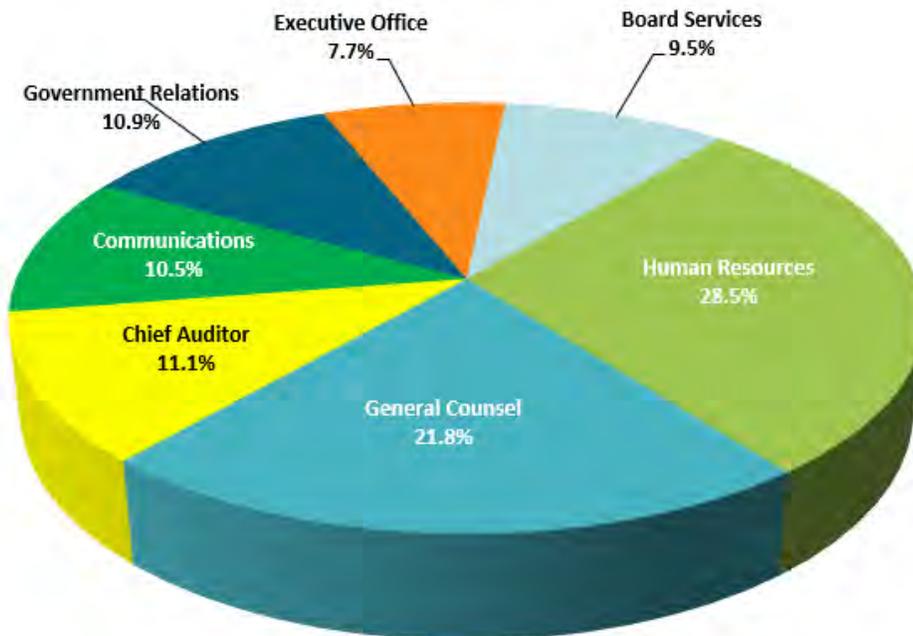


Figure 22 – FY 2024 Expense Budget by Department

## Executive Division

### FY 2025 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2025 Conceptual Budget
Human Resources	\$3,740
General Counsel	2,871
Communications	1,579
Chief Auditor	1,487
Government Relations	1,345
Executive Office	1,264
Board Services	1,036
<b>Total <sup>1</sup></b>	<b>\$13,321</b>

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

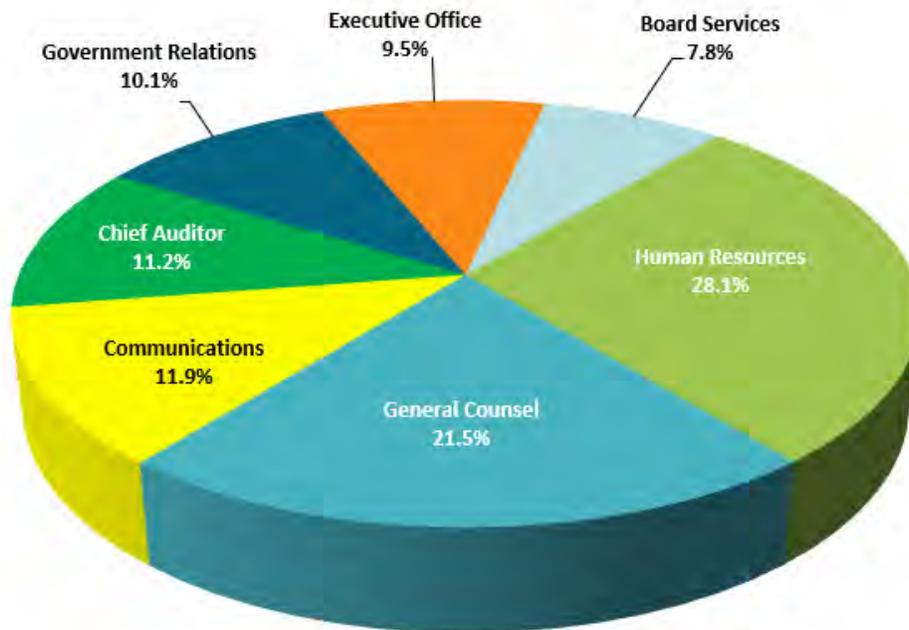


Figure 23 – FY 2025 Expense Conceptual Budget by Department

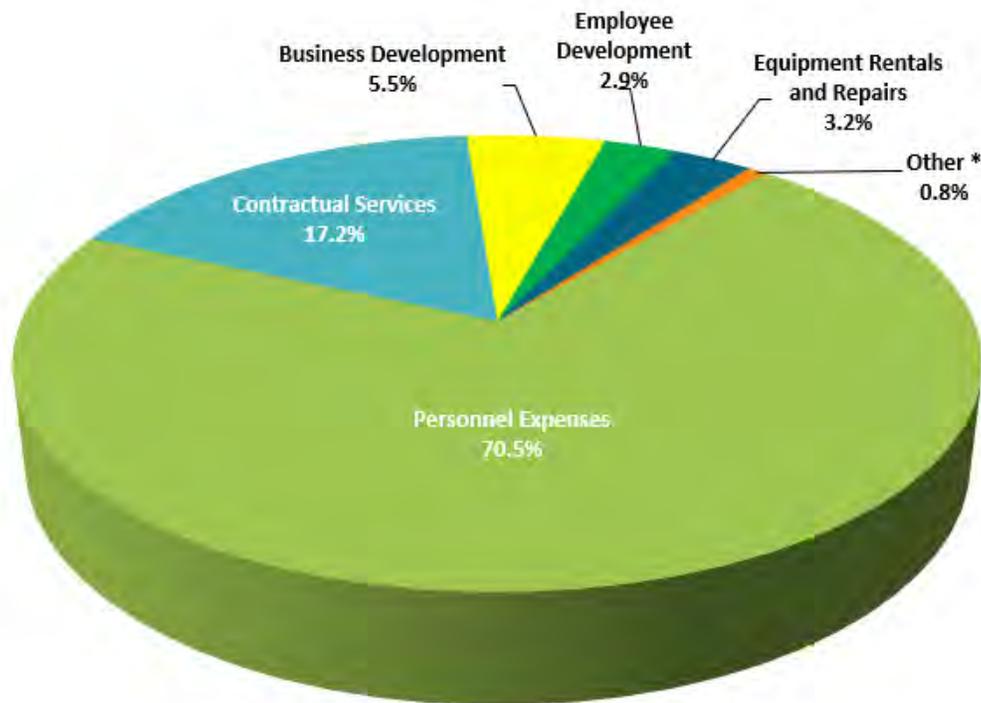
## Executive Division

### FY 2024 Expense Budget by Category

(in thousands)

Category	FY 2024 Budget
Personnel Expenses	\$9,004
Contractual Services	2,198
Business Development	704
Equipment Rentals and Repairs	405
Employee Development	369
Other *	98
<b>Total <sup>1</sup></b>	<b>\$12,778</b>

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



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

**Figure 24 – FY 2024 Expense Budget by Category**

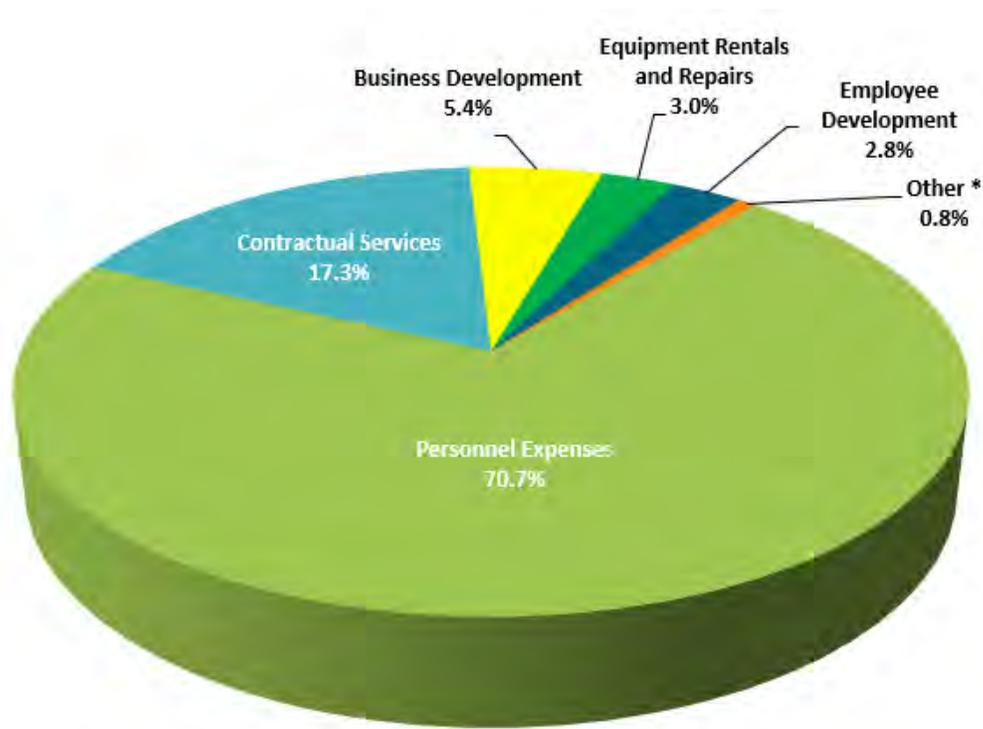
## Executive Division

### FY 2025 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2025 Conceptual Budget
Personnel Expenses	\$9,421
Contractual Services	2,304
Business Development	716
Equipment Rentals and Repairs	401
Employee Development	375
Other *	105
<b>Total <sup>1</sup></b>	<b><u><u>\$13,321</u></u></b>

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

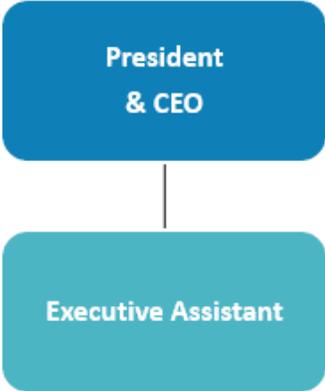


\*Other includes operating equipment & systems, operating supplies, equipment outlay, legal settlements, etc.

**Figure 25 – FY 2025 Expense Conceptual Budget by Category**

**Executive Division – Executive Office**

**FY 2024 – FY 2025 Organizational Structure**



*No personnel changes in FY 2025*

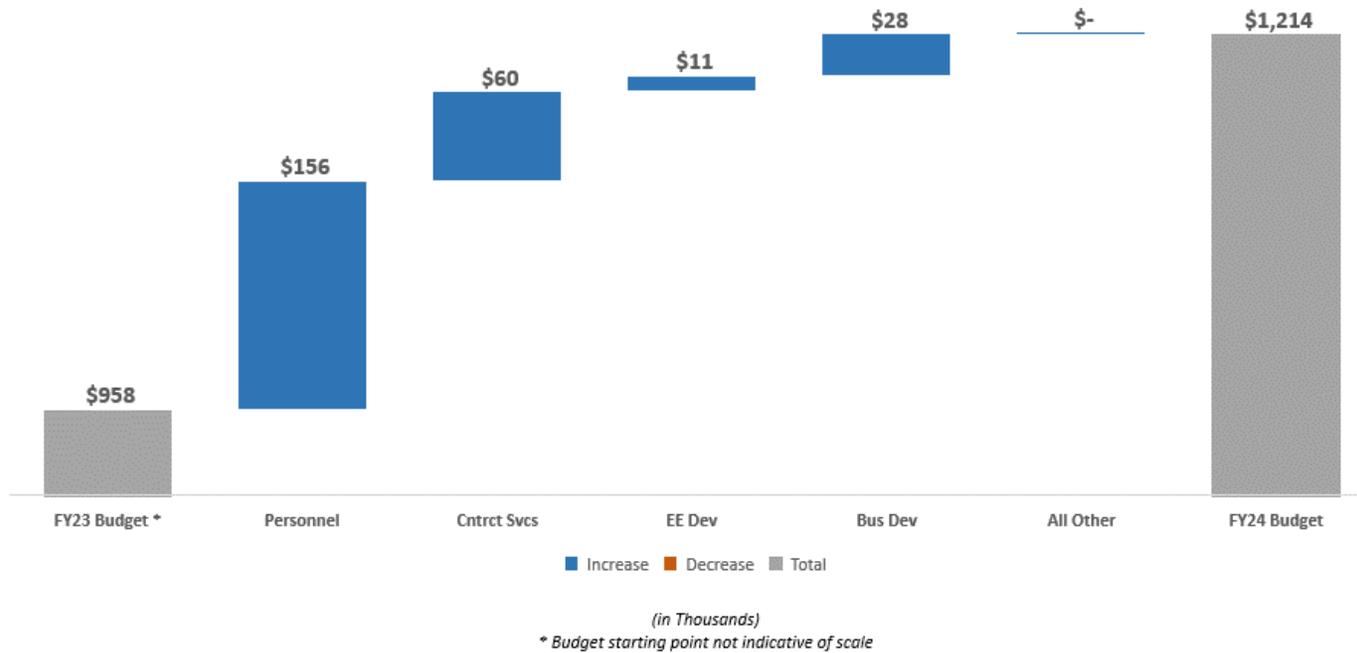
## Executive Division – Executive Office

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	495	514	642	128	24.8%	679	37	5.7%
Benefits	212	191	219	28	14.8%	226	7	3.4%
<b>Subtotal</b>	<b>706</b>	<b>705</b>	<b>861</b>	<b>156</b>	<b>22.1%</b>	<b>905</b>	<b>44</b>	<b>5.1%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>706</b>	<b>705</b>	<b>861</b>	<b>156</b>	<b>22.1%</b>	<b>905</b>	<b>44</b>	<b>5.1%</b>
Contractual Services	15	20	81	60	297.5%	81	-	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	2	3	3	-	0.0%	3	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	20	25	36	11	45.8%	35	(0)	-1.2%
Business Development	163	206	234	28	13.7%	240	6	2.6%
Equipment Rentals and Repairs	-	0	0	-	0.0%	0	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>199</b>	<b>253</b>	<b>353</b>	<b>100</b>	<b>39.4%</b>	<b>359</b>	<b>6</b>	<b>1.6%</b>
<b>Total Operating Expenses</b>	<b>906</b>	<b>958</b>	<b>1,214</b>	<b>256</b>	<b>26.7%</b>	<b>1,264</b>	<b>50</b>	<b>4.1%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>906</b>	<b>958</b>	<b>1,214</b>	<b>256</b>	<b>26.7%</b>	<b>1,264</b>	<b>50</b>	<b>4.1%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>906</b>	<b>958</b>	<b>1,214</b>	<b>256</b>	<b>26.7%</b>	<b>1,264</b>	<b>50</b>	<b>4.1%</b>

## Executive Division – Executive Office

### Major Drivers of FY 2023 Budget & FY 2024 Budget



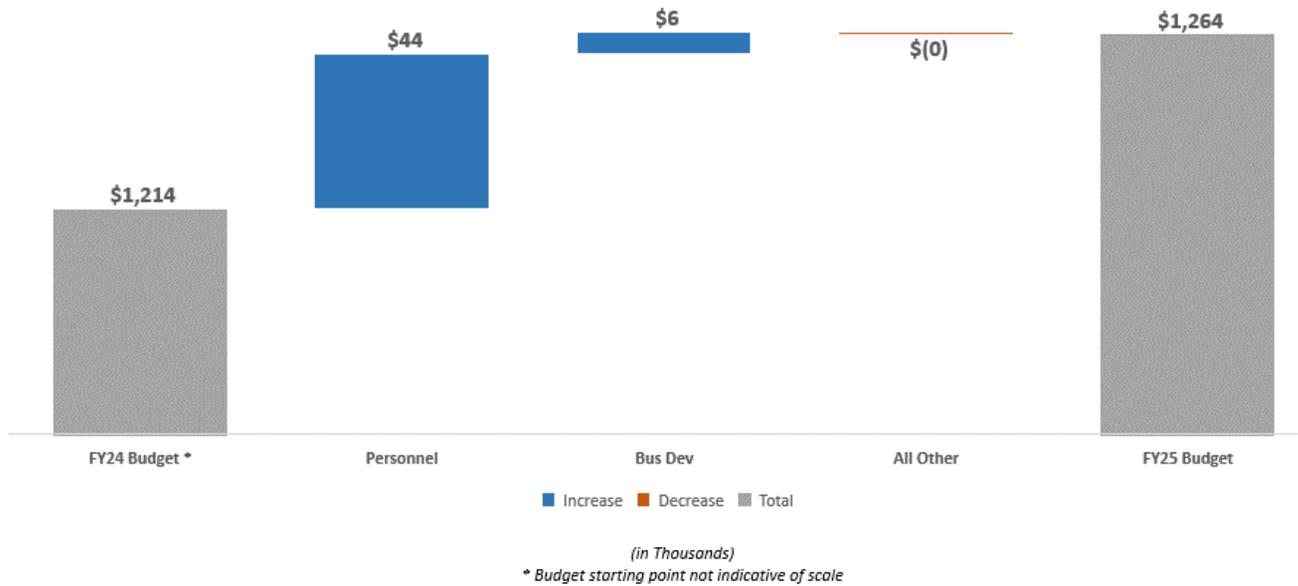
**Personnel:** Salary Adjustments, Pay for Performance and Burden (Benefits & Employer Taxes) for Current Staff

**Contractual Services:** \$60K Leadership retreats

**Business Development:** \$28K Leadership retreats venue fees

## Executive Division – Executive Office

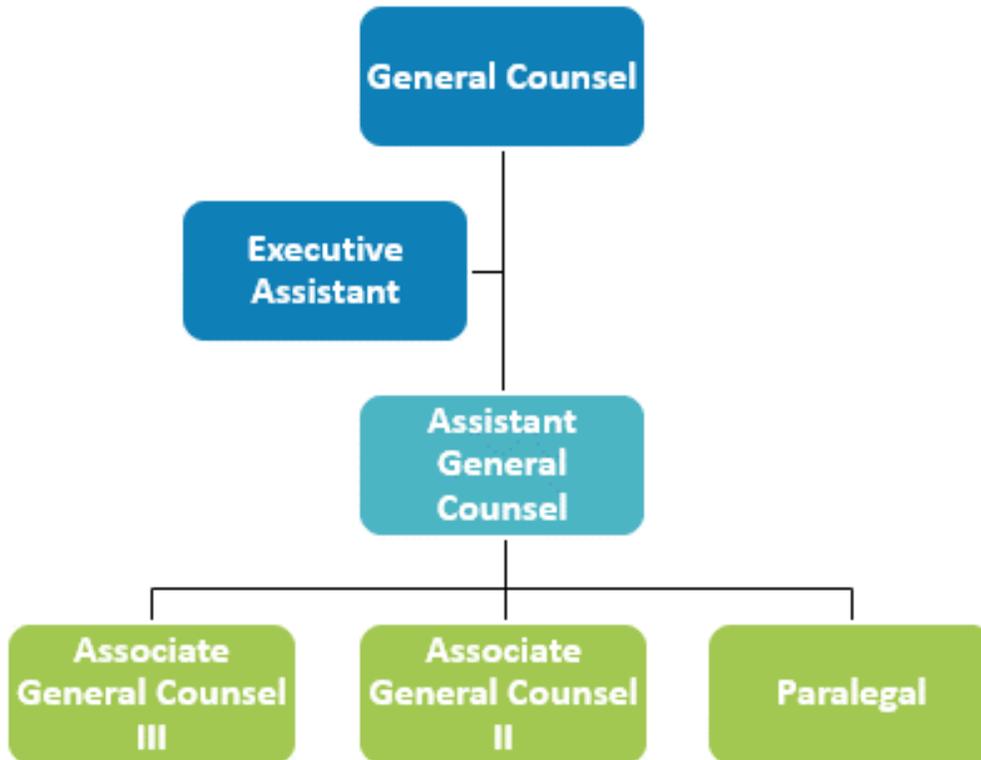
### Major Drivers of FY 2024 Budget & FY 2025 Conceptual Budget



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

## Executive Division – General Counsel

### FY 2024 – FY 2025 Organizational Structure



*No personnel changes in FY 2025*

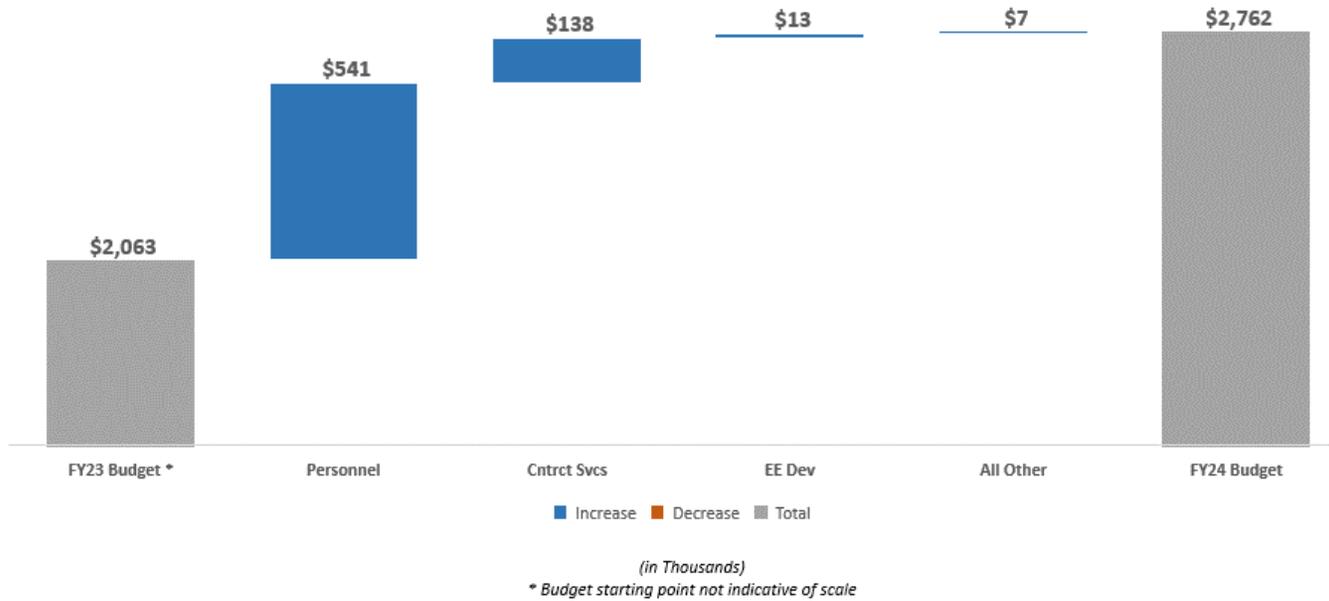
## Executive Division – General Counsel

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	998	1,012	1,457	445	43.9%	1,516	59	4.1%
Benefits	468	455	551	97	21.3%	577	26	4.6%
<b>Subtotal</b>	<b>1,466</b>	<b>1,467</b>	<b>2,008</b>	<b>541</b>	<b>36.9%</b>	<b>2,093</b>	<b>85</b>	<b>4.2%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,466</b>	<b>1,467</b>	<b>2,008</b>	<b>541</b>	<b>36.9%</b>	<b>2,093</b>	<b>85</b>	<b>4.2%</b>
Contractual Services	317	512	650	138	26.9%	650	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	30	29	31	2	6.1%	31	1	1.6%
Operating Supplies	0	2	2	-	0.0%	2	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	33	48	61	13	27.0%	61	-	0.0%
Business Development	8	6	11	5	89.3%	9	(2)	-14.2%
Equipment Rentals and Repairs	-	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>388</b>	<b>596</b>	<b>754</b>	<b>158</b>	<b>26.5%</b>	<b>753</b>	<b>(1)</b>	<b>-0.1%</b>
<b>Total Operating Expenses</b>	<b>1,854</b>	<b>2,063</b>	<b>2,762</b>	<b>699</b>	<b>33.9%</b>	<b>2,846</b>	<b>84</b>	<b>3.0%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	100	10	25	15	150.0%	25	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>100</b>	<b>10</b>	<b>25</b>	<b>15</b>	<b>150.0%</b>	<b>25</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,954</b>	<b>2,073</b>	<b>2,787</b>	<b>714</b>	<b>34.4%</b>	<b>2,871</b>	<b>84</b>	<b>3.0%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>1,954</b>	<b>2,073</b>	<b>2,787</b>	<b>714</b>	<b>34.4%</b>	<b>2,871</b>	<b>84</b>	<b>3.0%</b>

## Executive Division – General Counsel

### Major Drivers of FY 2023 Budget & FY 2024 Budget

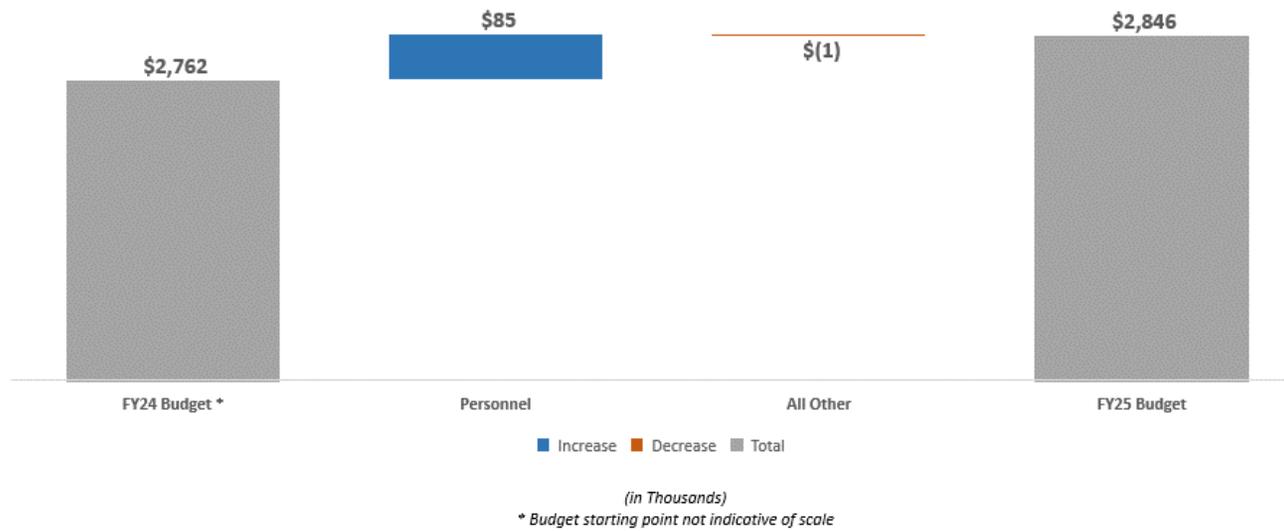


**Personnel:** Salary Adjustments, Pay for Performance and Burden (Benefits & Employer Taxes) for Current Staff

**Contractual Services:** Legal services increase

## Executive Division – General Counsel

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



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

## Executive Division – General Counsel

### FY 2023 Progress Report

1. Retention of current staff by ensuring increased compensation to reflect current market conditions.

**Progress:** On Target

**Strategic Goal:**

- Transform the Customer Experience

**Strategic Initiative:**

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

2. Explore funding sources and legislation regarding future environmental -related costs

**Progress:** On Target

**Strategic Goal:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2D. Implement a sustainable 20 year capital plan

3. Ensure construction of NT1 complies with all applicable legal and contractual requirements.

**Progress:** On Target

**Strategic Goal:**

- Advance the New T1

**Strategic Initiative:**

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

## Executive Division – General Counsel

### FY 2024 – FY 2025 Goals

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

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

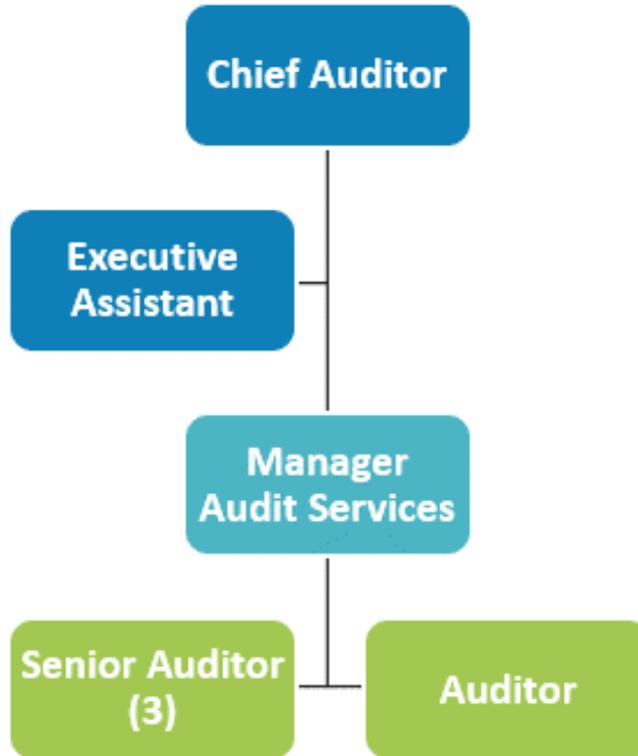
- Transform the Customer Experience

**Strategic Initiative:**

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

## Executive Division – Chief Auditor

### FY 2024 – FY 2025 Organizational Structure



*No personnel changes in FY 2025*

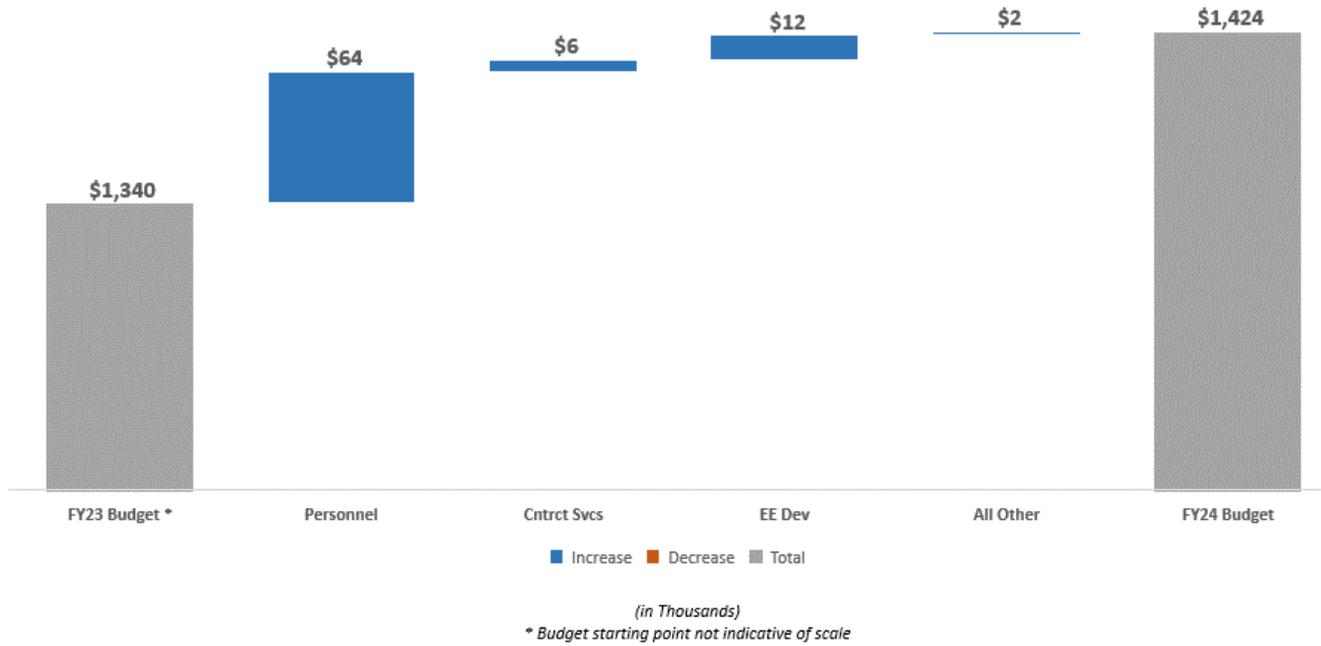
## Executive Division – Chief Auditor

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	%Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	%Change
<b>Operating Expenses</b>								
Salaries	852	879	952	73	8.3%	995	43	4.6%
Benefits	384	399	390	(9)	-2.2%	413	23	5.8%
<b>Subtotal</b>	<b>1,236</b>	<b>1,278</b>	<b>1,342</b>	<b>64</b>	<b>5.0%</b>	<b>1,408</b>	<b>66</b>	<b>4.9%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,236</b>	<b>1,278</b>	<b>1,342</b>	<b>64</b>	<b>5.0%</b>	<b>1,408</b>	<b>66</b>	<b>4.9%</b>
Contractual Services	10	25	31	6	24.0%	25	(6)	-19.4%
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	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	0	1	1	-	0.0%	1	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	9	16	29	12	73.6%	31	2	7.1%
Business Development	4	5	5	1	17.0%	6	0	4.3%
Equipment Rentals and Repairs	7	15	16	1	5.8%	17	1	7.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>30</b>	<b>62</b>	<b>82</b>	<b>20</b>	<b>31.9%</b>	<b>79</b>	<b>(3)</b>	<b>-3.2%</b>
<b>Total Operating Expenses</b>	<b>1,266</b>	<b>1,340</b>	<b>1,424</b>	<b>84</b>	<b>6.3%</b>	<b>1,487</b>	<b>64</b>	<b>4.5%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,266</b>	<b>1,340</b>	<b>1,424</b>	<b>84</b>	<b>6.3%</b>	<b>1,487</b>	<b>64</b>	<b>4.5%</b>
<b>Equipment Outlay Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>1,266</b>	<b>1,340</b>	<b>1,424</b>	<b>84</b>	<b>6.3%</b>	<b>1,487</b>	<b>64</b>	<b>4.5%</b>

## Executive Division – Chief Auditor

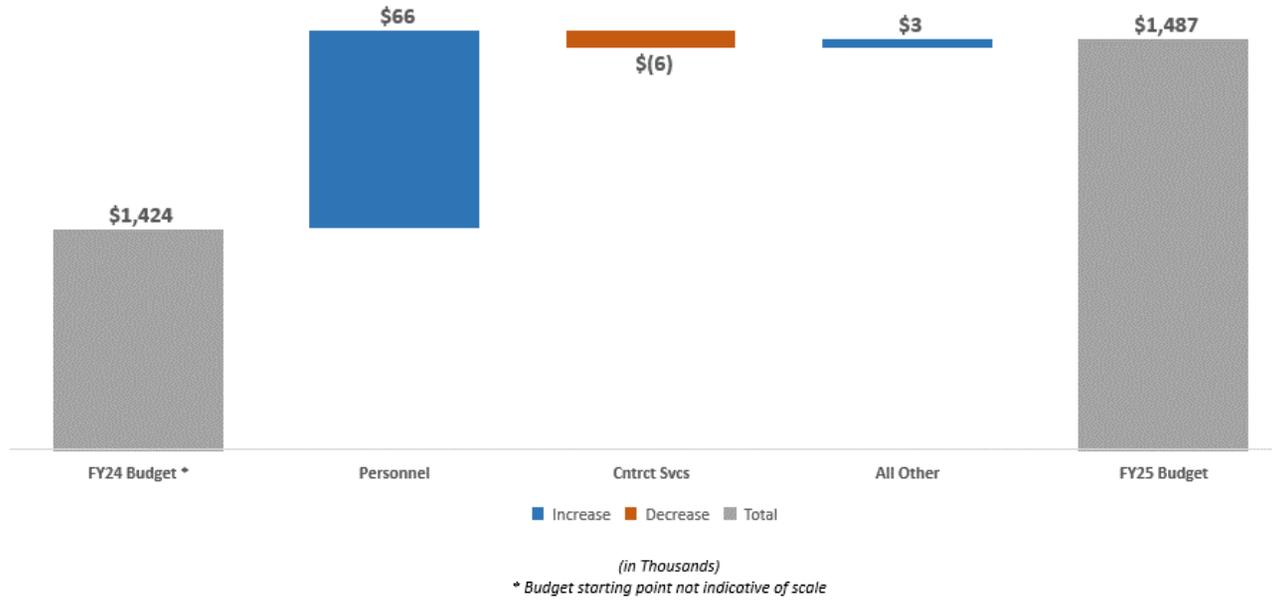
### Major Drivers of FY 2023 Budget & FY 2024 Budget



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

## Executive Division – Chief Auditor

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



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

## Executive Division – Chief Auditor

### FY 2023 Progress Report

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

2. Achieve a department utilization rate greater than 81% for audit staff (excludes Paid Time Off).

**Progress:** As of March 31, 2023, the department had a utilization rate of 84%.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Progress:** As of March 31, 2023, 88% of audit and consulting engagements have been completed within budgeted time.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

## Executive Division – Chief Auditor

**Progress:** As of March 31, 2023, the department achieved an internal customer satisfaction rating of 4.9.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue
6. Provide training for audit staff to ensure adequate and effective audit and consulting engagements.

**Progress:** As of December 31, 2022, 100% of staff met their calendar year Continuing Professional Education (CPE) requirements.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

## Executive Division – Chief Auditor

### FY 2024 – FY 2025 Goals

1. Conduct audits and consulting engagements that focus on the key risk areas of the Authority.  
**Strategic Plan Focus Area:**
  - Optimize Ongoing Business**Strategic Initiative:**
  - 5B. Invest/participate in innovation that improves efficiency or enhances revenue
2. Achieve a department utilization rate greater than 76% for audit staff, excluding Paid Time Off.  
**Strategic Plan Focus Area:**
  - Optimize Ongoing Business**Strategic Initiative:**
  - 5B. Invest/participate in innovation that improves efficiency or enhances revenue
3. Provide audit recommendations that improve Authority operations or reduce risk, with 95% of audit recommendations agreed to by management.  
**Strategic Plan Focus Area:**
  - Optimize Ongoing Business**Strategic Initiative:**
  - 5B. Invest/participate in innovation that improves efficiency or enhances revenue
4. Perform audit work in an efficient manner. Complete 70% of all audit and consulting engagements within budgeted time, as established in the annual Audit Plan approved by the Board.  
**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
6. Provide training for audit staff to ensure adequate and effective audit and consulting engagements.  
**Strategic Plan Focus Area:**

## Executive Division – Chief Auditor

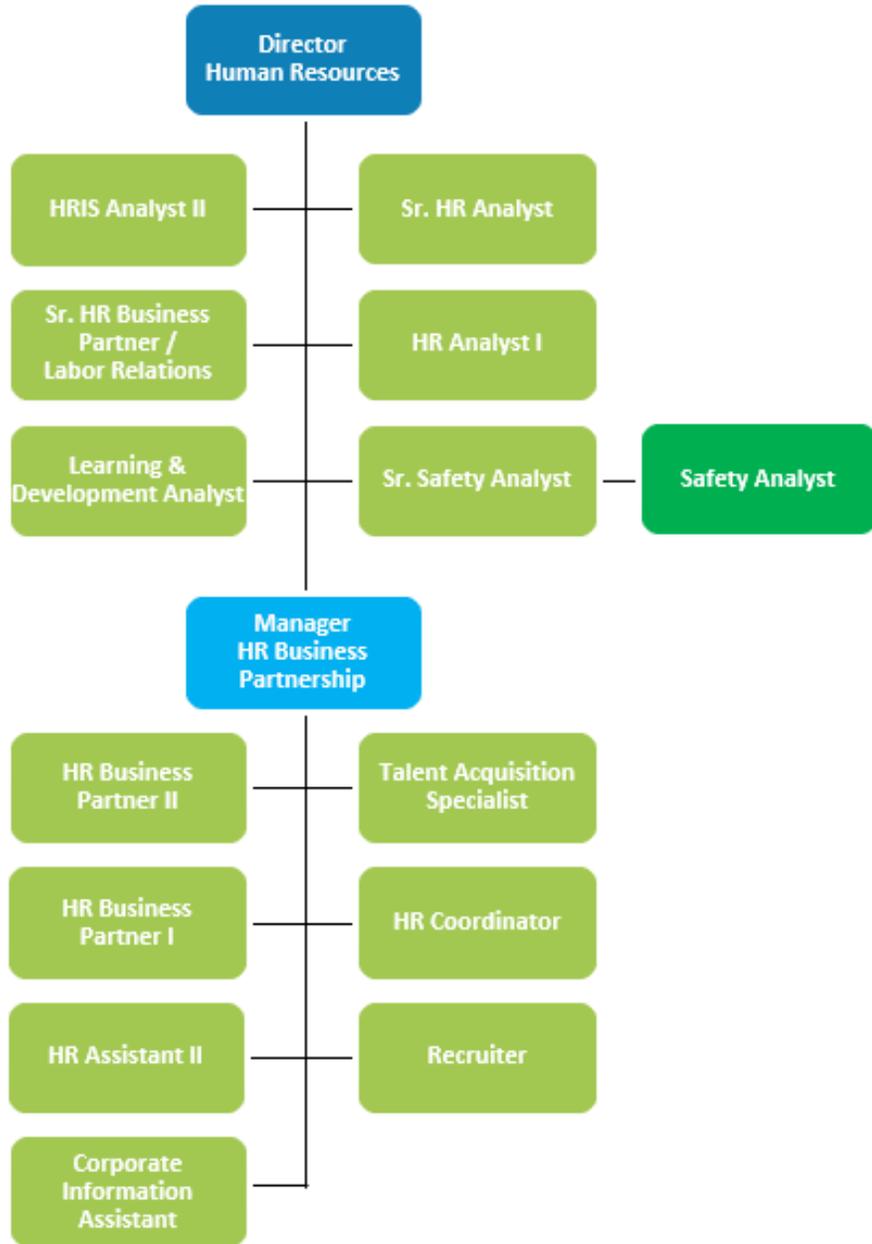
- Optimize Ongoing Business

### **Strategic Initiative:**

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

# Executive Division – Human Resources

## FY 2024 – FY 2025 Organizational Structure



*No personnel changes in FY 2025*

## Executive Division – Human Resources

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	1,177	1,594	1,744	150	9.4%	1,803	59	3.4%
Benefits	662	770	745	(25)	-3.3%	797	52	7.0%
<b>Subtotal</b>	<b>1,839</b>	<b>2,364</b>	<b>2,488</b>	<b>125</b>	<b>5.3%</b>	<b>2,599</b>	<b>111</b>	<b>4.5%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,839</b>	<b>2,364</b>	<b>2,488</b>	<b>125</b>	<b>5.3%</b>	<b>2,599</b>	<b>111</b>	<b>4.5%</b>
Contractual Services	283	480	499	19	3.9%	493	(6)	-1.2%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	3	11	8	300.0%	3	(8)	-74.1%
Operating Supplies	11	12	12	(0)	-0.4%	12	-	0.0%
Insurance	1	1	1	0	16.7%	1	-	0.0%
Employee Development	112	213	175	(38)	-17.8%	178	3	1.7%
Business Development	(37)	56	81	26	45.8%	86	5	6.1%
Equipment Rentals and Repairs	187	264	372	108	40.9%	367	(5)	-1.3%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>558</b>	<b>1,029</b>	<b>1,152</b>	<b>123</b>	<b>11.9%</b>	<b>1,141</b>	<b>(11)</b>	<b>-1.0%</b>
<b>Total Operating Expenses</b>	<b>2,397</b>	<b>3,393</b>	<b>3,640</b>	<b>248</b>	<b>7.3%</b>	<b>3,740</b>	<b>100</b>	<b>2.7%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>2,397</b>	<b>3,393</b>	<b>3,640</b>	<b>248</b>	<b>7.3%</b>	<b>3,740</b>	<b>100</b>	<b>2.7%</b>
<b>Equipment Outlay Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>2,397</b>	<b>3,393</b>	<b>3,640</b>	<b>248</b>	<b>7.3%</b>	<b>3,740</b>	<b>100</b>	<b>2.7%</b>

## Executive Division – Human Resources

### Major Drivers of FY 2023 Budget & FY 2024 Budget



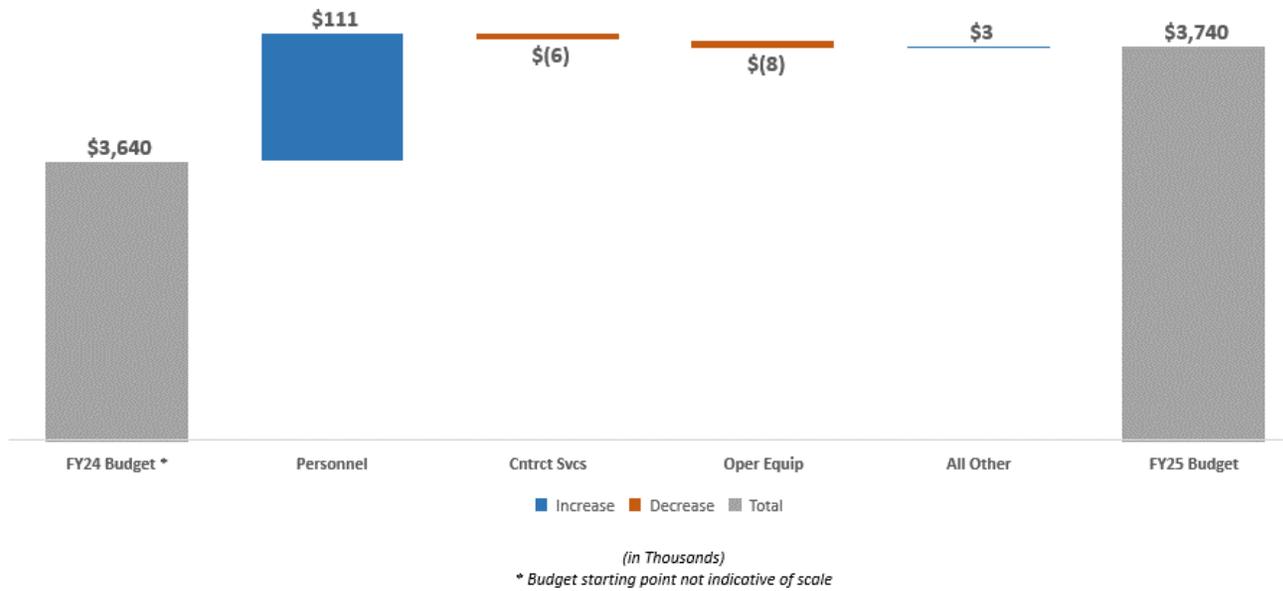
**Personnel:** Salary Adjustments, Pay for Performance and Burden (Benefits & Employer Taxes) for Current Staff

**Employee Development:** (\$26K) decrease in Recruiting, (\$10K) decrease in Tuition

**Equipment Rentals & Repairs:** \$108K increase due to replacement of existing contracts/software, implementation of new HR software

## Executive Division – Human Resources

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



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

## Executive Division – Human Resources

### FY 2023 Progress Report

1. Assess and implement competitive market-based practices in compensation and total rewards to assure the Authority remains competitive externally and internally equitable.

**Progress:** In July 2022, the Authority adopted and implemented a market-based compensation philosophy. Our compensation philosophy aims to ensure equal pay for comparable jobs that is internally equitable, externally competitive, and transparently communicated while ensuring the Authority's financial sustainability.

Our six guiding principles closely link the Authority's Compensation Philosophy, Compensation Equity, and strategic needs.

- Striving to recruit, retain and motivate the highest caliber talent,
- Rewarding employees based on pay-for-performance,
- Ensuring pay programs remain fiscally responsible,
- Guiding the design and administration of the total reward program over the long term and ensuring compliance with statutory requirements,
- Reviewing continuously to provide a balance between external competitiveness and internal equity, and
- Transparent communication across the organization ensures a high awareness and understanding by managers and employees.

#### **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
2. Develop, refine and exercise employment practices that attract and retain a highly engaged, highly productive, diverse workforce, and strive for diversity at all levels in the organization that furthers innovation and problem-solving.

**Progress:** The Authority has engaged with several local high schools, community colleges, and universities to promote careers and internship programs available at the organization. Specific outreach efforts over the fiscal year included:

- Relunched the Take Flight Program, held twice a year, where young leaders in local high schools and colleges come to SAN and participate in a workshop exposing them to various career opportunities within the Aviation industry. Hoover High School, San Diego Mesa Community College, and San Diego Miramar College participated this year.
- Relunched the Veterans Fellowship Program. Designed to foster a seamless transition for veterans from active duty to civilian work by providing an opportunity to gain practical work experience in our integrated aviation environment, duties assigned may vary widely depending on the department's needs.
- Participation in the San Diego Economic Development Corporation's (EDC) talent initiatives and employer working groups to engage local, diverse talent.
- Participation in Avenues for Success through Hoover High School, including informational and mock student interviews

## Executive Division – Human Resources

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

- Transform the Customer Experience

### **Strategic Initiative:**

- 4C. Attract a new generation of diverse employees and leaders
3. Develop and align training with management’s goals and objectives. Identifying knowledge gaps and ensuring our employees possess the necessary skills to help future-proof the organization while changing and improving individual performance.

**Progress:** The Authority implemented SAN University—a robust educational platform with thousands of on-demand training. The Authority also partnered with Airports Council International - North America to include airport-specific training and certifications at SAN University. We continue to perform gap analysis to ensure our training offerings remain relevant and flexible in the changing environment.

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

- Transform the Customer Experience

### **Strategic Initiative:**

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

## Executive Division – Human Resources

### FY 2023 – FY 2024 Goals

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

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

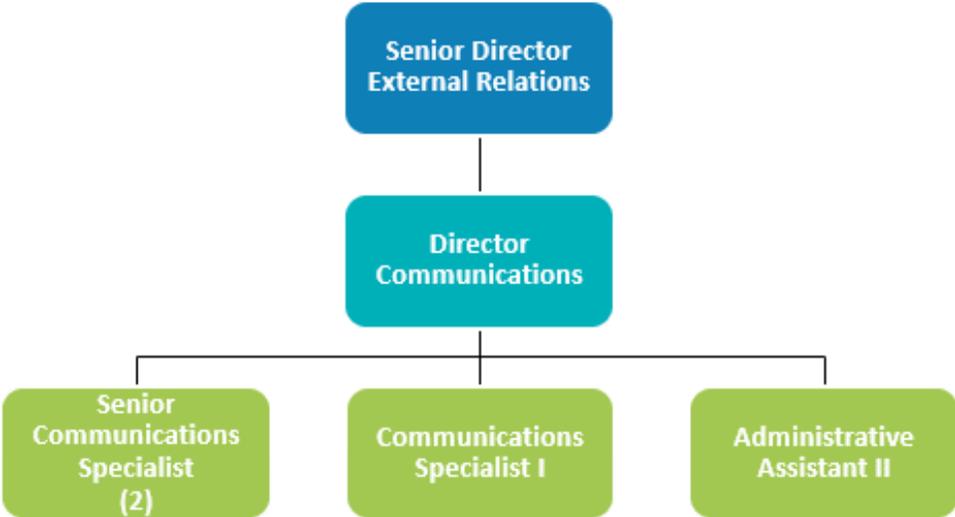
- Transform the Customer Experience

**Strategic Initiative:**

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

**Executive Division – Communications**

**FY 2024 – FY 2025 Organizational Structure**



*No personnel changes in FY 2025*

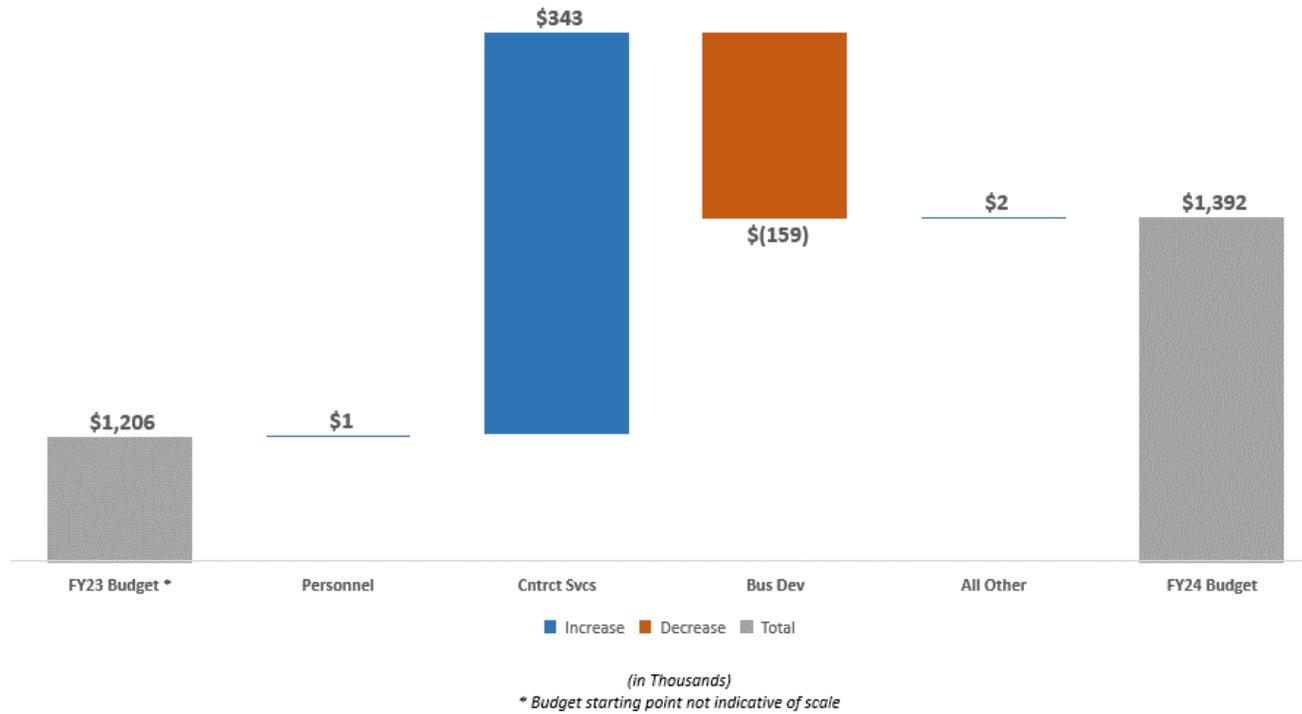
## Executive Division – Communications

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	612	652	674	22	3.3%	701	27	4.0%
Benefits	312	309	289	(21)	-6.7%	308	20	6.8%
<b>Subtotal</b>	<b>924</b>	<b>961</b>	<b>962</b>	<b>1</b>	<b>0.1%</b>	<b>1,009</b>	<b>47</b>	<b>4.8%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>924</b>	<b>961</b>	<b>962</b>	<b>1</b>	<b>0.1%</b>	<b>1,009</b>	<b>47</b>	<b>4.8%</b>
Contractual Services	249	50	393	343	685.0%	505	113	28.7%
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	1	(0)	-37.5%	1	-	0.0%
Operating Supplies	1	3	3	(0)	0.0%	3	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	10	19	20	0	2.6%	20	-	0.0%
Business Development	81	171	12	(159)	-93.1%	10	(1)	-12.3%
Equipment Rentals and Repairs	-	0	2	2	2647.1%	2	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>342</b>	<b>244</b>	<b>430</b>	<b>185</b>	<b>75.9%</b>	<b>541</b>	<b>111</b>	<b>25.9%</b>
<b>Total Operating Expenses</b>	<b>1,266</b>	<b>1,206</b>	<b>1,392</b>	<b>187</b>	<b>15.5%</b>	<b>1,550</b>	<b>158</b>	<b>11.3%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,266</b>	<b>1,206</b>	<b>1,392</b>	<b>187</b>	<b>15.5%</b>	<b>1,550</b>	<b>158</b>	<b>11.3%</b>
<b>Equipment Outlay Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>1,266</b>	<b>1,206</b>	<b>1,392</b>	<b>187</b>	<b>15.5%</b>	<b>1,550</b>	<b>158</b>	<b>11.3%</b>

## Executive Division – Communications

### Major Drivers of FY 2023 Budget & FY 2024 Budget

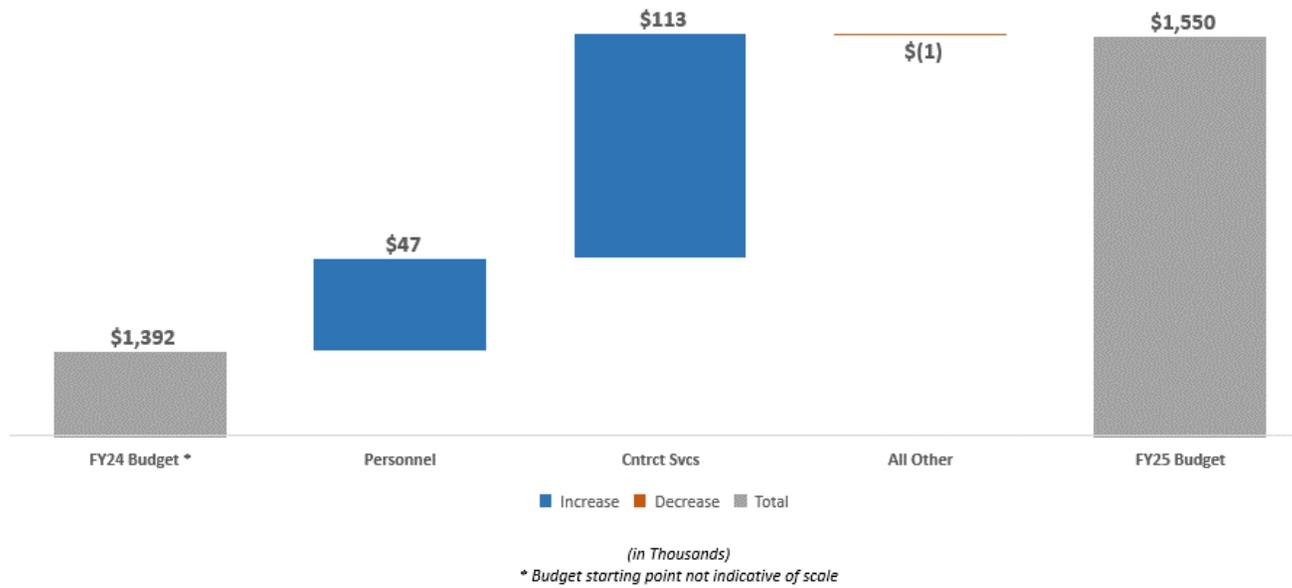


**Contractual Services:** \$340K New T1 Outreach budget transferred from Finance division

**Business Development:** Table Sponsorships and related membership dues transferred to Government Relations,  
**Employee Appreciation** transferred to Marketing, Arts, & Air Service Development

## Executive Division – Communications

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



**Contractual Services:** \$120K increase in New T1 Outreach transferred from Finance division

## Executive Division – Communications

### FY 2023 Progress Report

1. Continue to execute New T1 outreach program that is agile, and informs the public about the project's benefit, progress and construction impacts related to the project.

**Progress:** Substantial progress was made toward this goal. Over the summer, plans for communicating construction impacts to passengers, stakeholders and the public at-large were put into action, with construction alerts, media interviews, text alerts, newsletters and social media posts. The result: Relatively smooth transitions as the public navigated the closure of the T1 parking lot, GTC shift and other roadway changes.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

2. Continue to engage with regional economic partners and critical industry stakeholders on regional economic growth.

**Progress:** Substantial progress was made toward this goal. The Airport Authority's New T1 program, small business program, financial awards, sustainability accomplishments, job openings and more were shared numerous times in newsletters, announcements and the social media channels of our partners, including SANDAG, MTS, NCTD, local elected officials and other municipalities. Numerous in-person and virtual presentations were also made to these groups.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Progress:** The DEI Steering Committee developed DEI annual goals and metrics, to begin reporting out to the board for FY23. An Employee DEI Committee, Women's Leadership Group, and PRIDE group have been established. Initiatives that further DEI have been identified and incorporated into the Operational Strategic Plan.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

## Executive Division – Communications

### FY 2024 – FY 2025 Goals

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

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

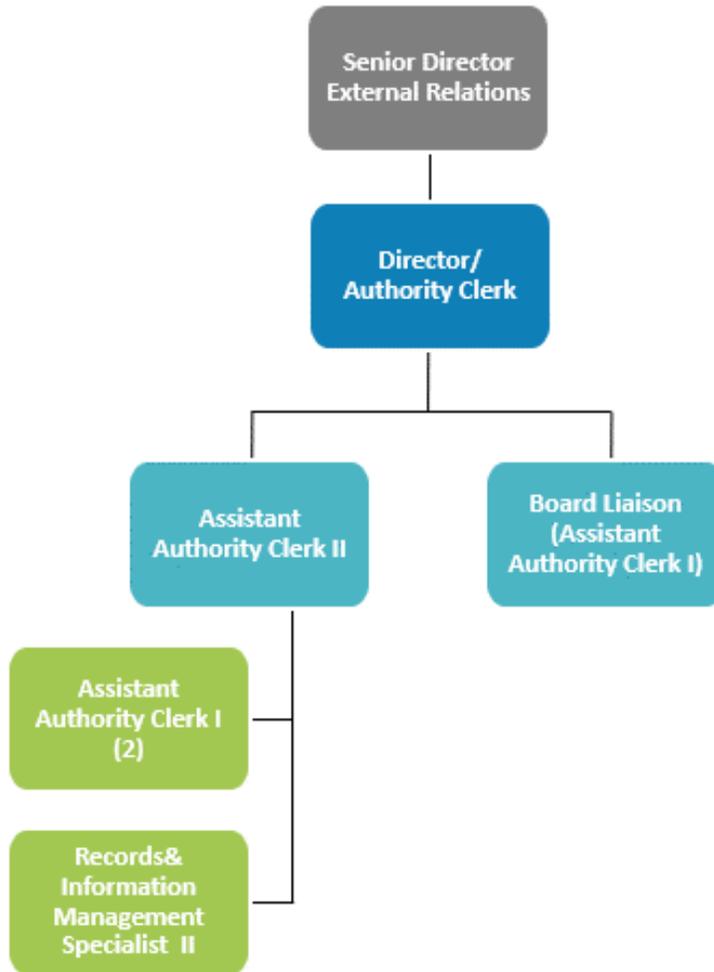
- Transform the Customer Experience

**Strategic Initiative:**

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

## Executive Division – Board Services

### FY 2024 – FY 2025 Organizational Structure



*Position in grey resides in the Communications Department and is shown for structural purpose.  
No personnel changes in FY 2025*

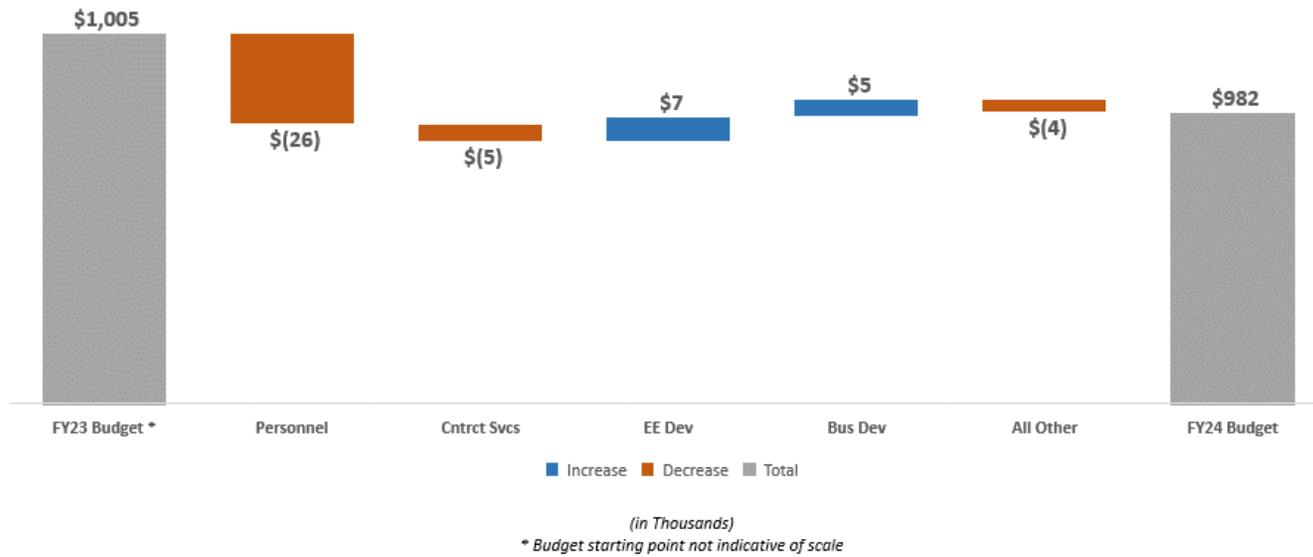
## Executive Division – Board Services

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	367	505	514	9	1.8%	535	21	4.0%
Benefits	209	251	217	(35)	-13.8%	230	13	6.1%
<b>Subtotal</b>	<b>576</b>	<b>756</b>	<b>731</b>	<b>(26)</b>	<b>-3.4%</b>	<b>764</b>	<b>34</b>	<b>4.6%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>576</b>	<b>756</b>	<b>731</b>	<b>(26)</b>	<b>-3.4%</b>	<b>764</b>	<b>34</b>	<b>4.6%</b>
Contractual Services	141	155	150	(5)	-3.2%	155	5	3.3%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	1	10	6	(4)	-38.0%	21	15	241.9%
Operating Supplies	2	2	2	-	0.0%	2	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	16	25	32	7	27.7%	32	-	0.0%
Business Development	18	42	47	5	12.0%	47	-	0.0%
Equipment Rentals and Repairs	17	15	15	-	0.0%	15	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>196</b>	<b>248</b>	<b>252</b>	<b>3</b>	<b>1.3%</b>	<b>272</b>	<b>20</b>	<b>7.9%</b>
<b>Total Operating Expenses</b>	<b>772</b>	<b>1,005</b>	<b>982</b>	<b>(23)</b>	<b>-2.2%</b>	<b>1,036</b>	<b>54</b>	<b>5.5%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>772</b>	<b>1,005</b>	<b>982</b>	<b>(23)</b>	<b>-2.2%</b>	<b>1,036</b>	<b>54</b>	<b>5.5%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>772</b>	<b>1,005</b>	<b>982</b>	<b>(23)</b>	<b>-2.2%</b>	<b>1,036</b>	<b>54</b>	<b>5.5%</b>

## Executive Division – Board Services

### Major Drivers of FY 2023 Budget & FY 2024 Budget

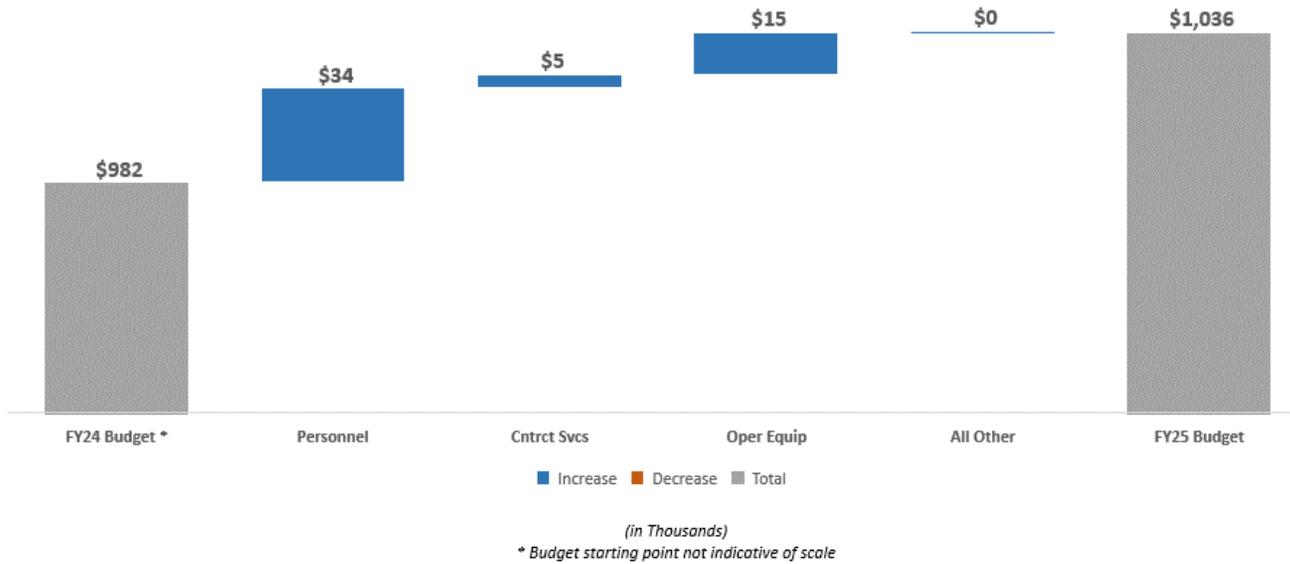


**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff

**Contractual Services:** Decrease in Webcasts for Board Meetings

## Executive Division – Board Services

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



**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff  
**Operating Equipment & Systems:** \$15K increase for Agenda Preparation software

## Executive Division – Board Services

### FY 2023 Progress Report

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

**Progress:** Completed

**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.

**Progress:** Completed

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

3. Develop an advanced user training on the Use of the ECMS (Opentext 16.5).

**Progress:** In-Process (Estimated completion – 12/23)

**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 2024 – FY 2025 Goals

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

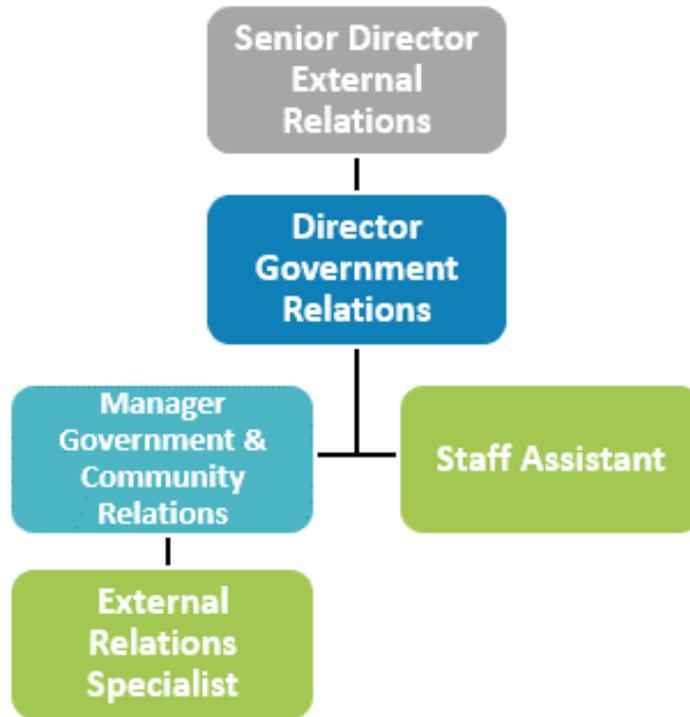
- Optimize Ongoing Business

**Strategic Initiative:**

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

## Executive Division – Government Relations

### FY 2024 – FY 2025 Organizational Structure



*Position in grey resides in the Communications Department and is shown for structural purpose.  
No personnel changes in FY 2025*

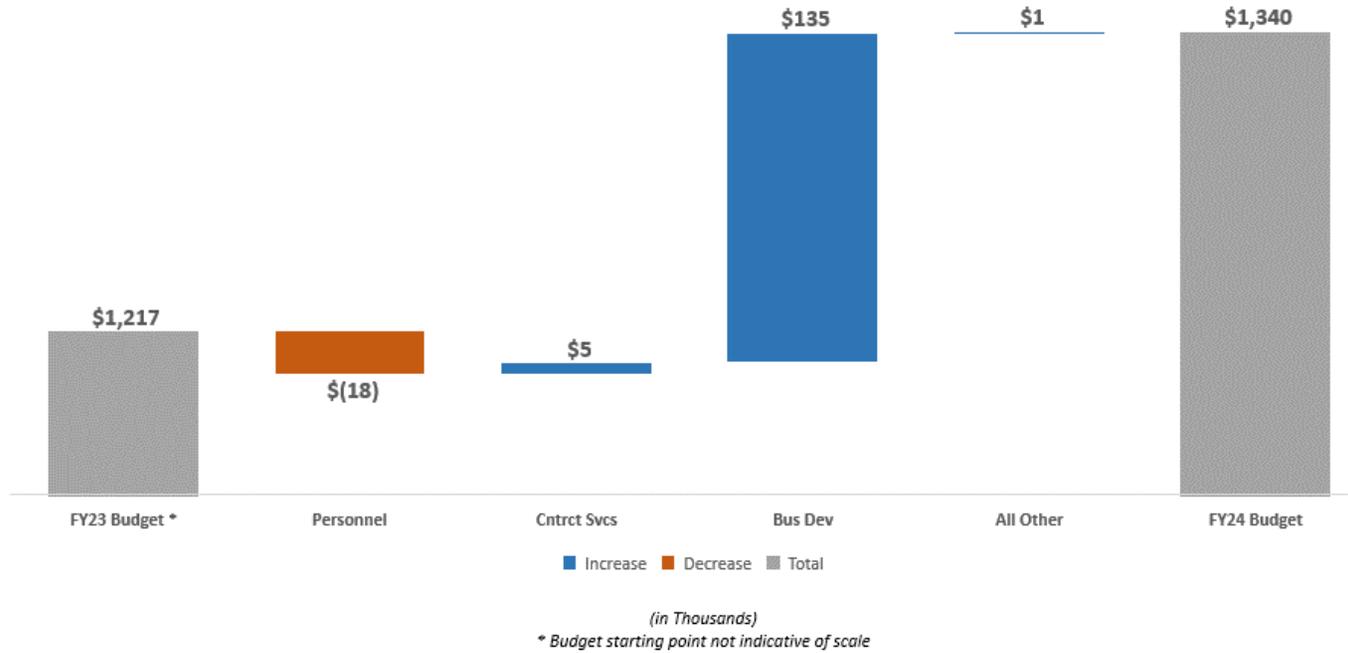
## Executive Division – Government Relations

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	330	422	417	(6)	-1.3%	434	17	4.0%
Benefits	179	208	195	(12)	-5.9%	209	13	6.9%
<b>Subtotal</b>	<b>509</b>	<b>630</b>	<b>612</b>	<b>(18)</b>	<b>-2.8%</b>	<b>642</b>	<b>30</b>	<b>4.9%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>509</b>	<b>630</b>	<b>612</b>	<b>(18)</b>	<b>-2.8%</b>	<b>642</b>	<b>30</b>	<b>4.9%</b>
Contractual Services	380	390	395	5	1.2%	395	-	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	11	16	17	1	3.5%	18	1	6.4%
Business Development	169	179	314	135	75.6%	317	3	1.0%
Equipment Rentals and Repairs	-	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>560</b>	<b>587</b>	<b>727</b>	<b>141</b>	<b>24.0%</b>	<b>731</b>	<b>4</b>	<b>0.6%</b>
<b>Total Operating Expenses</b>	<b>1,069</b>	<b>1,217</b>	<b>1,340</b>	<b>123</b>	<b>10.1%</b>	<b>1,374</b>	<b>34</b>	<b>2.6%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,069</b>	<b>1,217</b>	<b>1,340</b>	<b>123</b>	<b>10.1%</b>	<b>1,374</b>	<b>34</b>	<b>2.6%</b>
<b>Equipment Outlay Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>1,069</b>	<b>1,217</b>	<b>1,340</b>	<b>123</b>	<b>10.1%</b>	<b>1,374</b>	<b>34</b>	<b>2.6%</b>

## Executive Division – Government Relations

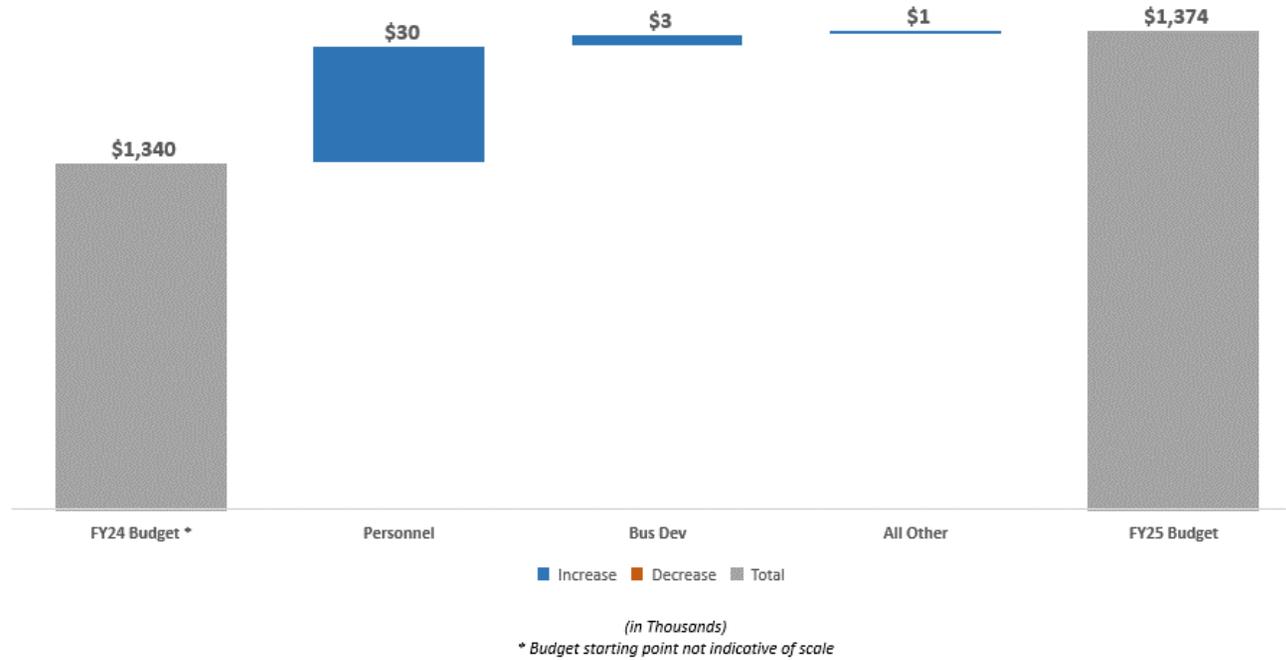
### Major Drivers of FY 2023 Budget & FY 2024 Budget



**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff  
**Business Development:** \$35K increase in Memberships and dues, \$100K Sponsorships transferred from Communications

## Executive Division – Government Relations

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



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

## Executive Division – Government Relations

### FY 2023 Progress Report

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

**Progress:** In the first seven months of FY 2023, Authority staff and Board members have provided many presentations to Community Planning Groups, regional community and business organizations, and government agencies. Additionally, the Government Relations team engaged in an outreach campaign during the first two quarters to connect with elected officials and provide them with an update on Authority activities, with an emphasis on the New T1 project. The team has also continued extensive and continued outreach with the San Diego Association of Governments (SANDAG) and City of San Diego regarding airport transit connectivity and various issues related to the New T1 project.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

2. Advocate for funding for the Airport Authority and its projects at the Federal and State level, including: (a) pursuing 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:** With the upcoming Congressional consideration of Federal Aviation Administration reauthorization later in 2023, the Government Relations staff have worked with the Authority’s legislative consultants and airport industry associations to develop and communicate industry and Authority-specific priorities regarding funding and grant mechanisms for the aviation sector. Also, the Government Relations team has worked in concert with other Authority departments to develop grant proposals and applications in various government programs. Finally, a key success in FY 2023 was Congress passing and the President signing appropriations legislation that included \$3.3 million in Community Project Funding for the Authority’s airside electrical charging infrastructure as part of the New T1 project.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2D. Implement a sustainable 20 year capital plan

## Executive Division – Government Relations

### FY 2024 – FY 2025 Goals

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2D. Implement a sustainable 20 year capital plan

# Development Division



## Development Division

### Overview

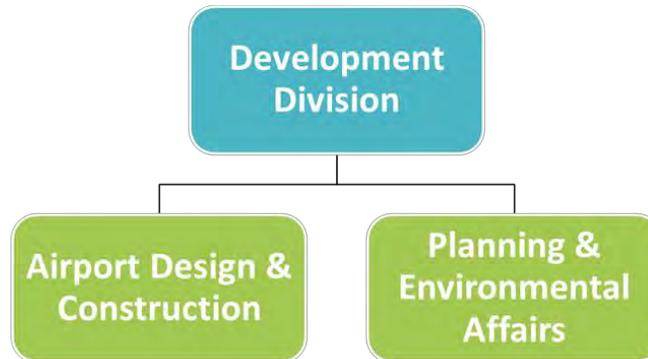
The **Development Division** is responsible for long-term airport facility and infrastructure planning, infrastructure design and construction, facilities compliance with current Federal, State, and local codes and regulations and compliance with legislative mandates for environmental and land-use matters.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

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

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

## Development Division

### FY 2024 – FY 2025 Organizational Structure



### Division Personnel Summary

	FY 2022 Budget	FY 2023 Budget	FY 2024 Budget Transfers	FY 2024 Budget New/ (Eliminated)	FY 2024 Budget	FY 2025 Budget New/ (Eliminated)	FY 2025 Conceptual Budget
<b>Development Division</b>							
Airport Design & Construction	48	48	0	(7)	41	-	41
Planning and Environmental Affairs <sup>1</sup>	29	29	(1)	-	28	-	28
<b>Total</b>	<b>77</b>	<b>77</b>	<b>(1)</b>	<b>(7)</b>	<b>69</b>	<b>-</b>	<b>69</b>

<sup>1</sup> 1 position transferred to Operational Readiness, Activation & Transition

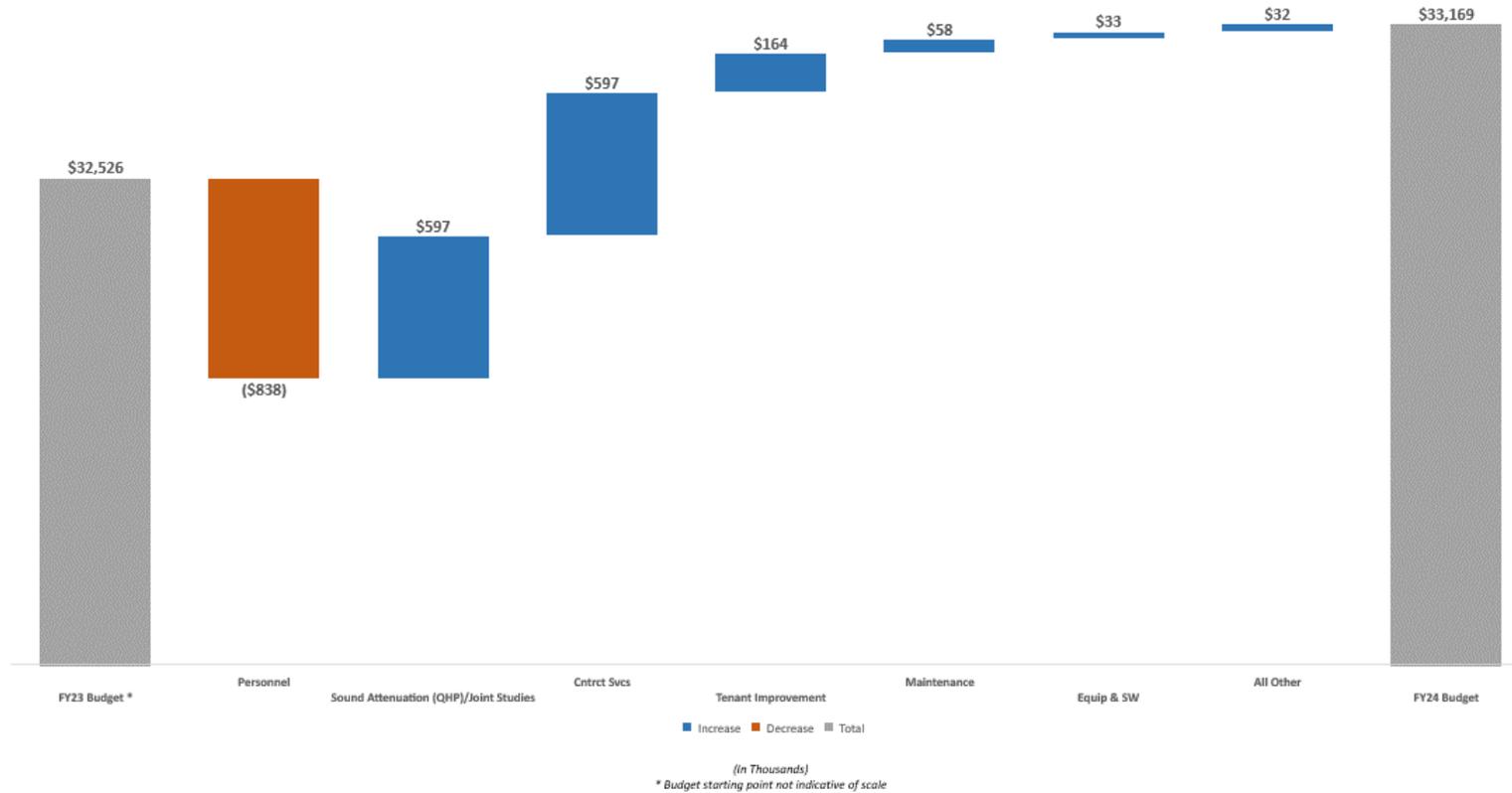
## Development Division

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	6,364	7,981	7,189	(792)	-9.9%	7,466	277	3.8%
Benefits	3,337	3,841	3,226	(615)	-16.0%	3,467	241	7.5%
<b>Subtotal</b>	<b>9,701</b>	<b>11,822</b>	<b>10,415</b>	<b>(1,406)</b>	<b>-11.9%</b>	<b>10,933</b>	<b>517</b>	<b>5.0%</b>
Less: Capitalized Labor Recharge	(4,721)	(5,843)	(5,305)	538	-9.2%	(5,576)	(271)	5.1%
Less: QHP Labor Recharge	(626)	(695)	(665)	30	-4.3%	(698)	(33)	5.0%
<b>Total Personnel Costs</b>	<b>4,354</b>	<b>5,284</b>	<b>4,445</b>	<b>(838)</b>	<b>-15.9%</b>	<b>4,659</b>	<b>213</b>	<b>4.8%</b>
Contractual Services	2,358	3,306	3,903	597	18.0%	3,277	(626)	-16.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	6	10	12	2	21.9%	12	0	2.6%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	1,210	1,450	1,508	58	4.0%	1,546	38	2.5%
Operating Equipment & Systems	4	7	7	0	3.1%	7	0	2.3%
Operating Supplies	60	81	87	6	7.4%	89	2	2.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	36	84	98	14	16.7%	103	4	4.3%
Business Development	156	192	202	9	4.9%	197	(5)	-2.5%
Equipment Rentals and Repairs	246	254	288	33	13.1%	291	3	1.1%
Tenant Improvements	431	692	857	164	23.8%	891	34	4.0%
<b>Total Non-Personnel Costs</b>	<b>4,508</b>	<b>6,077</b>	<b>6,961</b>	<b>884</b>	<b>14.6%</b>	<b>6,412</b>	<b>(549)</b>	<b>-7.9%</b>
<b>Total Operating Expenses</b>	<b>8,862</b>	<b>11,360</b>	<b>11,406</b>	<b>46</b>	<b>0.4%</b>	<b>11,071</b>	<b>(335)</b>	<b>-2.9%</b>
Joint Studies / Sound Attenuation	16,934	21,166	21,763	597	2.8%	23,128	1,365	6.3%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	100	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>17,034</b>	<b>21,166</b>	<b>21,763</b>	<b>597</b>	<b>2.8%</b>	<b>23,128</b>	<b>1,365</b>	<b>6.3%</b>
<b>Total Expenses</b>	<b>25,896</b>	<b>32,526</b>	<b>33,169</b>	<b>643</b>	<b>2.0%</b>	<b>34,199</b>	<b>1,030</b>	<b>3.1%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>25,896</b>	<b>32,526</b>	<b>33,169</b>	<b>643</b>	<b>2.0%</b>	<b>34,199</b>	<b>1,030</b>	<b>3.1%</b>

## Development Division

### Major Drivers of FY 2023 Budget & FY 2024 Budget

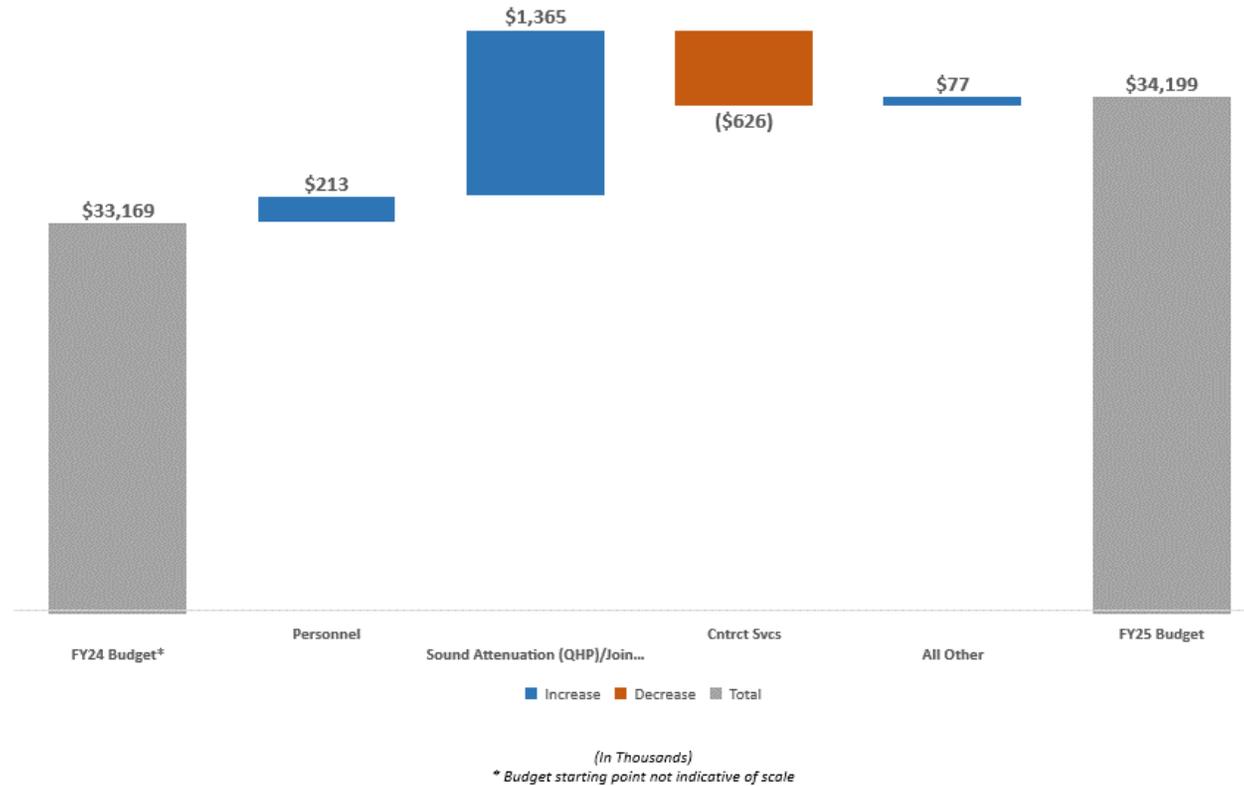


**Personnel:** Salary Adjustments, Pay for Performance, Capitalized labor, and Burden (Benefits & Employer Taxes) for Current Staff  
**Sound Attenuation (QHP – Quieter Home Program)/Joint Studies:** Departure curfew penalties collected by the Authority go towards funding of the sound insulation program. Assumed penalties in FY24 of \$536K  
**Contractual Services:** Includes \$250K displaced threshold Study, \$100K Quiet Skies analysis, and \$100K increase in stormwater management costs

**NOTE:** Development Division intentionally includes non-operating expenses Sound Attenuation (QHP) and Joint Studies

## Development Division

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



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

**Sound Attenuation (QHP – Quieter Home Program)/Joint Studies:** Departure curfew penalties collected by the Authority go towards funding of the sound insulation program. Assumed penalties in FY25 of \$500K

**Contractual Services:** Reduction includes (\$332K) due to SDIA ALCUP (San Diego International Airport – Airport Land Use Compatibility Plan) expected completion in FY24, (\$200K) due to lower airport technical planning costs, and (\$100K)

## Development Division

### FY 2024 Expense Budget by Department

(in thousands)

Departments	FY 2024 Budget
Planning & Enviromental Affairs	\$30,490
Airport Design & Construction	2,679
<b>Total <sup>1</sup></b>	<b>\$33,169</b>

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

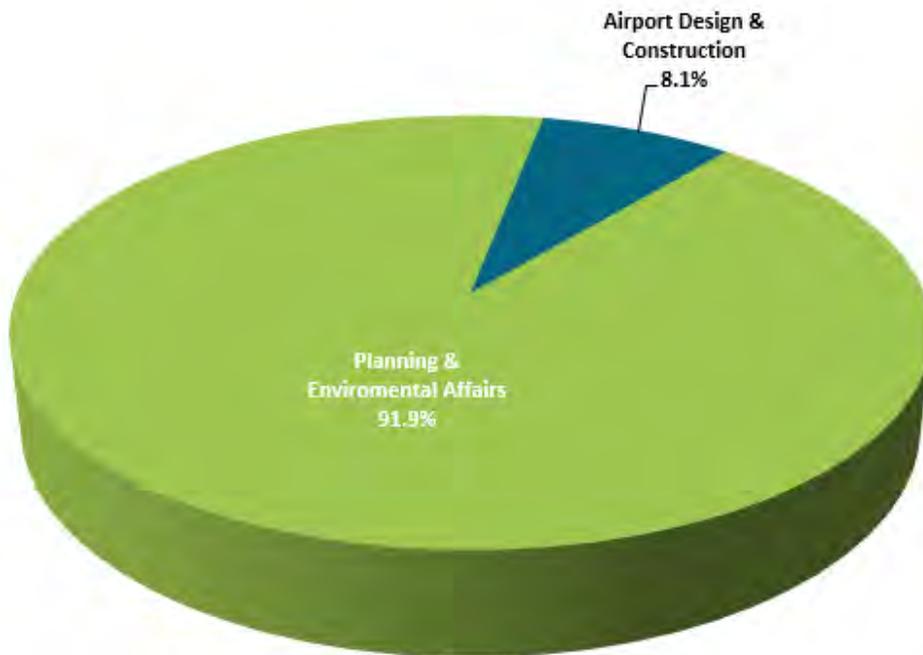


Figure 26 – FY 2024 Expense Budget by Department

## Development Division

### FY 2025 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2025 Conceptual Budget
Planning & Enviromental Affairs	\$31,420
Airport Design & Construction	2,779
<b>Total <sup>1</sup></b>	<b><u><u>\$34,199</u></u></b>

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

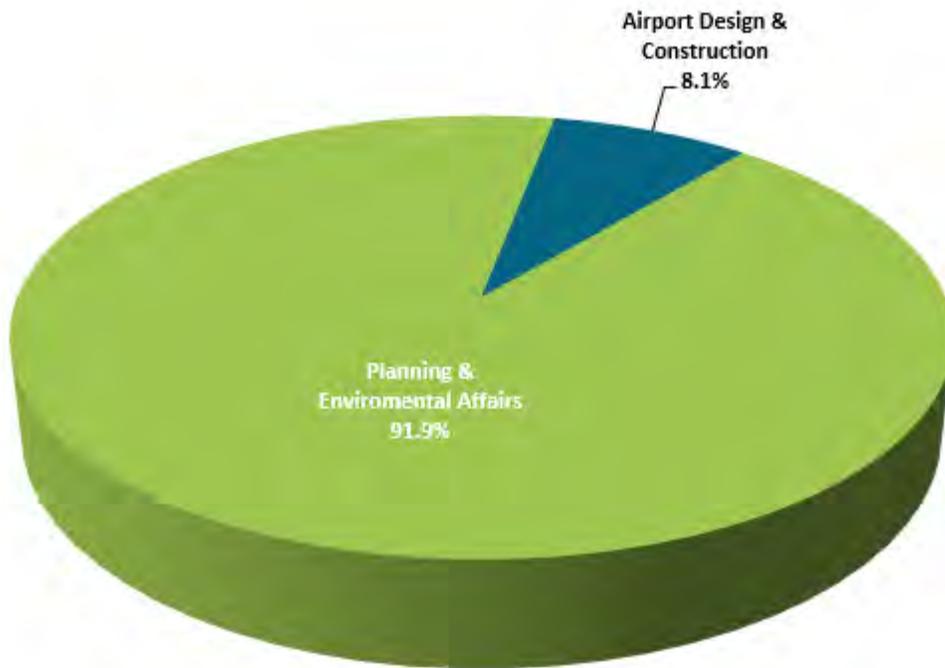


Figure 27 – FY 2025 Expense Conceptual Budget by Department

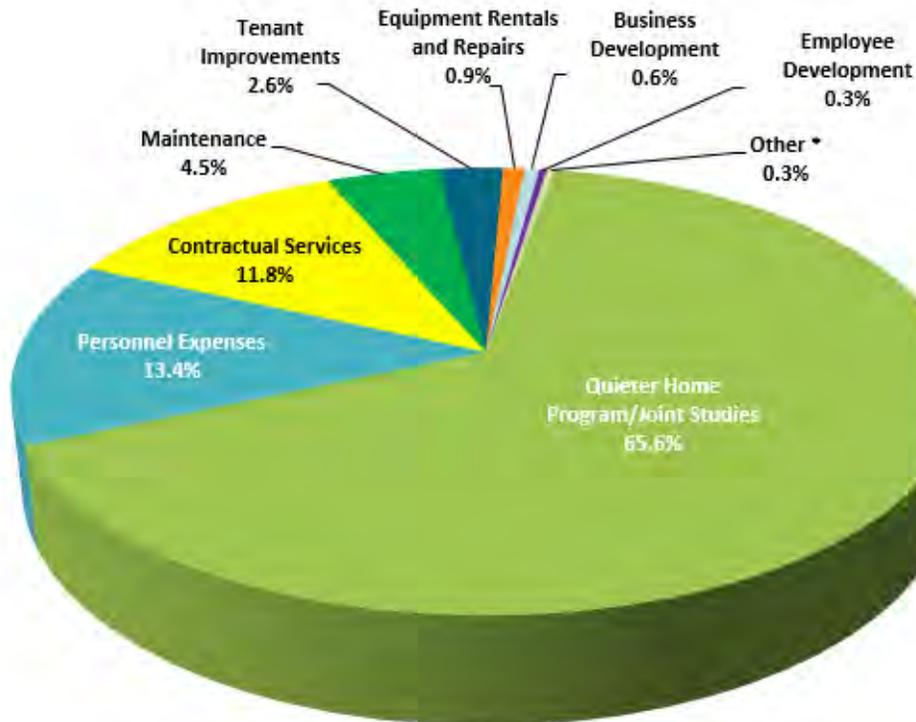
## Development Division

### FY 2024 Expense Budget by Category

(in thousands)

Category	FY 2024 Budget
Quieter Home Program/Joint Studies	\$21,763
Personnel Expenses	4,445
Contractual Services	3,903
Maintenance	1,508
Tenant Improvements	857
Equipment Rentals and Repairs	288
Business Development	202
Employee Development	98
Other *	105
<b>Total <sup>1</sup></b>	<b>\$33,169</b>

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



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

**Figure 28 – FY 2024 Expense Budget by Category**

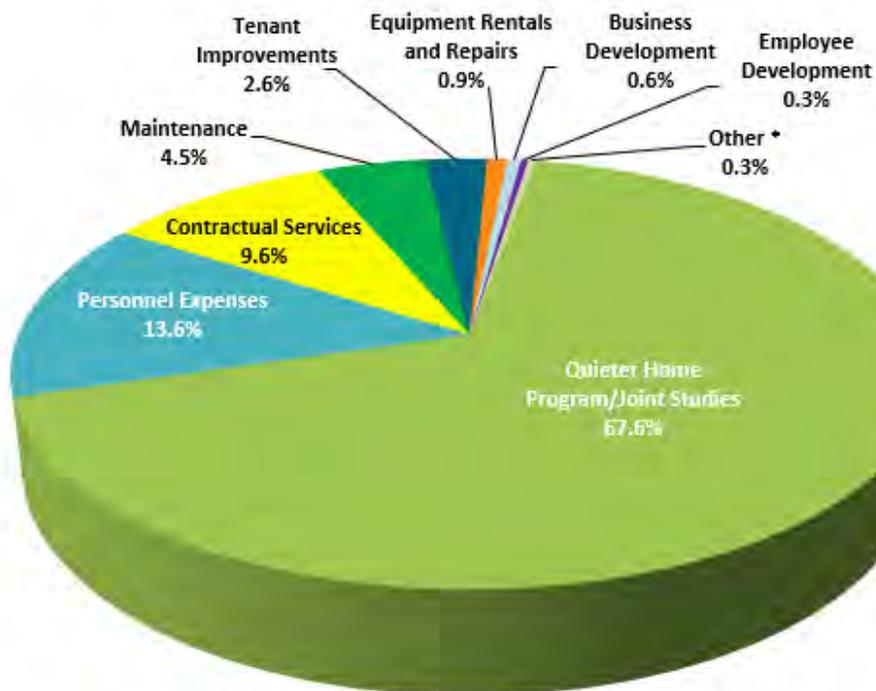
## Development Division

### FY 2025 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2025 Conceptual Budget
Quieter Home Program/Joint Studies	\$23,128
Personnel Expenses	4,659
Contractual Services	3,277
Maintenance	1,546
Tenant Improvements	891
Equipment Rentals and Repairs	291
Business Development	197
Employee Development	103
Other *	108
<b>Total <sup>1</sup></b>	<b>\$34,199</b>

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

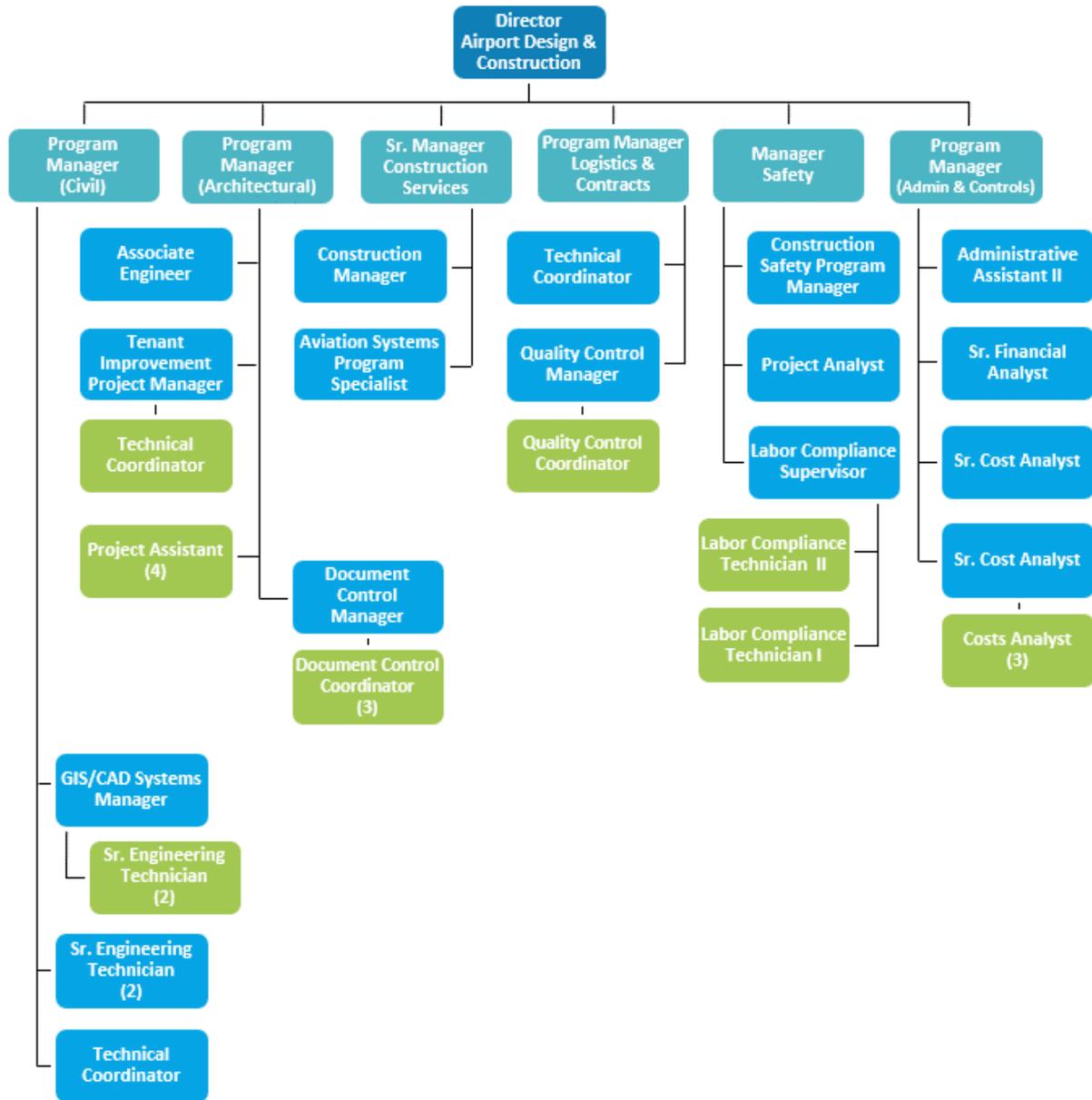


\*Other includes operating equipment & systems, utilities, operating supplies, etc.

**Figure 29 – FY 2025 Expense Conceptual Budget by Category**

# Development Division – Airport Design & Construction

## FY 2024 – FY 2025 Organizational Structure



*No personnel changes in FY 2025*

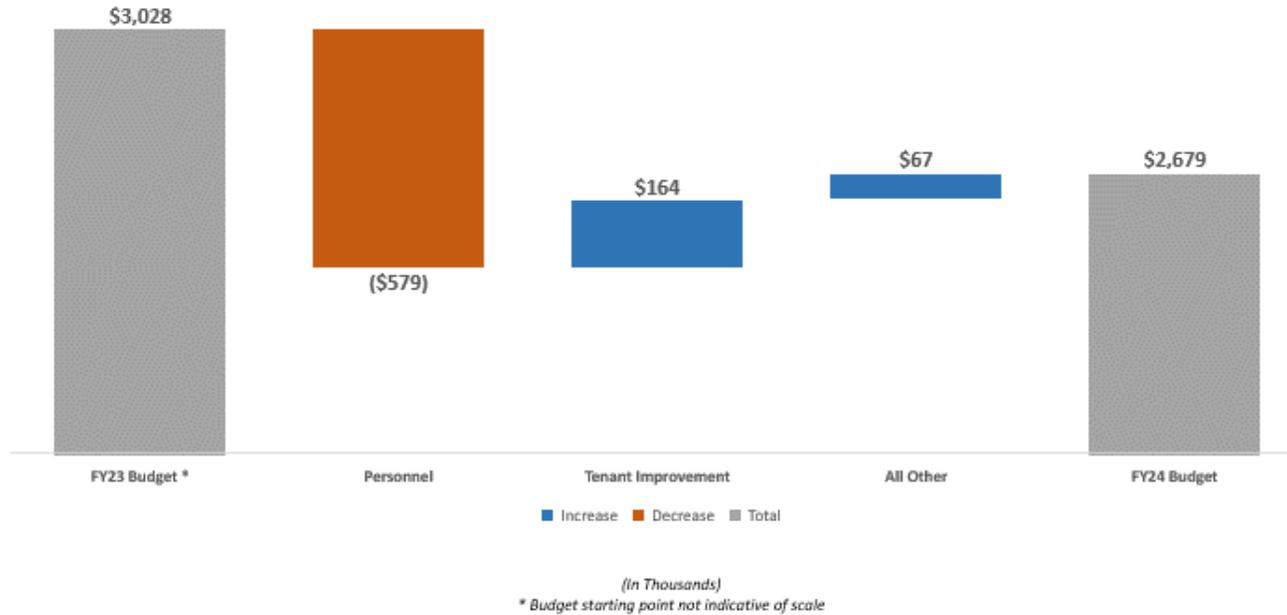
## Development Division – Airport Design & Construction

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	3,536	4,907	4,256	(651)	-13.3%	4,421	164	3.9%
Benefits	1,978	2,416	1,949	(467)	-19.3%	2,101	152	7.8%
<b>Subtotal</b>	<b>5,513</b>	<b>7,322</b>	<b>6,205</b>	<b>(1,118)</b>	<b>-15.3%</b>	<b>6,521</b>	<b>316</b>	<b>5.1%</b>
Less: Capitalized Labor Recharge	(4,721)	(5,843)	(5,305)	538	-9.2%	(5,576)	(271)	5.1%
Less: QHP Labor Recharge	(6)	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>786</b>	<b>1,479</b>	<b>900</b>	<b>(579)</b>	<b>-39.2%</b>	<b>946</b>	<b>46</b>	<b>5.1%</b>
Contractual Services	430	534	592	58	10.9%	614	21	3.6%
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	-	5	5	0	4.0%	5	0	3.0%
Operating Supplies	37	51	57	6	11.8%	59	2	3.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	7	40	36	(4)	-10.4%	38	2	6.3%
Business Development	5	30	30	0	0.1%	22	(9)	-29.4%
Equipment Rentals and Repairs	86	96	102	6	6.6%	105	3	3.0%
Tenant Improvements	431	692	857	164	23.8%	891	34	4.0%
<b>Total Non-Personnel Costs</b>	<b>994</b>	<b>1,449</b>	<b>1,680</b>	<b>231</b>	<b>15.9%</b>	<b>1,733</b>	<b>54</b>	<b>3.2%</b>
<b>Total Operating Expenses</b>	<b>1,781</b>	<b>2,928</b>	<b>2,579</b>	<b>(348)</b>	<b>-11.9%</b>	<b>2,679</b>	<b>100</b>	<b>3.9%</b>
Joint Studies / Sound Attenuation	-	100	100	-	0.0%	100	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>0.0%</b>	<b>100</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,781</b>	<b>3,028</b>	<b>2,679</b>	<b>(348)</b>	<b>-11.5%</b>	<b>2,779</b>	<b>100</b>	<b>3.7%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>1,781</b>	<b>3,028</b>	<b>2,679</b>	<b>(348)</b>	<b>-11.5%</b>	<b>2,779</b>	<b>100</b>	<b>3.7%</b>

## Development Division – Airport Design & Construction

### Major Drivers of FY 2023 Budget & FY 2024 Budget

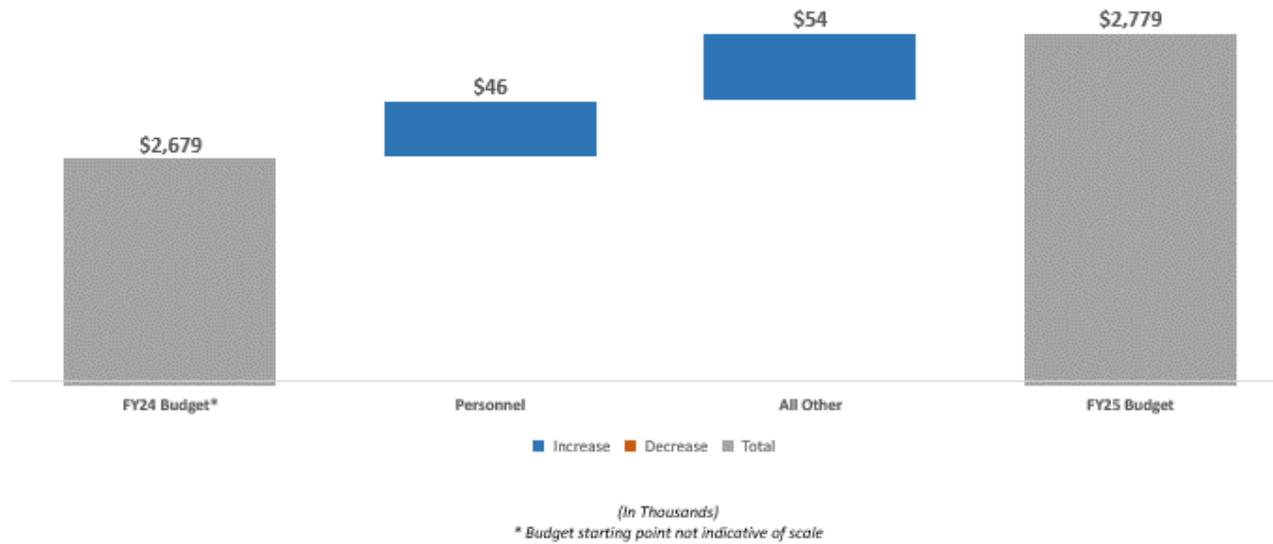


**Personnel:** Salary Adjustments, Pay for Performance, Capitalized labor, and Burden (Benefits & Employer Taxes) for Current Staff. Eliminated 7 positions

**Tenant Improvement:** Additional consultants performing tenant improvement inspections previously performed by Authority personnel

## Development Division – Airport Design & Construction

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



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

## Development Division – Airport Design & Construction

### FY 2023 Progress Report

1. Based on the Board Approval for the New Terminal 1 (NT1) Contract (September 2020) and the subsequent approval of the Maximum Contract Price (MCP) (October 2021), ADC will complete the design of the project and continue the negotiation of the Guaranteed Maximum Price (GMP) scheduled to conclude in late CY2023.

#### Measures of success:

- Over the course of the program validation for the NT1 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 correlating 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.
- Maintain an efficient, and cost-effective staff that will result in the appropriate level of performance and a staff cost within the program budget.

#### Progress:

100% design of the first phase of NT1 is complete. The construction schedule has been extended by approximately 3 months based on a change order that was issued for modifications associated with adjustments to the concessions program.

#### 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 end of Summer 2023.

#### Measures of success:

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

#### Progress:

100% design of the new Administration Building is complete. The construction schedule and budget are tracking on target.

## Development Division – Airport Design & Construction

### Strategic Plan Focus Area:

- Transform the Customer Experience

### Strategic Initiative:

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

3. ADC will progress the construction of the NT1 Airside Improvement project resulting in project execution that is on time and within the Board approved budget/schedule while achieving project milestones necessary to complete construction by end of 2027.

#### Measures of success:

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

### Progress:

Because of a variety of differing site conditions, the Airside Improvement project has experienced many delays and is currently behind schedule, which is going to require additional budget for acceleration cost to regain time and complete the project on schedule.

### Strategic Plan Focus Area:

- Advance the New T1

### Strategic Initiative:

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

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

#### Measures of success:

- Timely completion of quarterly ADC CIPOC reports and briefings to the Board and senior management
- Timely completion of monthly construction progress updates
- Timely completion of 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

## Development Division – Airport Design & Construction

- Provide communication of ADC workplace culture to potential employees (internal/external)
- Provide Hybrid office/telecommuting work culture that leverages experience from COVID-19

### **Progress:**

The ADC Team is performing well, and all updates and communications related to the CIP/NT1 are informative and timely.

### **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 2024 – FY 2025 Goals

1. Based on the Board Approval for the New Terminal 1 (NT1) Contract (September 2020) and the subsequent approval of the Maximum Contract Price (MCP) (October 2021), ADC will complete the design of the project and continue the negotiation of the Guaranteed Maximum Price (GMP) budget scheduled to conclude in late CY2023.

Measures of success:

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

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

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

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

Measures of success:

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

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

## Development Division – Airport Design & Construction

3. ADC will progress the construction and provide adequate change management and final cost negotiation necessary to complete the NT1 Airside Improvement project, resulting in project execution that is on time and within the final Board approved budget/schedule, while achieving project milestones necessary to complete construction by end of CY2027.

Measures of success:

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

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

- Advance the New T1

### **Strategic Initiative:**

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

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

Measures of success:

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

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

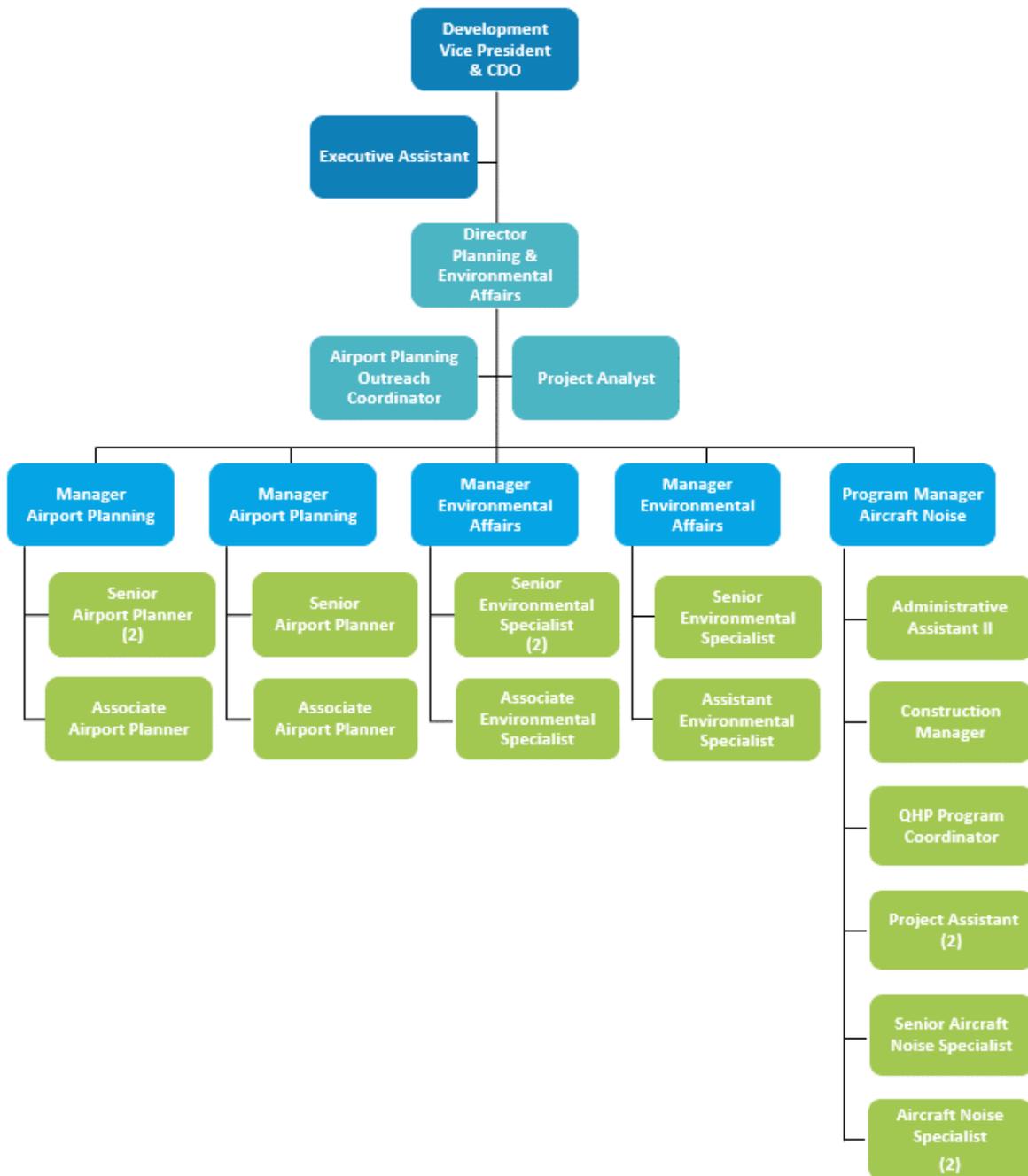
- Optimize Ongoing Business

### **Strategic Initiative:**

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

# Development Division – Planning & Environmental Affairs

## FY 2024 – FY 2025 Organizational Structure



*No personnel changes in FY 2025*

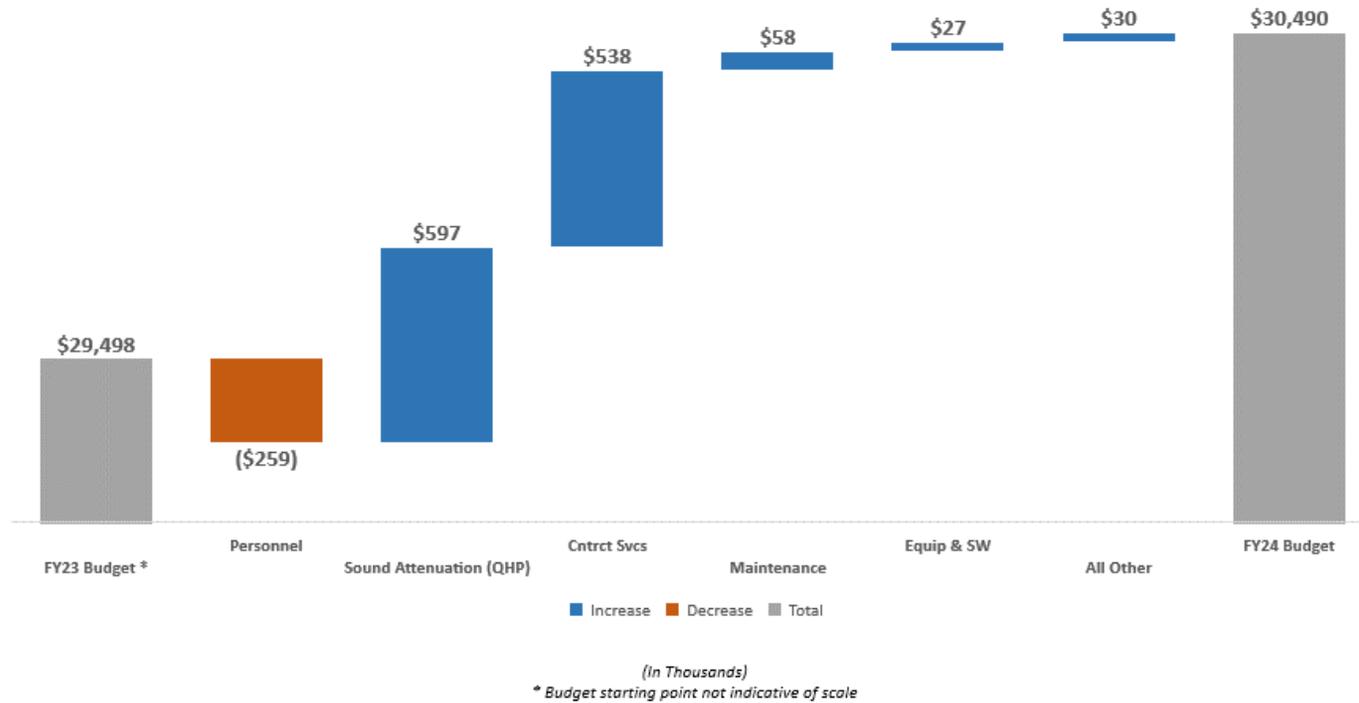
## Development Division – Planning & Environmental Affairs

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	2,828	3,074	2,933	(141)	-4.6%	3,045	112	3.8%
Benefits	1,359	1,425	1,277	(148)	-10.4%	1,366	89	7.0%
<b>Subtotal</b>	<b>4,187</b>	<b>4,499</b>	<b>4,210</b>	<b>(289)</b>	<b>-6.4%</b>	<b>4,411</b>	<b>201</b>	<b>4.8%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	(620)	(695)	(665)	30	-4.3%	(698)	(33)	5.0%
<b>Total Personnel Costs</b>	<b>3,567</b>	<b>3,804</b>	<b>3,546</b>	<b>(259)</b>	<b>-6.8%</b>	<b>3,713</b>	<b>168</b>	<b>4.7%</b>
Contractual Services	1,929	2,772	3,311	538	19.4%	2,664	(647)	-19.5%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	6	10	12	2	21.9%	12	0	2.6%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	1,210	1,450	1,508	58	4.0%	1,546	38	2.5%
Operating Equipment & Systems	4	2	2	-	0.0%	2	-	0.0%
Operating Supplies	23	30	30	0	0.0%	30	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	29	45	63	18	40.9%	65	2	3.2%
Business Development	151	162	171	9	5.7%	175	4	2.3%
Equipment Rentals and Repairs	160	158	185	27	17.1%	185	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>3,514</b>	<b>4,628</b>	<b>5,281</b>	<b>653</b>	<b>14.1%</b>	<b>4,678</b>	<b>(603)</b>	<b>-11.4%</b>
<b>Total Operating Expenses</b>	<b>7,081</b>	<b>8,433</b>	<b>8,827</b>	<b>394</b>	<b>4.7%</b>	<b>8,392</b>	<b>(435)</b>	<b>-4.9%</b>
Joint Studies / Sound Attenuation	16,934	21,066	21,663	597	2.8%	23,028	1,365	6.3%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	100	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>17,034</b>	<b>21,066</b>	<b>21,663</b>	<b>597</b>	<b>2.8%</b>	<b>23,028</b>	<b>1,365</b>	<b>6.3%</b>
<b>Total Expenses</b>	<b>24,115</b>	<b>29,498</b>	<b>30,490</b>	<b>992</b>	<b>3.4%</b>	<b>31,420</b>	<b>930</b>	<b>3.0%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>24,115</b>	<b>29,498</b>	<b>30,490</b>	<b>992</b>	<b>3.4%</b>	<b>31,420</b>	<b>930</b>	<b>3.0%</b>

## Development Division – Planning & Environmental Affairs

### Major Drivers of FY 2023 Budget & FY 2024 Budget



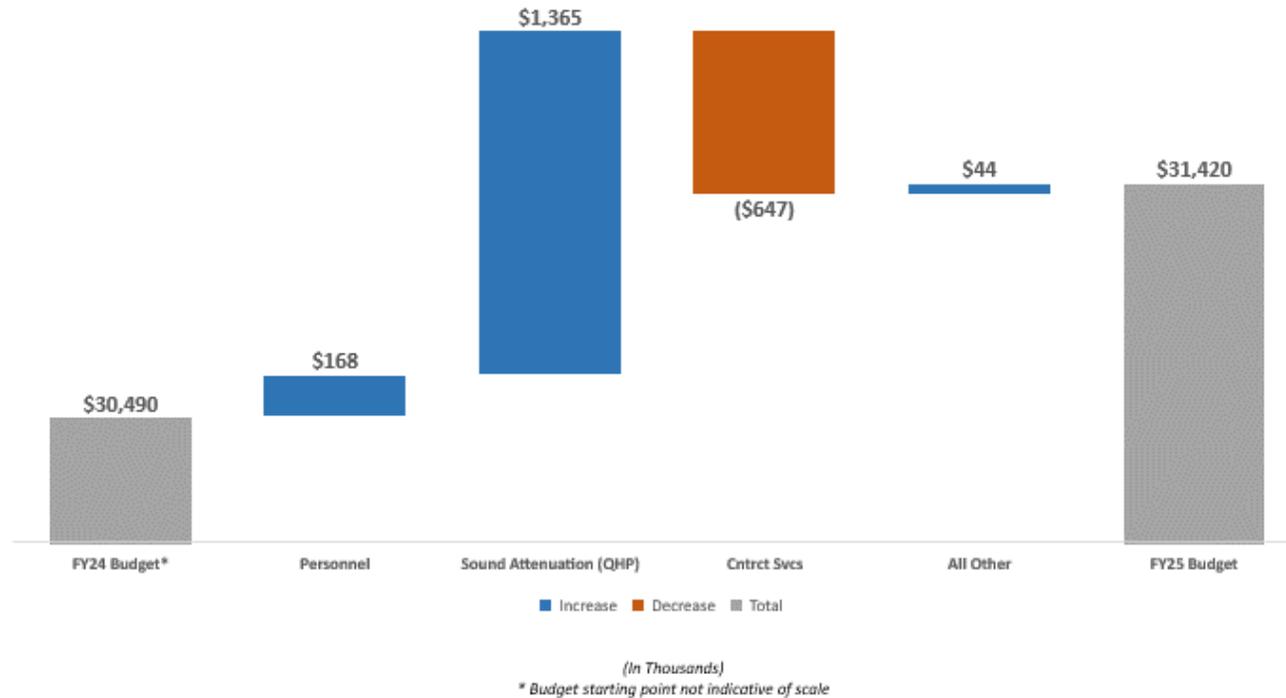
**Personnel:** Salary Adjustments, Pay for Performance, Capitalized labor, and Burden (Benefits & Employer Taxes) for Current Staff. 1 position transferred to Operational Readiness, Activation & Transition

**Sound Attenuation (QHP):** Departure curfew penalties collected by the Authority go towards funding of the sound insulation program. Assumed penalties in FY24 of \$536K

**Contractual Services:** Includes \$250K Displaced Threshold Study, \$100K Quiet Skies Analysis, \$100K increase in Stormwater Management Costs

## Development Division – Planning & Environmental Affairs

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



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

**Sound Attenuation (QHP):** Departure curfew penalties collected by the Authority go towards funding of the sound insulation program. Assumed penalties in FY25 of \$500K

**Contractual Services:** Reduction includes (\$332K) due to SDIA ALCUP expected completion in FY24, (\$200K) due to lower Airport Technical Planning costs, and (\$100K) due to Quiet Skies Analysis expected completion in FY24

## Development Division – Planning & Environmental Affairs

### FY 2023 Progress Report

1. Make substantial progress on required “Opening Day” CEQA mitigation measures and Coastal Development Permit special conditions for the New Terminal 1 project, including off-airport roadway improvements and the United Airlines Terminal Hangar reassembly, by the end of Fiscal Year 2024.

**Progress:** The Planning & Environmental Affairs Department continues to coordinate with the design and construction of the New Terminal 1 to ensure mitigation measures identified in the Environmental Impact Report and special conditions for the coastal development permits are implemented. Further, the Planning & Environmental Affairs Department is coordinating with the Port of San Diego and the City of San Diego to implement the land use approvals and joint agreements for the off-airport roadway improvements.

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

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

2. Complete administrative draft updates to the Airport Land Use Compatibility Plan for San Diego International Airport (SAN), based on external stakeholder feedback and the new Airport Layout Plan, by the end of Fiscal Year 2024.

**Progress:** In FY 2023, Planning & Environmental Affairs staff worked on the preparation of technical analyses and outreach to the City of San Diego.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

3. Ensure compliance with the National Pollution Discharge Elimination System (NPDES) permits for stormwater runoff associated with the New Terminal 1 development during FY 2023, as well as continue progress towards the Airport Authority’s Water Quality Improvement Plan FY 2026 goals for copper and zinc.

**Progress:** During Fiscal Year 2023, 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. The Authority increased the number of inspections of construction areas and airport tenants for stormwater pollution prevention. In addition, the Authority doubled its weekly sweeping efforts from the previous year of key airfield and parking lot “hot spots”. These efforts move the Airport Authority towards its Water Quality Improvement Plan final goals of reducing dissolved copper and zinc concentration exceedances in collected storm water samples from SAN.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

## Development Division – Planning & Environmental Affairs

- 2B. Complete and begin implementation of the Sustainability Management Plan
4. To inform a future update to the SAN Strategic Energy Plan, develop potential net zero emission pathways for onsite stationary sources, such as the Airport’s Central Utility Plant, by the end of Fiscal Year 2023.

**Progress:** During FY 2023, Planning & Environmental Affairs staff worked with environmental consultants to collect relevant data to help inform the SAN Strategic Energy Plan.

**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 (400 dwelling units) and non-residential (complete construction on one property and design on a second property) sound insulation, as well as launch a portable noise monitoring pilot program in the community in Fiscal Year 2023.

**Progress:** During Fiscal Year 2023, the Planning & Environmental Affairs Department is expected to complete improvements in approximately 450 dwelling units through the Quieter Home Program. In addition, the new Quieter Non-Residential Program completed construction on its first project - a Point Loma church with an attached school and has nearly completed design on a second church/school facility. Finally, the Airport Authority received a Record of Approval on the Part 150 Noise Compatibility program recommendations, which will help ensure continued federal funding eligibility for SAN’s sound insulation programs.

**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 2024 – FY 2025 Goals

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

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

## Development Division – Planning & Environmental Affairs

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

# Finance Division



## Finance Division

### Overview

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

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

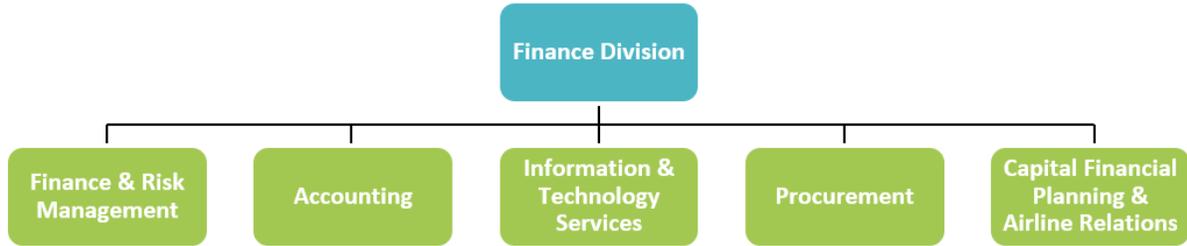
The **Finance & Risk Management** department develops and administers the Operating Budget and strives to maintain a fiscally sound and sustainable organization that conforms to financial management best practices. It provides for beneficial treasury management; forecasts revenue and expenditures; maintains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

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

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

## Finance Division

### FY 2024 – FY 2025 Organizational Structure



### Division Personnel Summary

	FY 2022 Budget	FY 2023 Budget	FY 2024 Budget Transfers	FY 2024 Budget New/ (Eliminated)	FY 2024 Budget	FY 2025 Budget New/ (Eliminated)	FY 2025 Conceptual Budget
<b>Finance Division</b>							
Capital Financial Planning & Airline Relations	4	7	-	-	7	-	7
Accounting	12	12	-	-	12	-	12
Information & Technology Services	29	29	-	-	29	-	29
Procurement	12	12	-	-	12	-	12
Finance & Risk Management	19	16	-	(1)	15	-	15
<b>Total</b>	<b>76</b>	<b>76</b>	<b>-</b>	<b>(1)</b>	<b>75</b>	<b>-</b>	<b>75</b>

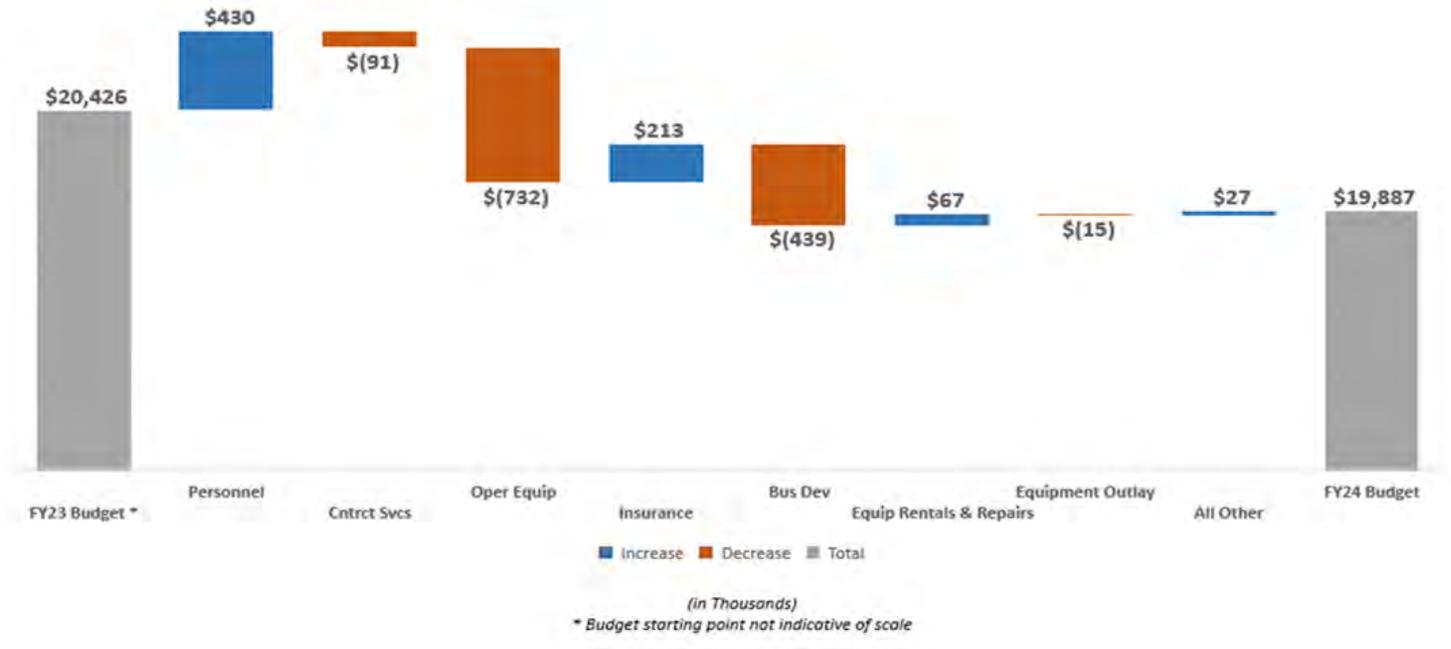
## Finance Division

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	6,554	5,595	6,179	584	10.4%	7,320	1,141	18.5%
Benefits	(1,768)	4,005	3,871	(134)	-3.4%	4,327	456	11.8%
<b>Subtotal</b>	<b>4,786</b>	<b>9,600</b>	<b>10,050</b>	<b>450</b>	<b>4.7%</b>	<b>11,647</b>	<b>1,597</b>	<b>15.9%</b>
Less: Capitalized Labor Recharge	-	(253)	(273)	(20)	7.9%	(287)	(14)	5.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>4,786</b>	<b>9,347</b>	<b>9,777</b>	<b>430</b>	<b>4.6%</b>	<b>11,360</b>	<b>1,584</b>	<b>16.2%</b>
Contractual Services	3,225	4,267	4,176	(91)	-2.1%	4,776	600	14.4%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	(10,491)	-	-	-	0.0%	-	-	0.0%
Utilities	516	653	643	(10)	-1.5%	653	10	1.6%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	231	833	101	(732)	-87.9%	103	2	2.0%
Operating Supplies	163	176	201	24	13.9%	207	6	3.0%
Insurance	1,739	2,004	2,217	213	10.7%	2,433	216	9.7%
Employee Development	66	109	121	12	11.3%	129	7	6.1%
Business Development	211	577	138	(439)	-76.1%	77	(61)	-44.0%
Equipment Rentals and Repairs	2,058	2,361	2,428	67	2.9%	2,432	3	0.1%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>(2,280)</b>	<b>10,979</b>	<b>10,025</b>	<b>(954)</b>	<b>-8.7%</b>	<b>10,809</b>	<b>784</b>	<b>7.8%</b>
<b>Total Operating Expenses</b>	<b>2,505</b>	<b>20,326</b>	<b>19,802</b>	<b>(524)</b>	<b>-2.6%</b>	<b>22,169</b>	<b>2,367</b>	<b>12.0%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	0	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>2,505</b>	<b>20,326</b>	<b>19,802</b>	<b>(524)</b>	<b>-2.6%</b>	<b>22,169</b>	<b>2,367</b>	<b>12.0%</b>
Equipment Outlay Expenditures	81	100	85	(15)	-15.0%	375	290	341.2%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>2,587</b>	<b>20,426</b>	<b>19,887</b>	<b>(539)</b>	<b>-2.6%</b>	<b>22,544</b>	<b>2,657</b>	<b>13.4%</b>

## Finance Division

### Major Drivers of FY 2023 Budget & FY 2024 Budget



**Personnel:** Salary Adjustments, Pay for Performance, Vacancy Recruitment, and Burden (Benefits & Employer Taxes) for Current Staff. Eliminated 1 position.

**Contractual Services:** New T1 budget transferred from Finance division to corresponding departments in FY24

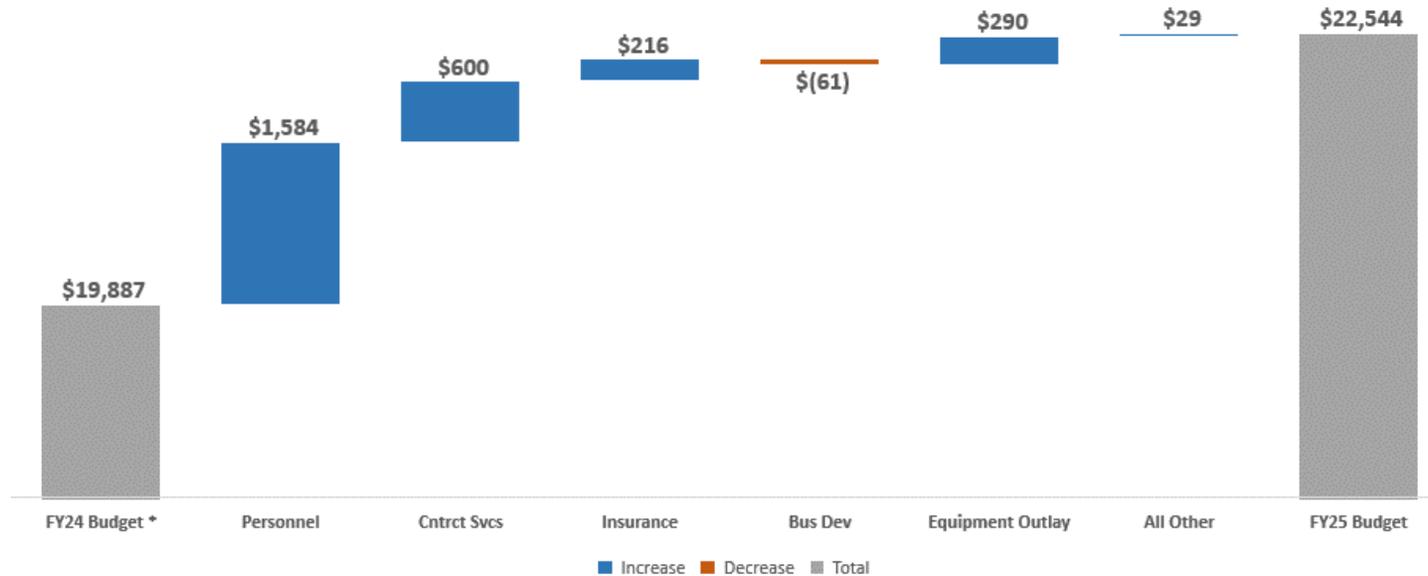
**Operating Equipment & Systems:** (\$650K) I&TS New T1 laptop refresh project complete in FY23

**Insurance:** Insurance premium increases; high increases in Cyber security insurance premiums

**Business Development:** \$500K New T1 budget transferred from Finance Division to corresponding departments in FY24

## Finance Division

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



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

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

**Contractual Services:** \$625K increase in credit card fees due to higher parking revenue

**Insurance:** Increase in premiums

**Equipment Outlay:** \$375K I&TS increase due to laptop refresh

## Finance Division

### FY 2024 Expense Budget by Department

(in thousands)

Departments	FY 2024 Budget
Information & Technology Services	\$9,507
Finance & Risk Management	7,305
Accounting	1,903
Procurement	1,724
Capital Financial Planning and Airline Relations	1,266
Other *	(1,819)
<b>Total <sup>1</sup></b>	<b>\$19,887</b>

\* Includes Vacancy Savings

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

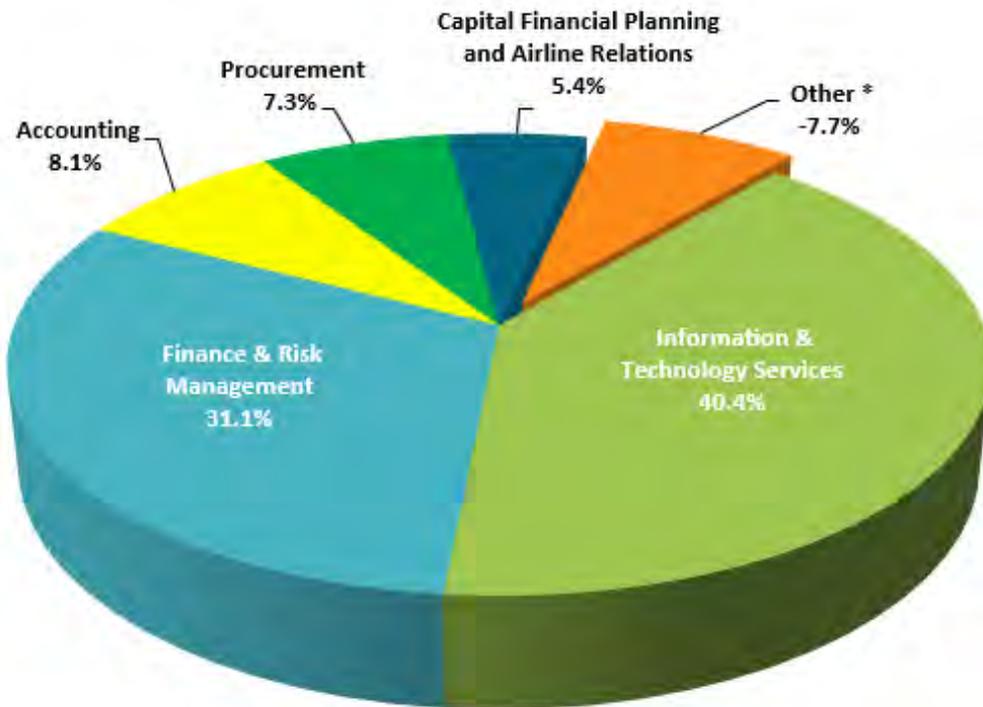


Figure 30 – FY 2024 Expense Budget by Department

## Finance Division

### FY 2025 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2025 Conceptual Budget
Information & Technology Services	\$10,088
Finance & Risk Management	8,251
Accounting	1,879
Procurement	1,822
Capital Financial Planning and Airline Relations	1,325
Other *	(822)
<b>Total <sup>1</sup></b>	<b>\$22,544</b>

\* Includes Vacancy Savings

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

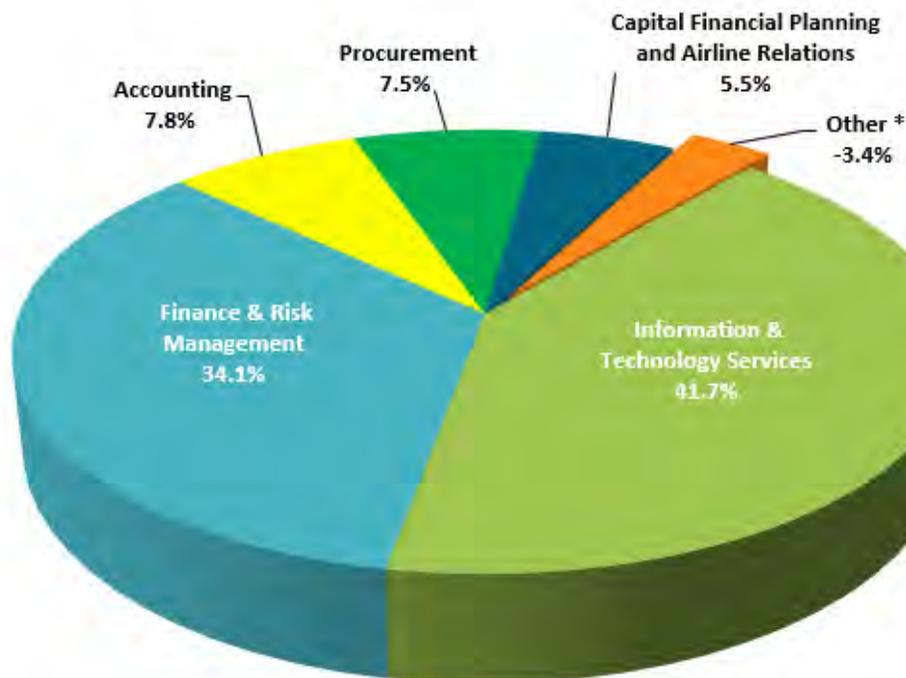


Figure 31 – FY 2025 Expense Conceptual Budget by Department

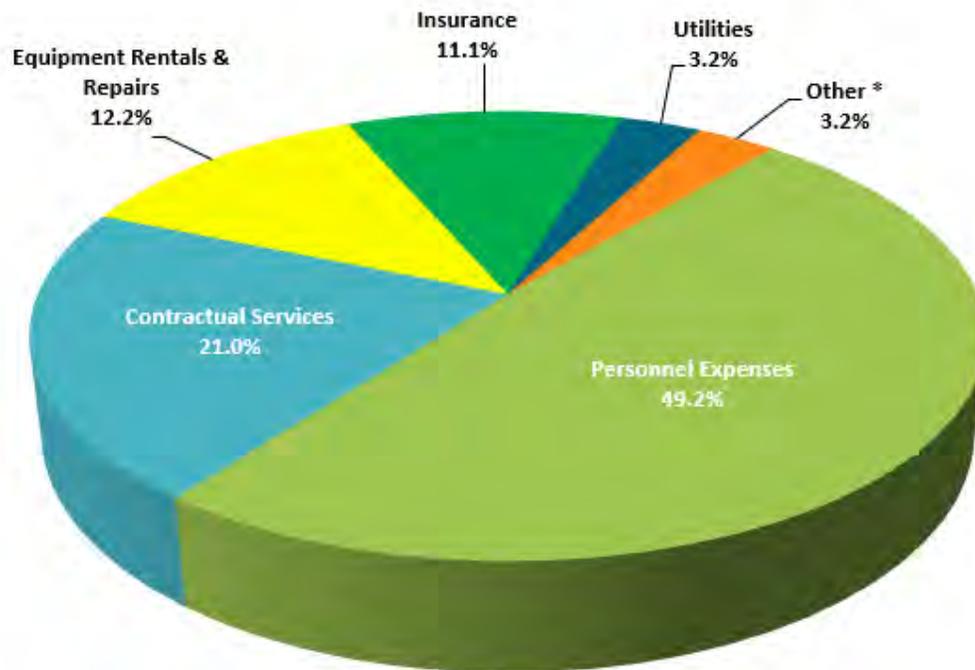
## Finance Division

### FY 2024 Expense Budget by Category

(in thousands)

Category	FY 2024 Budget
Personnel Expenses	\$9,777
Contractual Services	4,176
Equipment Rentals & Repairs	2,428
Insurance	2,217
Utilities	643
Other *	646
<b>Total <sup>1</sup></b>	<b>\$19,887</b>

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



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

**Figure 32 – FY 2024 Expense Budget by Category**

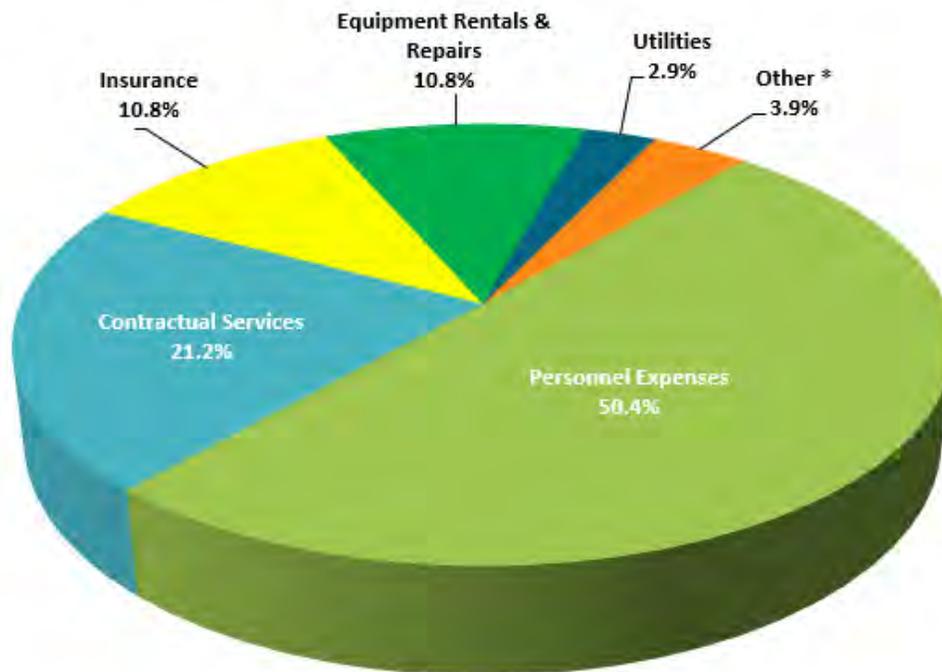
## Finance Division

### FY 2025 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2025 Conceptual Budget
Personnel Expenses	\$11,360
Contractual Services	4,776
Insurance	2,433
Equipment Rentals & Repairs	2,432
Utilities	653
Other *	890
<b>Total <sup>1</sup></b>	<b>\$22,544</b>

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

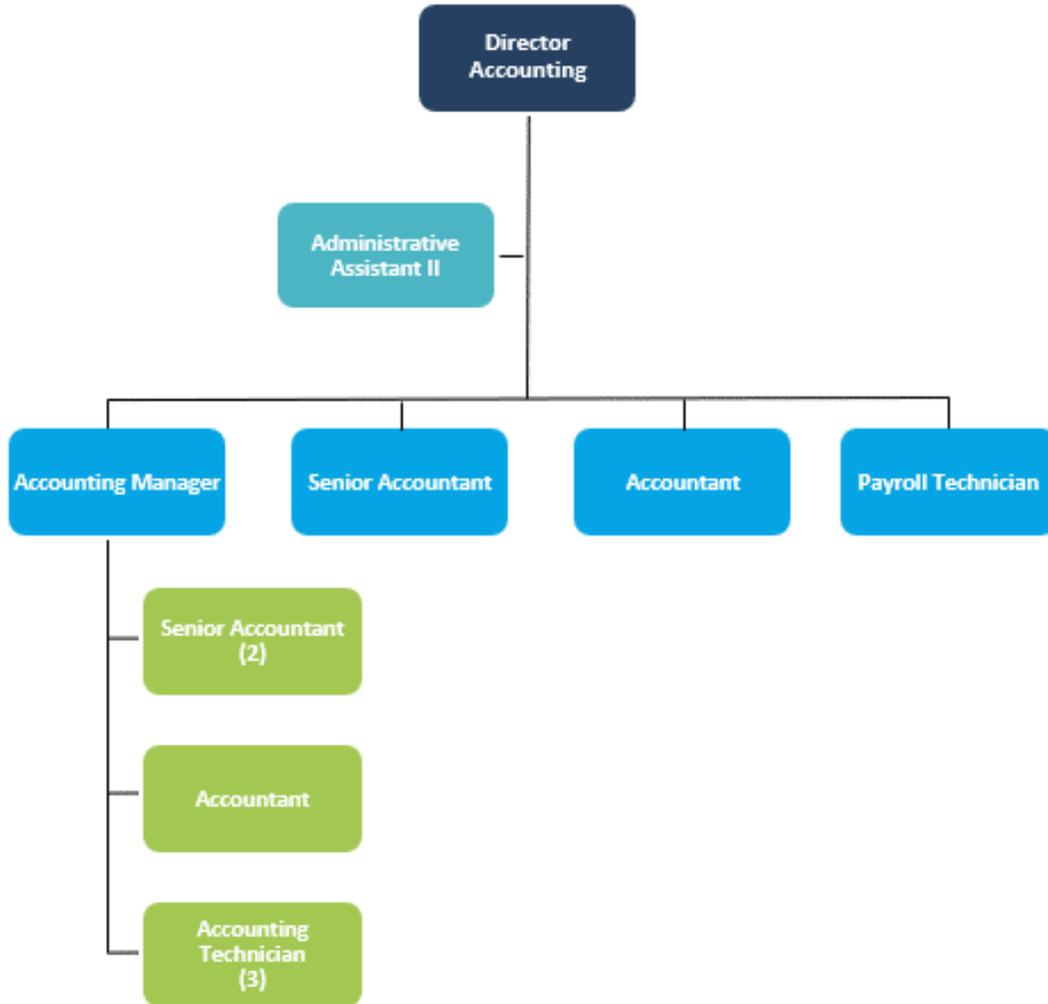


\*Other includes operating equipment & systems, utilities, operating supplies, equipment outlay, etc.

**Figure 33 – FY 2025 Expense Conceptual Budget by Category**

## Finance Division – Accounting

### FY 2024 – FY 2025 Organizational Structure



*No personnel changes in FY 2025*

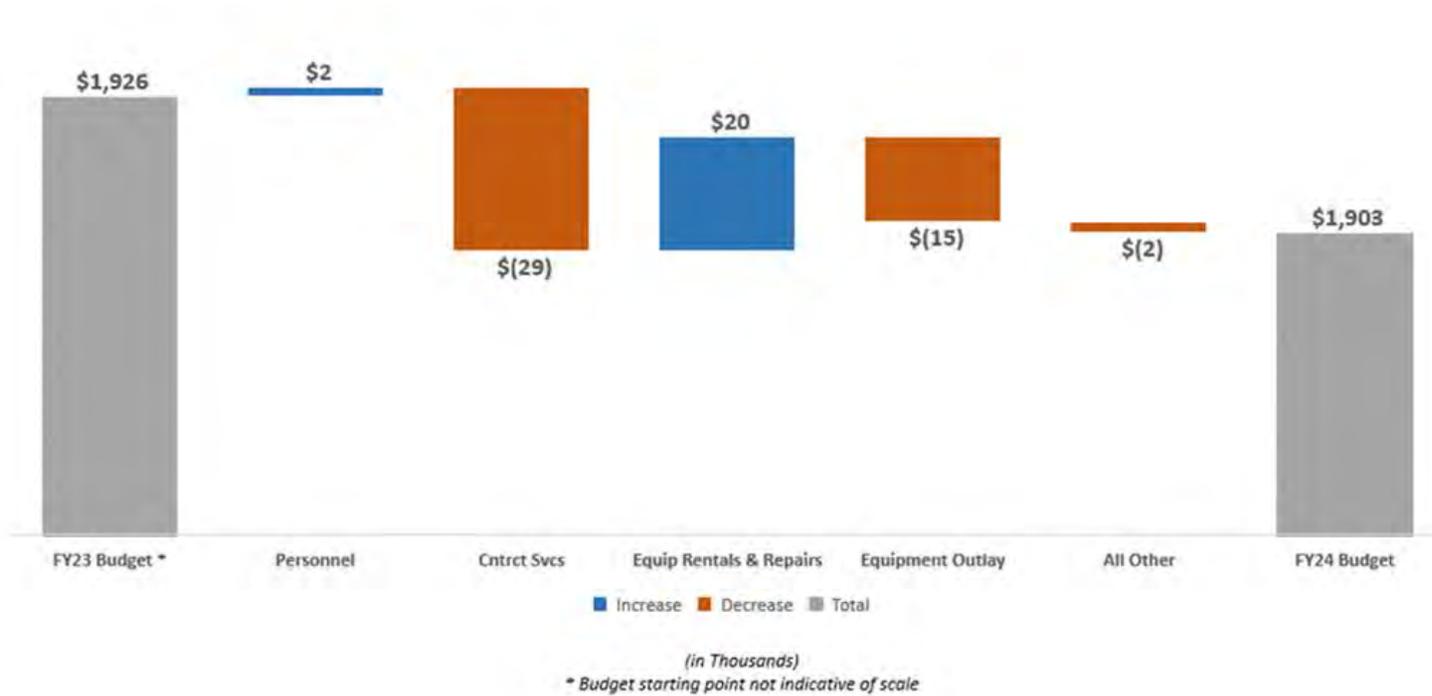
## Finance Division – Accounting

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	917	1,019	1,041	22	2.2%	1,078	37	3.6%
Benefits	486	532	512	(21)	-3.9%	555	43	8.5%
<b>Subtotal</b>	<b>1,403</b>	<b>1,551</b>	<b>1,553</b>	<b>2</b>	<b>0.1%</b>	<b>1,634</b>	<b>81</b>	<b>5.2%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,403</b>	<b>1,551</b>	<b>1,553</b>	<b>2</b>	<b>0.1%</b>	<b>1,634</b>	<b>81</b>	<b>5.2%</b>
Contractual Services	193	206	178	(29)	-13.8%	168	(10)	-5.7%
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	-	2	-	(2)	-100.0%	2	2	0.0%
Operating Supplies	1	2	2	-	0.0%	2	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	4	12	14	2	17.1%	16	2	14.6%
Business Development	178	36	34	(2)	-4.9%	34	(0)	-0.7%
Equipment Rentals and Repairs	-	18	38	20	111.1%	25	(13)	-34.2%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>375</b>	<b>275</b>	<b>265</b>	<b>(10)</b>	<b>-3.7%</b>	<b>246</b>	<b>(19)</b>	<b>-7.3%</b>
<b>Total Operating Expenses</b>	<b>1,778</b>	<b>1,826</b>	<b>1,818</b>	<b>(9)</b>	<b>-0.5%</b>	<b>1,879</b>	<b>62</b>	<b>3.4%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	0	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,778</b>	<b>1,826</b>	<b>1,818</b>	<b>(9)</b>	<b>-0.5%</b>	<b>1,879</b>	<b>62</b>	<b>3.4%</b>
Equipment Outlay Expenditures	-	100	85	(15)	-15.0%	-	(85)	-100.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>1,778</b>	<b>1,926</b>	<b>1,903</b>	<b>(24)</b>	<b>-1.2%</b>	<b>1,879</b>	<b>(23)</b>	<b>-1.2%</b>

## Finance Division – Accounting

### Major Drivers of FY 2023 Budget & FY 2024 Budget



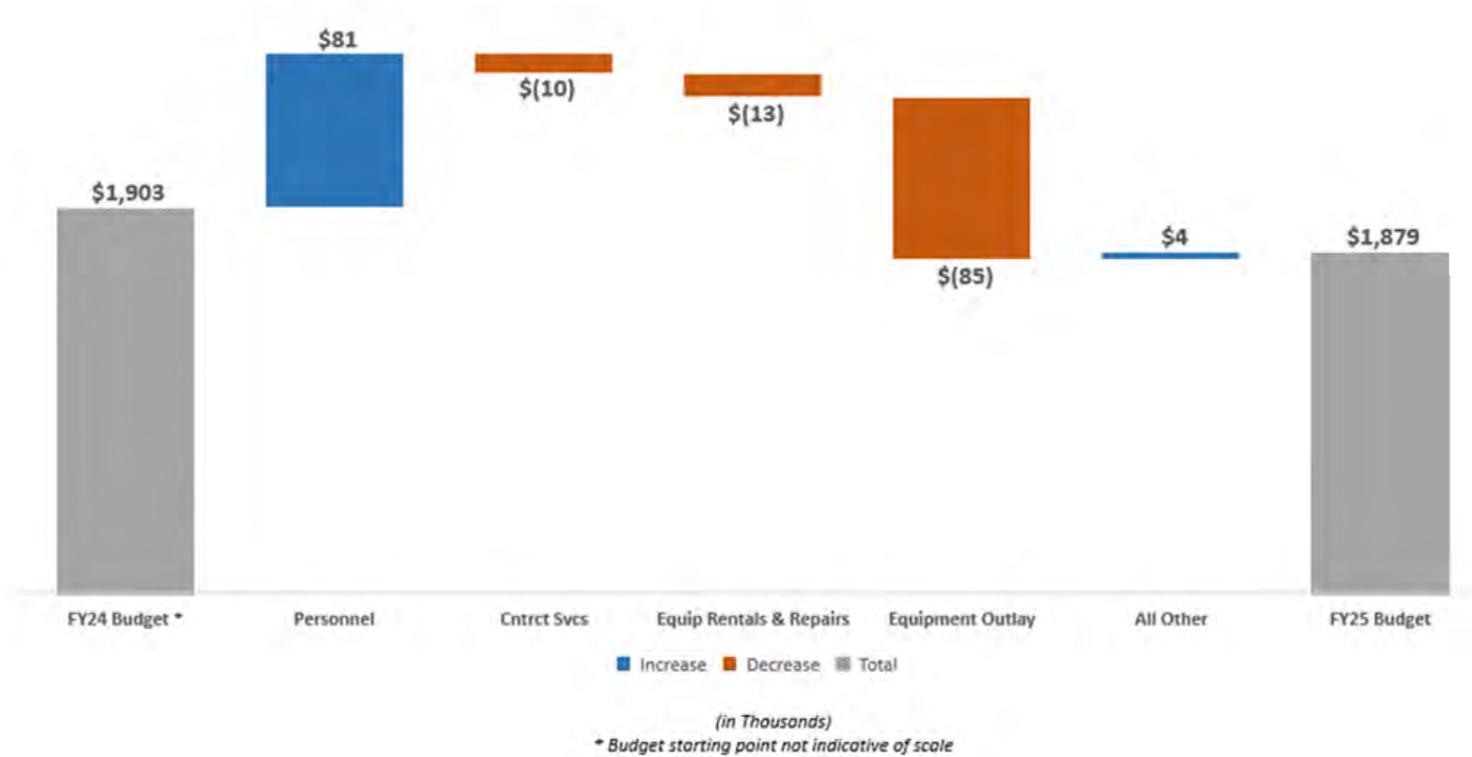
**Personnel:** Salary Adjustments, Pay for Performance, Vacancy Recruitment, and Burden (Benefits & Employer Taxes) for Current Staff

**Contractual Services:** Customer Facility Charge Forecast not budgeted in FY24

**Equipment Rentals & Repairs:** Accounts Payable Automation software training

## Finance Division – Accounting

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



**Personnel:** Salary Adjustments, Pay for Performance, Vacancy Recruitment, and Burden (Benefits & Employer Taxes) for Current Staff  
**Equipment Outlay:** Accounts Payable Automation implementation to complete in FY24

## Finance Division – Accounting

### FY 2023 Progress Report

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

**Progress:** The audit of the financial statements for the fiscal year ended June 30, 2022 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

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.

**Progress:** In collaboration with the Treasury team the implementation of an accounts payable payment automation system was successfully completed. Selection of an accounts payable invoice automation system is in progress and will be implemented in fiscal year 2024.

In addition, the production of the annual and monthly financial statements was streamlined using available technology.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

3. Implementation of Governmental Accounting Standards Board (GASB) Statement No. 87, Leases for the fiscal year ending June 30, 2022.

**Progress:** The implementation of GASB 87, Leases was successfully completed and reported in the audited financial statements for the fiscal year ended June 30, 2022. In addition, the June 30, 2021 financial statements were restated as required for the presentation of comparative financial statements.

**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 – Accounting

### FY 2024 – FY 2025 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. This will include the implementation of GASB 96, Subscription-Based Information Technology Arrangements, for June 30, 2023, and the corresponding restatement of the June 30, 2022 financial statements.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2D. Implement a sustainable 20 year capital plan

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

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

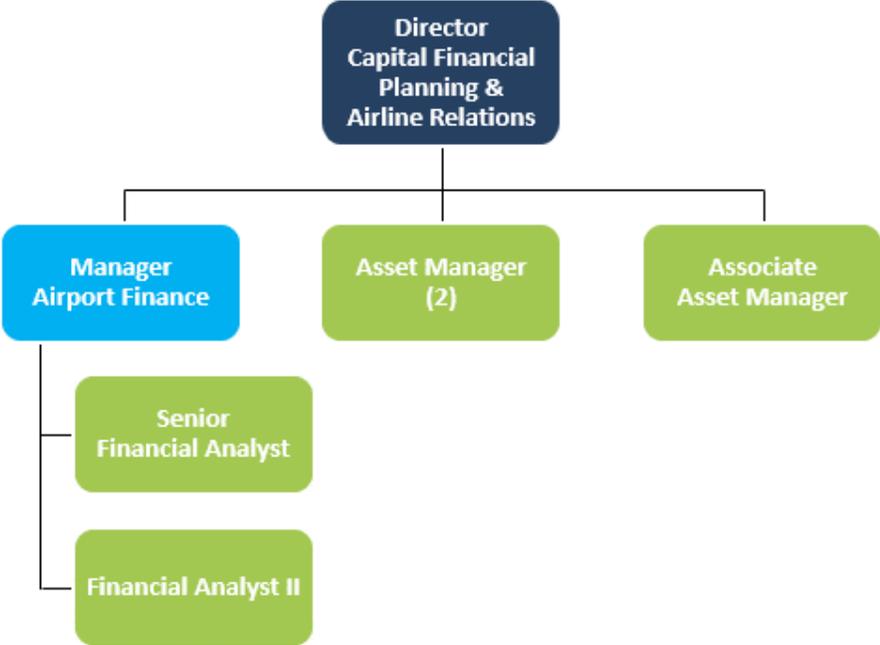
- Optimize Ongoing Business

**Strategic Initiative:**

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

**Finance Division – Capital Financial Planning & Airline Relations**

**FY 2024 – FY 2025 Organizational Structure**



*No personnel changes in FY 2025*

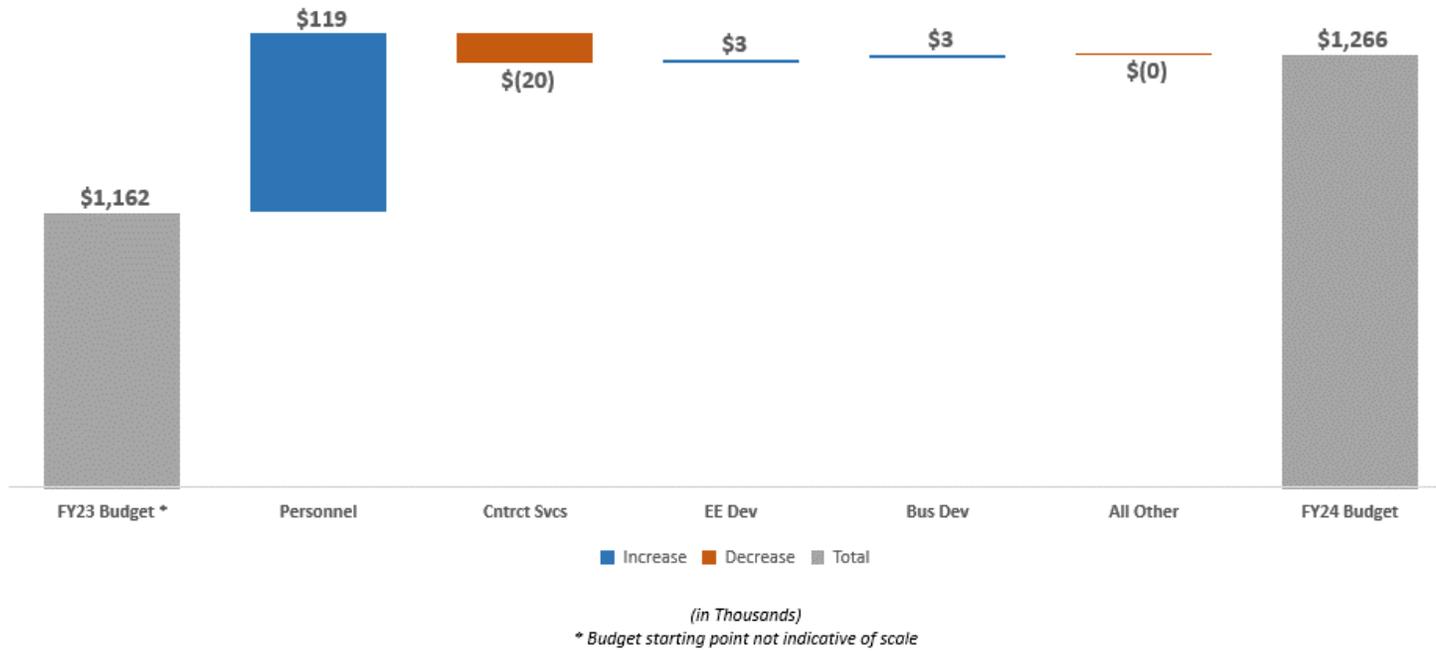
## Finance Division – Capital Financial Planning & Airline Relations

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	445	757	853	96	12.7%	887	34	4.0%
Benefits	271	335	358	23	6.9%	381	23	6.4%
<b>Subtotal</b>	<b>716</b>	<b>1,092</b>	<b>1,211</b>	<b>119</b>	<b>10.9%</b>	<b>1,268</b>	<b>57</b>	<b>4.7%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>716</b>	<b>1,092</b>	<b>1,211</b>	<b>119</b>	<b>10.9%</b>	<b>1,268</b>	<b>57</b>	<b>4.7%</b>
Contractual Services	0	50	30	(20)	-40.0%	30	-	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	10.0%	1	0	9.1%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	1	10	13	3	29.4%	14	1	7.6%
Business Development	8	8	11	3	38.3%	11	0	2.5%
Equipment Rentals and Repairs	-	0	-	(0)	-100.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>10</b>	<b>69</b>	<b>55</b>	<b>(14)</b>	<b>-20.2%</b>	<b>57</b>	<b>1</b>	<b>2.5%</b>
<b>Total Operating Expenses</b>	<b>726</b>	<b>1,162</b>	<b>1,266</b>	<b>105</b>	<b>9.0%</b>	<b>1,325</b>	<b>58</b>	<b>4.6%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>726</b>	<b>1,162</b>	<b>1,266</b>	<b>105</b>	<b>9.0%</b>	<b>1,325</b>	<b>58</b>	<b>4.6%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>726</b>	<b>1,162</b>	<b>1,266</b>	<b>105</b>	<b>9.0%</b>	<b>1,325</b>	<b>58</b>	<b>4.6%</b>

## Finance Division – Capital Financial Planning & Airline Relations

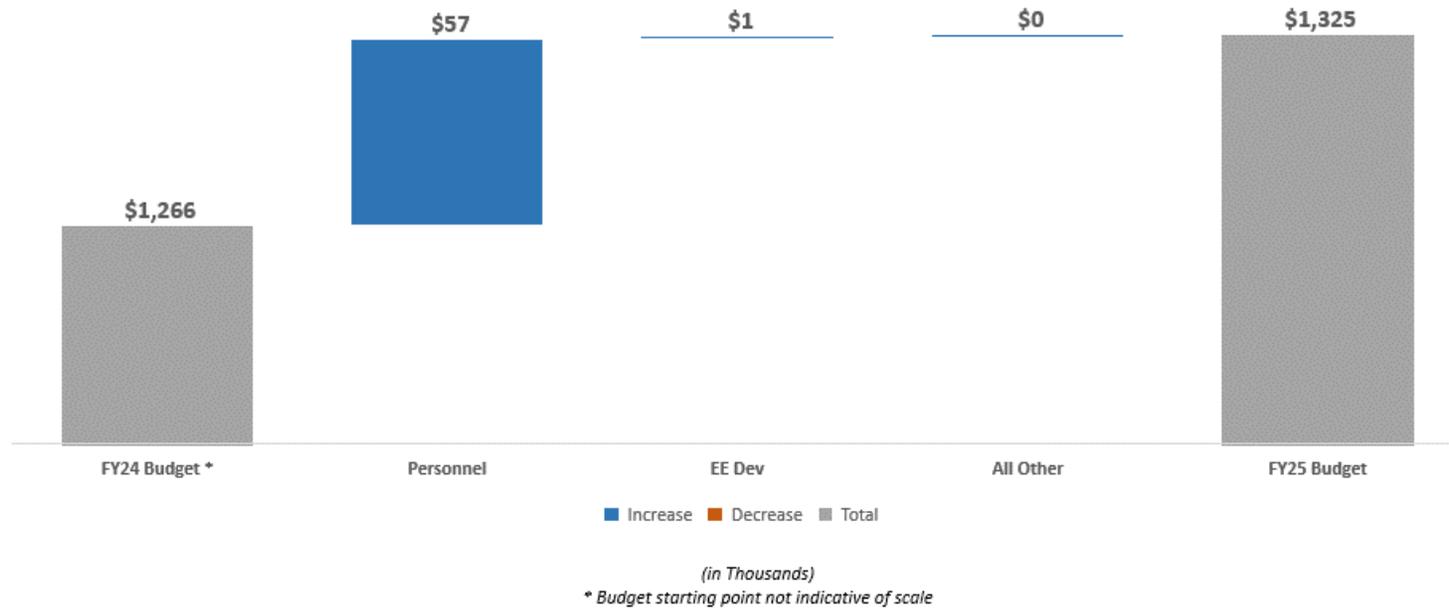
### Major Drivers of FY 2023 Budget & FY 2024 Budget



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

## Finance Division – Capital Financial Planning & Airline Relations

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



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

## Finance Division – Capital Financial Planning & Airline Relations

### FY 2023 Progress Report

1. Collaborate with Airport Design and Construction (ADC) and Terminal Operations departments in development of space requirements and gate allocations for New Terminal 1 (NT1), while ensuring compliance with the Airline Lease Operating Agreement (AOLA).

**Progress:** We continue to collaborate with ADC, Operations and Airlines partners on space requirements and gate allocations. NT1 Phase 1 draft gates allocation plan was presented to the airlines in January, 2023.

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

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

2. Partner with Revenue Generation and Partnership Development (RGPD) department on the selection and implementation of a property management software solution.

**Progress:** Airline Relations participated in Request for Proposal (RFP) to select a software solution and now is working on the implementation of the Airport Business & Revenue Management (ABRM) property management system. To date, our teams have had initial overall training in order to start to develop familiarity with the system for better utilization and ability to navigate it in the future.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

3. Develop strategies to maximize potential grant funding under the Bipartisan Infrastructure Law (BIL). Partner with ADC department to align selected components of the New Terminal 1 project with grant procurement and eligibility regulations, including developing and implementing robust internal procedures in response to federal program compliance requirements.

**Progress:** Capital Financial Planning in collaboration with ADC and P&EA have advanced several grant applications pursuant to the Bipartisan Infrastructure Law in support of NT1 and the Capital Improvements Program (CIP). An application for a Congressionally Directed Spending grant was successful and has resulted in obtaining \$3.3m for electric vehicle charging infrastructure on the airside. Additionally, a comprehensive tracking system has been developed to monitor compliance with numerous reporting requirements associated with grant agreements.

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

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

## Finance Division – Capital Financial Planning & Airline Relations

### FY 2024 – FY 2025 Goals

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

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

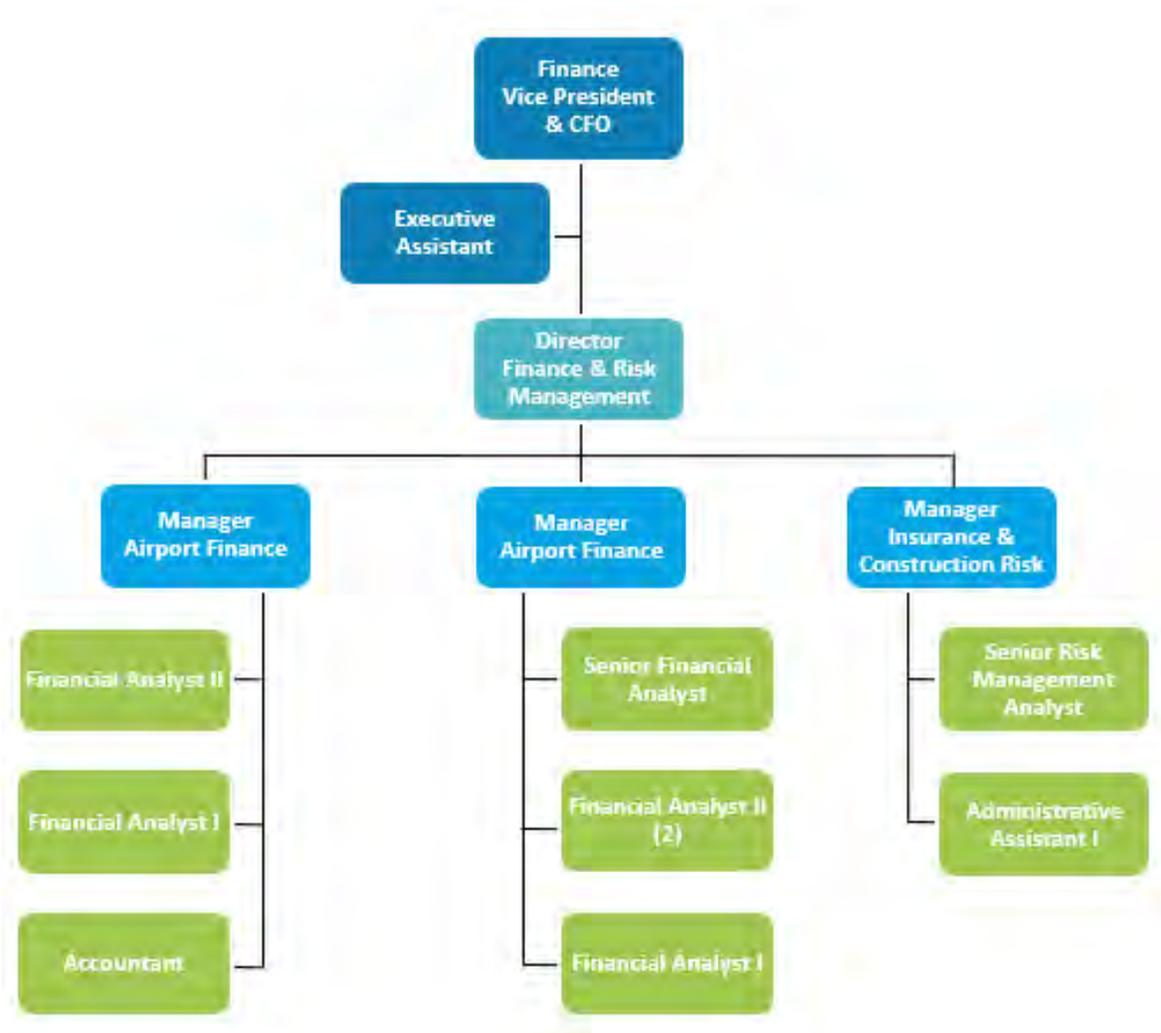
- Advance the New T1

**Strategic Initiative:**

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

# Finance Division – Finance & Risk Management

## FY 2024 – FY 2025 Organizational Structure



*No personnel changes in FY 2025*

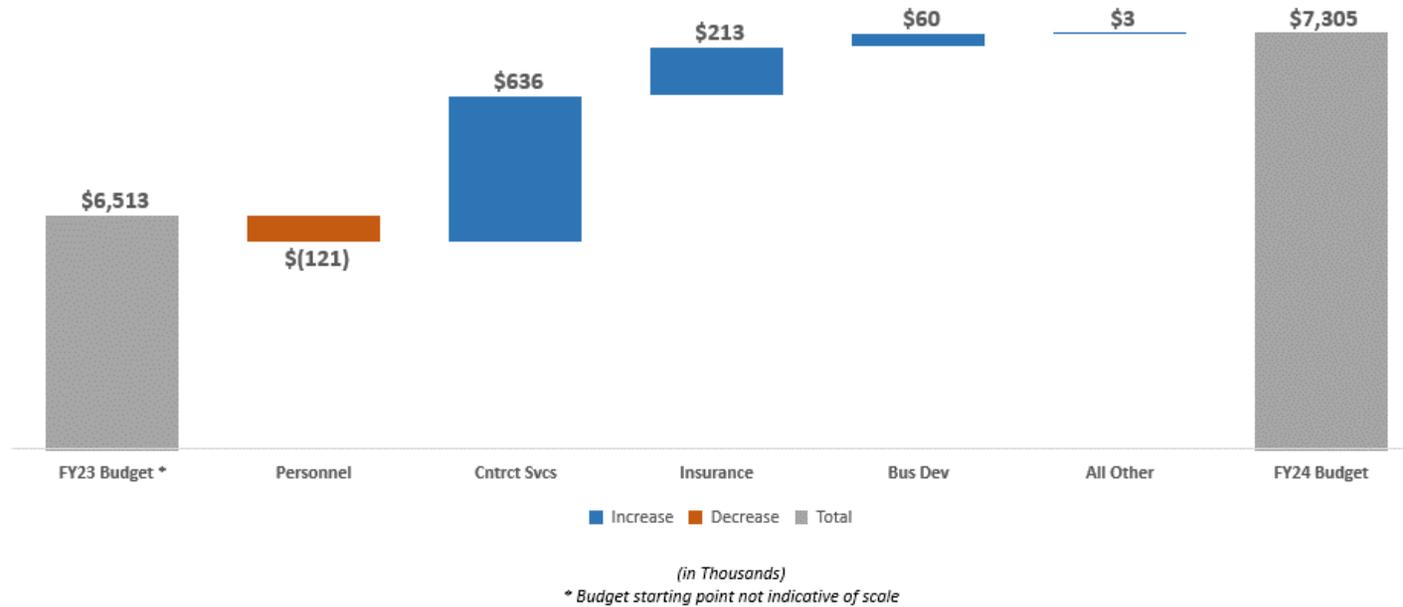
## Finance Division – Finance & Risk Management

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	1,656	1,784	1,757	(27)	-1.5%	1,827	70	4.0%
Benefits	782	875	781	(94)	-10.7%	834	52	6.7%
<b>Subtotal</b>	<b>2,438</b>	<b>2,659</b>	<b>2,538</b>	<b>(121)</b>	<b>-4.6%</b>	<b>2,661</b>	<b>123</b>	<b>4.8%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>2,438</b>	<b>2,659</b>	<b>2,538</b>	<b>(121)</b>	<b>-4.6%</b>	<b>2,661</b>	<b>123</b>	<b>4.8%</b>
Contractual Services	1,773	1,672	2,308	636	38.0%	2,973	665	28.8%
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	4	8	8	-	0.0%	8	-	0.0%
Insurance	1,739	2,004	2,217	213	10.7%	2,433	216	9.7%
Employee Development	22	34	38	4	10.3%	41	3	8.9%
Business Development	18	18	78	60	327.5%	17	(61)	-77.8%
Equipment Rentals and Repairs	118	119	119	-	0.0%	119	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>3,675</b>	<b>3,854</b>	<b>4,767</b>	<b>913</b>	<b>23.7%</b>	<b>5,591</b>	<b>823</b>	<b>17.3%</b>
<b>Total Operating Expenses</b>	<b>6,113</b>	<b>6,513</b>	<b>7,305</b>	<b>792</b>	<b>12.2%</b>	<b>8,251</b>	<b>946</b>	<b>13.0%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>6,113</b>	<b>6,513</b>	<b>7,305</b>	<b>792</b>	<b>12.2%</b>	<b>8,251</b>	<b>946</b>	<b>13.0%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>6,113</b>	<b>6,513</b>	<b>7,305</b>	<b>792</b>	<b>12.2%</b>	<b>8,251</b>	<b>946</b>	<b>13.0%</b>

## Finance Division – Finance & Risk Management

### Major Drivers of FY 2023 Budget & FY 2024 Budget



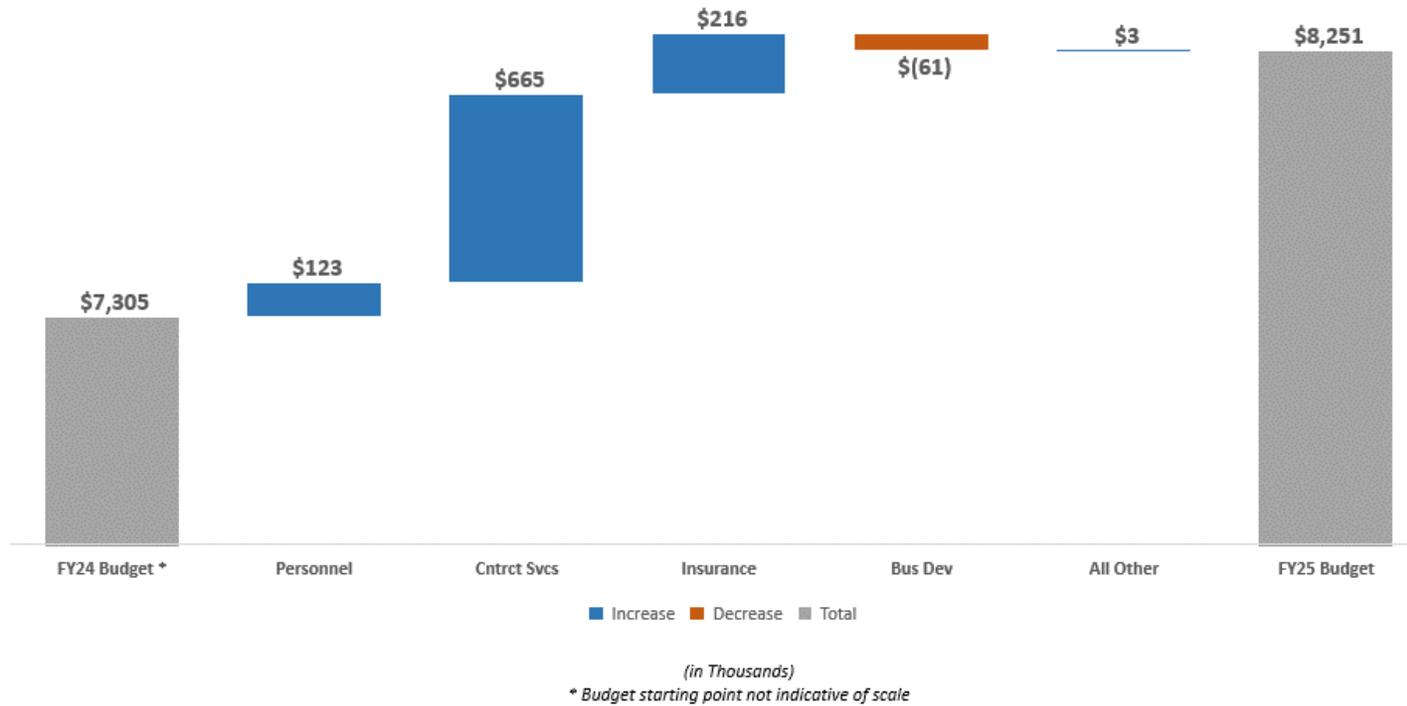
**Personnel:** Salary Adjustments, Pay for Performance, Vacancy Recruitment, and Burden (Benefits & Employer Taxes) for Current Staff. Eliminated 1 position

**Contractual Services:** \$577K increase in credit card, \$72K increase in investment & financial advisor fees

**Insurance:** Increase in insurance premiums

## Finance Division – Finance & Risk Management

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



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

**Contractual Services:** \$625K increase in credit card fees

**Insurance:** Increase in insurance premiums

## Finance Division – Finance & Risk Management

### FY 2023 Progress Report

4. 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.

**Progress:** The RFP for the Food & Beverage and Retail concessions was released in January with responses due in April. Finance assisted in the review of the proforma templates and terms of the new lease document. The parking strategy was approved by the Board in February, with implementation beginning March 1, 2023.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

5. Maximize the use of grant and bond funds to improve the Authority's plan of finance.

**Progress:** In addition to the BIL grants the grant team is always looking for new grant opportunities.

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

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

6. Create a strategic workforce plan for the Finance & Risk Management Department.

**Progress:** A workforce plan was created for the treasury & debt team. It was presented to the CFO and was accepted.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

## Finance Division – Finance & Risk Management

### FY 2024 – FY 2025 Goals

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

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

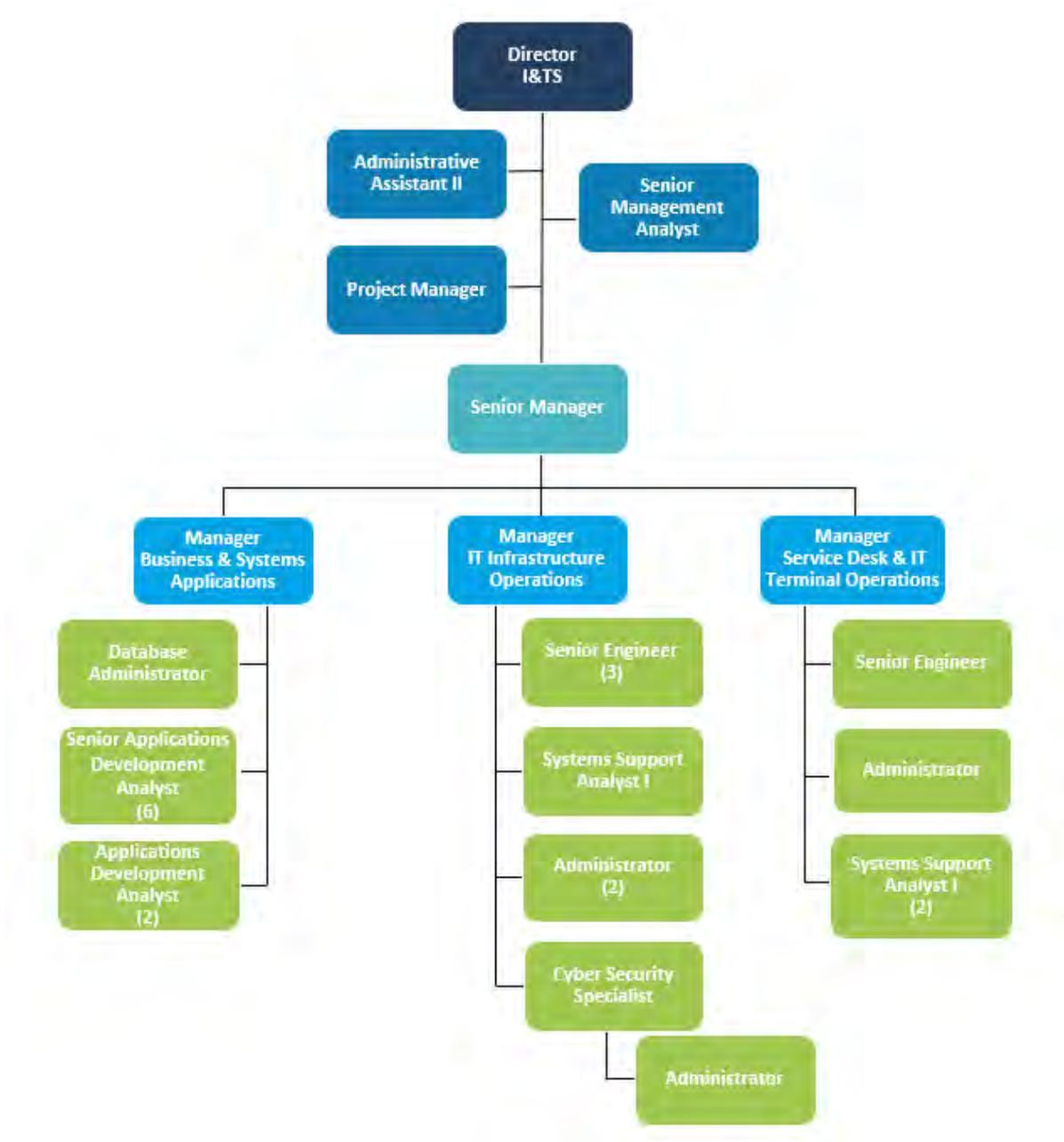
- Optimize Ongoing Business

**Strategic Initiative:**

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

# Finance Division – Information & Technology Services

## FY 2024 – FY 2025 Organizational Structure



*No personnel changes in FY 2025*

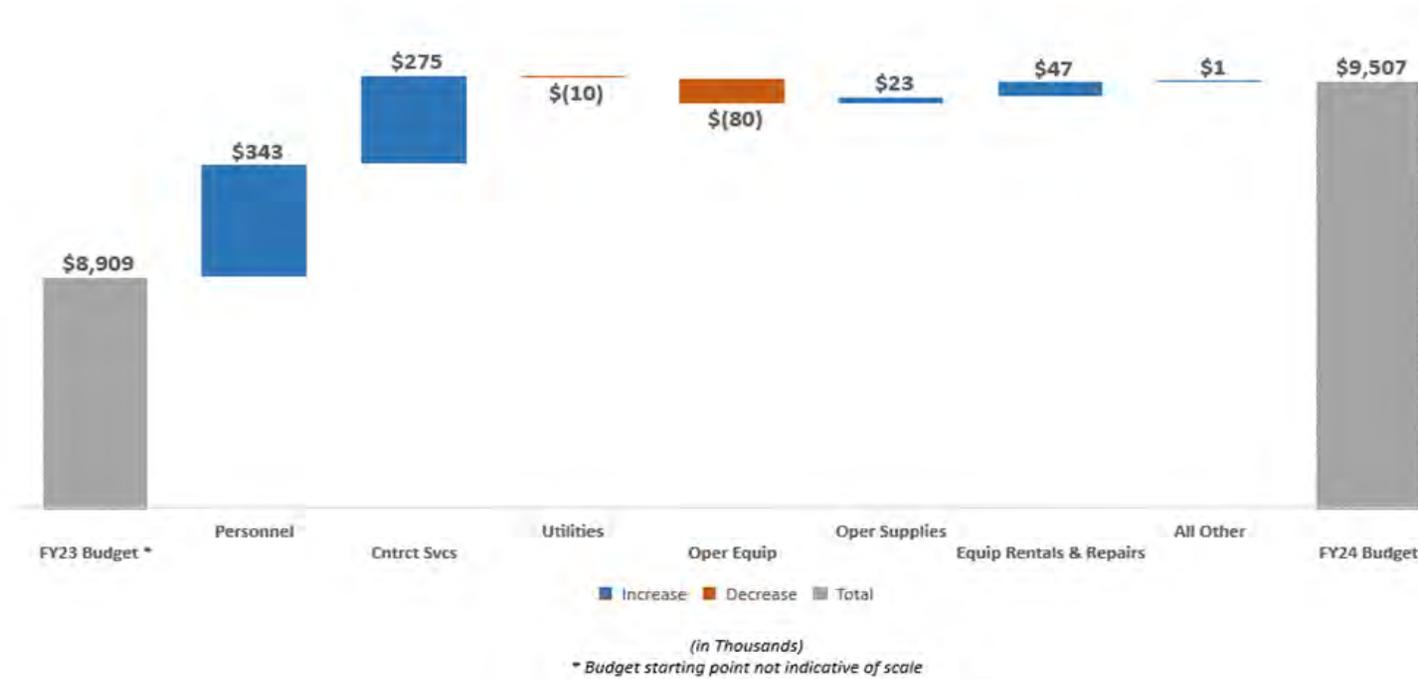
## Finance Division – Information & Technology Services

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	2,536	3,131	3,409	277	8.9%	3,533	125	3.7%
Benefits	1,252	1,477	1,562	85	5.8%	1,688	125	8.0%
<b>Subtotal</b>	<b>3,789</b>	<b>4,608</b>	<b>4,971</b>	<b>363</b>	<b>7.9%</b>	<b>5,221</b>	<b>250</b>	<b>5.0%</b>
Less: Capitalized Labor Recharge	-	(253)	(273)	(20)	7.9%	(287)	(14)	5.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>3,789</b>	<b>4,355</b>	<b>4,697</b>	<b>343</b>	<b>7.9%</b>	<b>4,934</b>	<b>236</b>	<b>5.0%</b>
Contractual Services	1,244	1,368	1,643	275	20.1%	1,588	(55)	-3.3%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	516	653	643	(10)	-1.5%	653	10	1.6%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	231	180	100	(80)	-44.4%	100	-	0.0%
Operating Supplies	125	126	149	23	18.1%	149	(0)	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	35	40	42	2	5.0%	42	-	0.0%
Business Development	3	6	5	(1)	-16.4%	5	-	0.0%
Equipment Rentals and Repairs	1,899	2,180	2,227	47	2.2%	2,242	15	0.7%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>4,053</b>	<b>4,554</b>	<b>4,810</b>	<b>256</b>	<b>5.6%</b>	<b>4,779</b>	<b>(30)</b>	<b>-0.6%</b>
<b>Total Operating Expenses</b>	<b>7,842</b>	<b>8,909</b>	<b>9,507</b>	<b>598</b>	<b>6.7%</b>	<b>9,713</b>	<b>206</b>	<b>2.2%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>7,842</b>	<b>8,909</b>	<b>9,507</b>	<b>598</b>	<b>6.7%</b>	<b>9,713</b>	<b>206</b>	<b>2.2%</b>
Equipment Outlay Expenditures	81	-	-	-	0.0%	375	375	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>7,923</b>	<b>8,909</b>	<b>9,507</b>	<b>598</b>	<b>6.7%</b>	<b>10,088</b>	<b>581</b>	<b>6.1%</b>

## Finance Division – Information & Technology Services

### Major Drivers of FY 2023 Budget & FY 2024 Budget



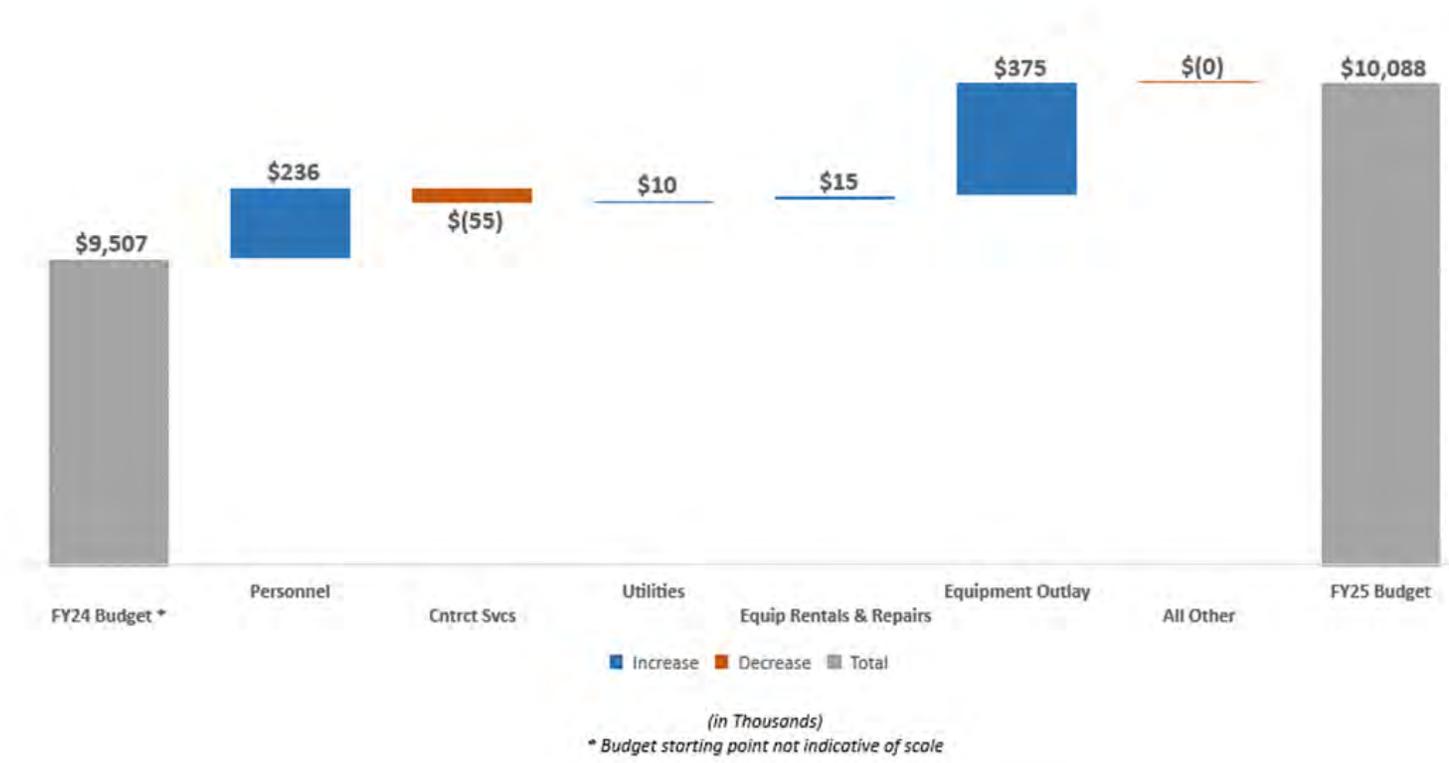
**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff

**Contractual Services:** \$60K increase for file management system upgrade, \$65K for Enterprise Resource Planning software hosting and IT professional support services

**Operating Equipment & Systems:** Purchasing less IT equipment

## Finance Division – Information & Technology Services

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



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

**Equipment Outlay:** \$375K Cyber security solution

## Finance Division – Information & Technology Services

### FY 2023 Progress Report

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, program consultant cost accounting, timekeeping, reporting and visibility by integrating these processes into PMWeb.

**Progress:** By the end of the fiscal year, we will have completed the implementation of the new network infrastructure and are in the process of migrating devices and staff to the new network. We have optimized PMWeb by completing the BVR report and are in the process of investigating if DocuShare can be integrated to enable timekeeping and signatures for contractors outside of the Authority.

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

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

2. Optimize solutions to streamline Authority staff's access to applications by leveraging single sign on and multi-factor authentication. Collaborate with Sundt Construction on the implementation of innovative technology systems in the new admin building, including robust Wi-Fi and enhanced AV systems in the conference rooms. Engage with the Lead MNO (Mobile Network Operator) Verizon in the design of 5G cellular infrastructure airport wide.

**Progress:** We have enabled single sign on and multifactor authentication for several Authority web platforms and applications including JDE E1. Innovated technology systems including robust Wi-Fi and enhanced AV are being procured and will be installed in the new Admin Building. Cellular 5G antenna design is underway for the Rental Car Center and Airport Support Building.

**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 NIST (National Institute of Standards and Technology) audit of the Aviation Security & Public Safety (AVSEC) network, baggage handling system, 12kV electrical system and building automation systems (HVAC). Conduct a white box penetration test of all Internet facing systems including san.org and go.san.org. Maintain Payment Card Industry (PCI) compliance ensuring all credit card data is properly secured.

**Progress:** The NIST cybersecurity finding remediation is in process for the AVSEC network, baggage handling system, 12kV electrical system and building automation systems (HVAC). The white box penetration test has completed and I&TS is working to remediate the remaining 11 findings. The date for remediation is 4/15/2023. We will submit our attestation of compliance for PCI on 2/24/2023.

**Strategic Plan Focus Area:**

## Finance Division – Information & Technology Services

- Optimize Ongoing Business

### **Strategic Initiative:**

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

## Finance Division – Information & Technology Services

### FY 2024 – FY 2025 Goals

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

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

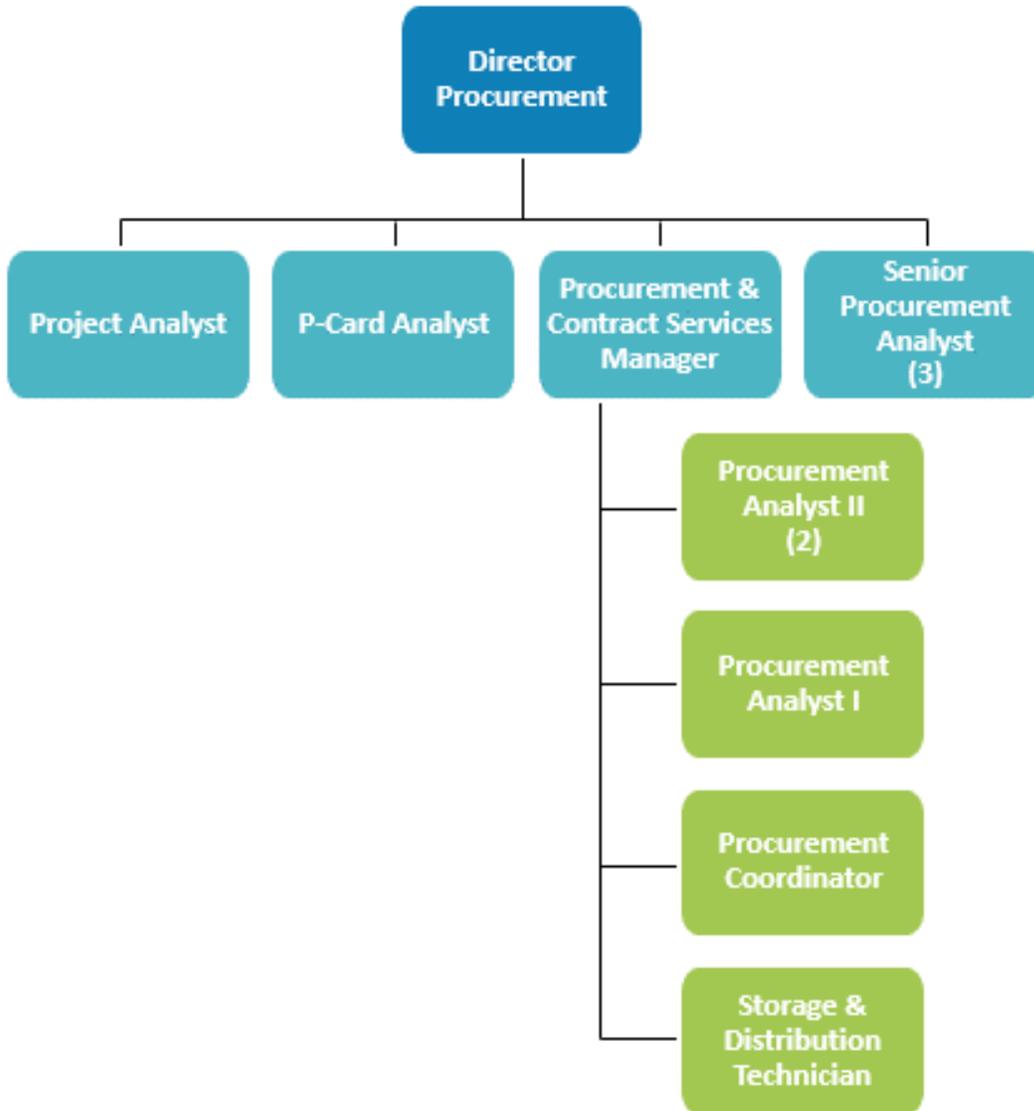
- Advance the New T1

**Strategic Initiative:**

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

# Finance Division – Procurement

## FY 2024 – FY 2025 Organizational Structure



*No personnel changes in FY 2025*

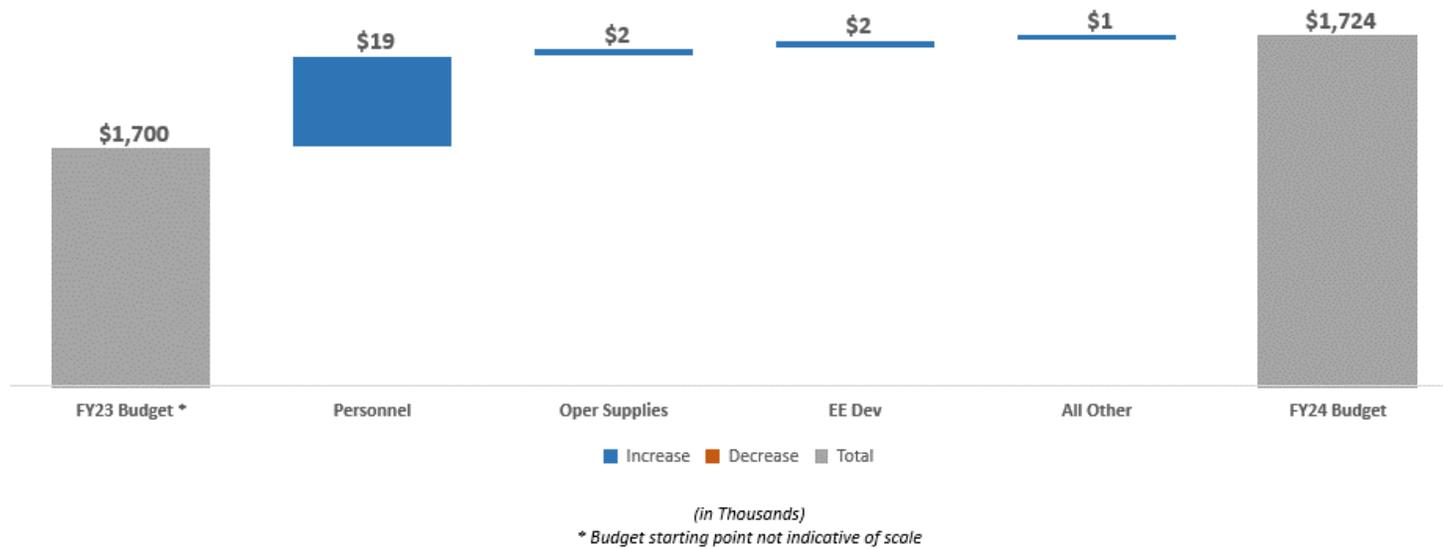
## Finance Division – Procurement

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	1,000	1,055	1,067	12	1.1%	1,113	45	4.3%
Benefits	503	521	529	7	1.4%	573	44	8.3%
<b>Subtotal</b>	<b>1,502</b>	<b>1,577</b>	<b>1,596</b>	<b>19</b>	<b>1.2%</b>	<b>1,686</b>	<b>90</b>	<b>5.6%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,502</b>	<b>1,577</b>	<b>1,596</b>	<b>19</b>	<b>1.2%</b>	<b>1,686</b>	<b>90</b>	<b>5.6%</b>
Contractual Services	16	17	17	-	0.0%	17	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	0	1	1	-	0.0%	1	-	0.0%
Operating Supplies	31	40	42	2	3.9%	48	6	14.2%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	5	13	14	2	14.2%	16	1	7.3%
Business Development	5	9	10	1	7.7%	10	-	0.0%
Equipment Rentals and Repairs	40	44	45	1	1.1%	46	2	3.4%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>97</b>	<b>124</b>	<b>128</b>	<b>5</b>	<b>3.7%</b>	<b>137</b>	<b>8</b>	<b>6.6%</b>
<b>Total Operating Expenses</b>	<b>1,599</b>	<b>1,700</b>	<b>1,724</b>	<b>24</b>	<b>1.4%</b>	<b>1,822</b>	<b>98</b>	<b>5.7%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,599</b>	<b>1,700</b>	<b>1,724</b>	<b>24</b>	<b>1.4%</b>	<b>1,822</b>	<b>98</b>	<b>5.7%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>1,599</b>	<b>1,700</b>	<b>1,724</b>	<b>24</b>	<b>1.4%</b>	<b>1,822</b>	<b>98</b>	<b>5.7%</b>

## Finance Division – Procurement

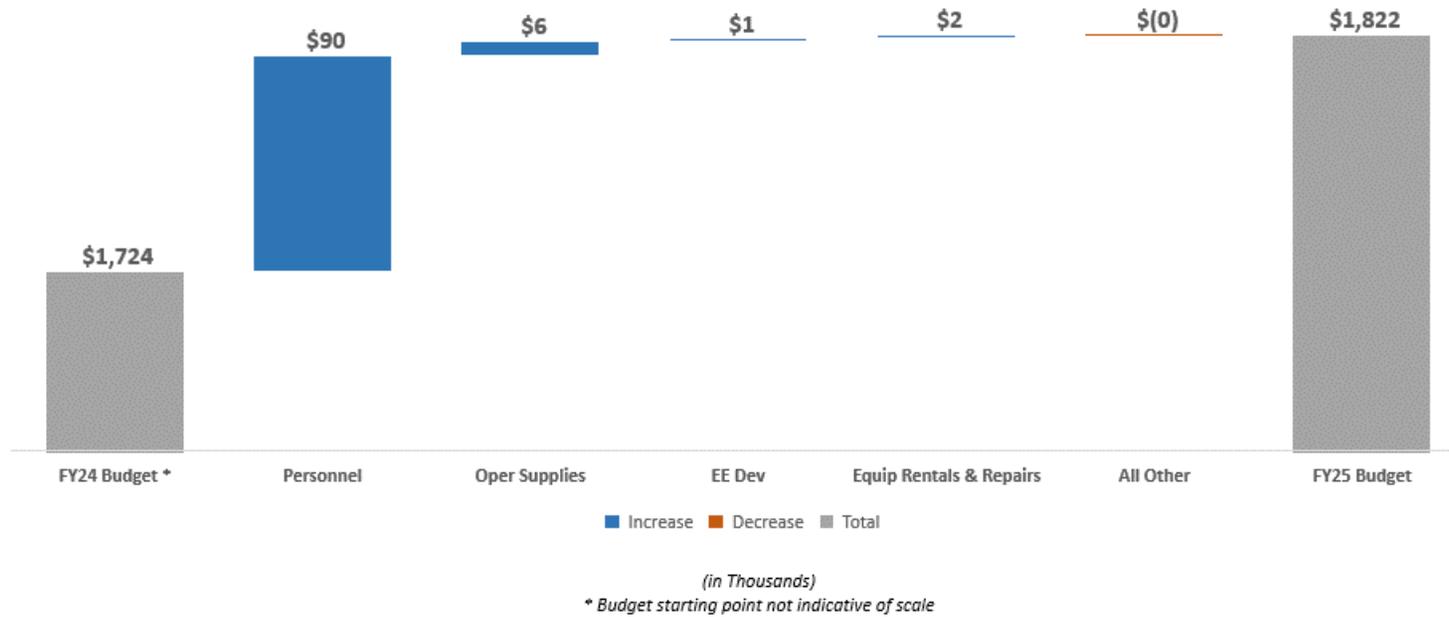
### Major Drivers of FY 2023 Budget & FY 2024 Budget



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

## Finance Division – Procurement

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



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

## Finance Division – Procurement

### FY 2023 Progress Report

1. Work in partnership with key stakeholders to determine appropriate procurement methods for advancement of ADP projects, concessions, on-going business, 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 executed this fiscal year include Temporary Staffing Services, Artist contracts, and Shuttle Services. Procurement recently published three Concession Food and Beverage packages and two Concession Retail packages for the New T1 currently accepting proposals.

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

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

2. Foster a Procurement team that is inclusive, supportive, and mindful of the culture of all Authority departments and its teammates. 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.

**Progress:** Procurement serves as a centralized resource to manage and facilitate the selection and contract award process in accordance with Authority policies, innovative industry trends and sound contracting practices. The 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 17% has been achieved through competition and an average savings of 6% 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 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

## Finance Division – Procurement

training events. Continue to develop and improve Business Engagement and Supplier Diversity workstream and metrics.

**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 FY23 document small, local, veteran and disadvantaged business participation. Outreach plans include preferences under policy 5.12 or inclusionary methods. As of February, 403 new vendors have registered in the Authority's vendor database since 7/1/2022 as a result of outreach by Procurement and Small Business Development. Of the 28 projects solicited since 7/1/2022, 1,075 vendors have actively participated by downloading an opportunity; 21% are certified Small Business Enterprises (SBEs), 29% are self-claimed Local Business Enterprises (LBEs), 4% are certified Local Businesses (LBC), 9% are certified Disadvantaged Business Enterprises (DBEs) and 5% are Veteran owned (VOSB) or Service-Disabled Veteran Small Business (SDVSB) certified.

The following summary reflects 26 executed contracts awarded as of March 2023 resulting from competitive solicitations that closed since 7/1/2022.

- Certified Local Businesses received 3 awards (12.5%) for a total of \$12,031,464 (24%)
- Local Business Enterprises received 9 awards (35%) for a total of \$12,999,059 (26%)
- Certified SBE's received 2 awards (8%) for a total of \$31,464 (0.1%)
- Certified DBE's received 2 awards (8%) for a total of \$31,464 (0.1%)
- VOSB/SDVSB's received 1 award pending

Six (6) construction projects included the following subcontractor awards.

- Certified SBE's       \$447,911
- Certified LBE's       \$ 30,859
- Certified DBE's       \$499,835

### 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 2024 – FY 2025 Goals

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**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.

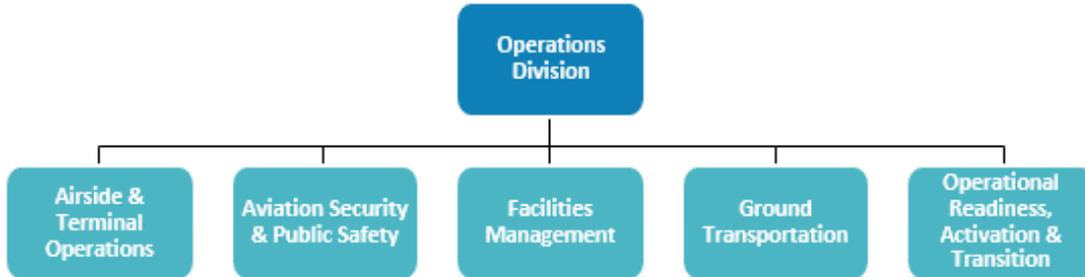
The **Operational Readiness, Activation, & Transition (ORAT)** department is responsible for ensuring the safe and seamless opening of all new and renovated facilities. ORAT works extensively with other Airport Authority departments, airlines, concessions, and other key stakeholders to "operationalize" a new asset by developing a thorough concept of its operations, training staff on new procedures, trialing new systems and processes to test

## Operations Division

their effectiveness, and shifting operations (usually overnight) from the existing facility. The department also facilitates strategic planning on various airport operational topics and supports overall coordination of the Operations Division.

# Operations Division

## FY 2024 – FY 2025 Organizational Structure



## Division Personnel Summary

	FY 2022 Budget	FY 2023 Budget	FY 2024 Budget Transfers	FY 2024 Budget New/ (Eliminated)	FY 2024 Budget	FY 2025 Budget New/ (Eliminated)	FY 2025 Conceptual Budget
<b>Operations Division</b>							
Aviation Security & Public Safety	20	21	-	9	30	-	30
Airside & Terminal Operations	26	27	-	-	27	-	27
Operational Readiness, Activation & Transition <sup>1</sup>	0	0	1	1	2	-	2
Ground Transportation	71	71	-	-	71	-	71
Facilities Management	86	86	-	-	86	-	86
<b>Total</b>	<b>203</b>	<b>205</b>	<b>1</b>	<b>10</b>	<b>216</b>	<b>-</b>	<b>216</b>

<sup>1</sup> 1 position transferred from Planning & Environmental Affairs

## Operations Division

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	17,010	18,524	19,731	1,207	6.5%	20,593	862	4.4%
Benefits	8,117	9,236	9,186	(50)	-0.5%	9,927	741	8.1%
<b>Subtotal</b>	<b>25,127</b>	<b>27,761</b>	<b>28,917</b>	<b>1,157</b>	<b>4.2%</b>	<b>30,520</b>	<b>1,602</b>	<b>5.5%</b>
Less: Capitalized Labor Recharge	(101)	(97)	(106)	(9)	8.8%	(111)	(5)	5.1%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>25,026</b>	<b>27,663</b>	<b>28,812</b>	<b>1,148</b>	<b>4.2%</b>	<b>30,408</b>	<b>1,597</b>	<b>5.5%</b>
Contractual Services	25,165	34,552	41,550	6,999	20.3%	43,764	2,214	5.3%
Safety and Security	34,191	38,064	37,248	(816)	-2.1%	39,084	1,835	4.9%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	13,677	15,902	20,923	5,020	31.6%	23,259	2,337	11.2%
Maintenance	9,536	10,720	11,258	538	5.0%	11,955	696	6.2%
Operating Equipment & Systems	42	125	159	33	26.7%	158	(1)	-0.7%
Operating Supplies	253	417	443	27	6.4%	412	(31)	-7.1%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	162	216	245	29	13.5%	247	2	0.9%
Business Development	34	144	179	35	24.3%	178	(1)	-0.5%
Equipment Rentals and Repairs	625	693	936	243	35.1%	941	6	0.6%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>83,685</b>	<b>100,833</b>	<b>112,941</b>	<b>12,108</b>	<b>12.0%</b>	<b>119,998</b>	<b>7,057</b>	<b>6.2%</b>
<b>Total Operating Expenses</b>	<b>108,711</b>	<b>128,497</b>	<b>141,753</b>	<b>13,256</b>	<b>10.3%</b>	<b>150,407</b>	<b>8,654</b>	<b>6.1%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>108,711</b>	<b>128,497</b>	<b>141,753</b>	<b>13,256</b>	<b>10.3%</b>	<b>150,407</b>	<b>8,654</b>	<b>6.1%</b>
Equipment Outlay Expenditures	872	888	879	(10)	-1.1%	833	(46)	-5.2%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>109,583</b>	<b>129,385</b>	<b>142,632</b>	<b>13,246</b>	<b>10.2%</b>	<b>151,240</b>	<b>8,608</b>	<b>6.0%</b>

## Operations Division

### Major Drivers of FY 2023 Budget & FY 2024 Budget



**Personnel:** Salary Adjustments, Pay for Performance, Contracted Wage Increases and Burden (Benefits & Employer Taxes) for Current Staff. 10 New Positions and 1 transfer in from Planning & Environmental Affairs

**Contractual Services:** \$6.2M increase in Parking & Shuttle Services

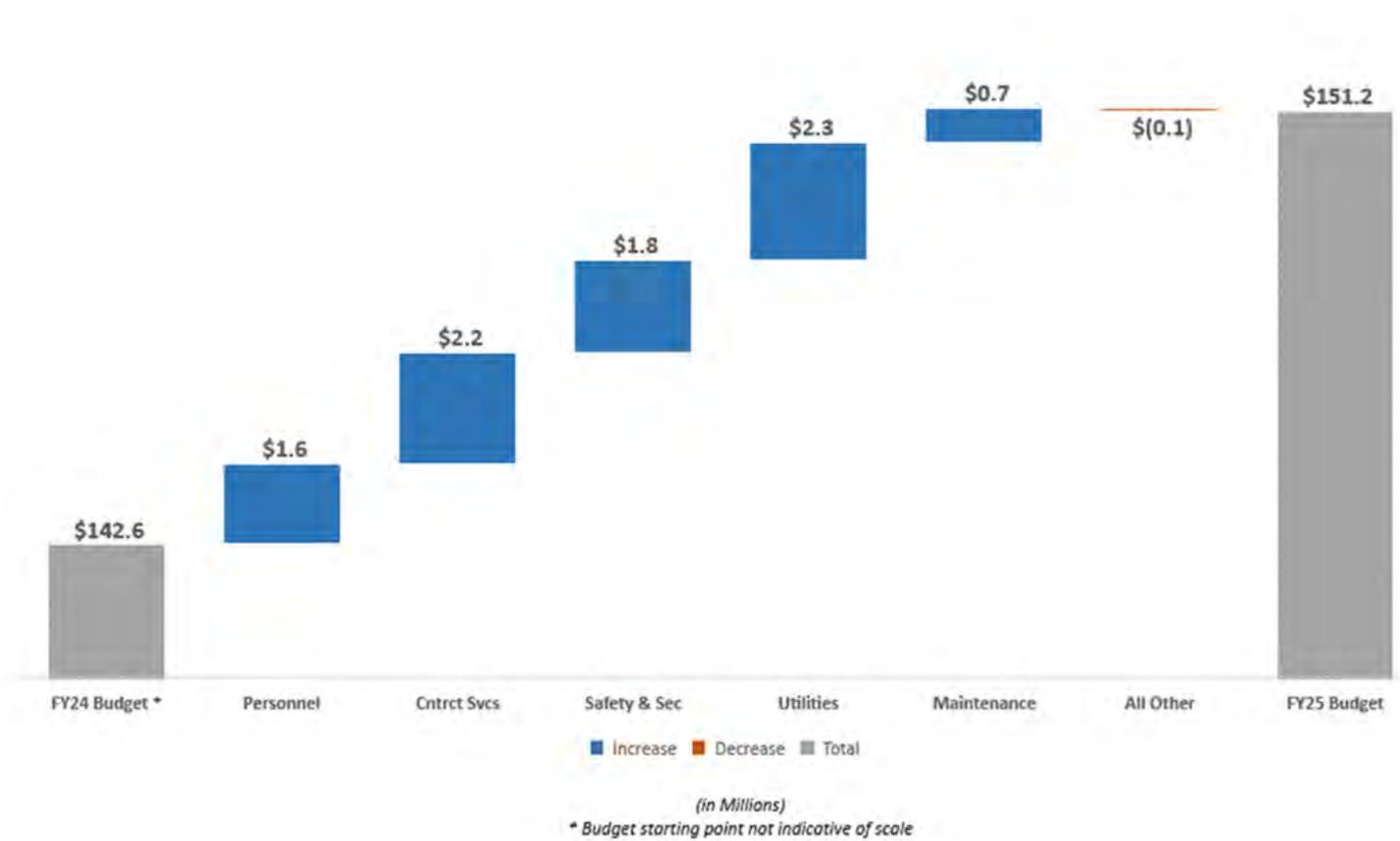
**Safety & Security:** \$0.8M decrease in Port District Law Enforcement – Harbor Police Department

**Utilities:** \$5M increase due primarily to rates with assumptions for increased usage

**Maintenance:** \$0.5M increase for Annual Maintenance, FMD Major Projects and Supplies

## Operations Division

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



# Operations Division

## FY 2024 Expense Budget by Department

(in thousands)

Departments	FY 2024 Budget
Facilities Management	\$45,042
Ground Transportation	42,913
Aviation Security & Public Safety	35,602
Airside & Terminal Operations	18,319
Operational Readiness, Activation, & Transition	756
<b>Total <sup>1</sup></b>	<b><u><u>\$142,632</u></u></b>

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



Figure 34 – FY 2024 Expense Budget by Department

# Operations Division

## FY 2025 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2025 Conceptual Budget
Facilities Management	\$48,475
Ground Transportation	45,271
Aviation Security & Public Safety	37,965
Airside & Terminal Operations	18,617
Operational Readiness, Activation, & Transition	912
<b>Total <sup>1</sup></b>	<b>\$151,240</b>

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



Figure 35 – FY 2025 Expense Conceptual Budget by Department

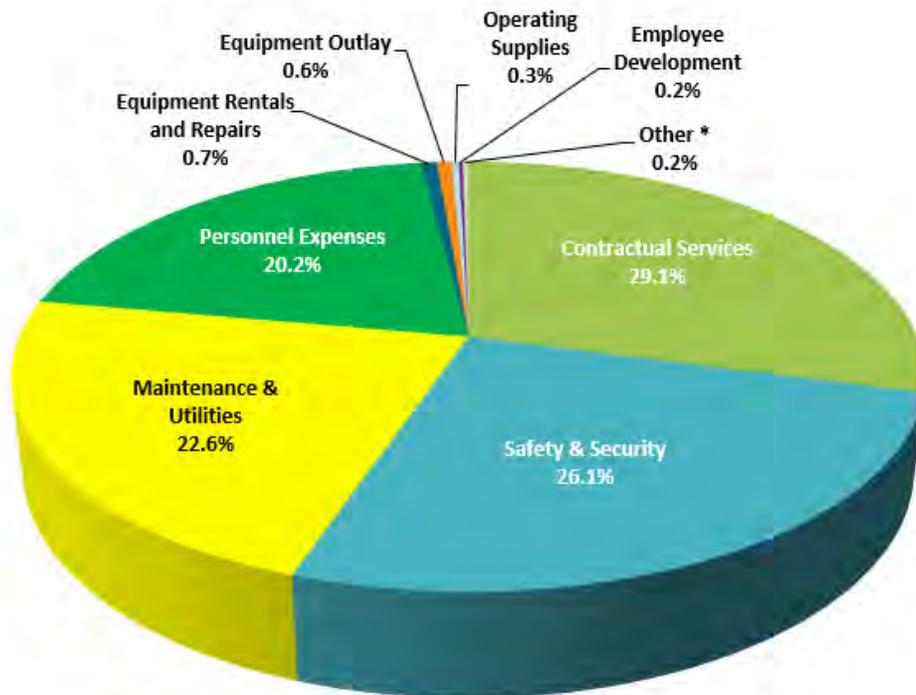
# Operations Division

## FY 2024 Expense Budget by Category

(in thousands)

Category	FY 2024 Budget
Contractual Services	\$41,550
Safety & Security	37,248
Maintenance & Utilities	32,181
Personnel Expenses	28,812
Equipment Rentals and Repairs	936
Equipment Outlay	879
Operating Supplies	443
Employee Development	245
Other *	338
<b>Total <sup>1</sup></b>	<b><u>\$142,632</u></b>

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



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

**Figure 36 – FY 2024 Expense Budget by Category**

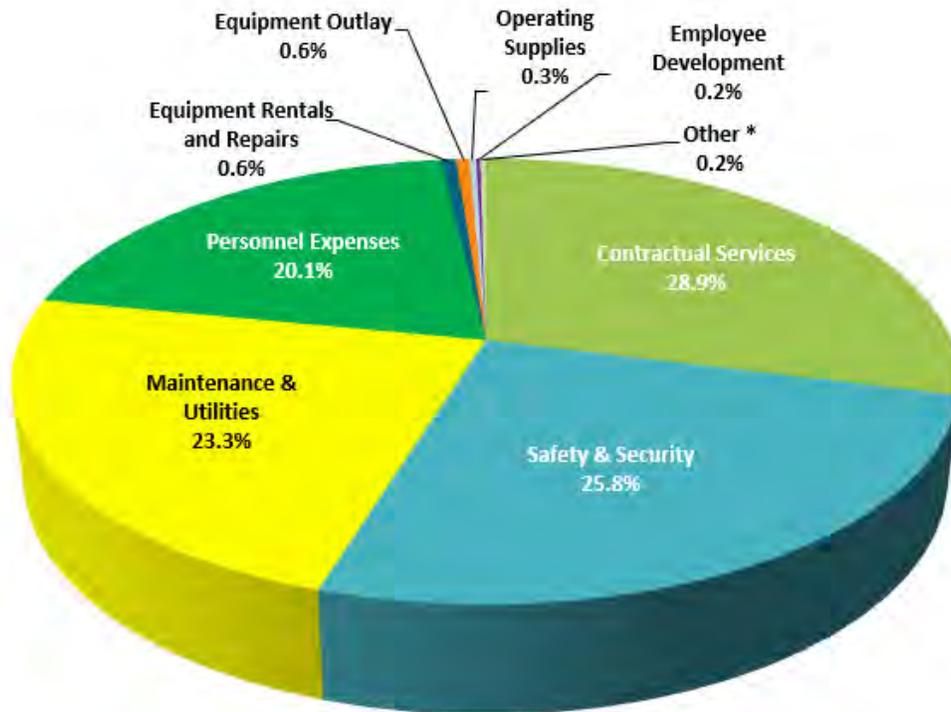
## Operations Division

### FY 2025 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2025 Conceptual Budget
Contractual Services	\$43,764
Safety & Security	39,084
Maintenance & Utilities	35,214
Personnel Expenses	30,408
Equipment Rentals and Repairs	941
Equipment Outlay	833
Operating Supplies	412
Employee Development	247
Other *	336
<b>Total <sup>1</sup></b>	<b><u><u>\$151,240</u></u></b>

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

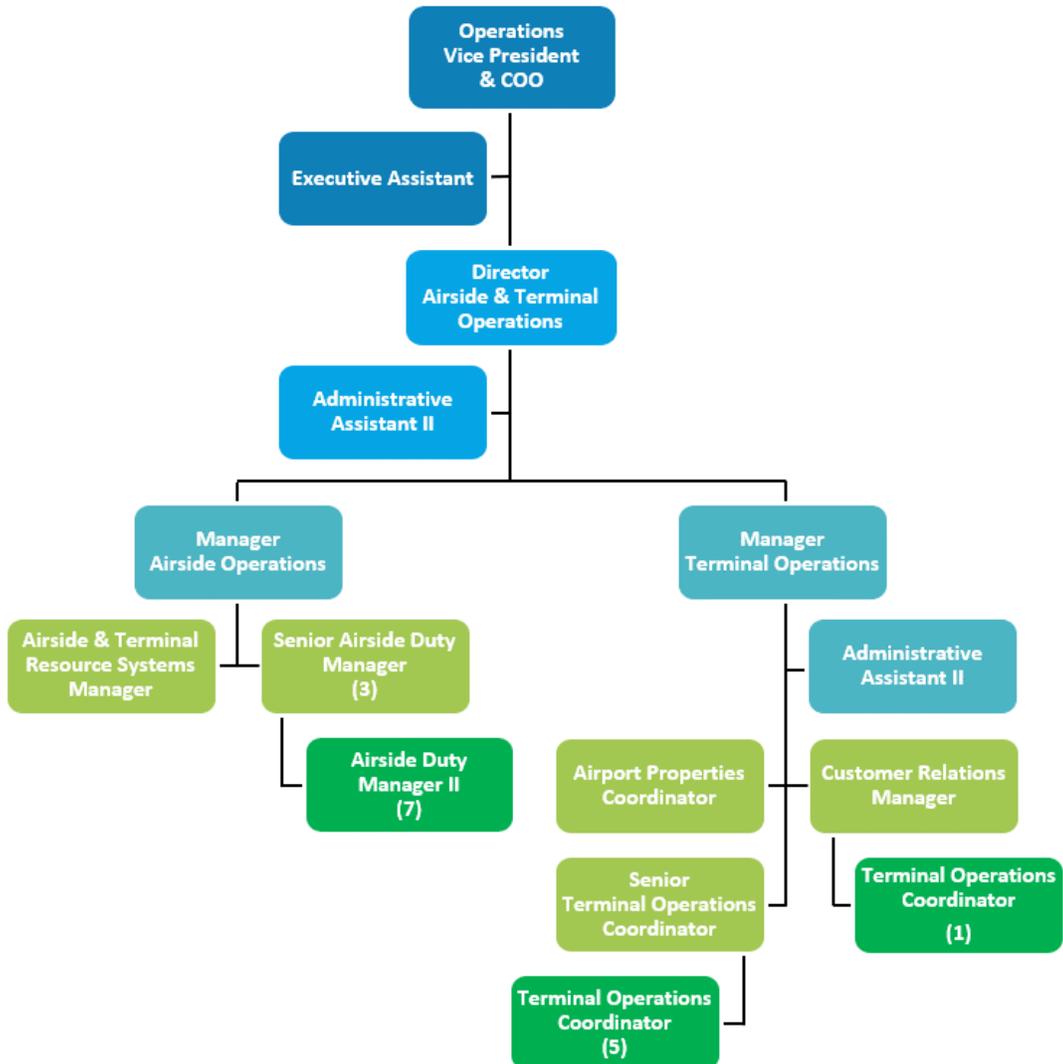


\*Other includes operating equipment & systems, business development, etc.

**Figure 37 – FY 2025 Expense Conceptual Budget by Category**

# Operations Division – Airside & Terminal Operations

## FY 2024 – FY 2025 Organizational Structure



*No personnel changes in FY 2025*

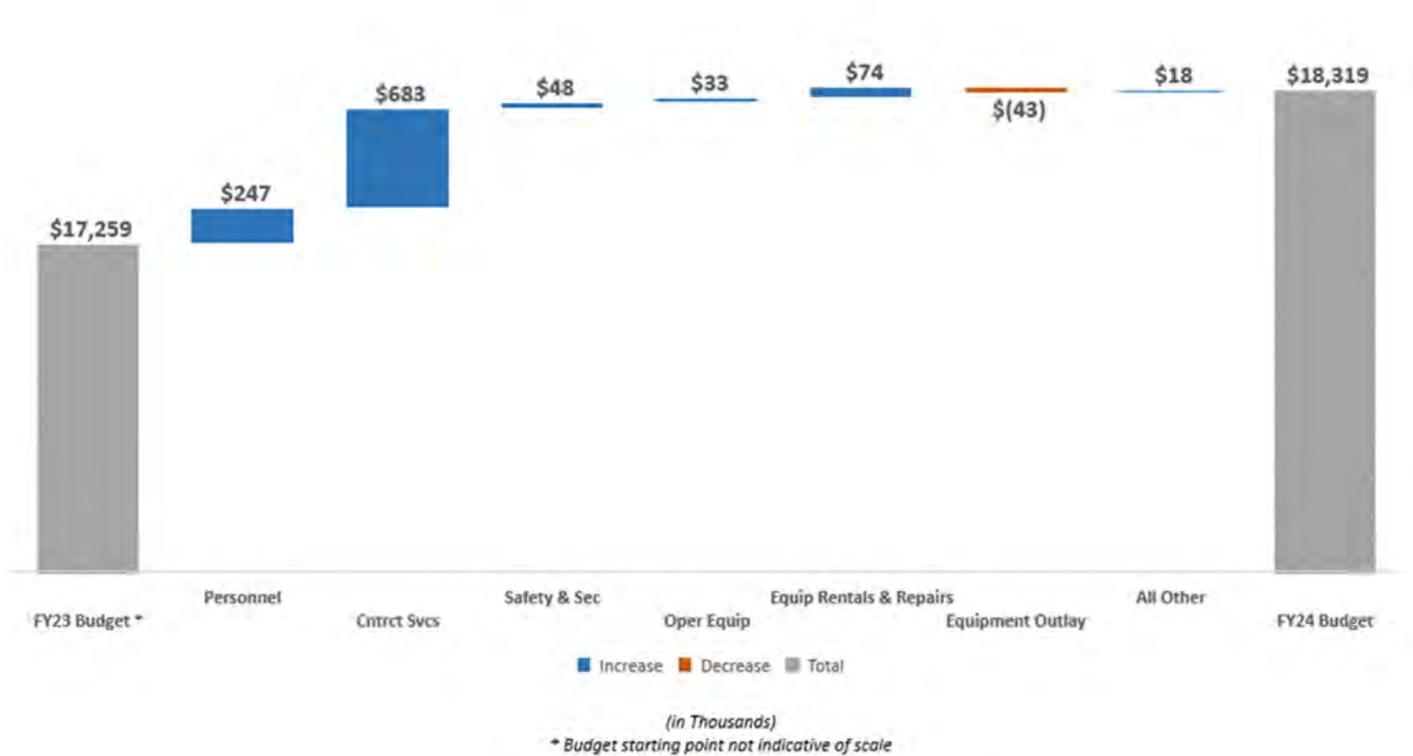
## Operations Division – Airside & Terminal Operations

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	3,035	3,153	3,408	255	8.1%	3,526	117	3.4%
Benefits	1,326	1,480	1,472	(9)	-0.6%	1,563	92	6.2%
<b>Subtotal</b>	<b>4,361</b>	<b>4,633</b>	<b>4,880</b>	<b>247</b>	<b>5.3%</b>	<b>5,089</b>	<b>209</b>	<b>4.3%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>4,361</b>	<b>4,633</b>	<b>4,880</b>	<b>247</b>	<b>5.3%</b>	<b>5,089</b>	<b>209</b>	<b>4.3%</b>
Contractual Services	4,343	5,125	5,808	683	13.3%	5,981	173	3.0%
Safety and Security	5,653	6,860	6,908	48	0.7%	6,945	37	0.5%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	12	11	45	33	296.2%	47	2	5.0%
Operating Supplies	24	33	34	2	5.0%	36	2	5.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	20	40	46	6	16.3%	48	2	3.7%
Business Development	20	87	97	10	11.1%	102	5	5.0%
Equipment Rentals and Repairs	358	328	401	74	22.4%	369	(32)	-8.1%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>10,430</b>	<b>12,484</b>	<b>13,339</b>	<b>855</b>	<b>6.9%</b>	<b>13,528</b>	<b>189</b>	<b>1.4%</b>
<b>Total Operating Expenses</b>	<b>14,791</b>	<b>17,117</b>	<b>18,219</b>	<b>1,102</b>	<b>6.4%</b>	<b>18,617</b>	<b>398</b>	<b>2.2%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>14,791</b>	<b>17,117</b>	<b>18,219</b>	<b>1,102</b>	<b>6.4%</b>	<b>18,617</b>	<b>398</b>	<b>2.2%</b>
Equipment Outlay Expenditures	371	143	100	(43)	-29.8%	-	(100)	-100.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>15,162</b>	<b>17,259</b>	<b>18,319</b>	<b>1,060</b>	<b>6.1%</b>	<b>18,617</b>	<b>298</b>	<b>1.6%</b>

## Operations Division – Airside & Terminal Operations

### Major Drivers of FY 2023 Budget & FY 2024 Budget



**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff  
**Contractual Services:** \$0.7M increase for Terminal Operations

## Operations Division – Airside & Terminal Operations

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



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

## Operations Division – Airside & Terminal Operations

### FY 2023 Progress Report

1. Provide operational subject matter expert analysis and support for the New T1 (NT1)'s airside, terminal, landside, roadways, and new administrative building projects.

**Progress:** Delivered operational subject matter experts for the administration building and NT1's airside, terminal, landside, and roadway projects through 90% design.

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

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

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

**Progress:** The FY23 FAA Certification Inspection did not identify any Part 139 violations and there were no SDIA airfield incidents or accidents.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

3. Provide monthly comprehensive communication of all SDIA's projects (phasing, progress and impacts) to our airline tenants and stakeholders.

**Progress:** The Team provided comprehensive communication of all projects and their impacts during the monthly SAMC meetings.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 1A. Attract domestic and international airlines and passengers

## Operations Division – Airside & Terminal Operations

### FY 2024 – FY 2025 Goals

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

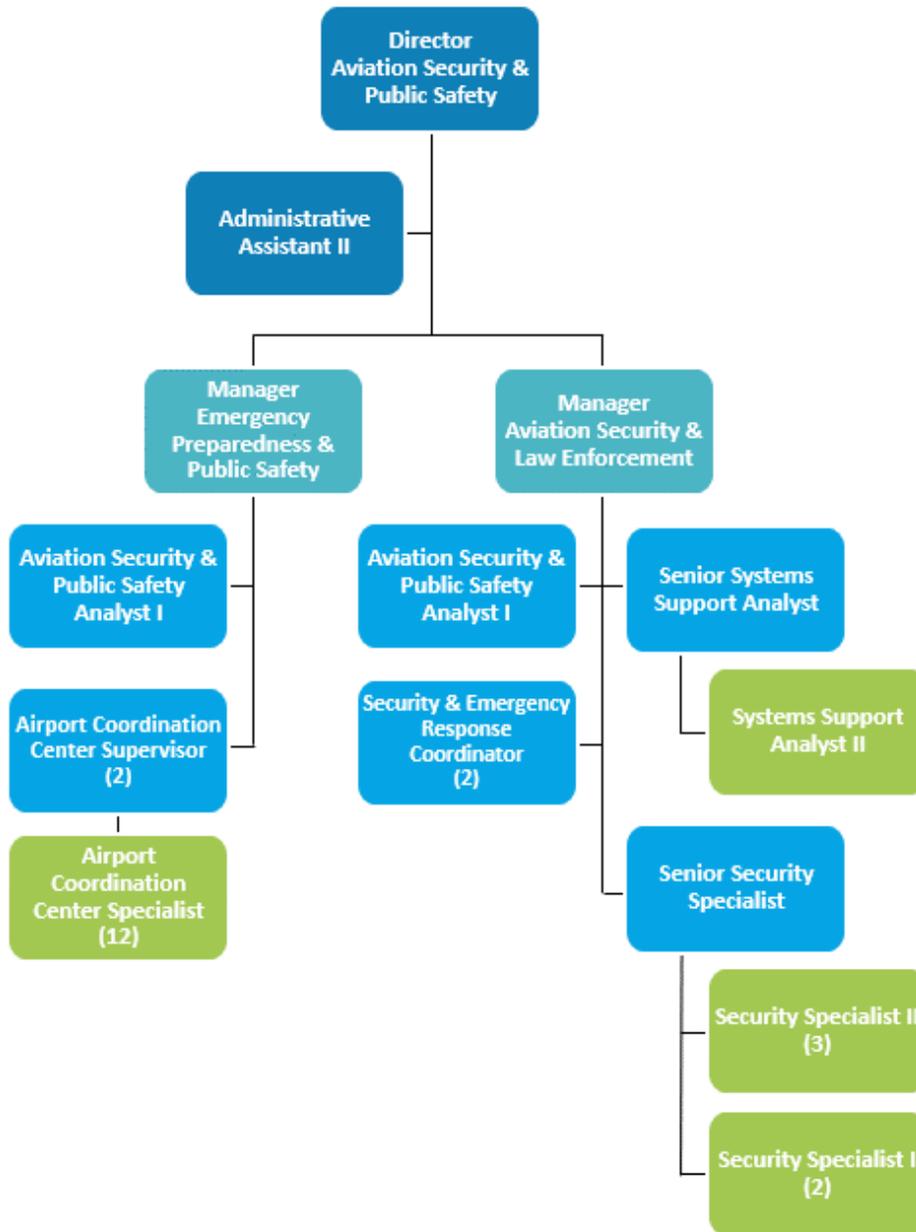
- Optimize Ongoing Business

**Strategic Initiative:**

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

# Operations Division – Aviation Security & Public Safety

## FY 2024 – FY 2025 Organizational Structure



*No personnel changes in FY 2025*

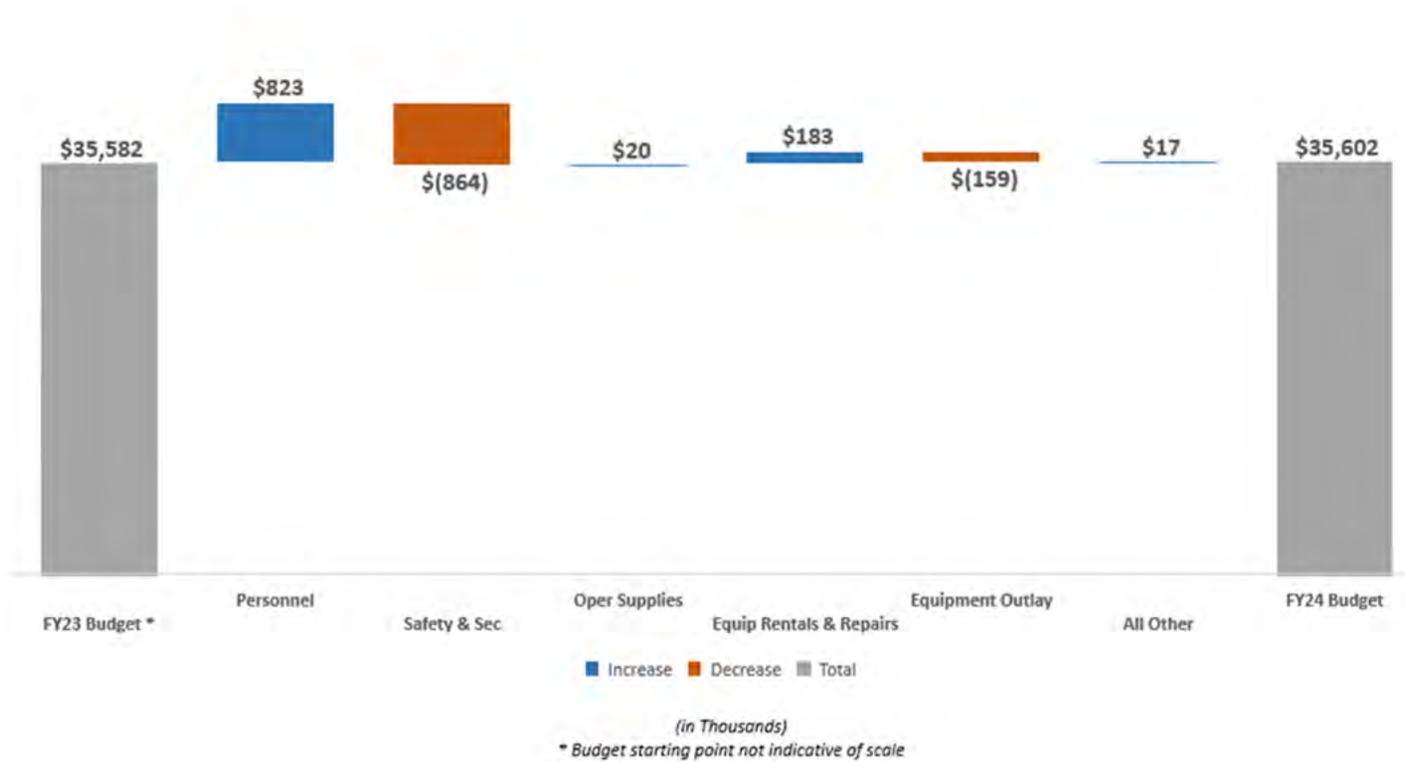
## Operations Division – Aviation Security & Public Safety

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	1,910	1,996	2,552	556	27.9%	2,644	92	3.6%
Benefits	841	951	1,226	276	29.0%	1,326	99	8.1%
<b>Subtotal</b>	<b>2,751</b>	<b>2,947</b>	<b>3,779</b>	<b>832</b>	<b>28.2%</b>	<b>3,970</b>	<b>191</b>	<b>5.1%</b>
Less: Capitalized Labor Recharge	(56)	(97)	(106)	(9)	8.8%	(111)	(5)	5.1%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>2,695</b>	<b>2,850</b>	<b>3,673</b>	<b>823</b>	<b>28.9%</b>	<b>3,859</b>	<b>186</b>	<b>5.1%</b>
Contractual Services	507	692	696	4	0.6%	715	19	2.7%
Safety and Security	28,538	31,205	30,341	(864)	-2.8%	32,138	1,798	5.9%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	1	-	(1)	-100.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	19	66	67	0	0.1%	67	1	1.5%
Operating Supplies	144	218	238	20	9.1%	203	(35)	-14.7%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	10	28	32	4	13.1%	33	0	1.2%
Business Development	2	7	17	9	134.4%	17	-	0.0%
Equipment Rentals and Repairs	80	197	379	183	92.9%	396	17	4.4%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>29,301</b>	<b>32,413</b>	<b>31,769</b>	<b>(645)</b>	<b>-2.0%</b>	<b>33,568</b>	<b>1,800</b>	<b>5.7%</b>
<b>Total Operating Expenses</b>	<b>31,996</b>	<b>35,263</b>	<b>35,442</b>	<b>179</b>	<b>0.5%</b>	<b>37,427</b>	<b>1,985</b>	<b>5.6%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>31,996</b>	<b>35,263</b>	<b>35,442</b>	<b>179</b>	<b>0.5%</b>	<b>37,427</b>	<b>1,985</b>	<b>5.6%</b>
<b>Equipment Outlay Expenditures</b>	<b>144</b>	<b>319</b>	<b>161</b>	<b>(159)</b>	<b>-49.7%</b>	<b>538</b>	<b>377</b>	<b>234.6%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>32,140</b>	<b>35,582</b>	<b>35,602</b>	<b>20</b>	<b>0.1%</b>	<b>37,965</b>	<b>2,363</b>	<b>6.6%</b>

## Operations Division – Aviation Security & Public Safety

### Major Drivers of FY 2023 Budget & FY 2024 Budget



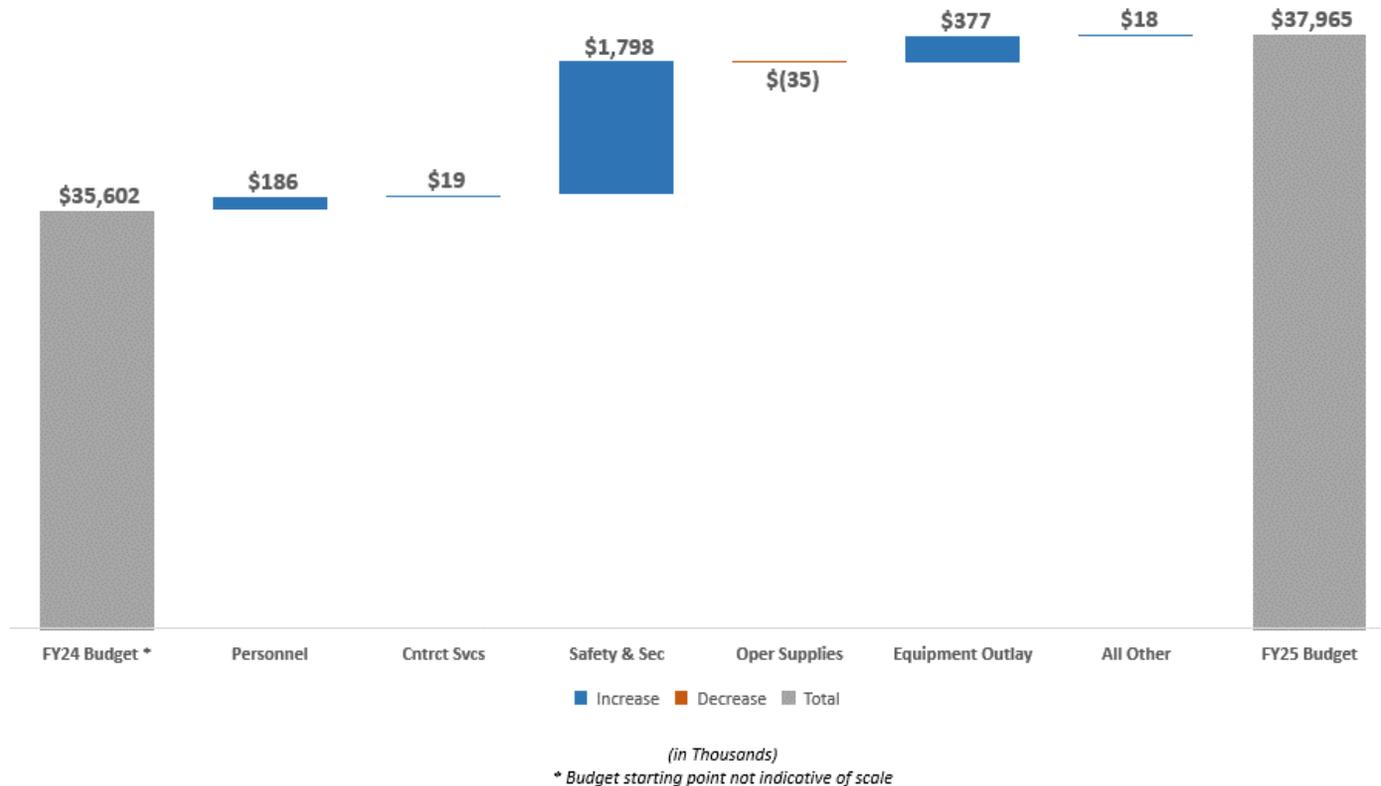
**Personnel:** Salary Adjustments, Pay for Performance and Burden (Benefits & Employer Taxes) for Current Staff. 9 New Positions

**Safety & Security:** (\$864K) decrease in Port District Law Enforcement – Harbor Police Department

**Equipment & SW license:** \$183K increase in equipment maintenance agreements

## Operations Division – Aviation Security & Public Safety

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



**Personnel:** Salary Adjustments, Pay for Performance and Burden (Benefits & Employer Taxes) for Current Staff  
**Safety & Security:** \$1,798K increase in Port District Law Enforcement – Harbor Police Department and Guard Services  
**Equipment Outlay:** \$377K increase for Airport Coordination Center equipment

## Operations Division – Aviation Security & Public Safety

### FY 2023 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 an annual tabletop exercise and a full-scale field exercise in compliance with FAR Part 139.325(g)(4) for FY 2023 (January 2023) and FY 2024 (January 2024).

**Progress:** The tabletop exercise, in compliance with FAR Part 139.325(g)(4), was completed on January 25, 2023.

**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 NT1 readiness pertaining to staffing levels, airport badging, contracts, construction activities, regulatory compliance, and maintaining operational excellence. Additionally, ensure that FY 23 and FY 24 CIP-approved processes are closely managed to keep NT1/CIP costs at originally approved budgetary levels.

**Progress:** AVSEC has actively addressed aspects of last year's goal through the following measures:

- 1.) Hired a limited-duration employee to act as a resource for regulatory compliance for NT1 matters.
- 2.) Actively engaged with the Executive Leadership team to submit multiple Capital Improvement Projects (CIP) to ensure that suitable ADP security needs were met.
- 3.) Completed the permanent relocation of the Access Control Office to ensure closer proximity to badge applicants and increase customer service during the badging process.

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

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

## Operations Division – Aviation Security & Public Safety

### FY 2023 – FY 2024 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 a full-scale field exercise and an annual tabletop exercise in compliance with FAR Part 139.325(g)(4) for FY 2024 and FY 2025.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

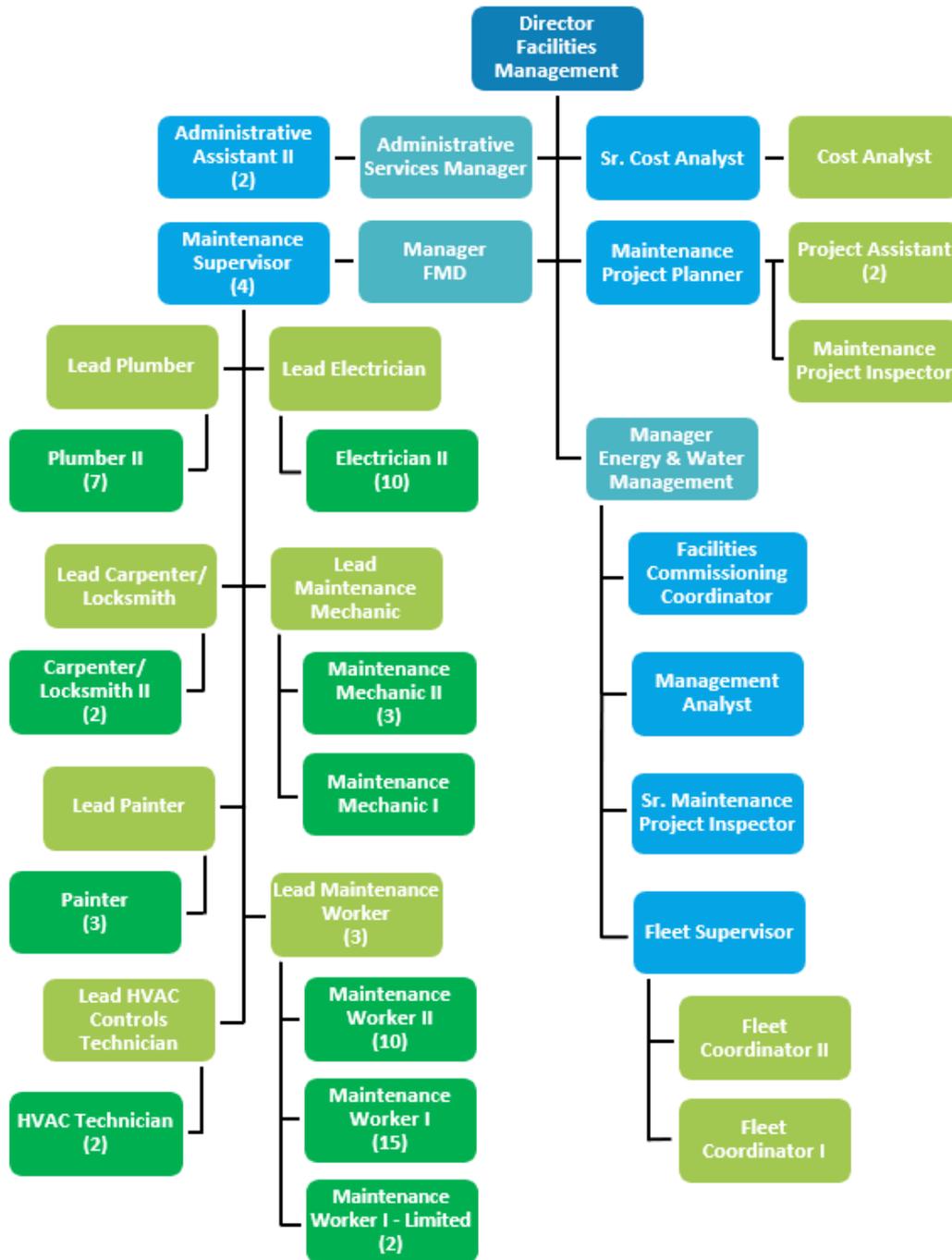
- Optimize Ongoing Business

**Strategic Initiative:**

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

# Operations Division – Facilities Management

## FY 2024 – FY 2025 Organizational Structure



*No personnel changes in FY 2025*

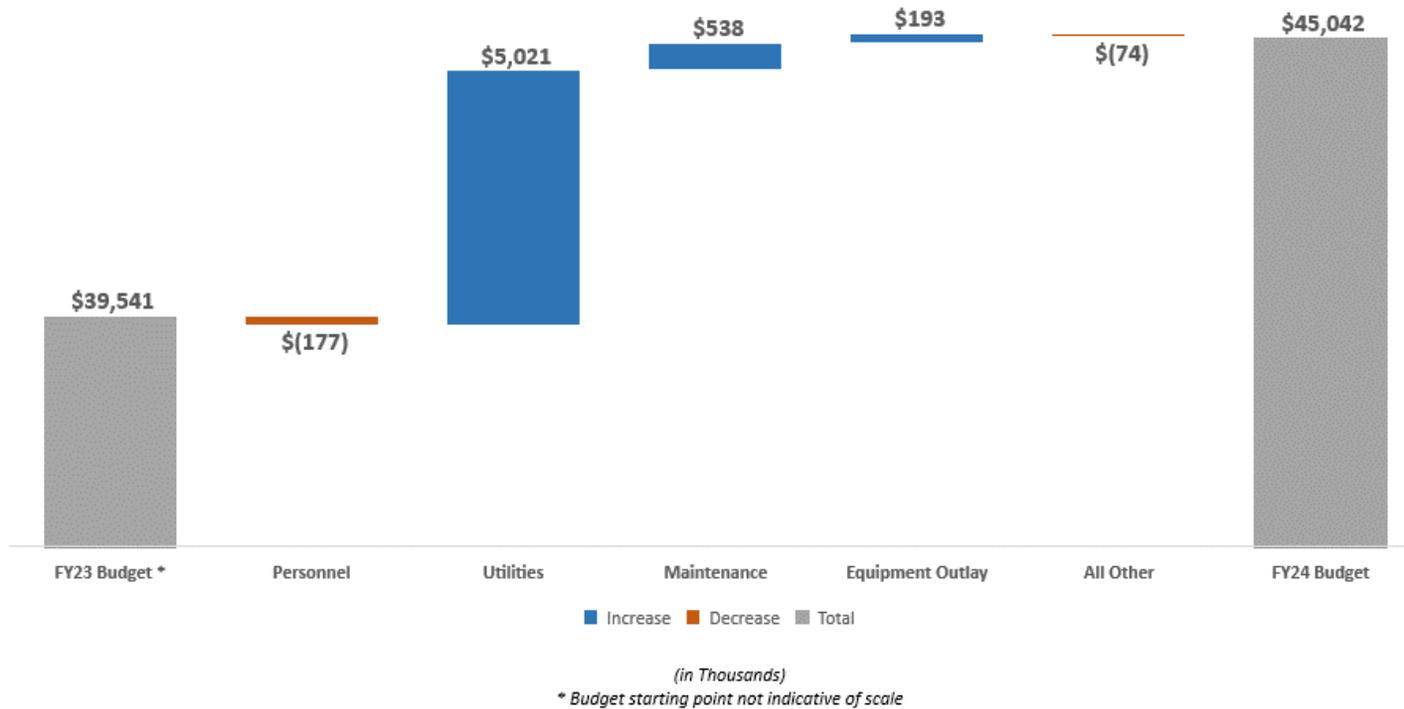
## Operations Division – Facilities Management

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	7,609	8,071	8,133	62	0.8%	8,508	375	4.6%
Benefits	3,674	3,980	3,741	(238)	-6.0%	4,040	299	8.0%
<b>Subtotal</b>	<b>11,282</b>	<b>12,051</b>	<b>11,874</b>	<b>(177)</b>	<b>-1.5%</b>	<b>12,548</b>	<b>674</b>	<b>5.7%</b>
Less: Capitalized Labor Recharge	(45)	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>11,237</b>	<b>12,051</b>	<b>11,874</b>	<b>(177)</b>	<b>-1.5%</b>	<b>12,548</b>	<b>674</b>	<b>5.7%</b>
Contractual Services	142	228	138	(90)	-39.6%	138	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	13,676	15,886	20,906	5,021	31.6%	23,242	2,336	11.2%
Maintenance	9,536	10,720	11,258	538	5.0%	11,955	696	6.2%
Operating Equipment & Systems	10	45	45	-	0.0%	40	(5)	-10.2%
Operating Supplies	46	94	90	(4)	-4.3%	90	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	59	75	80	5	6.6%	76	(4)	-4.9%
Business Development	3	23	22	(1)	-2.6%	22	-	0.0%
Equipment Rentals and Repairs	26	45	60	15	33.7%	68	8	13.6%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>23,497</b>	<b>27,115</b>	<b>32,599</b>	<b>5,485</b>	<b>20.2%</b>	<b>35,632</b>	<b>3,032</b>	<b>9.3%</b>
<b>Total Operating Expenses</b>	<b>34,734</b>	<b>39,166</b>	<b>44,474</b>	<b>5,308</b>	<b>13.6%</b>	<b>48,180</b>	<b>3,706</b>	<b>8.3%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>34,734</b>	<b>39,166</b>	<b>44,474</b>	<b>5,308</b>	<b>13.6%</b>	<b>48,180</b>	<b>3,706</b>	<b>8.3%</b>
<b>Equipment Outlay Expenditures</b>	<b>289</b>	<b>375</b>	<b>568</b>	<b>193</b>	<b>51.5%</b>	<b>295</b>	<b>(273)</b>	<b>-48.1%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>35,023</b>	<b>39,541</b>	<b>45,042</b>	<b>5,501</b>	<b>13.9%</b>	<b>48,475</b>	<b>3,433</b>	<b>7.6%</b>

## Operations Division – Facilities Management

### Major Drivers of FY 2023 Budget & FY 2024 Budget



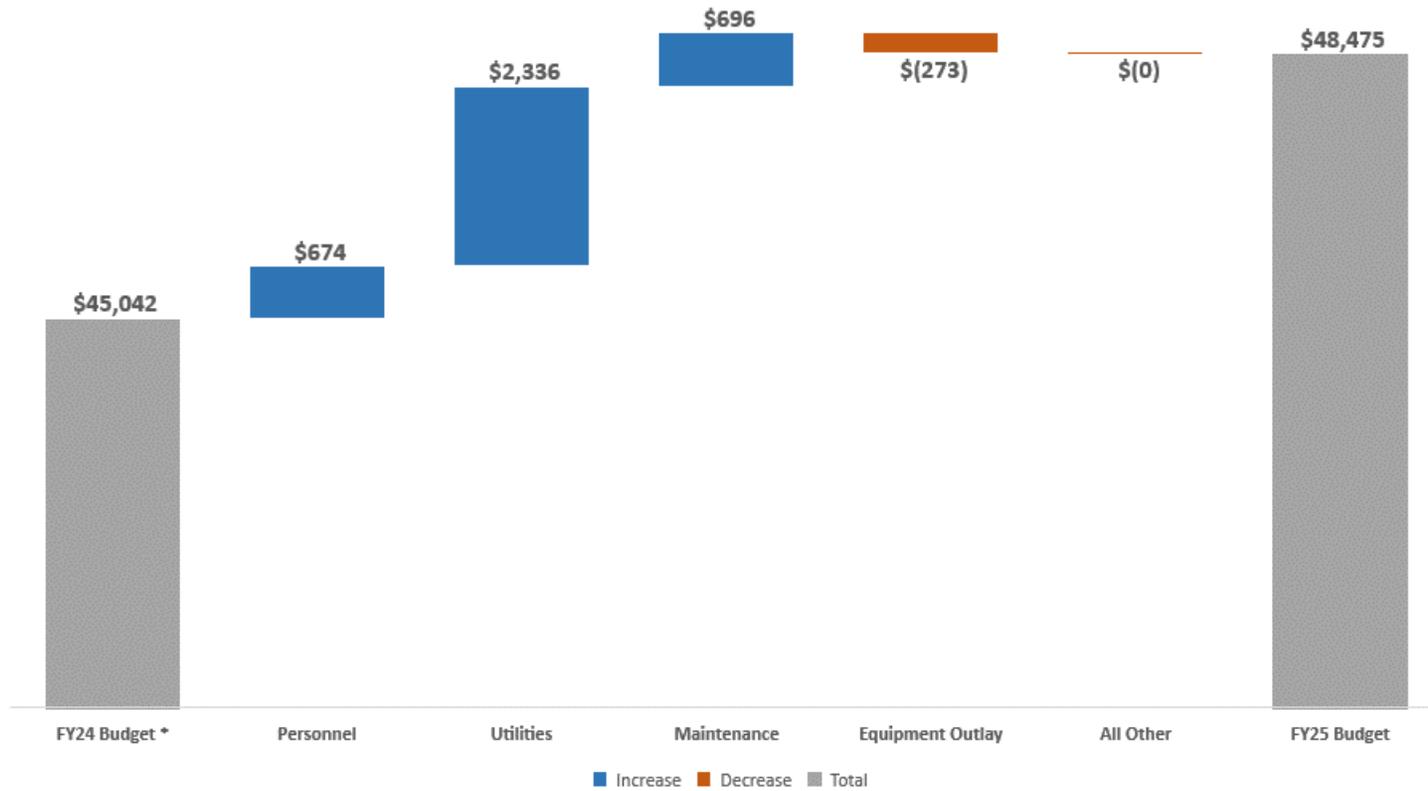
**Personnel:** Salary Adjustments, Pay for Performance and Burden (Benefits & Employer Taxes) for Current Staff

**Utilities:** \$5,021K increase due primarily to rates with assumptions for increased usage

**Maintenance:** \$538K increase for Annual Maintenance, FMD Major Projects and Supplies

## Operations Division – Facilities Management

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



(in Thousands)

\* Budget starting point not indicative of scale

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

**Utilities:** \$2,336K increase due primarily to rates with assumptions for increased usage

## Operations Division – Facilities Management

### FY 2023 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:** An FMD employee has advanced in their career development by successfully transitioning to Terminal Operations.

**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 evaluated the renewal of all 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.

**Progress:** FMD has implemented bidding out small projects to multiple ready service contractors to ensure small, disadvantaged businesses are included and provided the opportunity to work at the Authority.

**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 2024 – FY 2025 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:**

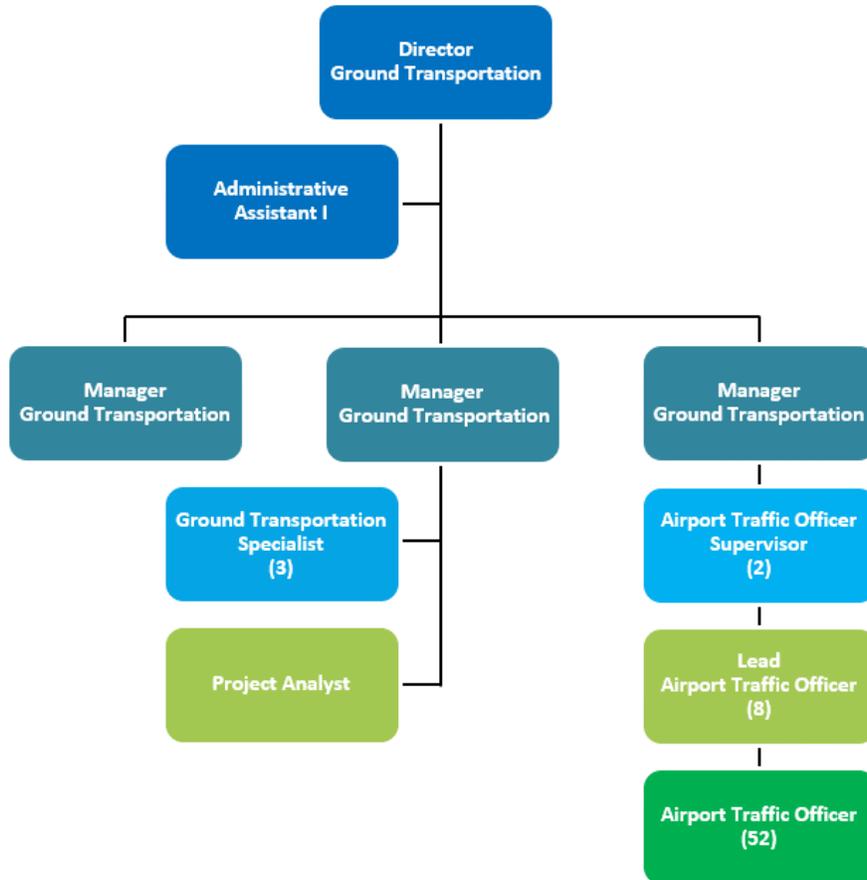
- Transform the Customer Experience

**Strategic Initiative:**

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

# Operations Division – Ground Transportation

## FY 2024 – FY 2025 Organizational Structure



*No personnel changes in FY 2025*

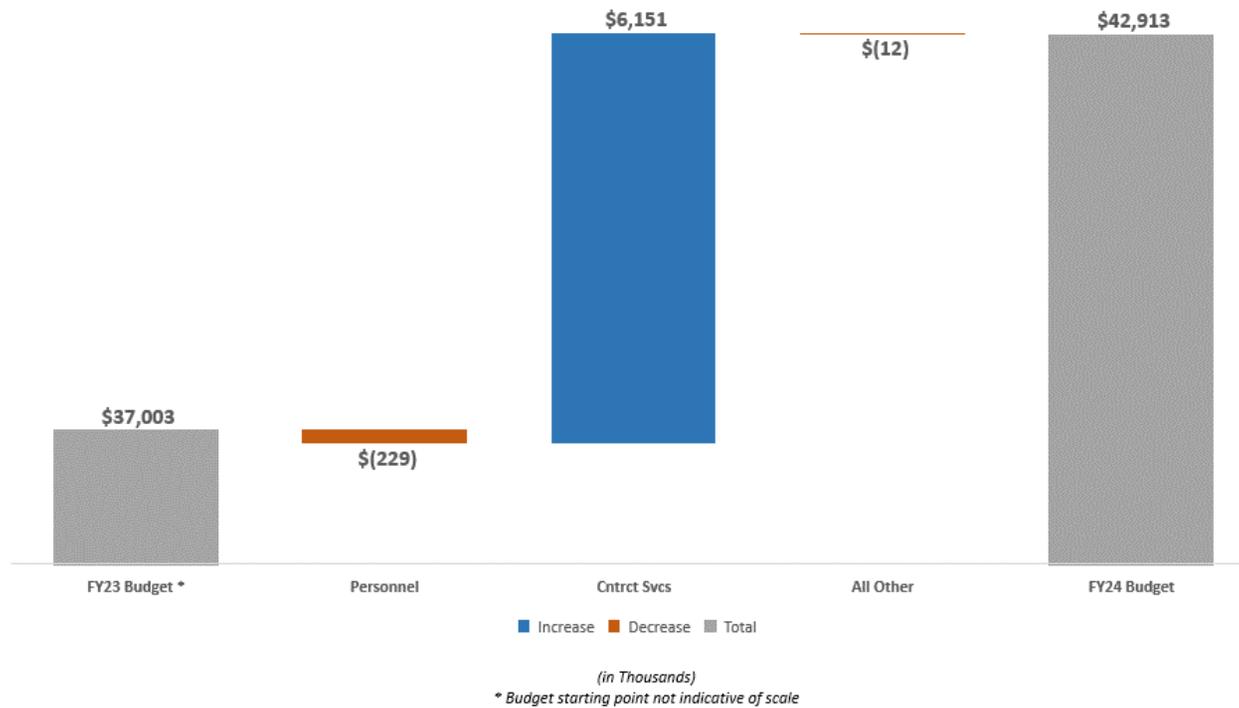
## Operations Division – Ground Transportation

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	4,456	5,304	5,291	(13)	-0.2%	5,527	236	4.5%
Benefits	2,277	2,826	2,610	(216)	-7.6%	2,838	228	8.8%
<b>Subtotal</b>	<b>6,733</b>	<b>8,130</b>	<b>7,901</b>	<b>(229)</b>	<b>-2.8%</b>	<b>8,365</b>	<b>464</b>	<b>5.9%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>6,733</b>	<b>8,130</b>	<b>7,901</b>	<b>(229)</b>	<b>-2.8%</b>	<b>8,365</b>	<b>464</b>	<b>5.9%</b>
Contractual Services	20,173	28,507	34,659	6,151	21.6%	36,581	1,922	5.5%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	1	16	16	-	0.0%	17	1	5.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	1	3	3	-	0.0%	3	0	5.0%
Operating Supplies	39	72	79	7	9.4%	81	2	2.2%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	73	72	79	7	9.8%	83	4	5.0%
Business Development	9	27	31	4	13.0%	32	2	5.0%
Equipment Rentals and Repairs	161	123	95	(28)	-23.0%	108	13	14.1%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>20,457</b>	<b>28,822</b>	<b>34,962</b>	<b>6,140</b>	<b>21.3%</b>	<b>36,906</b>	<b>1,944</b>	<b>5.6%</b>
<b>Total Operating Expenses</b>	<b>27,190</b>	<b>36,951</b>	<b>42,863</b>	<b>5,912</b>	<b>16.0%</b>	<b>45,271</b>	<b>2,408</b>	<b>5.6%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>27,190</b>	<b>36,951</b>	<b>42,863</b>	<b>5,912</b>	<b>16.0%</b>	<b>45,271</b>	<b>2,408</b>	<b>5.6%</b>
Equipment Outlay Expenditures	69	52	50	(2)	-2.9%	-	(50)	-100.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>27,259</b>	<b>37,003</b>	<b>42,913</b>	<b>5,910</b>	<b>16.0%</b>	<b>45,271</b>	<b>2,358</b>	<b>5.5%</b>

## Operations Division – Ground Transportation

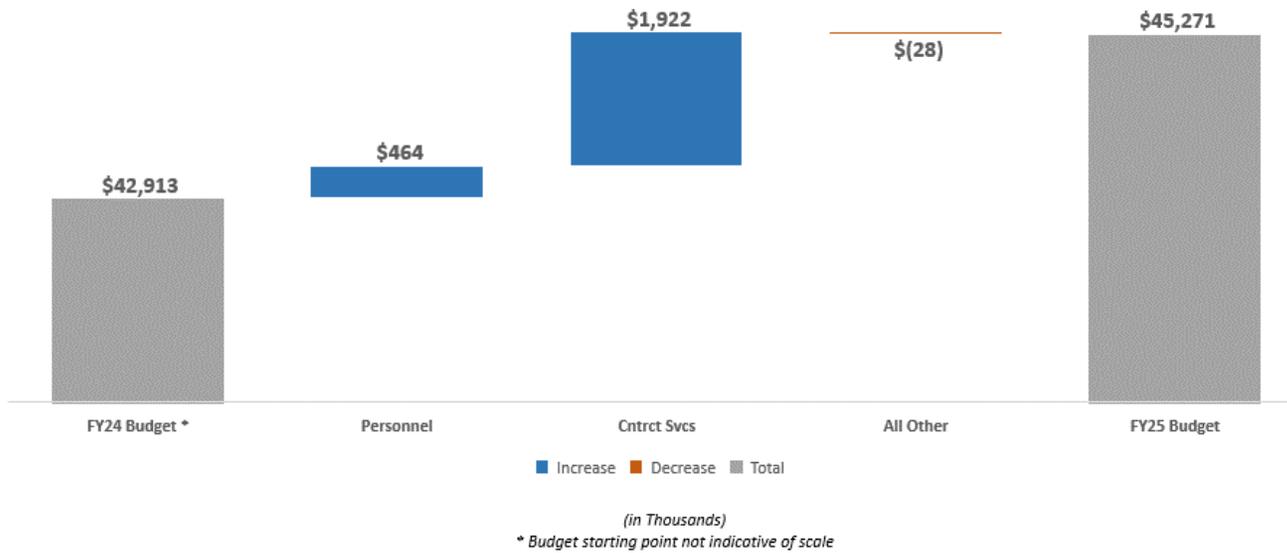
### Major Drivers of FY 2023 Budget & FY 2024 Budget



**Personnel:** Salary Adjustments, Pay for Performance and Burden (Benefits & Employer Taxes) for Current Staff  
**Contractual Services:** \$6,151K increase in Parking & Shuttle Services

## Operations Division – Ground Transportation

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



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

**Contractual Services:** \$1,922K increase in Parking & Shuttle Services

## Operations Division – Ground Transportation

### FY 2023 Progress Report

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

**Progress:** Ground Transportation (GT) has continued to develop and implement strategies that accommodate the changing requirements of the transportation industry and technology. Some of the developments in the past year include – improving virtual hold lot operations for the taxi industry, implementing new citation devices and processing software, improving online services for permit application and processing, implementing pilot program request proposals, expanding online parking product and reservation capabilities, and securing new contracts for airport shuttles and rental car center buses to meet the changing airport operating environment. GT also installed a new on-airport temporary CNG fueling station to support rental car center bus operations.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

2. Plan, maintain, and improve ground transportation infrastructure to ensure safety and efficiency through the ongoing construction of the new Terminal 1, Terminal 1 Parking Plaza, Administration Building, and on-airport roadway while responding to technological changes in the transportation industry.

**Progress:** GT preserved robust access and ongoing operations during construction of the Airport (Belly Cargo) Support Facility, the New Terminal 1, the on-airport roadway, the Authority Administration Building, the New T1 Parking Plaza, the East Solid Waste Facility, improvements to the Terminal Link Road Security Gates, and ongoing construction to existing airport roadways, parking lots, and terminals. GT staff responded proactively and comprehensively to significant operational ramp-up and recovery from the COVID-19 pandemic. GT facilitated the relocation of the TNC hold lot, Rental Car Center Bus yard, valet parking operations, and shuttle hold lot.

**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.

**Progress:** GT continues to improve the fully online services for applications, permitting, CVMS, and automated payment processing for commercial modes. GT expanded the use of the website for stakeholder resources, training, documents, and communication.

## Operations Division – Ground Transportation

### **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 2024 – FY 2025 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 roadway while responding to technological changes in the transportation industry.

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

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

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

**Operations Division – Operational Readiness, Activation, & Transition**

**FY 2024 – FY 2025 Organizational Structure**



*No personnel changes in FY 2025*

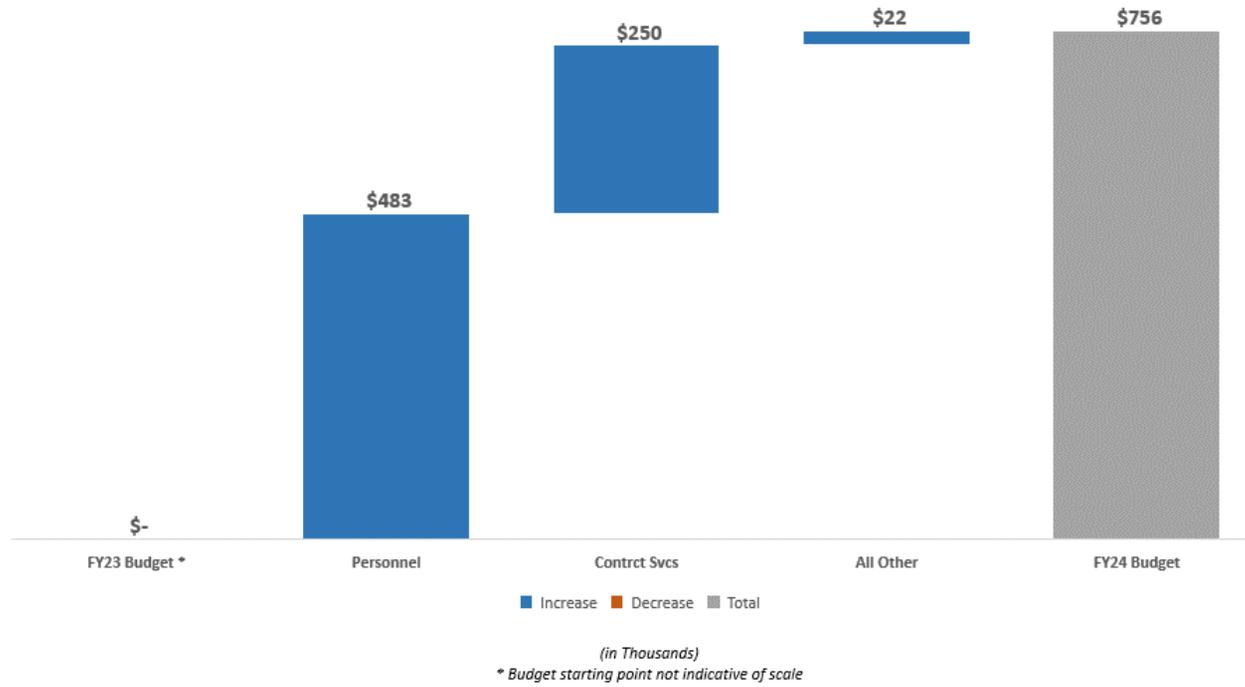
## Operations Division – Operational Readiness, Activation, & Transition

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	-	-	346	346	0.0%	387	41	11.9%
Benefits	-	-	137	137	0.0%	159	22	16.2%
<b>Subtotal</b>	-	-	483	483	0.0%	547	63	13.1%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>			483	483	0.0%	547	63	13.1%
Contractual Services	-	-	250	250	0.0%	350	100	40.0%
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	-	-	3	3	0.0%	3	0	5.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	-	-	7	7	0.0%	7	0	1.9%
Business Development	-	-	13	13	0.0%	6	(7)	-56.6%
Equipment Rentals and Repairs	-	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	-	-	272	272	0.0%	365	93	34.1%
<b>Total Operating Expenses</b>	-	-	756	756	0.0%	912	156	20.7%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Expenses</b>	-	-	756	756	0.0%	912	156	20.7%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	-	-	756	756	0.0%	912	156	20.7%

# Operations Division – Operational Readiness, Activation, & Transition

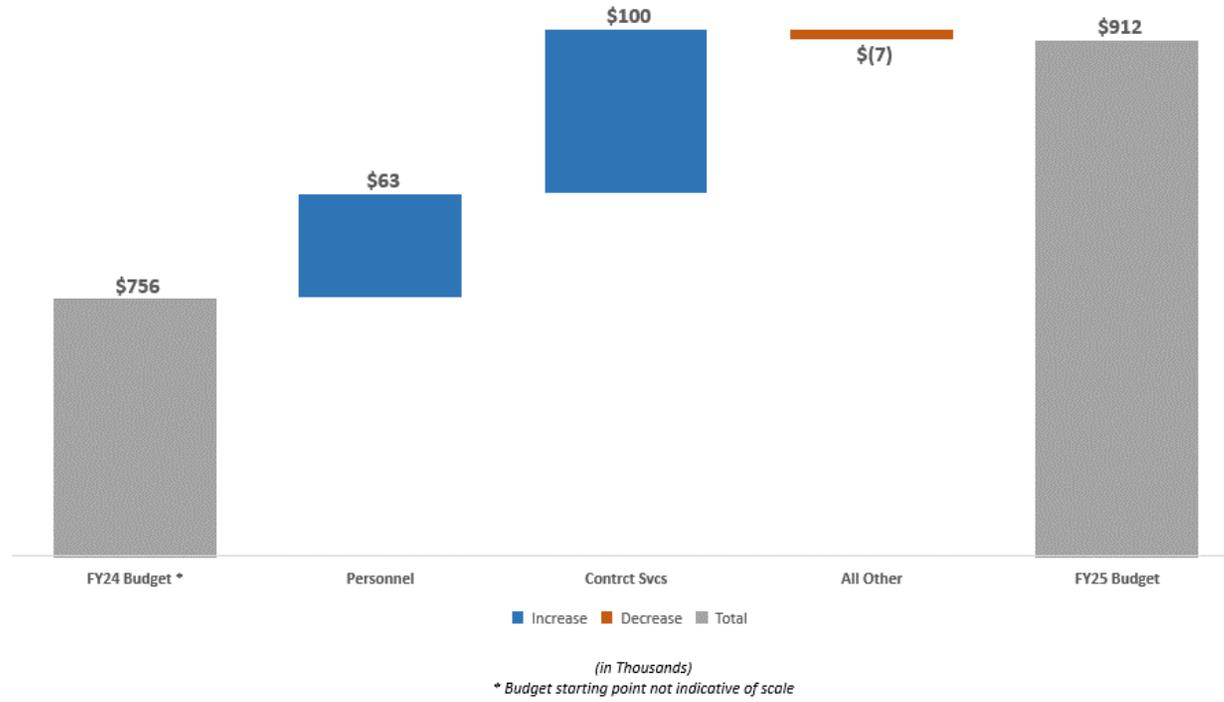
## Major Drivers of FY 2023 Budget & FY 2024 Budget



New Organization for FY24

# Operations Division – Operational Readiness, Activation, & Transition

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



## Operations Division – Operational Readiness, Activation, & Transition

### FY 2024 – FY 2025 Goals

1. Establish a new Operational Readiness, Activation, & Transition (ORAT) framework for the Airport Authority to facilitate the successful opening of the new Administration Building in late fall 2023, as well as other airport facilities in the future.

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

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

2. Develop an Activation Plan for the New Terminal 1 by January 2025, in partnership with Airport Authority departments, airlines, concessions, and other key tenants, which will outline planned familiarization activities, training sessions, system and process trials, and passenger simulations to help operationalize the new terminal facility before its opening.

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

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

# Revenue Management & Innovation Division



## Revenue Management & Innovation Division

### Overview

The **Revenue Management & Innovation Division** defines and delivers a seamless customer experience for the traveling public and implements revenue management strategies and processes, in order to optimize and maximize resulting airport revenues. The division integrates air service development, business development, marketing, public art, innovation, business intelligence and concession management services to identify, evaluate, develop, negotiate, and implement new business opportunities and initiatives. In addition, the department engages in a proactive and productive manner with relevant business interests and stakeholders, both on-and off- airport, to spur innovation and new product and service development.

The **Business Intelligence** department identifies and maps interactions a customer has with the Airport in order to identify opportunities to enhance or deliver new products and services that support a positive, meaningful experience across those interactions. The department is responsible for a variety of related activities, including analyzing data for competitive insights and creating and maintaining the customer journey map and customer personas. By incorporating feedback and insight across the Airport system, the department focuses on creating experiences that exceed customers' expectations and drive incremental revenue growth.

The **Marketing, Arts, & Air Service Development** department manages a wide range of activities and initiatives that enhance the customer experience, expand air service, engage the public, and increase awareness of the Authority and airport. The department has responsibility for executing annual air service strategy to target air service growth opportunities for SAN; recording the official airport passenger, operations and cargo statistics; managing the airport's air service incentive policies; and consulting with regional and international stakeholders on air service opportunities. The department also offers a robust Airport Arts Program that engages travelers in innovative, memorable and considerate experiences while developing marketing plans that promote airport products and services and engages airport partners across the campus in efforts to assure the traveling public experiences good feelings, non-stop.

The **Revenue Generation & Partnership Development** department oversees non-airline revenue generation contracts and programs. The department negotiates and manages the business relationships and associated contract execution for concessions, passenger services, and other lessees at the airport. This includes ensuring contractual and operational lease compliance, maximizing revenue opportunities, and ensuring management oversight of tenant activities. In addition, the department is responsible for the assessment, development, and implementation of new business opportunities and programs for the Authority. The department also leads Small Business Development (SBD) 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 2024 – FY 2025 Organizational Structure



## Division Personnel Summary

	FY 2022 Budget	FY 2023 Budget	FY 2024 Budget Transfers	FY 2024 Budget New/ (Eliminated)	FY 2024 Budget	Budget New/ (Eliminated)	FY 2025 Conceptual Budget
<b>Revenue Management &amp; Innovation Division</b>							
Business Intelligence <sup>1</sup>	13	13	(4)	-	9	-	9
Marketing, Arts, & Air Service Development <sup>2</sup>	11	11	4	(1)	14	-	14
Revenue Generation & Partnership Development	15	15	-	-	15	-	15
Small Business Development	3	3	0	-	3	-	3
<b>Total</b>	<b>42</b>	<b>42</b>	<b>0</b>	<b>(1)</b>	<b>41</b>	<b>-</b>	<b>41</b>

<sup>1</sup> 4 positions transferred to Marketing

<sup>2</sup> 4 positions transferred from Business Intelligence

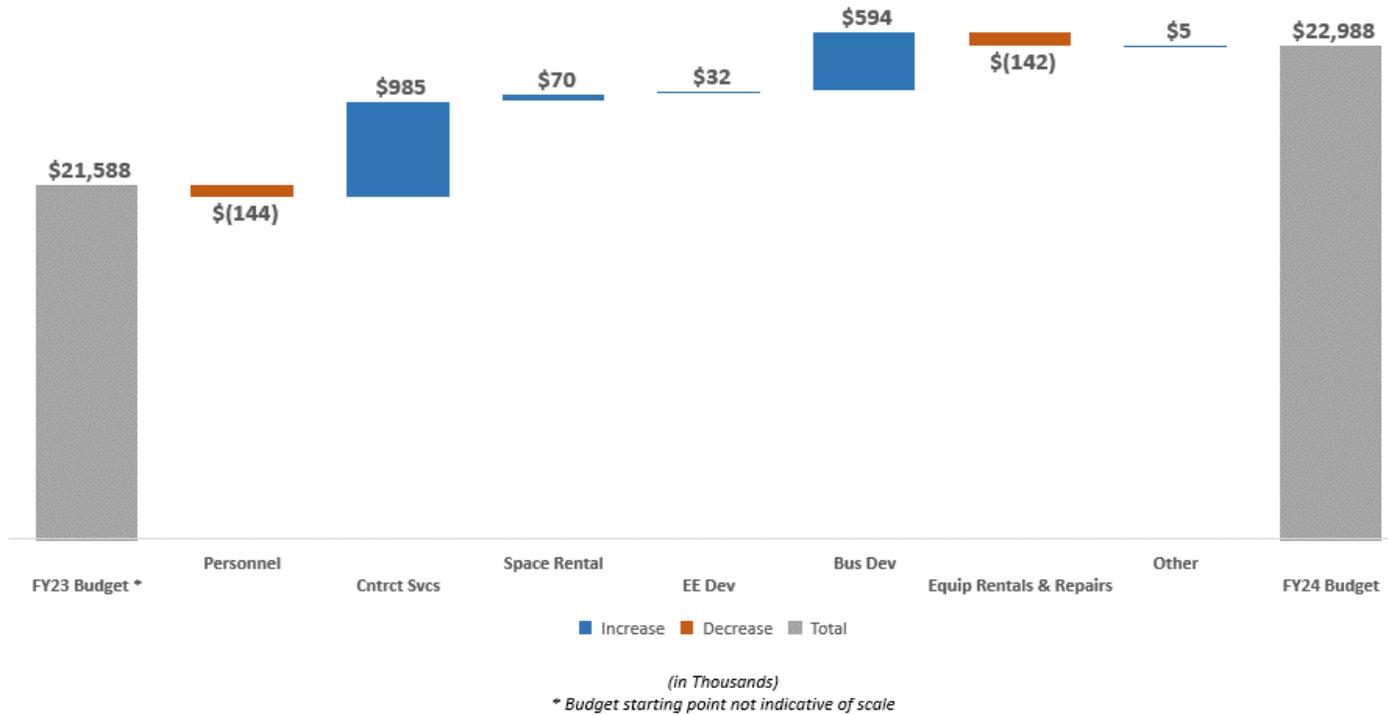
## Revenue Management & Innovation Division

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	3,407	4,856	4,883	27	0.5%	5,058	175	3.6%
Benefits	1,592	2,163	2,082	(81)	-3.8%	2,231	149	7.2%
<b>Subtotal</b>	<b>4,999</b>	<b>7,019</b>	<b>6,965</b>	<b>(55)</b>	<b>-0.8%</b>	<b>7,289</b>	<b>325</b>	<b>4.7%</b>
Less: Capitalized Labor Recharge	(48)	(699)	(788)	(89)	12.7%	(822)	(34)	4.4%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>4,950</b>	<b>6,321</b>	<b>6,177</b>	<b>(144)</b>	<b>-2.3%</b>	<b>6,467</b>	<b>290</b>	<b>4.7%</b>
Contractual Services	2,347	2,963	3,947	985	33.2%	4,224	277	7.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	11,324	10,491	10,561	70	0.7%	10,579	18	0.2%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	31	38	41	3	7.9%	48	7	17.1%
Operating Supplies	4	9	11	2	22.0%	11	1	4.6%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	62	83	115	32	38.9%	110	(5)	-4.1%
Business Development	974	1,376	1,970	594	43.2%	2,332	362	18.4%
Equipment Rentals and Repairs	14	308	166	(142)	-46.0%	187	21	12.6%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>14,756</b>	<b>15,267</b>	<b>16,811</b>	<b>1,544</b>	<b>10.1%</b>	<b>17,492</b>	<b>680</b>	<b>4.0%</b>
<b>Total Operating Expenses</b>	<b>19,707</b>	<b>21,588</b>	<b>22,988</b>	<b>1,401</b>	<b>6.5%</b>	<b>23,959</b>	<b>970</b>	<b>4.2%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>19,707</b>	<b>21,588</b>	<b>22,988</b>	<b>1,401</b>	<b>6.5%</b>	<b>23,959</b>	<b>970</b>	<b>4.2%</b>
<b>Equipment Outlay Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>19,707</b>	<b>21,588</b>	<b>22,988</b>	<b>1,401</b>	<b>6.5%</b>	<b>23,959</b>	<b>970</b>	<b>4.2%</b>

## Revenue Management & Innovation Division

### Major Drivers of FY 2023 Budget & FY 2024 Budget



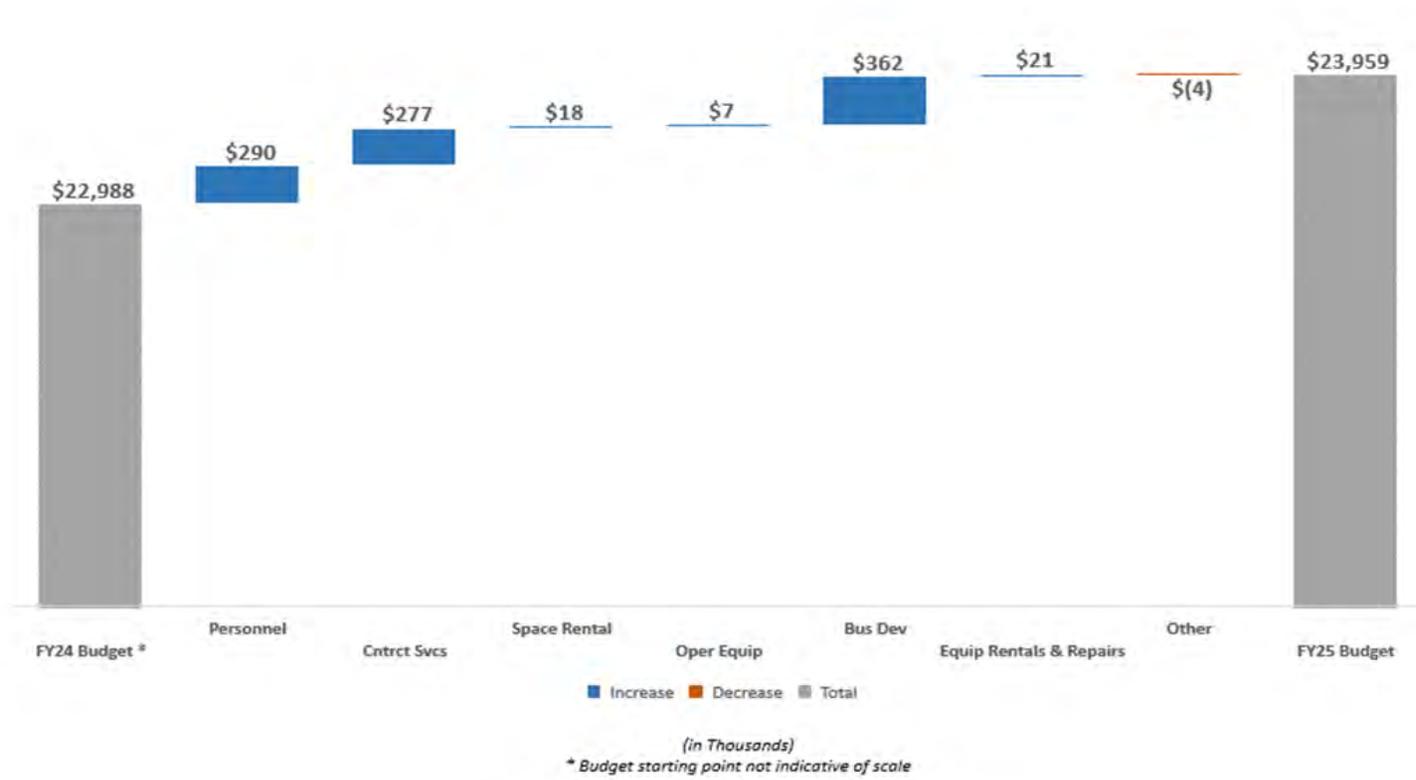
**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff. 1 eliminated position

**Contractual Services:** Includes \$343K increase in Receiving and Distribution Center Services, \$255K New T1 Marketing (transferred from Finance Division), Arts, Concessions Outreach and Business Intelligence Parking Architecture, \$200K increase in Marketing Contractual services, and \$100K increase in Website Design

**Business Development:** New T1 Marketing Advertising \$365K (transferred from Finance Division) and \$180K increase in Concessions Marketing Program

## Revenue Management & Innovation Division

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



**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff  
**Contractual Services:** Increase includes \$100K increase for Business Intelligence Consultant and \$150K due website  
**Business Development:** New T1 Marketing Advertising increase \$125K (transferred from Finance division), \$125K increase in Concessions Marketing Program and \$100K increase in New T1 printed collateral

## Revenue Management & Innovation Division

### FY 2024 Expense Budget by Department

(in thousands)

Departments	FY 2024 Budget
Revenue Generation & Partnership Development	\$16,074
Marketing, Arts, & Air Service Development	5,009
Business Intelligence	1,367
Small Business Development	538
<b>Total <sup>1</sup></b>	<b>\$22,988</b>

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

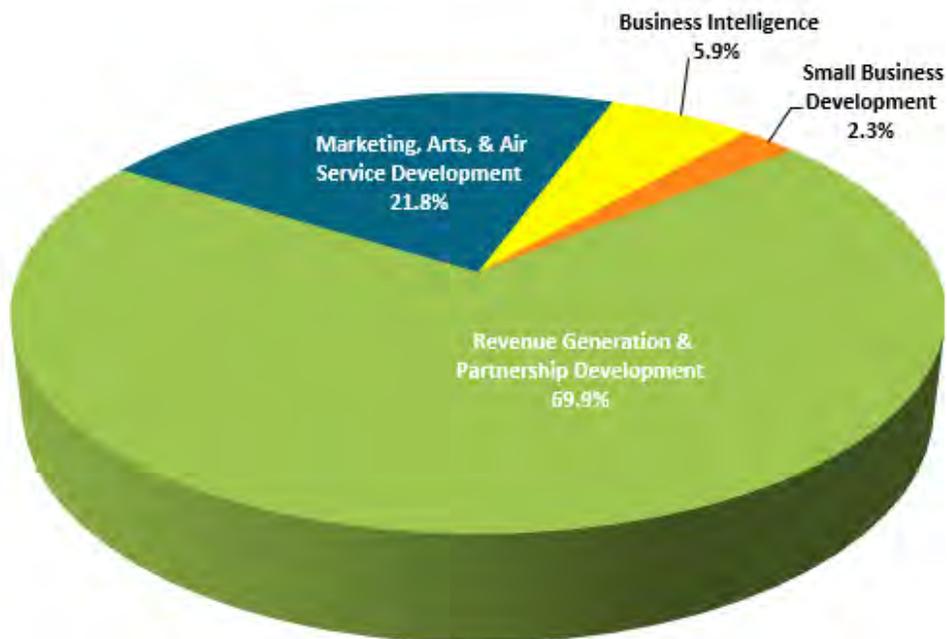


Figure 38 – FY 2024 Expense Budget by Department

## Revenue Management & Innovation Division

### FY 2025 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2025 Conceptual Budget
Revenue Generation & Partnership Development	\$16,202
Marketing, Arts, & Air Service Development	5,724
Business Intelligence	1,498
Small Business Development	535
<b>Total <sup>1</sup></b>	<b>\$23,959</b>

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

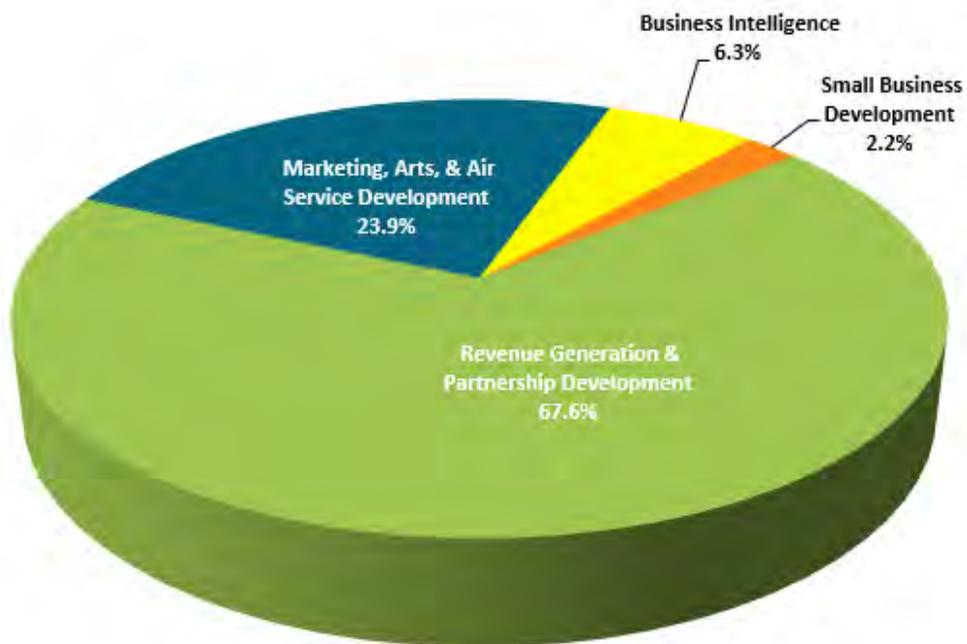


Figure 39 – FY 2025 Expense Conceptual Budget by Department

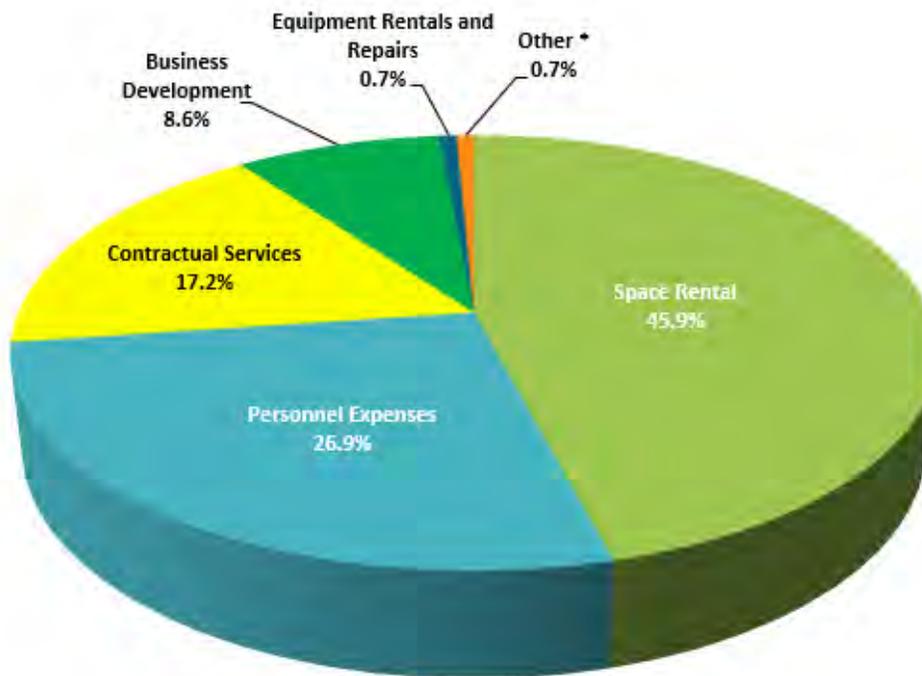
## Revenue Management & Innovation Division

### FY 2024 Expense Budget by Category

(in thousands)

Category	FY 2024 Budget
Space Rental	\$10,561
Personnel Expenses	6,177
Contractual Services	3,947
Business Development	1,970
Equipment Rentals and Repairs	166
Other *	167
<b>Total <sup>1</sup></b>	<b><u><u>\$22,988</u></u></b>

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



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

**Figure 40 – FY 2024 Expense Budget by Category**

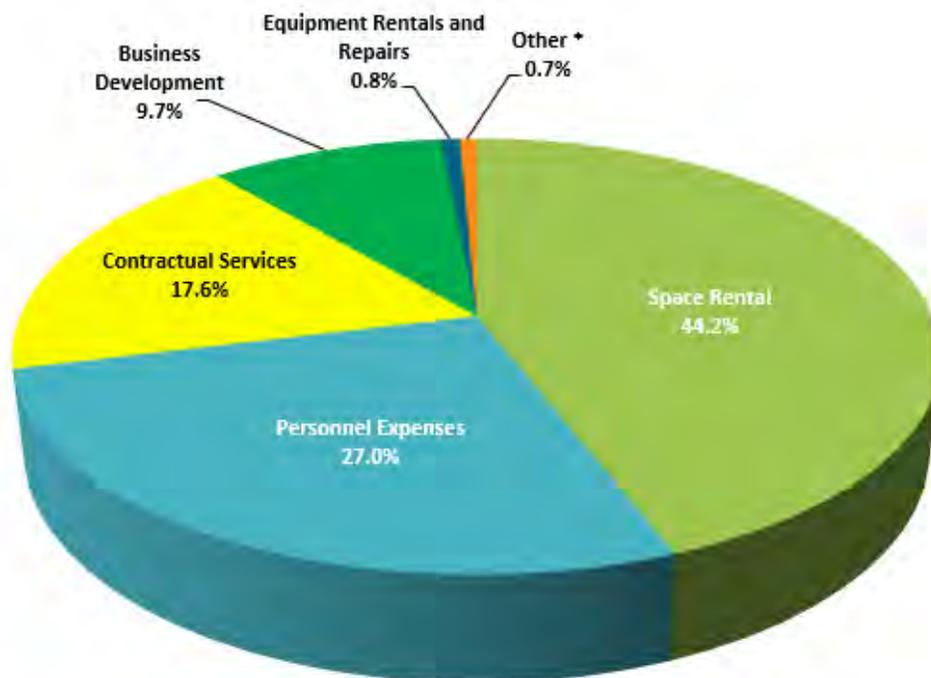
## Revenue Management & Innovation Division

### FY 2025 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2025 Conceptual Budget
Space Rental	\$10,579
Personnel Expenses	6,467
Contractual Services	4,224
Business Development	2,332
Equipment Rentals and Repairs	187
Other *	170
<b>Total <sup>1</sup></b>	<b>\$23,959</b>

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

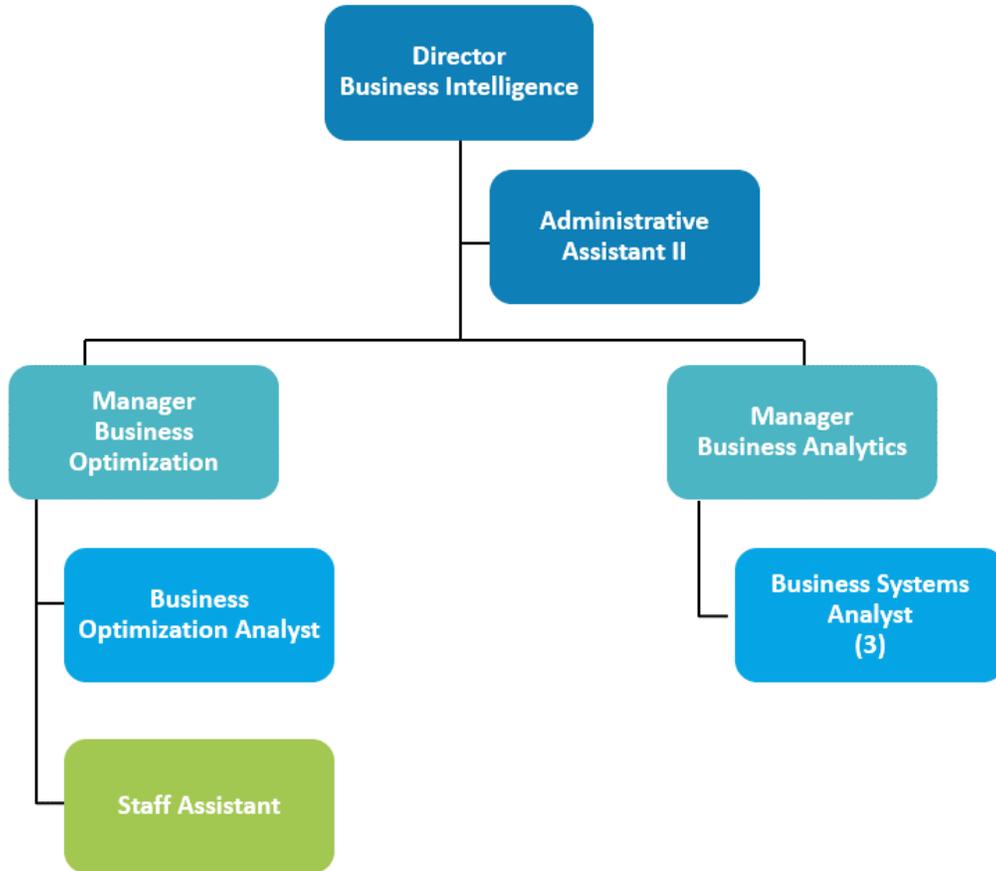


\*Other includes operating equipment & systems, employee development, etc.

**Figure 41 – FY 2025 Expense Conceptual Budget by Category**

# Revenue Management & Innovation Division – Business Intelligence

## FY 2024 – FY 2025 Organizational Structure



*No personnel changes in FY 2025*

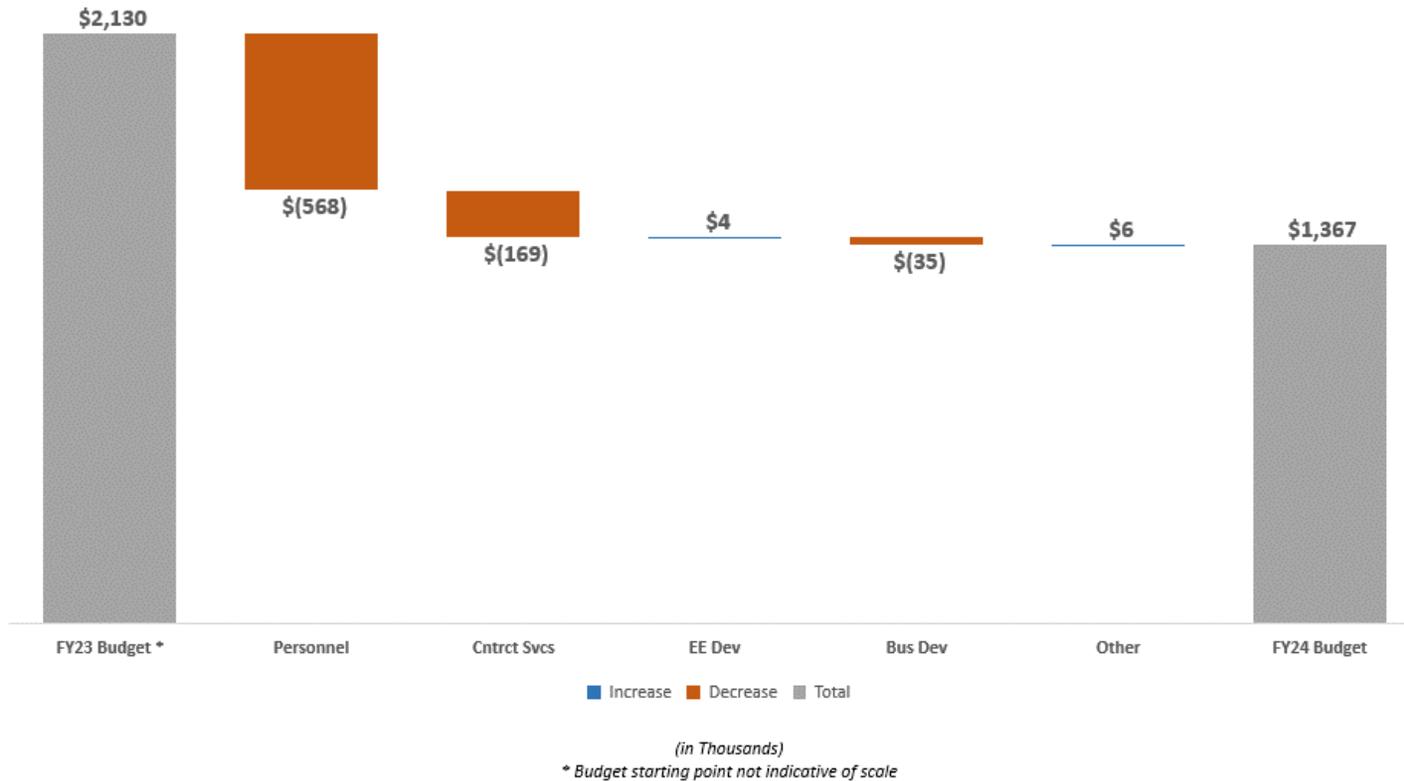
## Revenue Management & Innovation Division – Business Intelligence

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	1,033	1,208	847	(362)	-29.9%	881	34	4.0%
Benefits	432	551	344	(207)	-37.6%	371	26	7.6%
<b>Subtotal</b>	<b>1,465</b>	<b>1,760</b>	<b>1,191</b>	<b>(569)</b>	<b>-32.3%</b>	<b>1,251</b>	<b>60</b>	<b>5.1%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,465</b>	<b>1,760</b>	<b>1,191</b>	<b>(569)</b>	<b>-32.3%</b>	<b>1,251</b>	<b>60</b>	<b>5.1%</b>
Contractual Services	70	265	96	(169)	-63.8%	132	36	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	30	38	41	3	7.9%	48	7	17.1%
Operating Supplies	0	2	2	0	20.0%	2	0	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	14	22	26	4	18.0%	21	(5)	-19.1%
Business Development	5	41	5	(35)	-87.0%	7	2	37.7%
Equipment Rentals and Repairs	-	2	5	3	180.3%	35	30	627.7%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>119</b>	<b>370</b>	<b>176</b>	<b>(194)</b>	<b>-52.5%</b>	<b>246</b>	<b>70</b>	<b>40.0%</b>
<b>Total Operating Expenses</b>	<b>1,584</b>	<b>2,130</b>	<b>1,367</b>	<b>(763)</b>	<b>-35.8%</b>	<b>1,497</b>	<b>130</b>	<b>9.5%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,584</b>	<b>2,130</b>	<b>1,367</b>	<b>(763)</b>	<b>-35.8%</b>	<b>1,497</b>	<b>130</b>	<b>9.5%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>1,584</b>	<b>2,130</b>	<b>1,367</b>	<b>(763)</b>	<b>-35.8%</b>	<b>1,497</b>	<b>130</b>	<b>9.5%</b>

## Revenue Management & Innovation Division – Business Intelligence

### Major Drivers of FY 2023 Budget & FY 2024 Budget

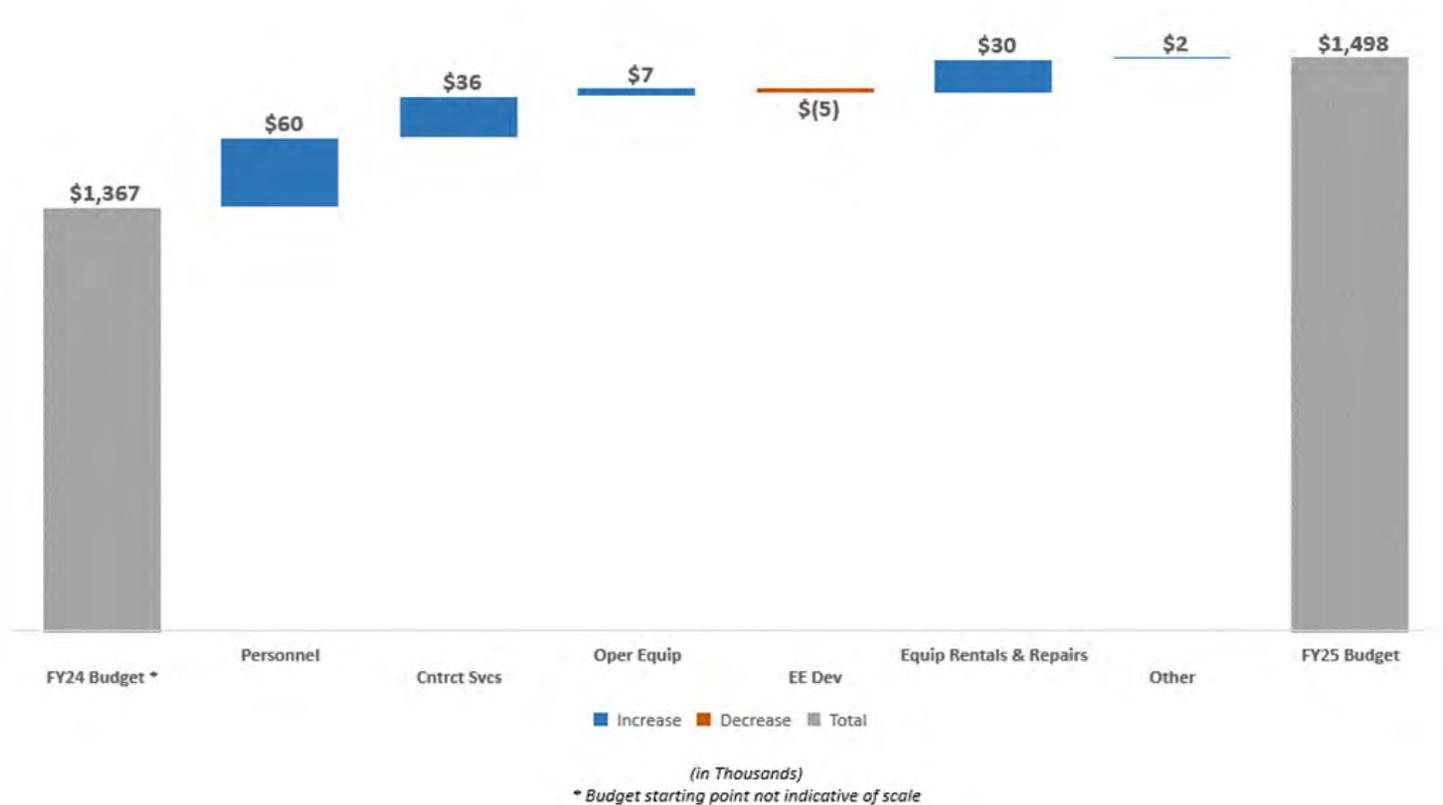


**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff. Four (4) positions to Marketing

**Contractual Services:** Decreased (\$245K) moving Arts contractual Services to Marketing, \$26K increase for mapping software, and \$60K increase for New T1 parking data architecture

## Revenue Management & Innovation Division – Business Intelligence

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



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

**Contractual Services:** \$100K increase for Business Intelligence Consultant and a (\$60K) decrease in New T1 parking data architecture

**Equipment Rental & Repairs:** \$25K increase for software moved from I&TS to Business Intelligence

## Revenue Management & Innovation Division – Business Intelligence

### FY 2023 Progress Report

1. Use research and data-driven insights to identify and implement experiential opportunities at varying stages of the customer journey for both business customers and traveling passengers. Implement technology to map, predict, and support passenger movements through the terminals, analyze the findings in conjunction with other research to make informed recommendations, and work collaboratively with other departments to prioritize and launch solutions.

**Progress:** The data analytics team has implemented the Ariadne Maps solution in Terminal 2 West to study passenger and customer movements and behaviors and further expansion into Terminal 2 East is expected to be completed by the end of the year. The solution will provide much insight into decisions made in business units such as RGPD and Customer Relations.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

2. Build excitement for the NT1 by re-establishing and implementing arts programming that enhances the Customer Experience, including advancing the new public art commissions, promoting the Lead Artist role, providing increased performing arts, and executing temporary exhibitions, per the Arts Master Plan and while promoting positive awareness of SAN by partnering with community-based artists and arts organizations.

**Progress:** Through ongoing collaboration with ADC and the JV, all 6 public art commissions have successfully advanced on schedule through the Schematic Design phase. The Lead Artist role resulted in an innovative façade design, central to promoting the NT1. With staff recovery, the Temporary Exhibitions program resumed with *A Necessary Departure* (receiving the highest number of submissions in the program’s history), and the Performing Arts Program resumed with eagerly anticipated weekly concerts.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

3. Define and deliver a centralized Enterprise Data Management to improve data integrity, reduce data redundancy, reduce cost, valuable insights and centralized reporting.

**Progress:** The data analytics team has set up what most airports have not been able to do yet - an Enterprise Data Warehouse (EDW) in the Cloud - specifically the Amazon Web Services (AWS) cloud. In the EDW, airport transactional data from multiple disparate systems has been centralized and transformed into a unified set of data (data product) that business units can easily report on. This forms a foundation to bring in other forms of data from different systems such as the Internet of Things (IoT) and to build a data governance Enterprise Data Management program to reduce data redundancy and improve data integrity. The Parking data produced was instrumental in the Parking Revenue Strategy effort and immediately provided insight to the hired contracting firm.

## Revenue Management & Innovation Division – Business Intelligence

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

- Optimize Ongoing Business

### **Strategic Initiative:**

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

## Revenue Management & Innovation Division – Business Intelligence

### FY 2024 – FY 2025 Goals

1. Further promote a data-driven culture by helping business units improve their reporting capabilities and discover actionable insight from their data.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

2. Promote and train data literacy across the organization by creating data champions within business units who are data, subject matter experts.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 3B. Solicit champions to tell our story

3. Support new programs and innovation by harnessing data and allowing business units to properly assess the project's effectiveness and potential.

**Strategic Plan Focus Area:**

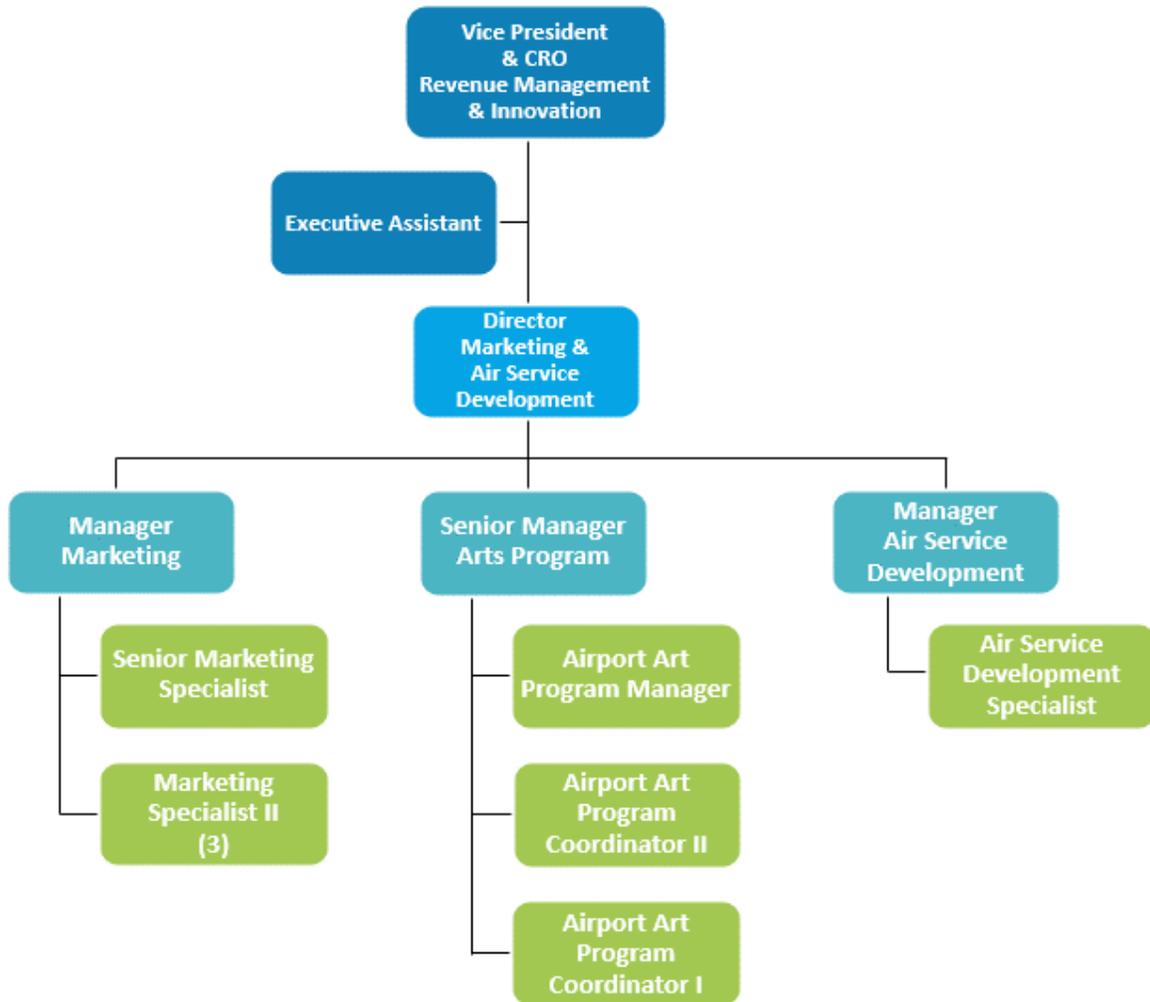
- Optimize Ongoing Business

**Strategic Initiative:**

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

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

## FY 2024 – FY 2025 Organizational Structure



*No personnel changes in FY 2025*

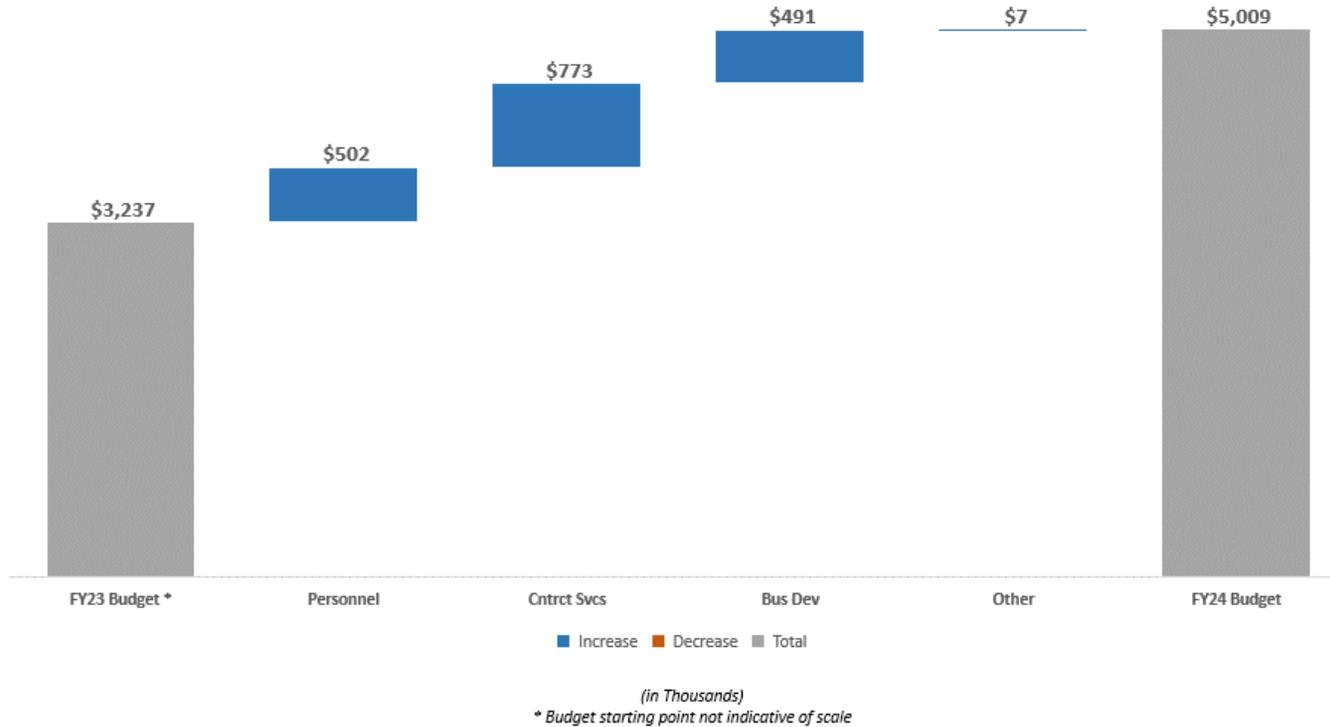
## Revenue Management & Innovation Division – Marketing, Arts, & Air Service Development

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	952	1,206	1,634	428	35.5%	1,697	63	3.9%
Benefits	487	560	733	173	31.0%	786	53	7.3%
<b>Subtotal</b>	<b>1,439</b>	<b>1,765</b>	<b>2,367</b>	<b>601</b>	<b>34.1%</b>	<b>2,483</b>	<b>117</b>	<b>4.9%</b>
Less: Capitalized Labor Recharge	-	-	(99)	(99)	0.0%	(104)	(5)	4.9%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,439</b>	<b>1,765</b>	<b>2,267</b>	<b>502</b>	<b>28.4%</b>	<b>2,379</b>	<b>112</b>	<b>4.9%</b>
Contractual Services	463	349	1,122	773	221.4%	1,368	247	22.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	2	-	-	-	0.0%	-	-	0.0%
Operating Supplies	0	3	4	0	7.7%	4	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	32	21	28	7	34.5%	28	0	0.0%
Business Development	904	1,088	1,579	491	45.1%	1,935	356	22.6%
Equipment Rentals and Repairs	-	11	10	(1)	-8.3%	10	(0)	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>1,400</b>	<b>1,472</b>	<b>2,742</b>	<b>1,270</b>	<b>86.3%</b>	<b>3,345</b>	<b>603</b>	<b>22.0%</b>
<b>Total Operating Expenses</b>	<b>2,839</b>	<b>3,237</b>	<b>5,009</b>	<b>1,772</b>	<b>54.7%</b>	<b>5,724</b>	<b>715</b>	<b>14.3%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>2,839</b>	<b>3,237</b>	<b>5,009</b>	<b>1,772</b>	<b>54.7%</b>	<b>5,724</b>	<b>715</b>	<b>14.3%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>2,839</b>	<b>3,237</b>	<b>5,009</b>	<b>1,772</b>	<b>54.7%</b>	<b>5,724</b>	<b>715</b>	<b>14.3%</b>

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

### Major Drivers of FY 2023 Budget & FY 2024 Budget



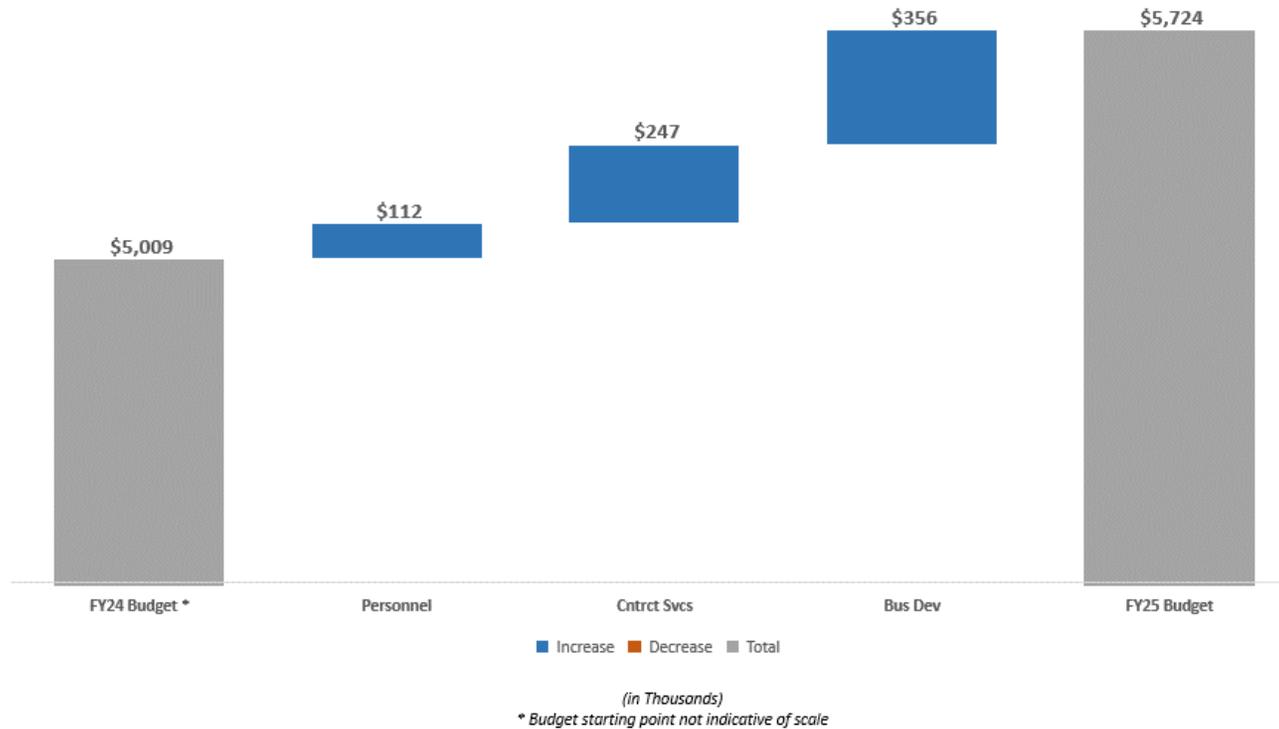
**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff. Four (4) positions transferred from Business Intelligence

**Contractual Services:** Includes \$245K increase moving Arts contractual Services to Marketing, \$200K increase in Marketing Contractual services, increase \$145K for New T1 campaign strategy and arts, and an increase of \$100K for website design

**Business Development:** New T1 Marketing Advertising \$365K and \$100K increase in Concessions Marketing Program

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

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



**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff  
**Contractual Services:** Increase includes \$150K due to website completion in FY25 and increase of \$70K for photography and video contracts  
**Business Development:** New T1 Marketing Advertising increase \$125K, \$125K increase in Concessions Marketing Program, and \$100K increase in New T1 printed collateral

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

## FY 2023 Progress Report

1. Stabilize international capacity to pre-pandemic levels.

**Progress:** British Airways (BA), Japan Airlines (JAL), and Lufthansa have all returned to service. New to Montreal, Canada also added.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 1A. Attract domestic and international airlines and passengers

2. Create customer-facing communication plan for The New T1.

**Progress:** Marketing developed the Authority’s paid media campaign to make the San Diego community aware of the project and impacts to travel. The campaign is in place through June 2023. Reach estimated at ~90% of the leisure travelers in the county. Campaign is expected to continue through FY25.

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

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

3. Make progress toward service from a Latin American Hub.

**Progress:** Talks continue with airlines aligned with aircraft delivery dates.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 1A. Attract domestic and international airlines and passengers

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

## FY 2024 – FY 2025 Goals

1. Make progress toward new service from Latin America, and additional service to Europe and Asia.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 1A. Attract domestic and international airlines and passengers

2. Raise community awareness of SAN's nonstop service (where we fly).

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 1A. Attract domestic and international airlines and passengers

3. Launch new concessions marketing program to raise awareness of and attract passengers into airport shops and restaurants.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

4. Develop plan to deliver seamless brand experience for customers by the opening of Phase 1A of New T1.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

5. Build excitement for NT1 by continuing to develop all related arts projects, including public art commissions, performance stages, Arts Zone, display cases, relocated artwork, and other amenities, while growing ongoing performing arts, temporary exhibitions, and public art programming for the enhanced experience of our customers, per the Arts Master Plan.

**Strategic Plan Focus Area:**

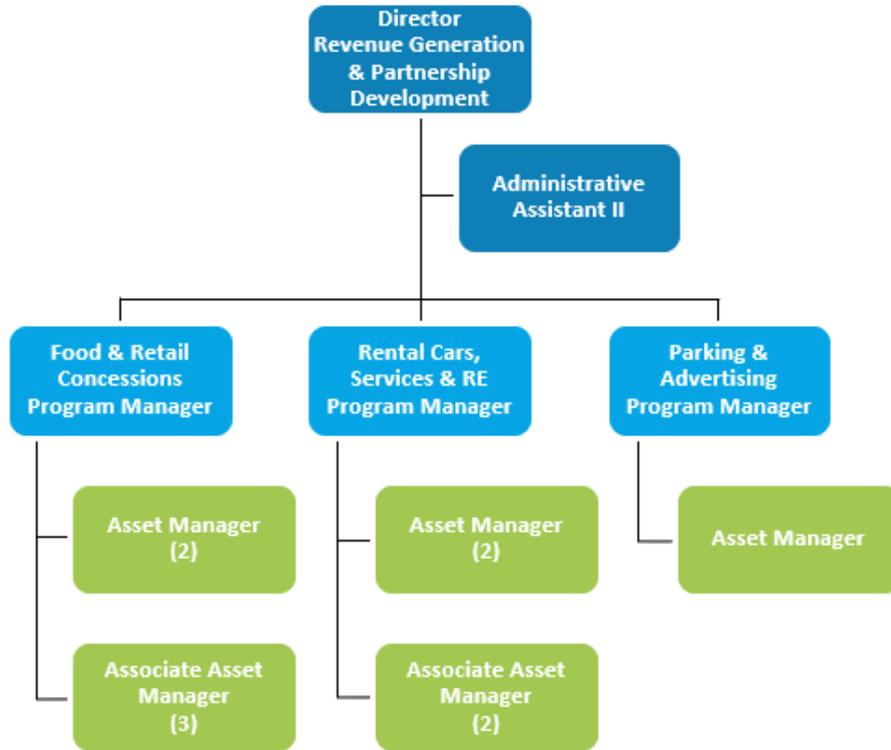
- Transform the Customer Experience

**Strategic Initiative:**

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

# Revenue Management & Innovation Division – Revenue Generation & Partnership Development

## FY 2024 – FY 2025 Organizational Structure



*No personnel changes in FY 2025*

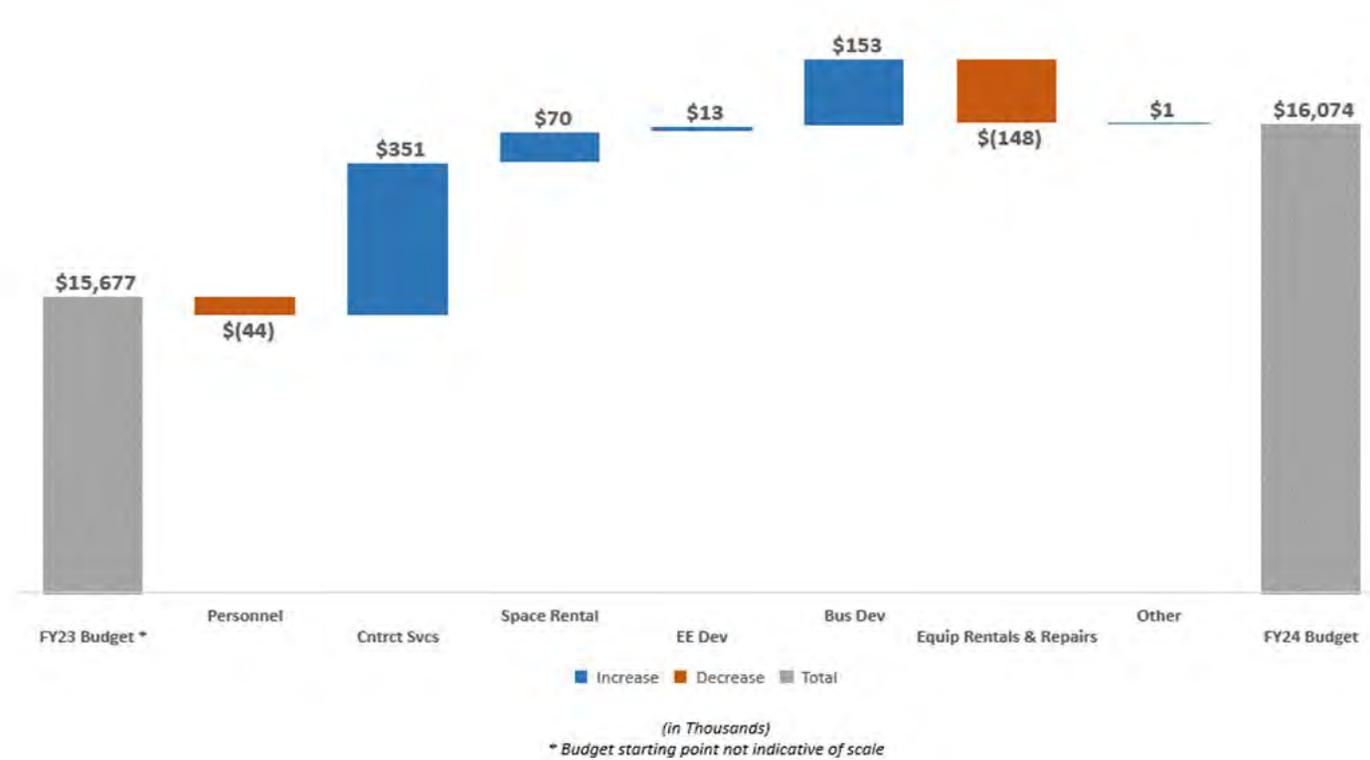
## Revenue Management & Innovation Division – Revenue Generation & Partnership Development

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	1,189	1,977	1,959	(18)	-0.9%	2,025	66	3.4%
Benefits	575	867	823	(44)	-5.1%	880	57	6.9%
<b>Subtotal</b>	<b>1,764</b>	<b>2,844</b>	<b>2,782</b>	<b>(62)</b>	<b>-2.2%</b>	<b>2,905</b>	<b>123</b>	<b>4.4%</b>
Less: Capitalized Labor Recharge	(5)	(466)	(448)	18	-3.8%	(468)	(20)	4.4%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,760</b>	<b>2,378</b>	<b>2,334</b>	<b>(44)</b>	<b>-1.9%</b>	<b>2,437</b>	<b>103</b>	<b>4.4%</b>
Contractual Services	1,799	2,338	2,690	351	15.0%	2,711	21	0.8%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	11,324	10,491	10,561	70	0.7%	10,579	18	0.2%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	3	3	4	1	41.9%	4	1	13.3%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	8	22	36	13	59.0%	37	2	4.2%
Business Development	38	189	342	153	80.9%	337	(5)	-1.5%
Equipment Rentals and Repairs	1	255	107	(148)	-58.1%	97	(10)	-9.4%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>13,173</b>	<b>13,299</b>	<b>13,740</b>	<b>441</b>	<b>3.3%</b>	<b>13,765</b>	<b>26</b>	<b>0.2%</b>
<b>Total Operating Expenses</b>	<b>14,933</b>	<b>15,677</b>	<b>16,074</b>	<b>396</b>	<b>2.5%</b>	<b>16,202</b>	<b>129</b>	<b>0.8%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>14,933</b>	<b>15,677</b>	<b>16,074</b>	<b>396</b>	<b>2.5%</b>	<b>16,202</b>	<b>129</b>	<b>0.8%</b>
<b>Equipment Outlay Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>14,933</b>	<b>15,677</b>	<b>16,074</b>	<b>396</b>	<b>2.5%</b>	<b>16,202</b>	<b>129</b>	<b>0.8%</b>

# Revenue Management & Innovation Division – Revenue Generation & Partnership Development

## Major Drivers of FY 2023 Budget & FY 2024 Budget



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

**Contractual Services:** Includes \$343K increase in Receiving and Distribution Center Services, \$75K New T1 concessions outreach, and decrease (\$22K) in for a parking consultant and (\$75K) in T2W Concessions Consultant

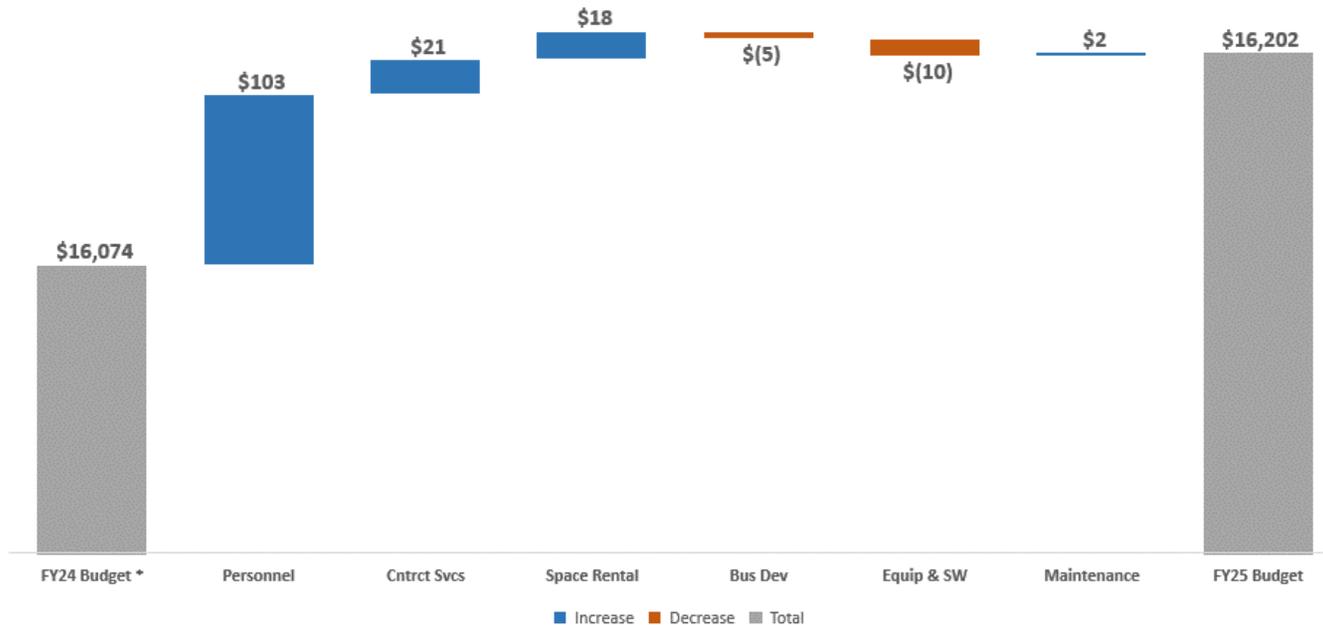
**Space Rent:** Additional space rent for \$70K supporting the on-airport Roadway property

**Business Development:** Increase \$100K increase in advertising for Parking Marketing that was moved from Marketing to RGPD and \$80K for promotional activities for the Quality Assurance program

**Equipment Rentals & Repairs:** Decrease in property management software

# Revenue Management & Innovation Division – Revenue Generation & Partnership Development

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



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

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

**Contractual Services:** Increase include \$10K for Concessions Hood and Vent cleaning and slight increase of \$10K for Receiving and Distribution Services

# Revenue Management & Innovation Division – Revenue Generation & Partnership Development

## FY 2023 Progress Report

1. Implementation of the Parking Revenue Strategy to maximize revenue and minimize impact of New T1 construction.

**Progress:** The implementation of the Parking Revenue Strategy began in FY2023 with the initiation of work with a parking consultant procured at the end of FY22. The Parking Working Group accepted the conclusions of the consultant. The Board approved a new flexible pricing strategy recommended by the consultant's report.

**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 award of a Concession Request for Proposal for New T1 to include Food & Beverage, Retail, Passenger Services, and Common Lounge.

**Progress:** The concessions program spaces were defined and packaged for solicitation; outreach completed in October 2022. RGPD developed a new RFP document and a new lease. The multi-unit F&B and retail RFPs were issued in January 2023 and two small business units in February. Staff anticipates seeking Board award in June-July 2023.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

3. Development and issuing of a Request for Proposal for Terminal 2 Food & Beverage and Retail concessions.

**Progress:** The Terminal 2 Food & Beverage and Retail concessions RFP has been delayed due to the importance of finalizing the New T1 concessions program awards.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

# Revenue Management & Innovation Division – Revenue Generation & Partnership Development

## FY 2024 – FY 2025 Goals

1. Negotiate and execute new lease agreements for Terminal 1 food & Beverage, retail, common use lounge, indoor and outdoor advertising.

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

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

2. Execute new product development and marketing programs in accordance with the Parking Revenue Strategy, including providing guidance in solicitation/negotiations for new parking operations contract.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

3. Initiate development of a strategic plan for phased transition and redevelopment of Terminal 2 concessions, including opportunities for small business participation.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

4. Collaborate with Marketing and contracted resources to execute a new concessions marketing program that will grow sales by increasing awareness of the restaurant and retail offering at SAN and creating experiences that promote incremental spending.

**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 – Small Business Development

## FY 2024 – FY 2025 Organizational Structure



*No personnel changes in FY 2025*

## Revenue Management & Innovation Division – Small Business Development

### FY 2024 Budget – FY 2025 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
<b>Operating Expenses</b>								
Salaries	233	465	444	(22)	-4.7%	456	12	2.7%
Benefits	97	185	181	(4)	-2.4%	194	13	7.1%
<b>Subtotal</b>	<b>330</b>	<b>650</b>	<b>624</b>	<b>(26)</b>	<b>-4.0%</b>	<b>649</b>	<b>25</b>	<b>4.0%</b>
Less: Capitalized Labor Recharge	(44)	(233)	(240)	(7)	3.1%	(250)	(10)	4.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>287</b>	<b>417</b>	<b>384</b>	<b>(33)</b>	<b>-8.0%</b>	<b>399</b>	<b>15</b>	<b>4.0%</b>
Contractual Services	15	10	40	30	300.0%	12	(28)	-70.0%
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	20.0%	1	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	8	17	25	8	45.0%	24	(1)	-5.0%
Business Development	27	58	44	(14)	-24.7%	53	9	21.5%
Equipment Rentals and Repairs	13	40	45	4	10.7%	46	1	2.2%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>63</b>	<b>126</b>	<b>154</b>	<b>28</b>	<b>22.1%</b>	<b>135</b>	<b>(19)</b>	<b>-12.2%</b>
<b>Total Operating Expenses</b>	<b>350</b>	<b>544</b>	<b>538</b>	<b>(5)</b>	<b>-1.0%</b>	<b>535</b>	<b>(4)</b>	<b>-0.7%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>350</b>	<b>544</b>	<b>538</b>	<b>(5)</b>	<b>-1.0%</b>	<b>535</b>	<b>(4)</b>	<b>-0.7%</b>
<b>Equipment Outlay Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>350</b>	<b>544</b>	<b>538</b>	<b>(5)</b>	<b>-1.0%</b>	<b>535</b>	<b>(4)</b>	<b>-0.7%</b>

## Revenue Management & Innovation Division – Small Business Development

### Major Drivers of FY 2023 Budget & FY 2024 Budget



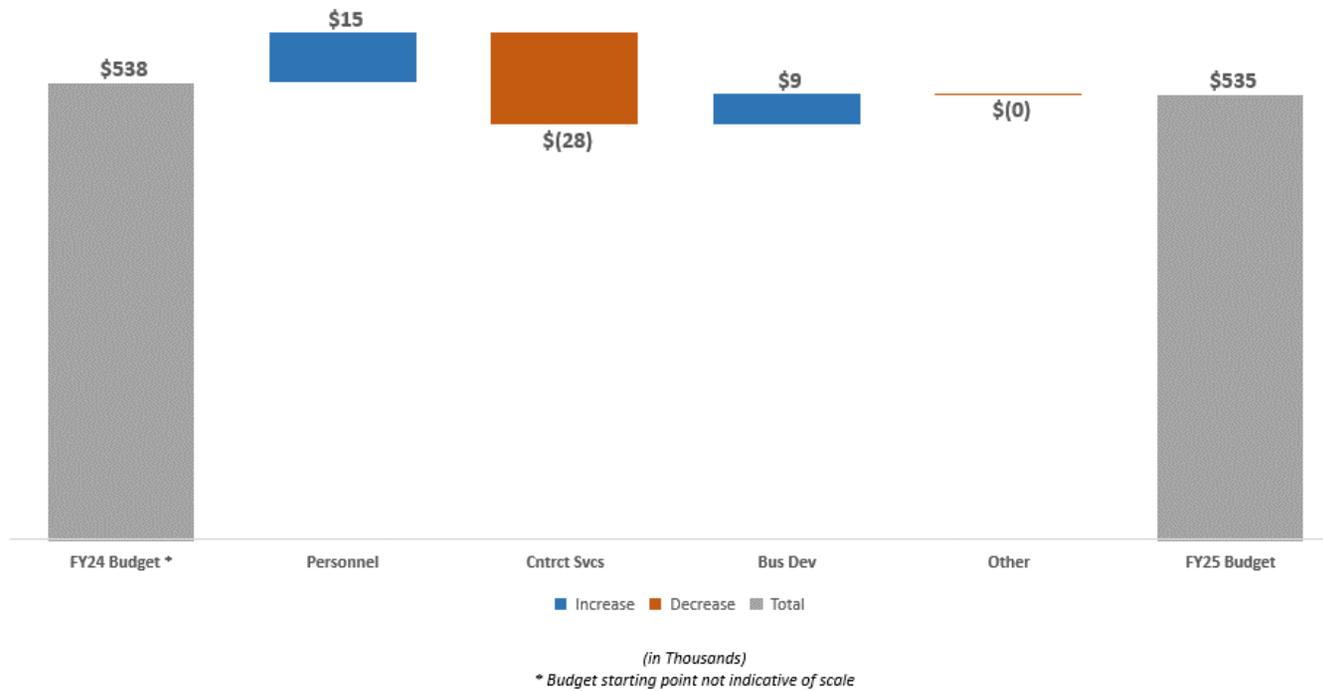
**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff

**Contractual Services:** Includes \$30K increase for a Small Business Consultant

**Business Development:** Decreases in promotional activities and memberships (\$14K)

## Revenue Management & Innovation Division – Small Business Development

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



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

**Contractual Services:** (\$28K) decrease for contractual usage

**Business Development:** Increase \$9K for in-person training and outreach

# Revenue Management & Innovation Division – Small Business Development

## FY 2023 Progress Report

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

**Progress:** The SBD team conducted or participated in eighteen outreach events primarily focused on New T1, including thirteen events hosted by our partner agencies (SBDC, CALTRANS, SD Chamber of Commerce, etc.) to discuss contracting opportunities at the airport. Attendance at these events was approximately 1,700 people.

**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, diversity equity and inclusion through education, outreach, and transparency to the business community.

**Progress:** In November, the Airport Authority Board of Directors approved amendments to Policy 5.12. These amendments broadened the definition and increased the variety of certifying agencies for veteran-owned and service-disabled veteran-owned businesses.

The Small Business Development also co-hosted the Turner School of Construction Management in the Fall of 2022 with 35 graduates. The school provides education and training for businesses to better compete for public sector contracts. The Spring 2023 event will have a similar number of attendees.

**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 stakeholders on the New T1 Concession Program and increase pool of qualifiable concessionaires and ACDBEs through opportunity awareness and education.

**Progress:** The SBD team conducted or participated in fourteen outreach events specifically focused on New T1, two of which were the primary topic was on obtaining ACDBE certification with approximately 50 participants.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

## Revenue Management & Innovation Division – Small Business Development

### FY 2024 – FY 2025 Goals

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

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

# Debt Service



## Debt Service

### Overview

Capital projects are funded by a combination of sources, including short-term and long-term debt instruments. Debt service amounts appearing in the budget are based on payments of principal, interest, and fees for the revenue bonds and variable debt. Debt service expenses (which also include amortization of bond premiums and cost of issuance fees) are projected at \$195.9M for the FY 2024 Budget and \$237.9M for the FY 2025 Conceptual Budget (see **Debt Service by Source**).

### Allowed Purposes and Types of Debt

The Airport Authority does not have taxing power and therefore issues revenue bonds to finance the construction of airport projects. The bonds are called revenue bonds because their repayment is secured solely by revenues produced by the Airport system. The Airport Authority may also issue special facility obligations to finance capital projects. Such obligations must be secured by a defined revenue stream derived from or relating to discrete facilities.

### Debt Limit Policy

The Airport Authority's policy is to manage its current and future debt service requirements in compliance with all bond covenants while prudently meeting its capital needs. The Airport Authority does not have a legal debt limit but is constrained by its bond indenture requirement for debt service coverage, which requires that net revenues (generally defined as operating revenues less operating expenses) pledged to pay debt service exceed 125% (1.25x) of annual senior lien bond debt service and that subordinate net revenues shall exceed 110% (1.10x) of subordinate lien debt service. This acts as a cap on the annual debt service, not a cap on the amount of outstanding debt, and is a common provision in airport bond resolutions. A debt service coverage table is shown on *page 273*.

In addition, the Board has adopted a debt policy that calls for minimum debt service coverage of 140% (1.40x) for aggregate debt service coverage (senior and subordinate) calculated where PFCs used to pay debt service and federal relief applied to debt service, if any, are added to Net Revenues (rather than deducted from Debt Service). Other debt targets in the adopted debt policy include a debt per enplanement target of \$350-\$400 and a Net Debt to/Cash Flow Available to Debt Service (CFADS) target range of 8x to 11x. Net Debt to CFADS is the ratio of gross debt (including long-term capital leases) less unrestricted cash balances and debt service reserve funds divided by CFADS (which includes Net Revenues, Capitalized Interest, and PFCs available for debt service).

### Outstanding Debt

The Airport Authority anticipates issuing additional debt during FY 2024 to continue financing the New T1. The date of issuance and the Par value of this issuance is undecided as of the date of this budget book. For Budget purposes, the Airport Authority assumed a par value of \$922.0M issued on January 1, 2024.

## Debt Service

### 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.

On December 8, 2021, the Series 2013 Bonds were refunded and defeased upon the issuance of the Subordinate Series 2021 Bonds, and the Airport Authority does not currently have any Senior Bonds outstanding.

### Series 2017, 2019, 2020 & 2021 Bonds – Subordinate Airport Revenue Bonds

On July 18, 2017, the Airport Authority issued \$291.2M of Series A and B Subordinate Airport Revenue Bonds (Series 2017 Bonds). The Subordinate Series 2017 Bonds were issued to finance certain capital improvements at SAN, including the Parking Plaza and the federal inspection station (FIS) facility, fund a portion of the interest accruing on the subordinate Series 2017 Bonds, refund \$32.6M of the Airport Authority's outstanding variable rate debt, fund the subordinate reserve fund and pay the costs of issuance of the subordinate Series 2017 Bonds. The Series 2017 Bonds are structured as serial and term bonds that bear interest at rates ranging from 4.0% to 5.0% and mature in fiscal years 2023 to 2048. The bonds were issued at a premium of \$48.4M, which is being amortized over the life of the bonds. Interest on the Subordinate Series 2017 Bonds is payable semiannually on January 1<sup>st</sup> and July 1<sup>st</sup> of each year.

On December 11, 2019, the Airport Authority issued \$463.7M of Series A and B Subordinate Airport Revenue Bonds (Series 2019 Bonds). The Subordinate Series 2019 Bonds were issued to finance certain capital improvements at SAN, including Airport Support Facilities, Storm Water Infiltration Beds, Baggage handling and Bag make-up upgrades, fund a portion of the interest accruing on the subordinate Series 2019 Bonds, refund \$34.3M of the Airport Authority's outstanding variable rate debt, fund the subordinate reserve fund, pay the costs of issuance of the subordinate Series 2019 Bonds and to refund the 2010 Series C bonds. The Series 2019 Bonds are structured as serial and term bonds that bear interest at rates ranging from 4.0% to 5.0% and mature in fiscal years 2023 to 2050. The bonds were issued at a premium of \$96.9M, which is being amortized over the life of the bonds. Interest on the Subordinate Series 2019 Bonds is payable semiannually on January 1<sup>st</sup> and July 1<sup>st</sup> of each year.

On April 8, 2020, the Airport Authority issued \$241.6M of Series A, B and C Subordinate Airport Revenue Bonds (Series 2020 Bonds). The Subordinate Series 2020 Bonds were issued as forward delivery Bonds (the Bonds were priced concurrently with the 2019 Bonds in November 2019). The Series 2020 Bonds were issued to refund the Series 2010 A and B Bonds. The Series 2020 Bonds are structured as serial bonds that bear interest at a rate of 5.0% and mature in fiscal years 2023 to 2041. The bonds were issued at a premium of \$49.4M, which is being amortized over the life of the bonds. Interest on the Subordinate Series 2020 Bonds is payable semiannually on January 1<sup>st</sup> and July 1<sup>st</sup> of each year.

On December 8, 2021, the Airport Authority issued \$1,941.7M of Series A, B, and C Subordinate Airport Revenue Bonds (Series 2021 Bonds). The Subordinate Series 2021 Bonds were issued to finance the New T1 development at SAN, fund a portion of the interest accruing on the subordinate Series 2021 Bonds,

## Debt Service

fund the subordinate reserve fund, pay the costs of issuance of the subordinate Series 2021 Bonds, and to refund the 2013 Series A and B bonds. The Series 2021 A and B Bonds are structured as serial and term bonds that bear interest at rates ranging from 4.0% to 5.0% and mature in fiscal years 2027 to 2057 and were issued at a premium of \$332.4M, which is being amortized over the life of the bonds. The Series 2021 C Bonds are federally Taxable Bonds and are structured as serial and term bonds that bear interest at rates ranging from 0.45% to 3.1% and mature in fiscal years 2023 to 2037. Interest on the Subordinate Series 2021 Bonds is payable semiannually on January 1<sup>st</sup> and July 1<sup>st</sup> of each year.

The Series 2017 Bonds, 2019 Bonds, 2020 and 2021 Bonds are payable solely from and secured by a pledge of “Subordinate Net Revenues.” Subordinate Net Revenues are generally defined as all revenues and other cash receipts of the Airport Authority’s Airport operations remaining after Senior Lien payments have been deposited by the Trustee in accordance with the Senior Lien Trust Indenture.

### Series 2014 Bonds – Senior Special Facilities Revenue Bonds

On February 19, 2014, the Airport Authority issued \$305.3M in Senior Special Facilities Revenue Bonds. The Bond Proceeds were used to finance the construction of the Rental Car Center and certain CIP-related projects. The bonds were issued in the following series and amounts: Series A (non-AMT) \$29.4M; and Series B (Federally Taxable) \$275.9M.

The Series 2014 Bonds were structured as serial and term bonds that bear interest rates ranging from 2.5% to 5.6% maturing in Fiscal Years 2023-2045.

The Series 2014 Bonds are payable solely from and secured by a pledge of the “Trust Estate” which includes Customer Facility Charges (CFCs) and bond funding supplemental consideration, payable by the rental car companies in the event that CFCs are insufficient to meet the Bond funding obligations.

## Debt Rating

The following table outlines the credit ratings for the Airport Authority’s outstanding bond issues.

Rating Agency	Standard & Poor’s	Moody’s	Fitch
Senior Lien (no outstanding Debt)	N/A	A1	AA-
Series 2017, 2019, 2020 and 2021 (Subordinate)	A	A2	A+
Series 2014 (Special Facility)	BBB+	A3	N/A

## Debt Service

### Variable Rate Debt

On July 19, 2021, The Airport Authority and Bank of America agreed to a Revolving Credit Agreement. The Airport Authority is authorized to issue up to \$200.0M in Subordinate Revolving Obligations. The revolving credit agreement is for a term of three (3) years. At the end of FY2022, the Airport Authority had \$80.1M in aggregate principal of Subordinate Revolving Obligations outstanding. These obligations were used to finance the New T1. Obligations incurred under the Revolving Credit Agreement are payable solely from and secured by a pledge of "Subordinate Net Revenues." Subordinate Net Revenues are generally defined as all revenues and other cash receipts of the Airport Authority's Airport operations remaining after Senior Lien payments have been deposited by the Trustee in accordance with the Senior Lien Trust Indenture.

## Debt Service

### Debt Service Coverage

The following table shows debt service coverage on the aggregate Senior and Subordinate Lien Debt.

(in thousands)

	FY 2022 Actuals	FY 2023 Budget	FY 2024 Budget	FY 2025 Conceptual Budget
Airport Revenues	\$ 324,097	\$ 359,196	\$ 448,980	\$ 485,195
Operations & Maintenance Expenses	(96,135)	(181,643)	(192,826)	(204,657)
<b>Net Revenue available for Senior &amp; Subordinate Lien Debt Service</b>	<b>227,962</b>	<b>177,553</b>	<b>256,154</b>	<b>280,538</b>
Senior Bond Debt Service	10,831	-	25	371
PFCs used to pay Debt Service	(4,692)	-	-	-
Federal Relief	(1,539)	-	-	-
<b>Senior Bond Debt Service, Net of PFCs</b>	<b>\$ 4,600</b>	<b>-</b>	<b>\$ 25</b>	<b>\$ 371</b>
<b>Senior Bonds Debt Service Coverage (x)</b>	<b>49.56</b>	<b>N/A</b>	<b>10,127.29</b>	<b>756.07</b>
<b>Subordinate Net Revenues</b>	<b>\$ 223,362</b>	<b>\$ 177,553</b>	<b>\$ 256,128</b>	<b>\$ 280,166</b>
Subordinate Lien Bond Debt Service	82,917	99,437	103,202	97,313
Variable Rate Debt Service	-	-	-	-
PFCs used to pay Debt Service	(25,313)	-	-	-
BAB Subsidy	-	-	-	-
Federal Relief	(16,461)	-	-	-
<b>Subordinate Debt Service, Net of PFCs and BAB Subsidy</b>	<b>\$ 41,142</b>	<b>\$ 99,437</b>	<b>\$ 103,202</b>	<b>\$ 97,313</b>
<b>Subordinate Debt Service Coverage (x)</b>	<b>5.43</b>	<b>1.79</b>	<b>2.48</b>	<b>2.88</b>
<b>Aggregate (Senior and Subordinate Lien) Debt Service</b>	<b>\$ 93,748</b>	<b>\$ 99,437</b>	<b>\$ 103,227</b>	<b>\$ 97,684</b>
PFCs used to pay Debt Service	(30,005)	-	-	-
BAB Subsidy	-	-	-	-
Federal Relief	(18,000)	-	-	-
<b>Total Debt Service, Net of PFCs and BAB Subsidy</b>	<b>\$ 45,742</b>	<b>\$ 99,437</b>	<b>\$ 103,227</b>	<b>\$ 97,684</b>
<b>Total Debt Service Coverage (x)</b>	<b>4.98</b>	<b>1.79</b>	<b>2.48</b>	<b>2.87</b>
<b>Net Revenue (Including PFC, BAB Subsidy and CARES Act Grant)</b>	<b>\$ 93,747,677</b>	<b>\$ 99,437,373</b>	<b>\$ 103,227,110</b>	<b>\$ 97,684,283</b>
<b>Net Revenue (Including PFC, BAB Subsidy and Federal Relief)</b>	<b>\$ 275,967</b>	<b>\$ 177,553</b>	<b>\$ 256,154</b>	<b>\$ 280,538</b>
<b>Revenue Method - Debt Service Coverage on Aggregate Debt</b>	<b>2.94</b>	<b>1.79</b>	<b>2.48</b>	<b>2.87</b>

## Debt Service

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

(in thousands)

	FY 2022 Actuals	FY 2023 Budget	FY 2024 Budget	FY 2025 Conceptual Budget
CFC Collections	\$ 30,333	\$ 31,284	\$ 34,544	\$ 35,580
Transfer From Stabilization Account	14	-	-	-
Interest Earnings	325	131	1,177	1,212
<b>Total Amounts Available</b>	<b>\$ 30,673</b>	<b>\$ 31,415</b>	<b>\$ 35,721</b>	<b>\$ 36,792</b>
Rolling Coverage Fund Balance	\$ 6,576	\$ 6,575	\$ 6,576	\$ 6,576
<b>Total Amounts Available, plus Rolling Coverage Fund Balance</b>	<b>\$ 37,249</b>	<b>\$ 37,990</b>	<b>\$ 42,296</b>	<b>\$ 43,368</b>
Aggregate Annual Debt Service	\$ 21,921	\$ 21,917	\$ 21,919	\$ 21,920
Coverage excluding Rolling Coverage Fund	1.40	1.43	1.63	1.68
Coverage including Rolling Coverage Fund	1.70	1.73	1.93	1.98

## Debt Service

### Outstanding Debt Service

(in thousands)

Aggregate Subordinate Debt Service						Special Facility Debt
Year Ended July 1	2017 Subordinate Bonds Principal and Interest	2019 Subordinate Bonds Principal and Interest	2020 Subordinate Bonds Principal and Interest	2021 Subordinate Bonds Principal and Interest	Total	2014 CFC Bonds
2023	18,915	27,994	25,864	98,471	171,244	21,917
2024	18,916	27,994	25,867	98,469	171,245	21,919
2025	18,912	26,889	20,337	98,464	164,603	21,920
2026	18,915	26,889	20,328	91,805	157,936	21,919
2027	18,916	26,894	20,331	91,809	157,951	21,919
2028	18,917	26,889	20,335	91,813	157,954	21,920
2029	18,915	26,889	20,338	91,809	157,951	21,920
2030	18,916	26,888	20,332	92,307	158,443	21,918
2031	18,918	36,720	18,008	103,764	177,410	21,922
2032	18,915	37,957	16,744	104,830	178,446	21,920
2033	18,917	37,939	16,816	104,871	178,543	21,920
2034	18,912	39,473	15,260	106,175	179,820	21,917
2035	18,915	43,905	10,809	109,823	183,451	21,918
2036	18,918	43,877	10,805	109,907	183,508	21,921
2037	18,916	43,845	10,812	109,989	183,561	21,918
2038	18,913	43,808	10,807	110,084	183,613	21,919
2039	18,913	43,769	10,811	110,165	183,657	21,919
2040	18,918	43,734	10,820	110,269	183,741	21,918
2041	18,918	18,423	-	145,830	183,171	21,921
2042	18,921	18,418	-	145,831	183,170	21,922
2043	18,915	18,418	-	145,829	183,162	21,922
2044	18,919	18,416	-	115,501	152,836	21,919
2045	18,916	18,417	-	115,508	152,841	-
2046	18,914	18,421	-	115,510	152,844	-
2047	18,916	18,418	-	115,502	152,835	-
2048	-	18,417	-	116,099	134,517	-
2049	-	18,417	-	116,101	134,518	-
2050	-	-	-	120,746	120,746	-
2051	-	-	-	120,746	120,746	-
2052	-	-	-	148,111	148,111	-
2053	-	-	-	148,101	148,101	-
2054	-	-	-	148,105	148,105	-
2055	-	-	-	148,105	148,105	-
2056	-	-	-	148,107	148,107	-
2057	-	-	-	-	-	-
<b>Total</b>	<b>\$ 472,894</b>	<b>\$ 798,117</b>	<b>\$ 305,422</b>	<b>\$ 3,948,554</b>	<b>\$ 5,524,986</b>	<b>\$ 482,229</b>

## Debt Service

### Debt Service by Source

<i>(in thousands)</i>	FY2022 Actuals	FY2023 Budget	FY2024 M3 Budget	Inc / (Dec) FY24 vs FY23 Budget	% Change	FY2025 Conceptual Budget	Inc / (Dec) FY25 Conceptual vs FY24 Budget	% Change
Principal on Variable Rate Debt	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%
Variable Rate Debt Interest	-	801	3,000	2,199	274.5%	3,000	-	0.0%
Principal on Revenue Bonds	24,280	43,385	44,840	1,455	3.4%	39,790	(5,050)	-11.3%
Interest on Revenue Bonds	100,660	127,859	149,448	21,589	16.9%	195,650	46,202	30.9%
Principal on Special Facility Bonds	6,120	6,670	7,045	375	5.6%	7,440	395	5.6%
Interest on Special Facility Bonds	15,601	15,247	14,874	(373)	-2.4%	14,480	(394)	-2.6%
Principal & Interest Expense – Capitalized Leases	554	877	877	(0)	0.0%	877	0	0.0%
Cost of Issuance and other Fees	5,352	(489)	1,899	2,388	-488.3%	2,061	162	8.5%
Amortization of Bond Premiums	(12,175)	(26,690)	(26,072)	618	-2.3%	(25,430)	642	-2.5%
<b>Total Debt Service</b>	<b>\$ 140,392</b>	<b>\$ 167,660</b>	<b>\$ 195,911</b>	<b>\$ 28,251</b>	<b>16.9%</b>	<b>\$ 237,868</b>	<b>\$ 41,957</b>	<b>21.4%</b>

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# Capital Program



## Capital Program

### Overview

The Capital Program at SAN consists of the Capital Improvement Program (CIP), which uses traditional (Design-Bid-Build) project delivery, as well as the New Terminal 1 (New T1) program, which is being implemented under an alternative project delivery method (Design-Build). The Capital Program is a rolling five-year program that provides critical improvements and asset preservation. The Capital Program includes capital improvement projects that address federal security requirements, airfield safety, environmental remediation, terminal upgrades, and development. Funding sources for the projects include the Federal Aviation Administration's Airport Improvement Program (AIP), Transportation Security Administration (TSA) reimbursable agreements, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), Airport Operating Revenues, Airport Revenue Bonds, Special Facility Bonds and short-term borrowing using a revolving line of credit.

### Capital Program Process

The Capital Program is designed to incorporate a dynamic process. The annual development of the capital program begins with departments submitting project requests for their functional area. These project requests are reviewed and approved by the respective department's Vice President before submission to a capital program development team led by the Airport Design and Construction department and comprised of staff representatives from various Airport Authority departments.

After the request is submitted to the development team, interviews are conducted between Airport Authority staff and project sponsors to determine if there are any significant issues and/or risks in undertaking the project. Considering the Airport Authority's Sustainability Policy, a complete review is performed focusing on developing a business case that includes total costs of ownership, project feasibility, and economic viability. In addition, the operational benefit and the Airport Authority's ability to provide natural resource conservation while being socially responsible are evaluated.

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

<b>1</b>	Required for Part 139 or other regulatory compliance
<b>2</b>	Maintain core building systems - IT, Fire/Life/Safety, Mechanical, Electrical, Plumbing
<b>3</b>	Maintain airport access roadways and parking infrastructure
<b>4</b>	Enhancement to customer service, revenue generation, cost savings
<b>5</b>	Enhancements to systems or facilities not required by regulation

## Program Summary

(in thousands)

	New T1	CIP	Total
<b>FY 2023 – 2027 Beginning Capital Program Budget</b>	<b>\$3,464,300</b>	<b>\$407,561</b>	<b>\$3,871,861</b>
FY 2023 - 2027 Project Closeouts /Adjustments	-	<u>(47,862)</u>	<u>(47,862)</u>
<b>FY 2023 - 2027 Ending Capital Program Balance</b>	<b>\$3,464,300</b>	<b>\$359,699</b>	<b>\$3,823,999</b>
FY 2024 - 2028 New Capital Projects/Allowances/Adjustments	-	<u>29,550</u>	<u>29,550</u>
<b>FY 2024 - 2028 Capital Program Budget</b>	<b><u>\$3,464,300</u></b>	<b><u>\$389,249</u></b>	<b><u>\$3,853,549</u></b>

# Capital Program

## Sources of Funds by Fiscal Year

(in thousands)

Capital Improvement Program	Pre FY2024	FY2024	FY2025	FY2026	FY2027	FY2028	Total
Airport Revenue Bonds	\$ 68,187	\$ 37,345	\$ 42,531	\$ 621	\$ 8	\$ 0	\$ 148,692
Airport Cash	3,422	36,026	20,399	29,322	21,531	9,623	120,324
Federal Grants	4,984	12,441	19,263	4,673	5,438	1,313	48,110
Major Maintenance Fund	7,928	15,136	25,412	11,472	3,922	4,138	68,009
<b>Subtotal Capital Improvement Program</b>	<b>85,428</b>	<b>101,583</b>	<b>108,576</b>	<b>47,012</b>	<b>31,576</b>	<b>15,074</b>	<b>389,249</b>

The New T1	Pre FY2024	FY2024	FY2025	FY2026	FY2027	FY2028	Total
Airport Revenue Bonds	\$ 792,531	\$ 843,633	\$ 667,251	\$ 290,676	\$ 278,008	\$ 98,795	\$ 2,970,894
Airport Cash	146,482	28,922	44,596	-	-	-	220,000
Federal Grants	56,262	53,493	49,373	65,322	42,387	6,570	273,406
<b>Subtotal The New T1</b>	<b>995,275</b>	<b>926,048</b>	<b>761,220</b>	<b>355,998</b>	<b>320,395</b>	<b>105,365</b>	<b>3,464,300</b>

<b>Total Sources of Funds</b>	<b>\$ 1,080,703</b>	<b>\$ 1,027,631</b>	<b>\$ 869,795</b>	<b>\$ 403,010</b>	<b>\$ 351,971</b>	<b>\$ 120,438</b>	<b>\$ 3,853,549</b>
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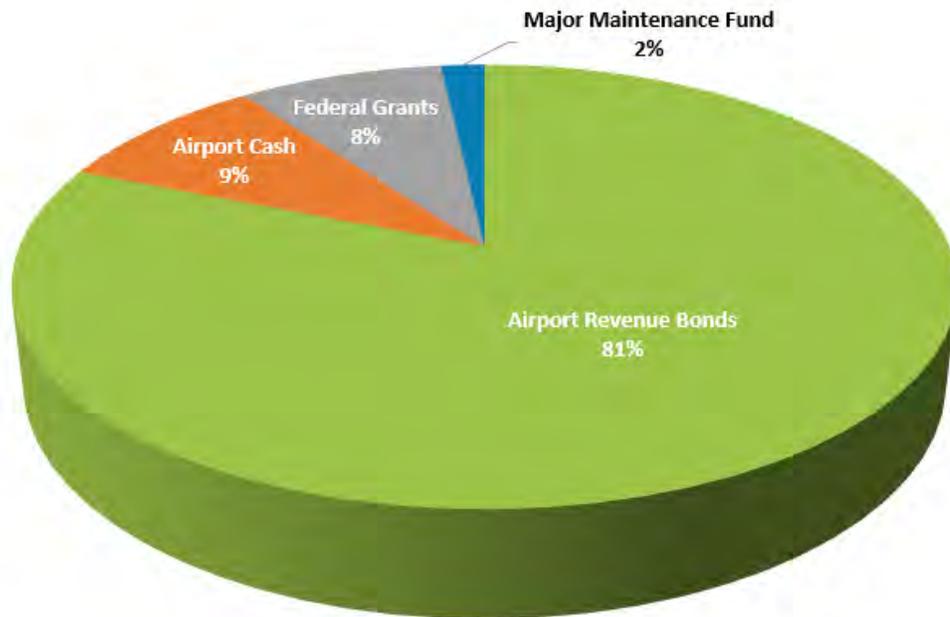


Figure 42 – Total Sources of Funds

## Capital Program

### Uses of Funds by Fiscal Year

(in thousands)

The New T1	Pre-FY2024	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Terminal	\$617,972	\$781,938	\$570,242	\$273,630	\$260,331	\$78,741	\$2,582,854
Landside and Ancillary	125,419	161,816	127,035	24,193	16,724	4,712	459,899
Airside	81,240	44,811	63,753	58,175	43,339	22,180	313,498
Administration	90,276	17,583	190	0	0	0	108,049
<b>Total</b>	<b>914,907</b>	<b>1,006,148</b>	<b>761,220</b>	<b>355,998</b>	<b>320,394</b>	<b>105,633</b>	<b>3,464,300</b>

Capital Improvement Program	Pre-FY2024	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Terminal	\$36,128	\$37,486	\$38,758	\$6,820	\$1,433	\$1,422	\$122,047
Landside and Ancillary	33,346	30,322	27,562	23,711	18,502	1,702	135,145
Airside	11,829	11,889	27,419	7,542	3,645	3,700	66,023
Administration	4,125	21,886	14,836	8,939	7,997	8,249	66,033
<b>Total</b>	<b>85,428</b>	<b>101,583</b>	<b>108,576</b>	<b>47,012</b>	<b>31,576</b>	<b>15,074</b>	<b>389,249</b>

<b>Total Use of Funds</b>	<b>\$1,000,335</b>	<b>\$1,107,731</b>	<b>\$869,796</b>	<b>\$403,010</b>	<b>\$351,970</b>	<b>\$120,707</b>	<b>\$3,853,549</b>
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## Funding

### Airport Improvement Program (AIP)

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

Title 49 United States Code (U.S.C.) authorizes the AIP. The objective of this federal program is to assist in the development of a nationwide system of public use airports, to ensure the safe and secure operation of the airport and airway system, and to meet the projected needs of the public. The program provides not only funding for development projects but also Airport Planning and Noise Compatibility Programs. The program is funded by aviation use fees, which are collected and deposited into the Airport and Airway Trust Fund to support the AIP. The U.S. Congress authorizes expenditures from this dedicated fund annually each year. The AIP includes entitlement and discretionary funding. Entitlement funds are awarded to eligible sponsors through a formula based on the number of passenger enplanements and cargo tonnage at each airport. Discretionary funds are set aside to provide the FAA the flexibility to fund various high-priority programs. The AIP typically provides funding up to 75% of eligible project costs. AIP grants must typically be expended within four years. As the Airport Authority expends funds for eligible capital projects, it is then reimbursed with grant proceeds.

Additional funding is being distributed through the AIP grant program, enabled by the Bipartisan Infrastructure Law. Approximately \$24.0 million per year over a five-year period will be allocated to SAN in entitlement funds. These grant funds will primarily be focused on airside projects. Competitive discretionary grants will also be available over the same five-year period through Airport Terminal Program grants.

Projected expenditures to be reimbursed by AIP grants are \$65.9M in FY 2024 and \$68.6M in FY 2025.

## 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, are administratively retained by the airport, and are considered local funds versus airport funds.

SAN began collecting a PFC of \$3.00 per enplaned passenger on October 1, 1995. Approved amendments to and applications for the Airport's PFC program occurred on December 16, 1997, and on June 5, 2001. The FAA approved the third passenger facility application on May 20, 2003, which 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 by Airport Authority of approximately \$1.1B in support of the Terminal Development Program. A ninth application for \$31.3M was approved in July 2012, and subsequently amended to \$27.8M. Most of this application provided funding for the QHP and the completed Rehabilitate Taxiway "C" project. The FAA approved a tenth PFC application in October 2016. This application provides \$43.8M to fund various airfield projects, passenger-boarding bridges, and the local match for future QHP phases. An eleventh PFC application was approved in FY 2020 to provide \$40.0M in funding for the Terminal 2 West FIS project. A subsequent amendment to this application was approved by the FAA in FY 2021 to apply an additional \$11.1M in PFC funding to the project, for a total of \$51.1M.

### Customer Facility Charge (CFC)

California state law authorizes an airport to collect fees for financing, designing, and constructing consolidated car rental facilities, constructing and operating a common-use transportation system, and terminal modifications to accommodate and provide customer access. The Board approved the implementation of CFCs at SAN in FY 2009. Board authorization for the use of CFCs for initial planning efforts was given in FY 2010. As allowed per state legislation, the CFC collection methodology changed in January 2012 from a charge of \$10.00 per rental car transaction to \$6.00 per rental day. Starting in January 2014, the rate increased from \$6.00 to \$7.50 per rental day. The rate subsequently increased to \$9.00 per rental day starting in January 2018. CFCs will support the debt service for the consolidated car rental facility and operating costs of the busing fleet.

## Airside CIP Projects

(in thousands)

Current Airside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
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	Q4/2023	None
104251	Northside Apron Improvements	Project will rehabilitate asphalt and concrete pavements within the north cargo apron, mitigating foreign object debris (FOD), filling cracks, eliminating pavement distresses, and correcting ponding issues; includes coordination with Airside Operations, Facilities Management (FMD), on-call contractors, and cargo apron tenants.	15,200	Bonds / Major Maint.	Q4/2018	Q1/2026	None
104264	Runway Electrical Vault Upgrades	Project will install clean agent type fire suppression system in airfield lighting vault to protect runway lighting equipment and monitor 24/7 as are Airport's other fire systems. Replace runway vault lighting regulators and electrical gear including main switchboard, as required.	2,373	Bonds / Cash	Q1/2020	Q3/2024	None
104280	Airfield 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.	4,600	AIP / Major Maint. / Other (Grants)	Q2/2020	Q1/2024	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.	1,010	Bonds	Q1/2021	Q1/2024	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	Q4/2025	None
104298	Fuel Co. Hydrant Fueling Projects Development	Project will provide review of design plans and specifications by subject matter experts during approximately seven (7) fueling projects being designed and built by the SAN Fueling Company. It will also provide oversight in the field during the construction of these projects, including but not limited to safety and environmental compliance.	3,500	Other (Airline)	Q3/2021	Q3/2027	None

## Airside CIP Projects

(in thousands)

Current Airside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104303	Airfield Safety Area Manhole / Utility Vault Covers	Project will conduct a study of existing utility/stormwater vault covers in the Runway Safety Area & Taxiway Safety Area. As determined, rehabilitate the infrastructure to maintain compliance with FAA FAR Part 139 so the safety area supports load of ARFF vehicles and aircraft without damage.	680	Bonds	Q1/2022	Q4/2026	None
104310	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	Bonds / Other (Grants)	Q1/2023	Q3/2025	None
104312	Rehabilitate Taxiways - Program Level Scope Definition	Project will study current conditions on Taxiways D and B7 - B10 and prepare concept layouts to direct a future construction project. The scope definition will meet FAA's current guidelines and conform with high-speed exit design standards.	400	AIP / Major Maint.	Q1/2023	Q3/2024	None
104315	Access Control System at Perimeter Fence	Project will install Access Control System Infrastructure along the north side perimeter fence from the ILS area adjacent to cross taxiway B10 to the ARFF station, including fiber, rack room, CCTV and cameras.	3,000	Grant / Bonds	Q3/2023	Q3/2025	None
New 22-02	Noise Exposure Map (NEM) Update	Project will provide an updated NEM in 2026 to determine if 65 dB and greater noise contours have changed based on actual aircraft operation levels and flight paths. As part of the Board-approved mitigation measures for ADP, project will determine if boundaries of SAN's Quieter Home Program need to be adjusted.	500	AIP / Major Maint.	Q1/2027	Q4/2027	None
New 22-03	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.	11,270	AIP / Major Maint.	Q1/2024	Q3/2026	None
New 23-01	EVSE for GSE at New T1 - Phase 1a (19 Gates)	Project will furnish and install electric vehicle charging stations at 19 gates in the New T1. This phase will install 38 dual-port units providing 76 ports and additional units at the corral. This will help to fulfill New T1 EIR Mitigation Measure and the Authority's Carbon Neutrality Plan & Clean Transportation Plan.	7,600	Major Maint.	Q1/2024	Q4/2025	None

## Airside CIP Projects

(in thousands)

Current Airside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
New 23-02	EVSE for GSE at New T1 - Phase 1b (11 Gates)	Project will furnish and install electric vehicle charging stations at 11 gates in the New T1. This phase will install 22 dual-port units providing 44 ports and additional units at the corral. This will help to fulfill New T1 EIR Mitigation Measure and the Authority's Carbon Neutrality Plan & Clean Transportation Plan.	3,300	Major Maint.	Q1/2026	Q4/2027	None
New 23-03	Upgrade Aircraft Noise Monitoring System	Upgrade system with new hardware/software on 23 existing sites and build a new permanent noise monitoring site offsite near east end of airfield. This will provide for improved noise monitoring capabilities for the Authority.	500	AIP / Major Maint.	Q1/2027	Q4/2027	None
New 23-05	Replace 2 ARFF Vehicles	Project will replace two SAN Aircraft Rescue & Fire Fighting Vehicles with vehicles equipped with 3,000 gallons water, 420 gallons of AFFF and 500 lbs. of dry chemical.	3,000	AIP / Major Maint.	Q3/2026	Q3/2027	None
<b>Subtotal - Current Airside CIP Projects</b>			<b>\$66,523</b>				

## Airside CIP Projects

(in thousands)

New Airside CIP Projects							
New 24-01	Pavement Management Study	Project will conduct a Pavement Condition Index survey to provide pavement analysis in support of safe aircraft movement and FAA regulatory obligation. The survey will be performed in both fiscal years 2024 and 2027.	\$1,300	Cash	Q2/2024	Q2/2028	None
New 24-02	Taxiway Alpha Extension Study	Project will provide a Program Study Document to evaluate design requirements for the Taxiway A extension. This will address possible design issues/conflicts including NT1 apron, cross taxiways, hydrant fueling extension, grading/drainage, utilities, lighting, etc.	1,000	Bonds	Q1/2024	Q4/2025	None
New 24-03	Taxiway B Asphalt Rehabilitation	Project will rehabilitate approximately 1,800 feet of easternmost asphalt section of Taxiway B. This is regulatory preventative maintenance per FAA FAR Part 139 to maximize safety, capacity and airfield operations.	5,200	Cash	Q1/2025	Q4/2026	None
New 24-04	Taxiway B Joint Seal Improvements	Project will rehabilitate Taxiway B1 to repair joint damage, deteriorating spall repairs/patches and resurfacing of AC sections; replace joint seal between Taxiways B6 - B10. This is regulatory preventative maintenance per FAA FAR Part 139 to maximize capacity and airfield operations to/from Runway 9/27.	3,800	Bonds	Q1/2024	Q4/2025	None
New 24-12	Perimeter Fence Improvement	Project will install new perimeter fencing from FIS area westward to perimeter access gate P-30 in order to increase Airport security measures and ensure consistency of perimeter fencing.	2,100	Cash	Q1/2027	Q2/2028	None
<b>Subtotal - New Airside CIP Projects</b>			<b>\$13,400</b>				
<b>Total Airside CIP Projects</b>			<b>\$79,923</b>				

## Landside/Ancillary CIP Projects

(in thousands)

Current Landside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104197	Admiral Boland Way Murals - Public Art	Project provides an on-going opportunity for artistic design and enhancement to be integrated along the north end of the Admiral Boland Way.	\$75	Cash	Q2/2015	Q2/2024	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	Q1/2024	None
104252	Northside Utility Infrastructure - Cargo Development	Project will perform upgrades and improvements to site utilities within the northside cargo apron, installing infrastructure and equipment for new electric vehicle charging stations and supporting other long-term development goals.	2,500	Cash	Q4/2018	Q1/2026	None
104265	T2W Sidewalk & Crosswalk Improvements	Project will demolish and replace existing concrete sidewalk at Terminal 2 West; remove and replace existing electrical & communication conduits; and install new LED in-pavement lighting and outlets. Also, this project will provide safety and aesthetic enhancements at the primary pedestrian crosswalk in front of Terminal 2	4,875	Bonds	Q4/2019	Q4/2025	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	Q3/2024	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	Q1/2021	Q1/2024	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	Q1/2025	None
104299	ADP Offsite Intersection / Roadway Segment Improvements	Project will participate in implementation of improvements and strategies identified in the Airport Connection Study to fulfill the ADP EIR Mitigation Measure (MM#4)	33,600	Bonds / Cash	Q1/2021	Q1/2026	None
104305	Upgrade Video Monitoring System	Project will replace current system including installation & commissioning of Velocity Vision Video Management System that allows for real-time interface with Airport's Access Control System.	1,962	Bonds	Q1/2023	Q2/2024	None

## Landside/Ancillary CIP Projects

(in thousands)

Current Landside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104307	EVSE & Breakroom Interior Remodeling at Taxi/TNC Hold Lot	Project will provide infrastructure, procurement and installation of three (3) DC Fast Chargers at Taxi/TNC Hold Lot. This will support both the industry shift to electric and TNC operator requirements to meet California Air Resource Board regulations for emission reductions. It will also provide a mixed-use facility including interior wall reconfiguration, security office/system, electrical & plumbing upgrades, fire system, technology, cameras, etc.	2,450	Cash	Q1/2023	Q3/2025	None
104308	Parking Lot Technology Upgrade	Project will upgrade 20 parking lot cameras to digital format & DVR storage, along with servers, switches, workstations/monitors, software and licenses in Terminal 2 West and Economy/Employee Parking Lots to improve security and reduce liability.	2,150	Cash	Q1/2023	Q1/2025	None
New 18-08	Cell Phone Lot Relocation	Project will relocate existing Cell Phone Lot to an area identified by the Airport Planning Department.	1,181	Bonds	Q3/2024	Q1/2026	None
New 21-13	ZEV - Acquire RCC Buses - Phase 1	Project will procure Zero Emission Vehicles (ZEV) to provide transportation between the terminals and the Rental Car Center and replace existing buses at the end of their useful life.	19,200	AIP / CFC / Cash	Q3/2025	Q3/2026	None
New 21-14	ZEV - Acquire RCC Buses - Phase 2	Project will procure Zero Emission Vehicles (ZEV) to provide transportation between the terminals and the Rental Car Center and replace existing buses at the end of their useful life.	16,800	AIP / CFC / Cash	Q3/2026	Q3/2027	None
New 23-13	T2 Roadway Wayfinding Signage Upgrades	Project will replace signage along Terminal 2 roadways including Elevated Departure Roadway and Arrivals Roadway. This will provide consistent messaging for drivers in T2 to align and enhance customer experience & efficiency of curbside roadway system.	6,550	Major Maint.	Q3/2025	Q2/2027	None
<b>Total - Current Landside/Ancillary CIP Projects</b>			<b>\$133,307</b>				

New Landside/Ancillary CIP Projects							
New 24-12	T2 Transportation Island Enhancements	Project will design & construct ADA required Passenger Loading Zones at existing curb in order to address ADA compliance.	3,800	Cash	Q3/2024	Q2/2026	None
<b>Subtotal - New Landside/Ancillary CIP Projects</b>			<b>\$3,800</b>				
<b>Total Landside/Ancillary CIP Projects</b>			<b>\$137,107</b>				

## Terminal CIP Projects

(in thousands)

Current Terminal CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104194B	Replace & Refurbish Passenger Boarding Bridges in T2 - Phase 2	Project 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	Q4/2023	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	Q3/2024	None
104258	Fire Department Violations Remediation	Project will provide interior remodeling of Terminal 2 East & West as required to remediate remaining code compliance issues identified during the San Diego Fire Department 2018 site visit. The interior improvements under this project exclude areas affected by the new Terminal 1 program.	1,794	Major Maint.	Q3/2019	Q2/2025	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	Q2/2024	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	Q4/2023	None
104272	Replace Baggage Handling System and Baggage Makeup Units in T2E	Project will modernize existing Terminal 2 East Baggage Handling System (BHS), remove abandoned conveyors, reconfigure main and sortation devices, resolve dieback and jamming issues, and optimize system performance, supporting current airline operations and future growth projections. The project will also modernize Terminal 2 BHS upper level controls servers and switches to comply with latest TSA cybersecurity mandates.	22,920	Major Maint.	Q1/2020	Q3/2026	None

## Terminal CIP Projects

(in thousands)

Current Terminal CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
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	Q4/2024	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.	7,500	Bonds	Q1/2021	Q2/2024	None
104300	Hyoco LED Sign Replacement at Elevated Departure Roadway	Project will replace 18 existing Hyoco signs on the Elevated Departure Roadway with modern digital signage and replace proprietary Hyoco software with SITA's Common Use Airport Vision software.	2,300	Bonds	Q1/2022	Q4/2024	None
104314	Expand/Remodel T2E - Program Level Scope Definition & Design	Project will prepare design documents for the expansion/remodel of Terminal 2 East, including Gates 20/21, areas at New T1 connector, airside elements, hold rooms, concessions, structural, MEP, etc.	30,000	Cash	Q4/2023	Q2/2027	None
New 23-11	IT Terminal Hardware at Terminal 2	Project will replace end of life IT hardware in T2, including installation & configuring equipment for CUPPS, CUSS, bag tag printers, boarding pass printers/gate readers, display systems/monitors, etc.	6,300	Bonds / Major Maint.	Q1/2024	Q4/2026	None
<b>Subtotal - Current Terminal CIP Projects</b>			<b>\$108,038</b>				
New Terminal CIP Projects							
N/A							
<b>Subtotal - New Terminal CIP Projects</b>			<b>\$0</b>				
<b>Total Terminal CIP Projects</b>			<b>\$108,038</b>				

## Administrative CIP Projects

(in thousands)

Current Administrative CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104041	Public Art Allowance	The Public Art Allowance is to provide a source of funds for inclusion of public art in conjunction with the appropriate CIP project.	\$2,663	Major Maint. / Cash	Q1/2024	Q4/2027	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.	10,000	Major Maint. / Cash	Q1/2024	Q4/2024	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	Q4/2028	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	Q1/2024	None
104285	Facilities Condition Assessment	Project will provide a condition assessment of the Airport roadways and bridges.	400	Major Maint.	Q1/2022	Q2/2024	None
104301	Fleet Conversion to Electric Vehicles	Project will procure new electric/hybrid vehicles as part of the EIR mitigation effort to convert 100% of gasoline fleet to hybrid or electrical by 2024 – includes 27 hybrid or electric vehicles.	1,081	Bonds	Q1/2022	Q2/2026	None
104304	SAN-Energy System Master Plan	Project will provide a programming phase study that defines specific capital improvements needed to increase the external supply of energy from SDG&E and increase the capacity of the airport's 12kV distribution system to accommodate expected future loads.	750	Major Maint.	Q2/2022	Q1/2024	None
104306	Bird Deterrents at Solar Panels	Project will install bird deterrents on solar panels in both the NTC Lot and Washington St./Pac Hwy Lot. The deterrents will reduce health and safety concerns for Airport pedestrians and staff.	600	Bonds	Q1/2023	Q3/2024	None
104311	NT1 PV Panels & Battery Storage - RFP & PPA	Project will analyze install and operation of New T1 PV panels and battery storage including 4 MW PV solar panels and 4 MW of battery storage. This also includes preparation of RFP for a PPA.	1,360	Cash	Q1/2023	Q3/2029	None
109901	CIP Support	Professional staff support for the Capital Improvement Program	34,067	Cash	Q1/2024	Q4/2028	None
<b>Subtotal - Current Administrative CIP Projects</b>			<b>\$51,831</b>				

## Administrative CIP Projects

(in thousands)

New Administrative CIP Projects							
NEW 24-06	Airport Electrical Infrastructure Expansion PDP	Project will provide design & construction documents to implement electrical infrastructure expansion in support of future Airport development to maintain cost effective utility operations.	\$5,200	Cash	Q1/2024	Q2/2025	None
NEW 24-07	Airport IT Rooms Audit & Analysis	Project will provide an audit, analysis and report of air filtration/ventilation, HVAC, sensors, fire suppression, cabling identification, lighting, access control, and power in approximately 70 Airport IT rooms. This includes IT Rack Rooms, IDFs, and server rooms in order to address safety, security and operational concerns.	650	Cash	Q1/2024	Q2/2025	None
NEW 24-08	Video Surveillance System Storage	Project will purchase and install 4 petabytes of additional storage & clusters to facilitate future camera expansions, CCTV coverage, bandwidth for additional features, and high-performance camera analytics. This will support future video surveillance storage needs for safety and security.	2,700	Cash	Q1/2025	Q1/2026	None
NEW 24-09	PMWeb Upgrade	Project will purchase PMWeb version 6.1 including licensing, support, and maintenance; audit existing integrations with Authority applications, and professional services for upgrade/migration. This will upgrade the Airport Design & Construction Department construction and program management software due to end-of-life.	400	Cash	Q3/2026	Q2/2027	None
NEW 24-11	Campus-Wide Electric Sub-metering	Project will audit, design, install and commission electric utility meters in Terminal 2 West, Central Utility Plant, Terminal 2 Parking Plaza, USO & Smart Curb and connect to the SkySpark Energy Dashboard. This will save energy costs by identifying capacity issues at a system and sub-system level.	3,400	Cash	Q1/2024	Q2/2026	None
<b>Subtotal - New Administrative CIP Projects</b>			<b>\$12,350</b>				
<b>Total Administrative CIP Projects</b>			<b>\$64,181</b>				
<b>Total FY 2024 CIP Budget</b>			<b>\$389,249</b>				

## New T1 Program

(in thousands)

New T1 Program							
411001	New T1 Airside	Project will design and construct the airside portions of the Terminal 1 Replacement Program which includes relocated Taxiway B, new Taxiway A, new taxilanes, RON and apron parking areas, and related utility infrastructure outside the new terminal building and within the Airport Operations Areas (AOA).	306,000	AIP / Bonds	Q3/2020	Q2/2030	None
413001	New T1 Terminal and Roadways	Project will design and construct a new Terminal 1 building with up to 30 gates, aircraft boarding bridges, new entry, circulation, arrival and departure roadways, pedestrian bridges, demolition of buildings, surface features and utilities, new and relocated utilities, storm drainage collection, storage and transmission facilities, parking structure and existing central utility plant upgrades.	2,813,284	AIP / Bonds / Cash	Q1/2021	Q2/2029	\$13,634
413002	New T1 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.	15,764	Bonds / Cash	Q1/2021	Q2/2025	None
414002	New T1 Administration Building	Project will design and build a new Airport Administration Building to replace the existing building which is in the footprint of the new Terminal 1.	102,000	Bonds	Q1/2021	Q2/2025	None
415001	New T1 Program Contingency	Project will provide contingency funds for the Airside, Landside and Terminal developments in the ADP Program	227,252	Bonds	Q1/2021	Q4/2028	None
<b>Subtotal FY 2024 New T1 Program Budget</b>			<b>\$3,464,300</b>				
<b>Grand Total FY 2024 Capital Program Budget</b>			<b>\$3,853,549</b>				

# Performance Indicators



## Performance Indicators

The following performance indicators are a selection of the various operational and financial metrics that the Airport Authority monitors during the course of the year.

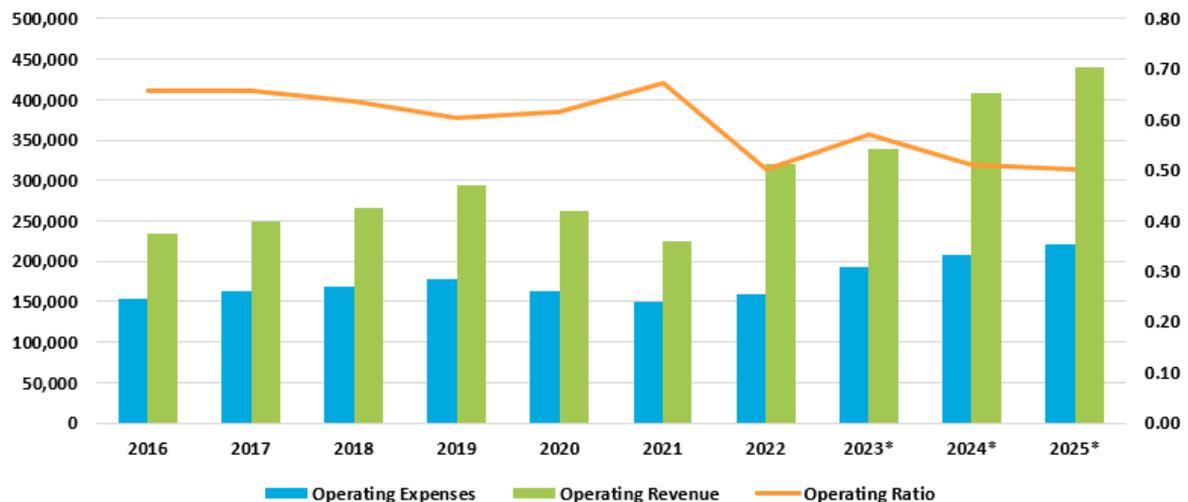
### Operating Ratio

This measure of operating efficiency compares operating expenses to operating revenue. Operating revenue must exceed operating expenses to provide a financial cushion and cover debt service expenses.

#### Fiscal Years ended June 30, 2016 to 2025

Fiscal Year	Operating Expenses (\$) <sup>1</sup>	Operating Revenue (\$) <sup>1</sup>	Operating Ratio	% Change
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	150,515	223,974	0.67	8.9%
2022	159,806	319,254	0.50	-25.5%
2023*	192,952	338,396	0.57	13.9%
2024*	208,703	408,474	0.51	-10.4%
2025*	220,901	439,965	0.50	-1.7%

<sup>1</sup> in thousands



\* Budgeted FY 2023, FY 2024, & FY 2025

**Figure 43 – Operating Ratio**

Source: San Diego County Regional Airport Authority

## Performance Indicators

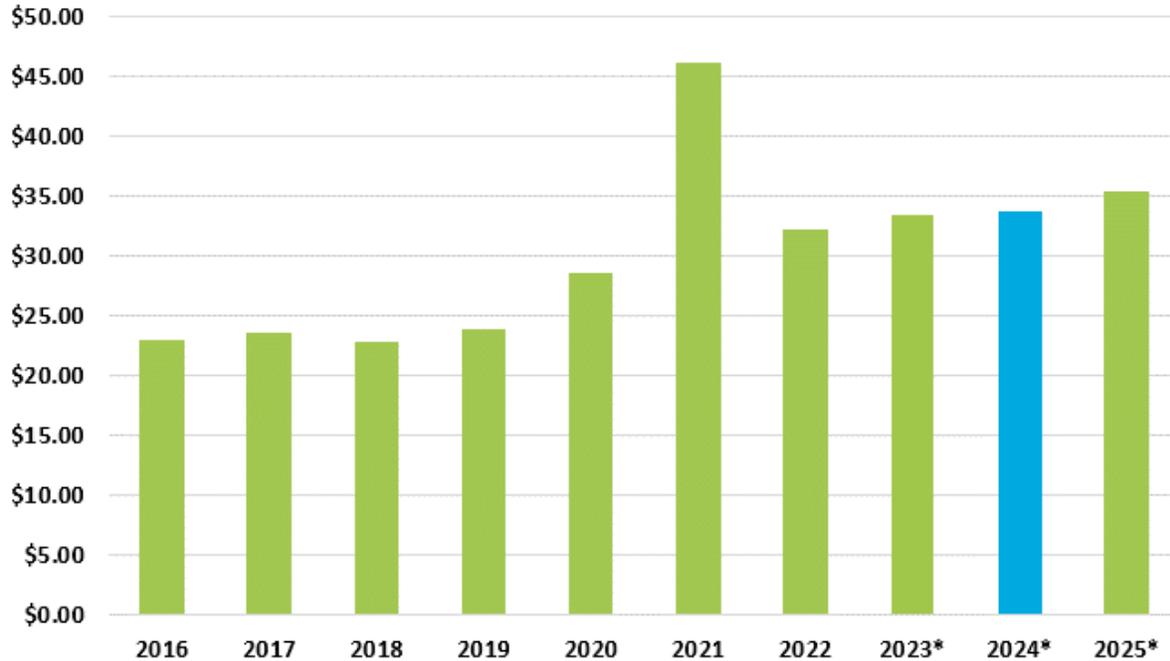
### Operating Revenue per Enplanement

This is a measure of operating revenues per enplaned passenger.

#### Fiscal Years ended June 30, 2016 to 2025

Fiscal Year	Operating Revenue (\$) <sup>1</sup>	Enplaned Passengers <sup>1</sup>	Operating Revenue per Enplanement	% Change
2016	233,994	10,206	22.93	27.8%
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	223,974	4,861	46.08	61.8%
2022	319,254	9,953	32.08	-30.4%
2023*	338,396	10,138	33.38	4.1%
2024*	408,474	12,100	33.76	1.1%
2025*	439,965	12,463	35.30	4.6%

<sup>1</sup> in thousands



\* Budgeted FY 2023, FY 2024, & FY 2025

**Figure 44 – Operating Revenue per Enplaned Passenger**

Source: San Diego County Regional Airport Authority

## Performance Indicators

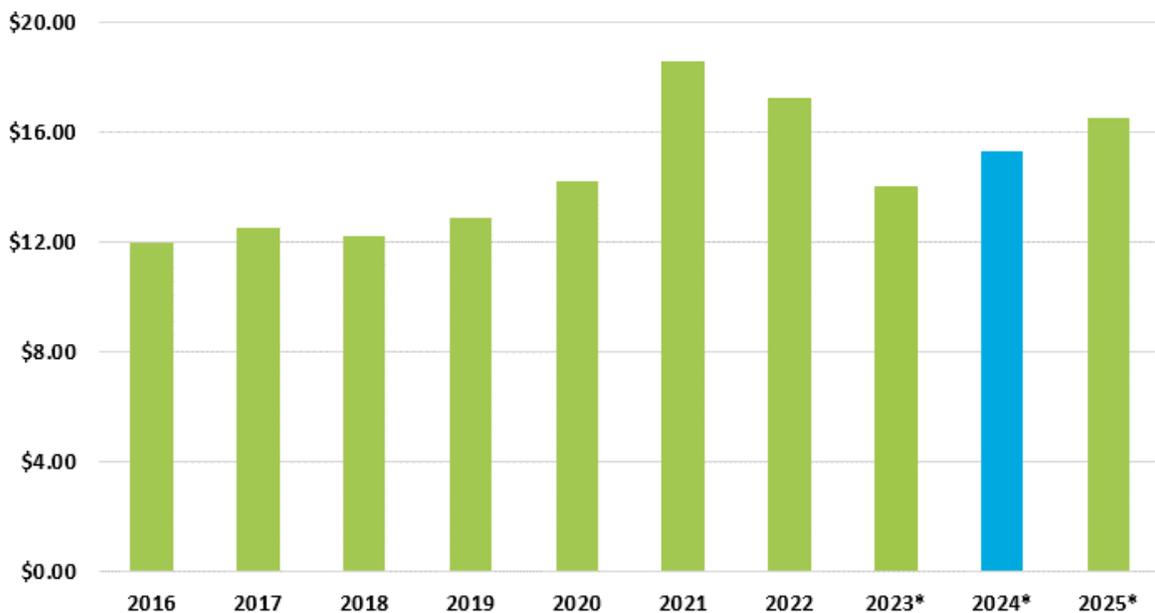
### Non-Airline Revenue per Enplanement

This is a measure of non-airline derived operating revenues per enplaned passenger. This includes terminal concessions, parking, and rental car and ground rental revenues divided by enplanements.

#### Fiscal Years ended June 30, 2016 to 2025

Fiscal Year	Non-Airline Revenue (\$) <sup>1</sup>	Enplaned Passengers <sup>1</sup>	Non-Airline Revenue per Enplanement	% Change
2016	121,789	10,206	11.93	29.4%
2017	132,465	10,596	12.50	4.8%
2018	142,922	11,732	12.18	-2.5%
2019	159,325	12,356	12.89	5.8%
2020	131,198	9,235	14.21	10.2%
2021	90,104	4,861	18.54	30.5%
2022	171,479	9,953	17.23	-7.1%
2023*	142,288	10,138	14.03	-18.5%
2024*	184,955	12,100	15.29	8.9%
2025*	205,899	12,463	16.52	8.1%

<sup>1</sup> in thousands



\* Budgeted FY 2023, FY 2024, & FY 2025

**Figure 45 – Non-Airline Revenue per Enplaned Passenger**

Source: San Diego County Regional Airport Authority

## Performance Indicators

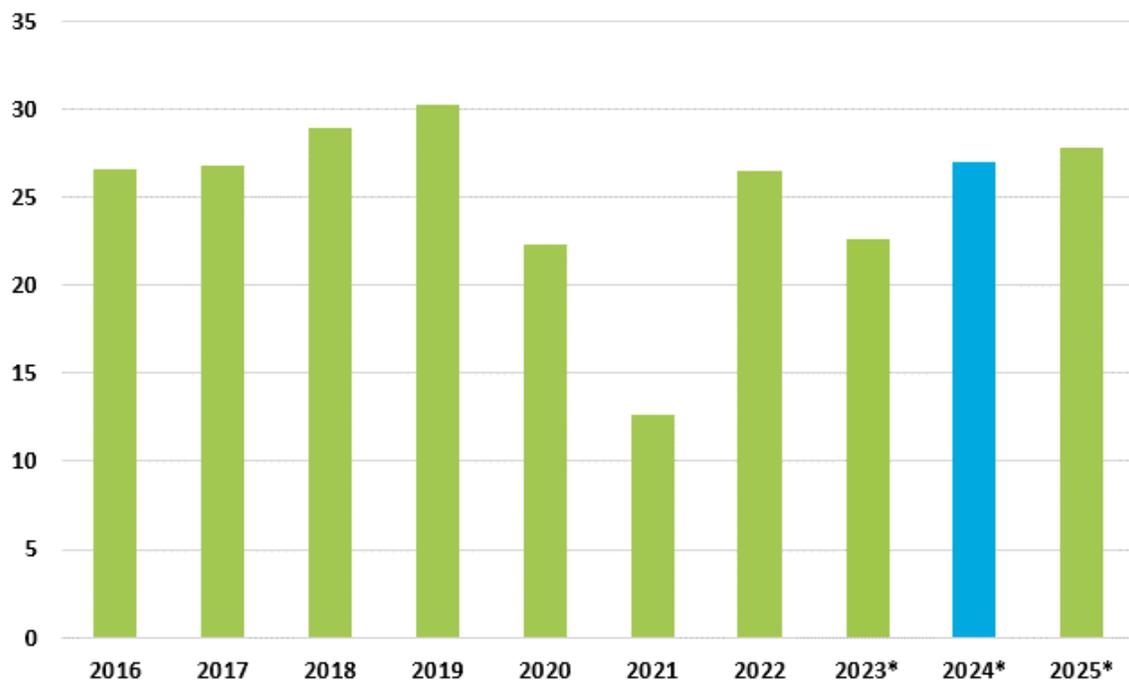
### Enplaned Passengers per Employee

This divides the number of employees by enplaned passengers and measures the Airport’s staffing productivity level.

#### Fiscal Years ended June 30, 2016 to 2025

Fiscal Year	Employees	Enplaned Passengers <sup>1</sup>	Enplaned Passengers per Employee
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	386	4,861	13
2022	376	9,953	26
2023*	448	10,138	23
2024*	448	12,100	27
2025*	448	12,463	28

<sup>1</sup> in thousands



\* Budgeted FY 2023, FY 2024, & FY 2025

**Figure 46 – Enplaned Passenger per Employee**

Source: San Diego County Regional Airport Authority

## Performance Indicators

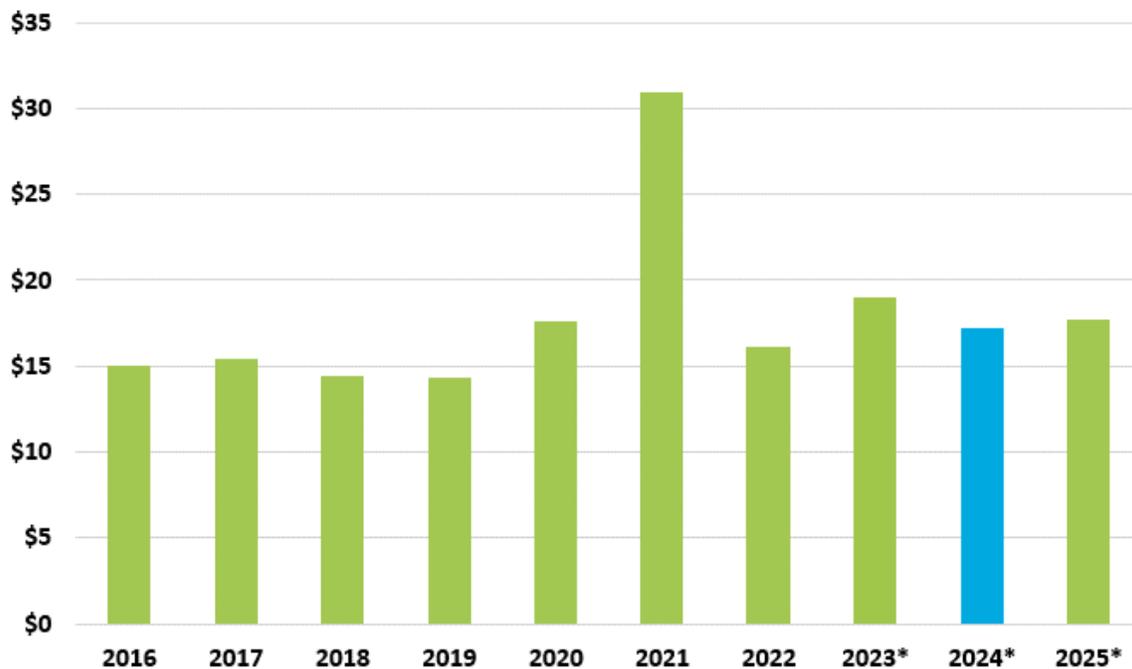
### Operating Expenses per Enplanement

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

#### Fiscal Years ended June 30, 2016 to 2025

Fiscal Year	Operating Expenses (\$) <sup>1</sup>	Enplaned Passengers <sup>1</sup>	Operating Expenses per Enplanement (\$)	% Change
2016	153,698	10,206	15.06	25.9%
2017	163,726	10,596	15.45	2.6%
2018	169,120	11,732	14.42	-6.7%
2019	177,219	12,356	14.34	-0.5%
2020	162,251	9,235	17.57	22.5%
2021	150,515	4,861	30.96	76.3%
2022	159,806	9,953	16.06	-48.1%
2023*	192,952	10,138	19.03	18.5%
2024*	208,703	12,100	17.25	-9.4%
2025*	220,901	12,463	17.73	2.8%

<sup>1</sup> in thousands



\* Budgeted FY 2023, FY 2024, & FY 2025

**Figure 47 – Operating Expenses per Enplaned Passenger**

Source: San Diego County Regional Airport Authority

## Performance Indicators

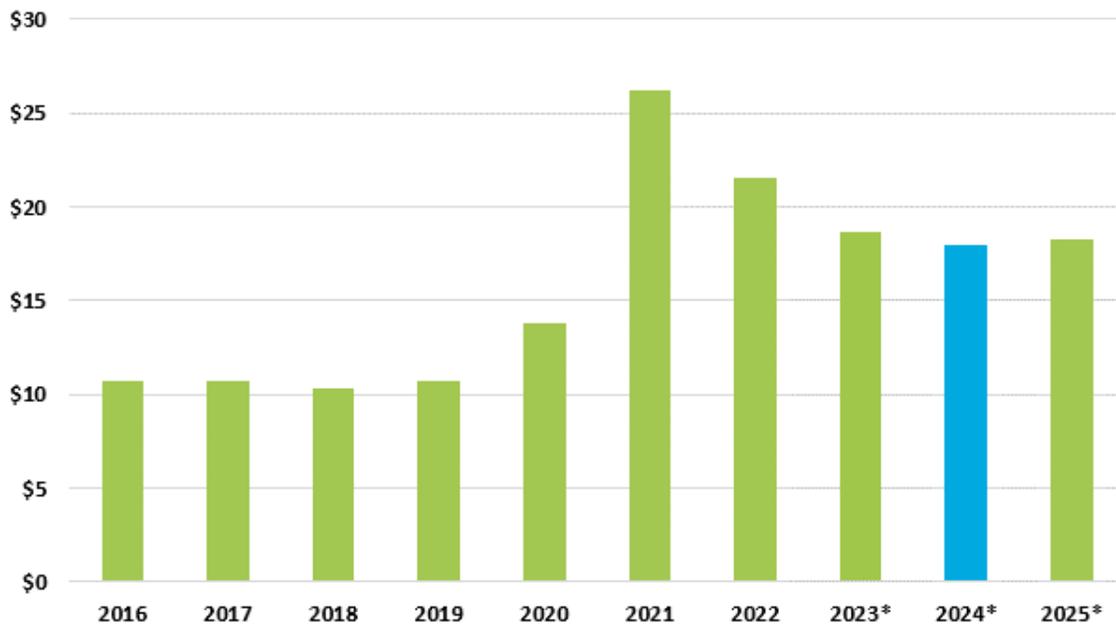
### Airline Cost per Enplaned Passenger

Airline cost per enplaned passenger (CPE) is the total annual cost of fees and charges paid by the airlines divided by the total fiscal year enplanements.

#### Fiscal Years ended June 30, 2016 to 2025

Fiscal Year	Enplaned Passengers <sup>1</sup>	Cost per Enplanement (\$)
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	4,861	\$ 26.18
2022	9,953	\$ 21.51
2023*	10,138	\$ 18.61
2024*	12,100	\$ 17.94
2025*	12,463	\$ 18.22

<sup>1</sup> in thousands



\* Budgeted FY 2023, FY 2024, & FY 2025

**Figure 48 – Airline Cost per Enplaned Passenger**

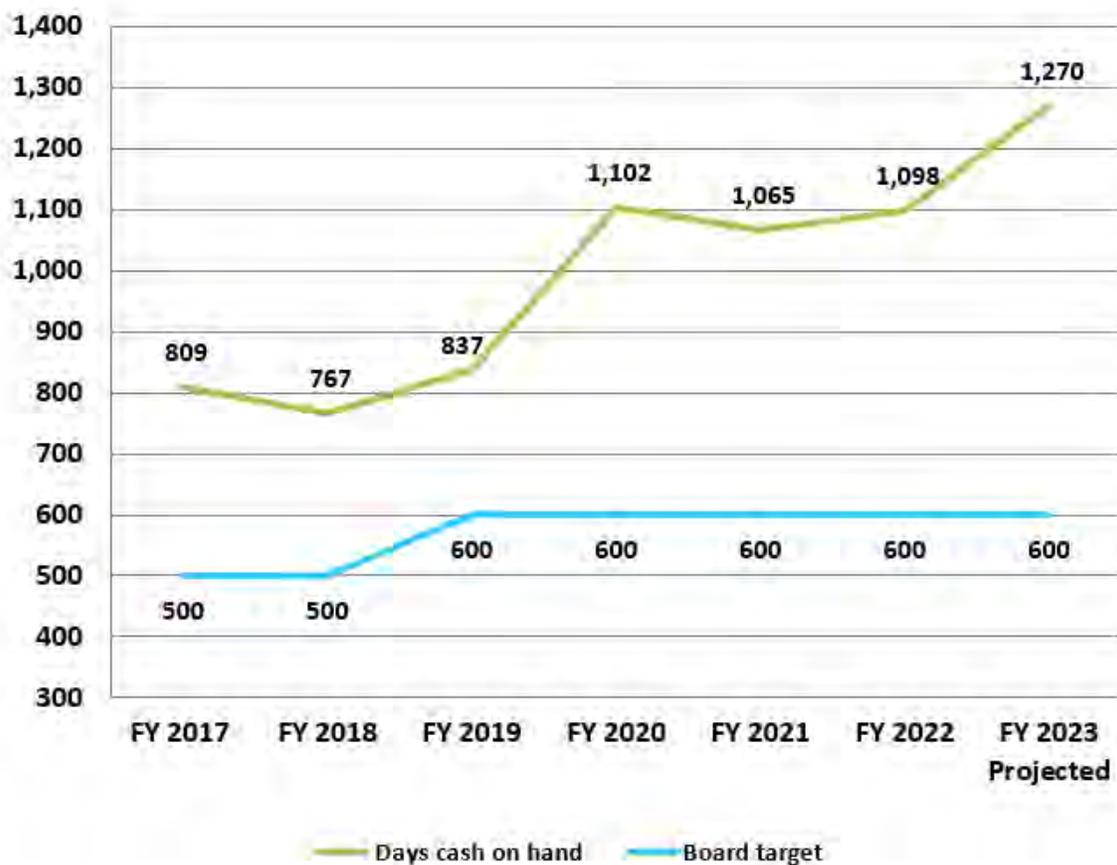
Source: San Diego County Regional Airport Authority

## Performance Indicators

### Days Cash on Hand

Recognizing the inherently volatile nature of the aviation industry, the Airport Authority will maintain prudent unrestricted reserves as a backstop to be able to fund its obligations if unforeseen events occur. The Airport Authority's unrestricted reserves target (defined as the sum of unrestricted cash and investments, unrestricted cash designated for capital projects, unrestricted long-term investments, the O&M Reserve, the O&M Subaccount Reserve, and the Renewal and Replacement Reserve) shall be at least 600 days of budgeted operating and maintenance expenses for the current fiscal year.

**Days Cash on Hand Compared to Board-Approved Target**



**Figure 49 – Days Cash on Hand**

# Supplemental Data



## Supplemental Data

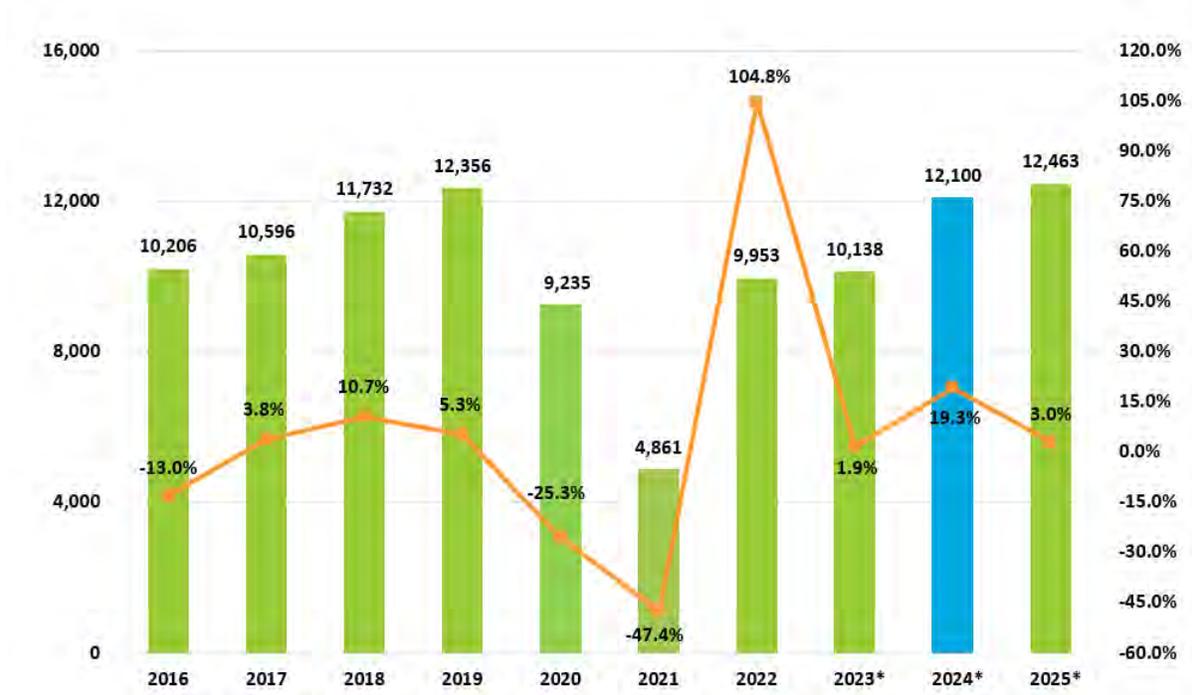
### Annual Enplaned Passengers

In FY 2024, enplaned passenger traffic at SAN is projected to reach 12.1M, which represents an increase of 19.3% from the enplanements used in the FY 2023 Budget. Enplaned passengers are projected to increase by 3.0% to 12.5M in the FY 2025 Conceptual Budget.

#### Fiscal Years ended June 30, 2016 to 2025

Fiscal Year	Enplaned Passengers	% Change
2016	10,206	-13.0%
2017	10,596	3.8%
2018	11,732	10.7%
2019	12,356	5.3%
2020	9,235	-25.3%
2021	4,861	-47.4%
2022	9,953	104.8%
2023*	10,138	1.9%
2024*	12,100	19.3%
2025*	12,463	3.0%

<sup>1</sup> in thousands



\* Budgeted FY 2023, FY 2024, & FY 2025

**Figure 50 – Annual Enplaned Passengers**

Source: San Diego County Regional Airport Authority

## Supplemental Data

### Airline Market Share FY 2016 – FY 2022

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						
	2016	2017	2018	2019	2020	2021	2022	2016	2017	2018	2019	2020	2021	2022
Southwest Airlines	3,840	3,967	4,458	4,656	3,475	1,628	3,394	37.6%	37.4%	38.0%	37.7%	37.6%	33.5%	34.1%
United Airlines	1,166	1,266	1,406	1,481	1,043	553	1,257	11.4%	11.9%	12.0%	12.0%	11.3%	11.4%	12.6%
American Airlines	1,369	1,339	1,367	1,339	1,051	768	1,238	13.4%	12.6%	11.6%	10.8%	11.4%	15.8%	12.4%
Delta Airlines	1,062	1,089	1,127	1,337	1,058	568	1,215	10.4%	10.3%	9.6%	10.8%	11.5%	11.7%	12.2%
Alaska Airlines <sup>1</sup>	903	919	1,032	1,253	976	474	1,100	8.8%	8.7%	8.8%	10.1%	10.6%	9.8%	11.1%
Frontier Airlines	119	180	255	277	201	180	273	1.2%	1.7%	2.2%	2.2%	2.2%	3.7%	2.7%
JetBlue Airways	183	225	248	231	195	90	249	1.8%	2.1%	2.1%	1.9%	2.1%	1.9%	2.5%
Spirit Airlines	327	287	318	324	225	112	168	3.2%	2.7%	2.7%	2.6%	2.4%	2.3%	1.7%
Hawaiian Airlines	102	108	109	150	103	62	134	1.0%	1.0%	0.9%	1.2%	1.1%	1.3%	1.3%
Allegiant Airlines	17	49	45	31	13	22	49	0.2%	0.5%	0.4%	0.2%	0.1%	0.5%	0.5%
Air Canada	49	93	111	130	90	-	43	0.5%	0.9%	0.9%	1.1%	1.0%	-	0.4%
British Airways	90	90	83	83	58	-	41	0.9%	0.9%	0.7%	0.7%	0.6%	-	0.4%
Sun Country Airlines	35	40	41	40	37	23	36	0.3%	0.4%	0.4%	0.3%	0.4%	0.5%	0.4%
Lufthansa	-	-	13	50	35	-	14	-	-	0.1%	0.4%	0.4%	-	0.1%
Japan Airlines	60	60	62	67	44	1	13	0.6%	0.6%	0.5%	0.5%	0.5%	0.0%	0.1%
WestJet	35	41	39	43	29	-	12	0.3%	0.4%	0.3%	0.3%	0.3%	-	0.1%
Swoop, Inc.	-	-	-	-	-	-	4	-	-	-	-	-	-	0.0%
Condor	-	4	8	-	-	-	-	-	0.0%	0.1%	-	-	-	-
Edelweiss	-	1	7	6	2	-	-	-	0.0%	0.1%	0.1%	0.0%	-	-
Virgin America <sup>1</sup>	211	212	184	-	-	-	-	2.1%	2.0%	1.6%	-	-	-	-
Volaris	21	4	-	-	-	-	-	0.2%	0.0%	-	-	-	-	-
<b>Total Air Carrier</b>	<b>9,588</b>	<b>9,976</b>	<b>10,911</b>	<b>11,499</b>	<b>8,636</b>	<b>4,481</b>	<b>9,240</b>	<b>93.8%</b>	<b>93.9%</b>	<b>94.1%</b>	<b>93.1%</b>	<b>93.5%</b>	<b>92.2%</b>	<b>92.8%</b>
<b>Regional</b>														
Compass	250	195	251	296	161	-	-	2.4%	1.8%	2.1%	2.4%	1.7%	-	-
Horizon Air	65	54	82	64	107	90	137	0.6%	0.5%	0.7%	0.5%	1.2%	1.8%	1.4%
Skywest Airlines	302	372	487	497	331	290	576	3.0%	3.5%	4.2%	4.0%	3.6%	6.0%	5.8%
Other	2	-	-	-	-	-	-	0.0%	-	-	-	-	-	-
<b>Total Regional</b>	<b>618</b>	<b>621</b>	<b>820</b>	<b>857</b>	<b>599</b>	<b>380</b>	<b>713</b>	<b>5.9%</b>	<b>6.1%</b>	<b>5.9%</b>	<b>6.9%</b>	<b>6.5%</b>	<b>7.8%</b>	<b>7.2%</b>
<b>Total Passengers</b>	<b>10,206</b>	<b>10,596</b>	<b>11,732</b>	<b>12,356</b>	<b>9,235</b>	<b>4,861</b>	<b>9,953</b>	<b>100%</b>						

<sup>1</sup> Alaska Airlines and Virgin America received their single operating certificate from the FAA on January 11, 2018 and began operating as Alaska Airlines on April 25, 2018

Figure 51 – 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 aircraft operated at the Airport. In FY 2024, landed weight is estimated to increase by 17.9% over FY 2023 budget.

#### Fiscal Years ended June 30, 2016 to 2025

Fiscal Year	Landed Weight <sup>1</sup>	% Change
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	7,780	-35.5%
2022	11,764	51.2%
2023*	12,299	4.5%
2024*	14,503	17.9%
2025*	14,921	2.9%

<sup>1</sup> in million pounds



\* Budgeted FY 2023, FY 2024, & FY 2025

**Figure 52 – Aircraft Landed Weight**

Source: San Diego County Regional Airport Authority

## Supplemental Data

### Airline Landed Weight FY 2016 – FY 2022

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						
	2016	2017	2018	2019	2020	2021	2022	2016	2017	2018	2019	2020	2021	2022
Southwest Airlines	4,257,162	4,470,104	4,924,451	5,180,064	4,422,096	2,277,011	3,688,292	35.3%	35.4%	35.8%	35.8%	36.7%	29.3%	31.4%
Delta Airlines	1,153,074	1,175,285	1,183,702	1,389,312	1,221,773	1,049,374	1,497,160	9.6%	9.3%	8.6%	9.6%	10.1%	13.5%	12.7%
American Airlines	1,467,922	1,428,538	1,471,318	1,415,134	1,201,659	917,691	1,238,946	12.2%	11.3%	10.7%	9.8%	10.0%	11.8%	10.5%
United Airlines	1,250,500	1,355,185	1,492,873	1,566,148	1,201,192	694,980	1,260,134	10.4%	10.7%	10.8%	10.8%	10.0%	8.9%	10.7%
Alaska Airlines <sup>1</sup>	924,310	999,875	1,131,807	1,411,255	1,162,582	769,364	1,196,955	7.7%	7.9%	8.2%	9.7%	9.6%	9.9%	10.2%
Skywest Airlines	359,197	465,023	627,038	637,117	481,705	504,012	709,412	3.0%	3.7%	4.6%	4.4%	4.0%	6.5%	6.0%
Federal Express	444,038	390,716	388,782	375,807	394,288	466,734	476,195	3.7%	3.1%	2.8%	2.6%	3.3%	6.0%	4.0%
JetBlue Airlines	199,232	244,364	293,160	281,715	260,940	171,957	292,311	1.7%	1.9%	2.1%	1.9%	2.2%	2.2%	2.5%
Frontier Airlines	115,238	167,590	232,794	247,145	204,924	199,836	264,830	1.0%	1.3%	1.7%	1.7%	1.7%	2.6%	2.3%
Hawaiian Airlines	147,406	147,568	161,486	237,560	155,345	122,574	211,844	1.2%	1.2%	1.2%	1.6%	1.3%	1.6%	1.8%
Horizon Air	60,268	54,799	100,303	82,650	146,100	145,050	166,950	0.5%	0.4%	0.7%	0.6%	1.2%	1.9%	1.4%
Spirit Airlines	351,977	286,162	328,424	331,366	230,911	125,589	165,464	2.9%	2.3%	2.4%	2.3%	1.9%	1.6%	1.4%
United Parcel	135,318	146,778	143,678	138,860	146,624	138,926	138,064	1.1%	1.2%	1.0%	1.0%	1.2%	1.8%	1.2%
Allegiant	17,403	57,227	47,516	31,927	19,387	38,889	53,883	0.1%	0.5%	0.3%	0.2%	0.2%	0.5%	0.5%
ABX Air	-	-	-	-	42,542	83,216	6,068	0.0%	0.0%	0.0%	0.0%	0.4%	1.1%	0.1%
<b>Subtotal</b>	<b>11,374,596</b>	<b>11,903,154</b>	<b>13,049,141</b>	<b>13,914,432</b>	<b>11,648,713</b>	<b>7,705,201</b>	<b>11,366,508</b>	<b>94.4%</b>	<b>94.3%</b>	<b>94.8%</b>	<b>96.1%</b>	<b>96.6%</b>	<b>99.0%</b>	<b>96.6%</b>
All Others	673,546	712,914	720,805	566,797	404,367	74,326	397,577	5.6%	5.7%	5.2%	3.9%	3.4%	1.0%	3.4%
<b>Total</b>	<b>12,048,142</b>	<b>12,616,068</b>	<b>13,769,945</b>	<b>14,481,229</b>	<b>12,053,080</b>	<b>7,779,528</b>	<b>11,764,085</b>	<b>100.0%</b>						

<sup>1</sup> Alaska Airlines and Virgin America received their single operating certificate from the FAA on January 11, 2018, and began operating as Alaska Airlines on April 25, 2018

Figure 53 – Top 15 Airlines Ranked by Landed Weight

## Supplemental Data

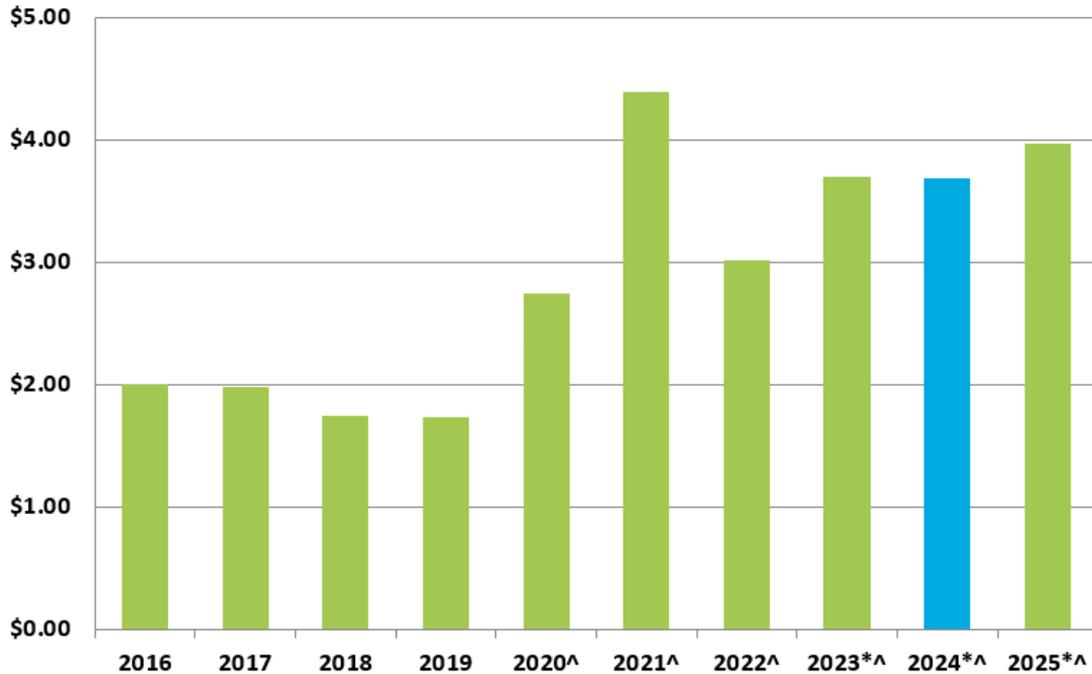
### Landing Fees

Landing fees are revenues from passenger and cargo aircraft for commercial landings at the Airport. Beginning in FY 2020, landing fee includes Airside Security.

#### Fiscal Years ended June 30, 2016 to 2025

Fiscal Year	Landing Fees (\$) per 1,000 lbs	% Change
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^	4.38	59.7%
2022^	3.01	-31.4%
2023*^	3.69	22.8%
2024*^	3.69	-0.2%
2025*^	3.97	7.6%

^ Signatory Rate



\* Budgeted FY 2023, FY 2024, & FY 2025

Figure 54 – Landing Fees

Source: San Diego County Regional Airport Authority

## Supplemental Data

### Terminal Rates Billed to Airlines

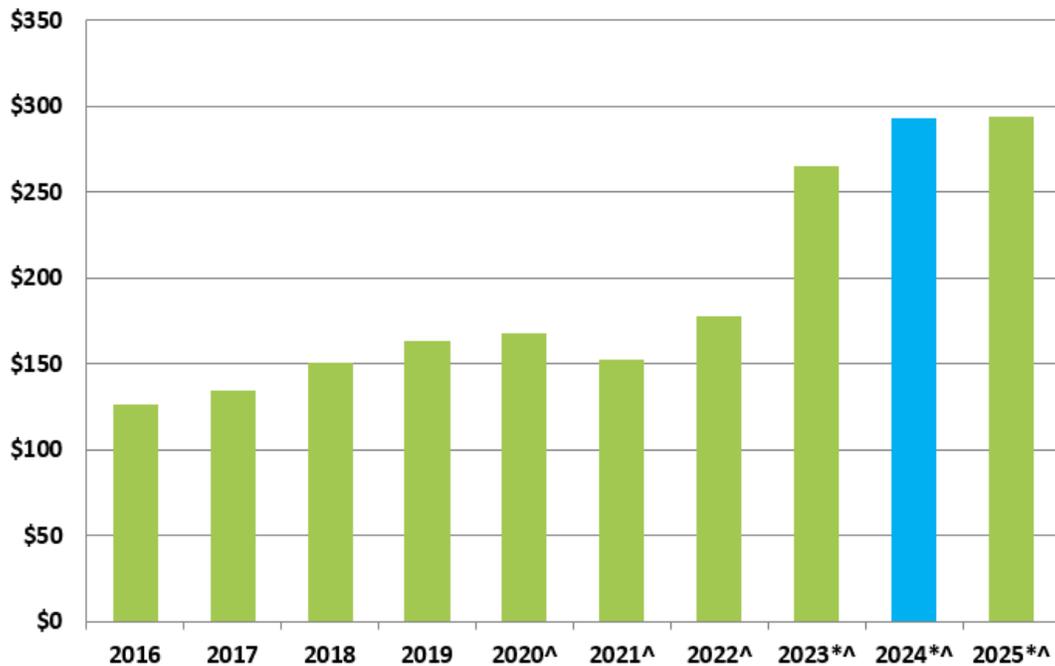
Terminal rates are rates billed to airlines for the rent of terminal space on an annual per square foot basis.

#### Fiscal Years ended June 30, 2016 to 2025

Fiscal Year	Terminal Rates Per Sq. Ft. (\$) <sup>1</sup>	% Change
2016	126.21	11.7%
2017	133.95	6.1%
2018	150.19	12.1%
2019	162.82	8.4%
2020 <sup>^</sup>	167.28	2.7%
2021 <sup>^</sup>	151.73	-6.8%
2022 <sup>^</sup>	177.46	6.1%
2023* <sup>^</sup>	264.53	74.3%
2024* <sup>^</sup>	292.56	64.9%
2025* <sup>^</sup>	293.57	11.0%

<sup>1</sup> Net of janitorial credit

<sup>^</sup> Signatory Rate



\* Budgeted FY 2023, FY 2024, & FY 2025

**Figure 55 – Terminal Rates**

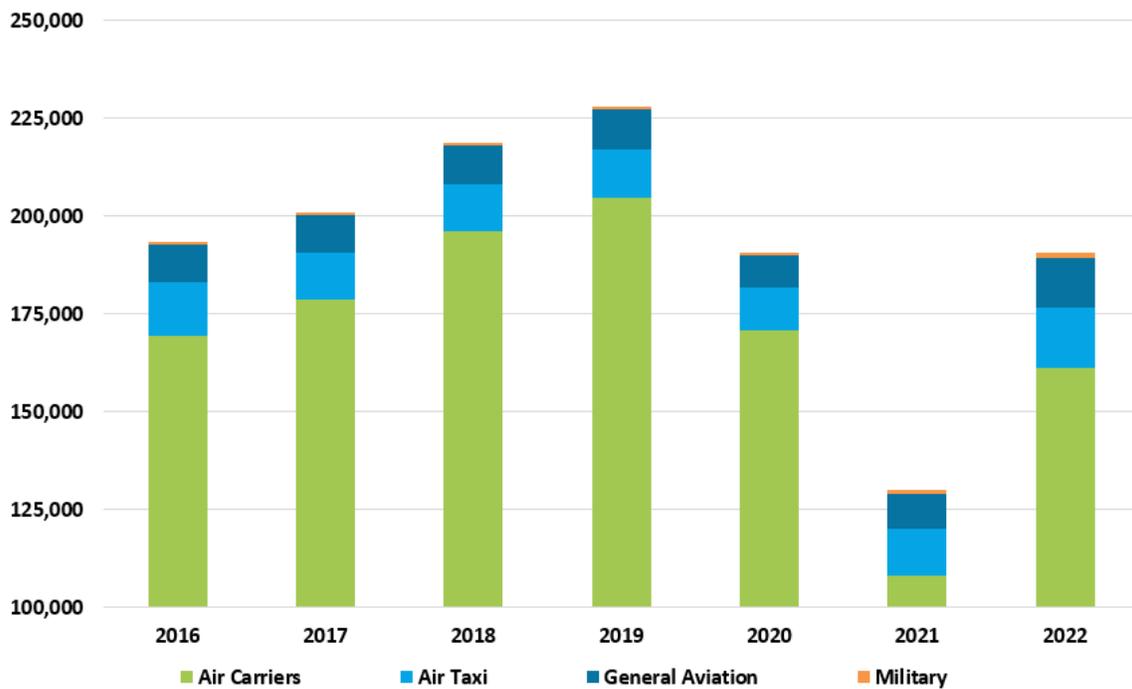
Source: San Diego County Regional Airport Authority

## Supplemental Data

### Aircraft Operations (Takeoffs and Landings)

Aircraft operations are the takeoffs and landings at SAN. They represent the level of demand for air service by the airlines operating at SAN.

Fiscal Year	Air Carriers	Air Taxi	General Aviation	Military	Total
2016	169,365	13,741	9,439	906	193,451
2017	178,579	11,899	9,719	814	201,011
2018	196,253	11,903	9,816	699	218,671
2019	204,627	12,539	10,167	759	228,092
2020	170,757	10,990	8,174	825	190,746
2021	108,240	11,844	8,835	1,098	130,017
2022	161,150	15,547	12,611	1,177	190,485



**Figure 56 – Aircraft Operations**

Source: FAA ATADS Report: Air Operations Standard Report (itinerant only)

## Supplemental Data

### Historical Revenue by Source

(in thousands)

Revenue by Major Sources	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Budget	FY 2024 Budget	FY 2025 Conceptual Budget
Airline Revenue	\$ 112,205	\$ 116,381	\$ 123,157	\$ 134,354	\$ 131,838	\$ 133,870	\$ 147,775	\$ 196,108	\$ 223,519	\$ 234,066
Federal Relief	-	-	-	-	36,895	77,219	78,922	-	-	-
Parking and Ground Transportation	52,546	54,355	53,254	62,818	50,751	27,447	57,076	49,684	72,501	90,425
QHP & CIP Grants	19,050	3,318	21,468	19,763	16,228	26,225	27,351	51,657	85,597	88,664
Passenger Facility Charges	40,258	42,200	46,953	49,198	34,393	22,110	40,394	40,078	45,854	47,229
Rental Car License Fees and License Fees - Other	27,816	30,162	37,247	41,155	32,245	20,342	44,973	39,891	49,251	50,729
Ground Rentals	15,194	18,497	20,073	20,647	18,925	16,663	20,699	23,776	25,832	26,252
Customer Facility Charges	33,208	36,528	41,037	41,919	30,240	15,755	30,333	31,284	34,544	35,580
Terminal Concessions	24,018	26,146	28,363	30,102	24,999	21,459	43,165	24,358	32,697	33,799
Interest Income	5,999	8,134	13,374	16,812	19,690	13,471	19,683	24,072	43,915	49,654
Non-Airline Revenue - Other <sup>1</sup>	4,840	(13,581)	(9,227)	12,815	18,470	(5,217)	(68,953)	4,580	4,673	4,694
BAB Interest Rebate	4,656	4,651	4,666	4,686	2,089	-	-	-	-	-
<b>Total Revenue</b>	<b>\$ 339,790</b>	<b>\$ 326,790</b>	<b>\$ 380,365</b>	<b>\$ 434,268</b>	<b>\$ 416,763</b>	<b>\$ 369,344</b>	<b>\$ 441,418</b>	<b>\$ 485,486</b>	<b>\$ 618,385</b>	<b>\$ 661,091</b>

<sup>1</sup> Non-Airline Revenue - Other includes Terminal Rent Non-Airline, Grant Reimbursements, Other Non-Operating Revenue and Other Operating Revenue, which includes finger printing fees, utilities reimbursements, service charges, equipment rental and miscellaneous revenues.

**Figure 57 – Historical Revenue by Source**

Source: San Diego County Regional Airport Authority

## Supplemental Data

### Airport Authority's Largest Sources of Revenues

(in thousands)

Tenant	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	% of Total Operating Revenue
Southwest Airlines	\$ 33,839	\$ 35,961	\$ 38,404	\$ 42,359	\$ 44,940	\$ 32,982	\$ 46,676	14.6%
Alaska Airlines <sup>1</sup>	10,612	11,705	16,353	17,436	20,633	19,163	25,230	7.9%
Delta Airlines	14,418	16,123	17,007	18,368	22,064	16,637	23,051	7.2%
United Airlines	14,518	16,227	17,520	18,335	20,204	16,630	19,809	6.2%
American Airlines	15,322	17,075	16,581	17,073	17,150	17,010	19,653	6.2%
Enterprise Rent-A-Car	9,451	11,188	12,286	12,780	12,238	5,913	12,725	4.0%
Hertz Rent-A-Car	8,225	11,143	11,017	11,539	10,829	5,303	11,065	3.5%
Avis-Rent-A-Car <sup>2</sup>	-	-	-	-	8,447	4,666	14,247	4.5%
Uber Technologies, Inc.	-	-	-	-	-	-	6,806	2.1%
Signature Flight Support	-	-	-	-	-	4,919	6,760	2.1%

<sup>1</sup> Alaska Airlines and Virgin America received their single operating certificate from the FAA on January 11, 2018, and began operating as Alaska Airlines on April 25, 2018

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

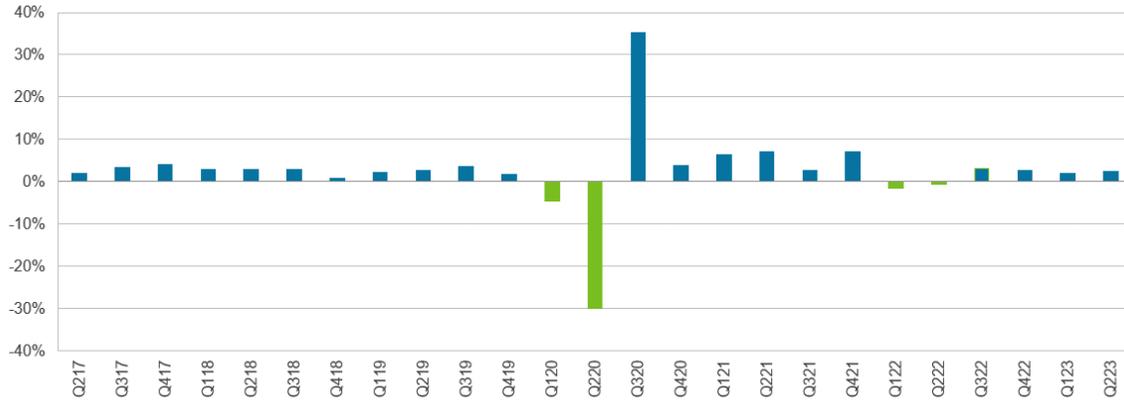
**Figure 58 – Airport Authority's Largest Sources of Revenues**

Source: San Diego County Regional Airport Authority

## Supplemental Data

### Economic and Operational Trends

**U.S. Gross Domestic Product**  
Second Quarter 2017 – Second Quarter 2023



**Figure 59 – U.S. Gross Domestic Product**

Source: Bloomberg

**Dow Jones Industrial Average and S&P 500 Indices**  
August 1, 2018 – August 1, 2023



**Figure 60 – Dow Jones Industrial Average and S&P 500 Indices**

Source: Bloomberg

## Supplemental Data

### San Diego County Selected Employers

<b>Organization</b>	<b>Estimated Employment</b>	<b>Sector</b>
Local Government	> 10,000	Government
State Government	> 10,000	Government
32 St. Naval Station	> 10,000	Military
Marine Corps Recruit Depot	> 10,000	Military
Sharp Healthcare	> 10,000	Healthcare
Kaiser Permanente	5000 - 9,999	Healthcare
Rady's Children's Hospital	1,000 - 4,999	Healthcare
Caesar Entertainment	1,000 - 4,999	Food Service
General Dynamics	1,000 - 4,999	Ship Building
Illumina	1,000 - 4,999	Biotechnology
General Atomics	1,000 - 4,999	Aerospace & Defense
Sony	1,000 - 4,999	Electronics
Merchants Building Maintenance	1,000 - 4,999	Custodial Services
Scripps Mercy Hospital	1,000 - 4,999	Healthcare
San Diego Gas & Electric	1,000 - 4,999	Gas and Electric Utilities
Sempra	< 1,000	Gas and Electric Utilities
LPL Financial Holdings	< 1,000	Securities
Qualcomm	< 1,000	Electronics

**Figure 61 – Selected Employers**

Sources: Employers – California Employment Development Department, Data Axle, Esri, Forbes, Fortune, San Diego County, and Unison Consulting, Inc.

*The list is not exhaustive. Employment levels are estimates.*

## Supplemental Data

### San Diego County Employment by Industry Sectors

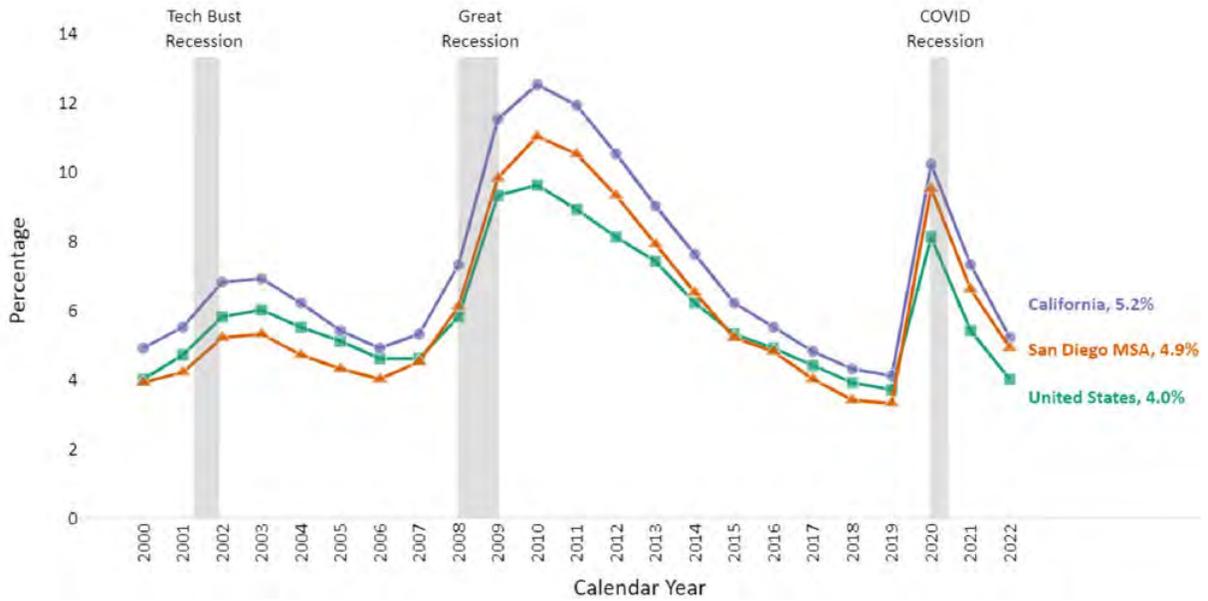
<b>Industry Sectors</b>	<b>April 2023 Industry Employment</b>	<b>% of Total</b>
Professional and Business Services	286,500	18.1%
Government	254,300	16.1%
Education and Health Services	238,000	15.0%
Trade, Transportation and Utilities	222,400	14.1%
Leisure and Hospitality	206,400	13.0%
Manufacturing	117,300	7.4%
Construction and Mining	90,000	5.7%
Financial Activities	78,100	4.9%
Other Services	58,200	3.7%
Information	21,900	1.4%
Agriculture	9,700	0.6%
<b>Total</b>	<b>1,582,800</b>	

**Figure 62 – San Diego County Employment by Industry Sectors**

Source: California Employment Development Department, Labor Market Information Division Employment & Labor Force

## Supplemental Data

### Annual Unemployment Rate

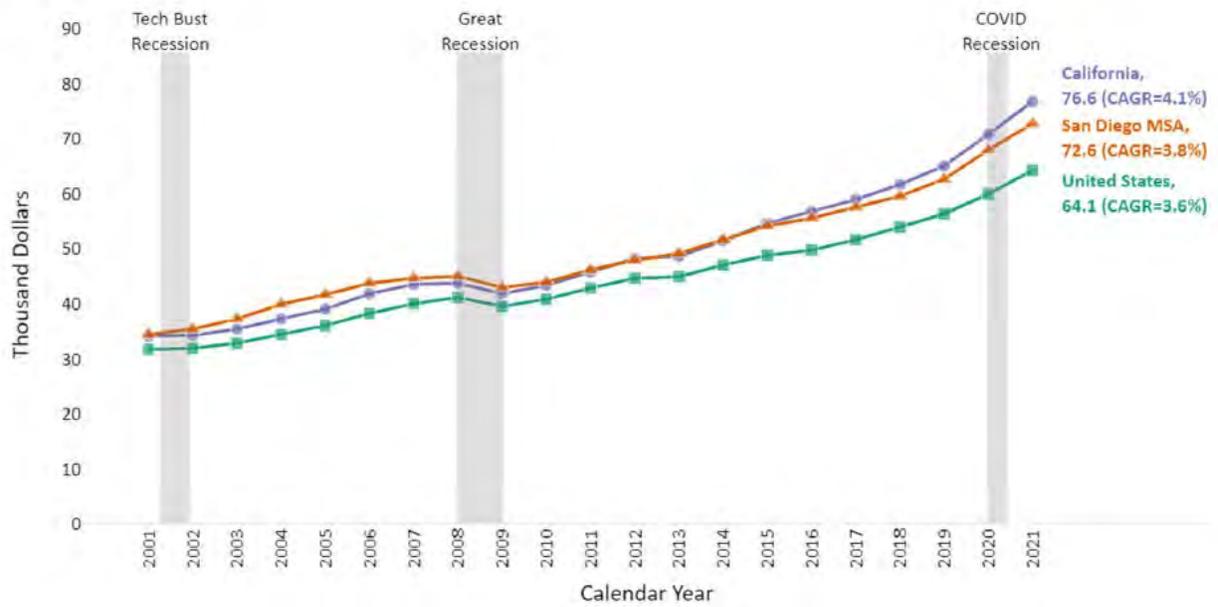


**Figure 63 – Annual Unemployment Rate**

Source: U.S. Bureau of Labor Statistics and Unison Consulting, Inc.  
*Gray areas are economic recession periods.*

## Supplemental Data

### Per Capita Personal Income San Diego County



**Figure 64 – Per Capita Personal Income San Diego County**

Source: U.S. Bureau of Economic Analysis and Unison Consulting, Inc.

## Supplemental Data

### Authority Position Range

Classification Title	Position Range	
	Minimum	Maximum
Vice Presidents	\$187,546	\$337,582
Senior Director, External Relations	\$134,873	\$236,027
Senior Director, Operational Planning & Readiness	\$151,231	\$264,655
Director, Airport Planning & Environmental Affairs	\$128,356	\$224,623
Assistant General Counsel	\$186,563	\$326,485
Director, Airport Design & Construction	\$123,633	\$216,358
Director, Information & Technology Services	\$121,613	\$212,822
Director, Talent, Culture & Capability	\$126,806	\$221,910
Director, Revenue Management	\$121,564	\$212,737
Director, Terminal & Airside Operations	\$134,050	\$234,587
Director, Aviation Security & Public Safety	\$121,811	\$213,169
Director, Facilities Management	\$106,030	\$185,553
Director, Financial Planning & Budget	\$133,077	\$232,885
Director, Capital Financial Planning & Airline Relations	\$133,077	\$232,885
Director, Customer Experience & Innovation	\$115,766	\$202,590
Director, Communications	\$112,824	\$197,442
Director, Business Intelligence	\$133,231	\$233,153
Director, Marketing & Air Service Development	\$113,813	\$199,174
Director, Accounting	\$117,636	\$205,862
Director, Ground Transportation	\$106,462	\$186,308
Director, Procurement	\$124,967	\$218,693
Associate General Counsel III	\$127,046	\$222,330
Director, Government Relations	\$116,340	\$203,595
Director, Authority Clerk	\$110,137	\$192,740
Associate General Counsel II	\$116,776	\$204,358
Associate General Counsel I	\$105,086	\$183,900
Program Manager-Consessions	\$104,072	\$182,125
Program Manager	\$103,823	\$181,689
Program Manager for Engineering & Construction	\$114,330	\$200,077
Senior Manager, Information Technology	\$114,272	\$199,976
Senior Manager, Construction Services	\$99,316	\$173,803
Manager, Business Analytics	\$100,983	\$171,671
Manager, Airport Finance	\$102,944	\$175,006
Manager, Airport Planning	\$85,150	\$144,754
Manager, Airside Operations	\$99,104	\$168,476
Manager, Audit Services	\$98,734	\$167,848
Manager, Aviation Security & Law Enforcement	\$93,272	\$158,563
Manager, Business & Systems Applications	\$113,263	\$192,547
Manager, Customer Experience Design	\$87,823	\$149,300

## Supplemental Data

Classification Title	Position Range	
	Minimum	Maximum
Manager, Energy & Water Management	\$79,093	\$134,458
Manager, ER Preparedness & Public Safety	\$80,702	\$137,193
Manager, Facilities Management	\$83,587	\$142,098
Manager, Ground Transportation	\$92,889	\$157,911
Manager, Human Resource Business Partnerships	\$101,002	\$171,703
Manager, Infrastructure Operations	\$107,804	\$183,267
Manager, Insurance & Construction Risk	\$102,819	\$174,792
Manager, Procurement & Contract Services	\$97,631	\$165,972
Manager, Small Business Development	\$89,036	\$151,361
Manager, Terminal Operations	\$77,352	\$131,498
Manager, Service Desk & IT Terminal Operations	\$98,459	\$167,380
Project Manager	\$93,771	\$159,410
Senior Manager, Arts Program	\$93,113	\$158,292
Manager, Marketing	\$103,908	\$176,643
Manager, Safety & Labor Compliance	\$92,181	\$156,708
Accounting Manager	\$89,178	\$147,143
Innovation Program Manager	\$67,913	\$112,057
Manager, Contracts	\$102,248	\$168,708
Manager, Environmental Affairs	\$99,899	\$164,834
Manager, Learning & Capability	\$92,543	\$152,696
Asset Manager	\$91,685	\$151,280
Senior Auditor	\$74,272	\$122,549
Senior Financial Analyst	\$81,719	\$134,836
Construction Manager	\$89,700	\$148,005
IT Project Manager	\$98,776	\$162,981
Quality Control Manager	\$82,929	\$136,833
Manager, Air Service Development	\$110,115	\$181,690
Construction Safety Program Manager	\$80,372	\$132,613
GIS/CAD Systems Manager	\$80,462	\$132,762
Manager, Government & Community Relations	\$86,742	\$143,124
Senior Human Resources Business Partner	\$102,770	\$169,571
Senior Project Controls Analyst	\$88,075	\$145,325
Senior Safety Specialist	\$85,185	\$140,556
Airside & Terminal Resource Systems Manager	\$76,622	\$126,427
Aviation Systems Program Specialist	\$102,035	\$163,257
Cyber Security Specialist	\$91,899	\$147,039
Contract Specialist	\$68,828	\$117,008
Construction Project Coordinator	\$74,379	\$119,006
Database Administrator	\$94,004	\$150,407
ITS Senior Engineer	\$94,337	\$150,939

## Supplemental Data

Classification Title	Position Range	
	Minimum	Maximum
Maintenance Projects Planner	\$73,195	\$117,111
Senior Airside Operations Duty Manager	\$82,550	\$132,080
Senior Applications Development Analyst	\$84,484	\$135,175
Senior Marketing Specialist	\$67,342	\$107,747
Senior Risk Management Analyst	\$78,691	\$125,906
Senior Systems Support Analyst	\$83,782	\$134,051
Senior Terminal Operations Coordinator	\$73,929	\$118,286
Technical Coordinator	\$74,787	\$119,658
Administrative Services Manager	\$63,387	\$101,419
Airport Art Program Manager	\$83,574	\$133,718
Airport Properties Operations Coordinator	\$72,604	\$116,167
Airside Operations Duty Manager II	\$73,277	\$117,243
Applications Development Analyst	\$78,001	\$124,801
Assistant Authority Clerk II	\$75,035	\$120,055
Associate Asset Manager	\$69,803	\$111,685
Customer Relations Manager	\$78,001	\$124,802
Financial Analyst II	\$75,851	\$121,362
Document Control Manager	\$71,735	\$114,776
Government Relations Specialist	\$75,735	\$121,176
Human Resources Business Partner II	\$79,426	\$127,082
Marketing Specialist II	\$61,254	\$98,006
Project Controls Analyst	\$69,430	\$111,088
Safety Analyst II	\$60,273	\$96,436
Security & Public Safety Analyst II	\$73,906	\$118,249
Senior Accountant	\$74,036	\$118,458
Senior Aircraft Noise Specialist	\$67,862	\$108,580
Senior Airport Planner	\$75,948	\$121,517
Senior Communication Specialist	\$74,560	\$119,296
Senior Cost Analyst	\$78,085	\$124,936
Senior Environmental Specialist	\$74,637	\$119,419
Senior Human Resource Analyst	\$78,100	\$124,959
Senior Management Analyst	\$71,282	\$114,051
Senior Procurement Analyst	\$71,928	\$115,085
Senior Security Specialist	\$65,795	\$105,272
Senior Learning & Development Specialist	\$74,087	\$118,539
Small Business Development Program Manager	\$66,422	\$106,275
Accountant	\$61,680	\$98,687
Airport Art Program Coordinator II	\$56,891	\$91,026
Airside Operations Duty Manager I	\$56,405	\$90,248
Associate Airport Planner	\$63,263	\$101,220

## Supplemental Data

Classification Title	Position Range	
	Minimum	Maximum
Associate Engineer	\$68,587	\$109,738
Associate Environmental Specialist	\$64,021	\$102,434
Auditor	\$58,526	\$93,641
Business Systems Analyst	\$76,013	\$121,621
Communication Specialist II	\$60,685	\$97,096
Cost Analyst	\$69,476	\$111,162
Customer Relations Coordinator	\$47,291	\$75,666
Learning & Development Specialist	\$62,087	\$99,339
Facilities Commissioning Coordinator	\$82,748	\$132,397
Human Resources Information Systems Analyst II	\$73,494	\$117,590
Human Resources Analyst II	\$62,669	\$100,271
Human Resources Business Partner I	\$60,977	\$97,563
ITS Engineer	\$79,808	\$127,694
Management Analyst	\$63,179	\$101,086
Marketing Specialist I	\$51,177	\$81,884
Paralegal	\$66,212	\$105,940
Quieter Home Program Coordinator	\$53,346	\$85,354
Risk Management Analyst II	\$67,573	\$108,118
Safety Analyst I	\$57,795	\$92,472
Security & Public Safety Analyst I	\$64,575	\$103,320
Senior Airport Communications Center Specialist	\$58,979	\$94,367
Senior Engineering Technician II (BIM/CAD)	\$69,804	\$111,687
Small Business Development Program Coordinator	\$53,639	\$85,822
Systems Support Analyst II	\$71,695	\$114,711
Talent Acquisition Partner	\$66,317	\$106,108
Terminal Operations Coordinator	\$64,182	\$102,691
External Relations Specialist	\$61,268	\$98,028
Labor Compliance Supervisor	\$73,488	\$117,581
Ground Transportation Specialist	\$59,219	\$94,751
Information Technology Services Project Coordinator	\$71,951	\$115,121
Project Analyst	\$61,121	\$97,793
Senior Engineering Technician	\$64,328	\$102,925
Procurement Analyst II	\$59,845	\$95,752
Aircraft Noise Specialist	\$57,494	\$91,990
Assistant Environmental Specialist	\$45,247	\$72,395
Communication Specialist I	\$52,484	\$83,974
Financial Analyst I	\$60,440	\$96,705
Human Resources Analyst I	\$57,690	\$92,303
ITS Administrator	\$68,330	\$109,329
Procurement Analyst I	\$51,545	\$82,471

## Supplemental Data

Classification Title	Position Range	
	Minimum	Maximum
Purchasing Card Program Analyst	\$45,113	\$72,180
Quality Control Coordinator	\$56,980	\$91,168
Risk Management Analyst I	\$53,648	\$85,837
Systems Support Analyst I	\$59,552	\$95,282
Airport Art Program Coordinator I	\$46,522	\$74,434
Airport Communications Center Specialist	\$52,097	\$83,354
Project Assistant	\$48,893	\$78,229
Document Control Coordinator	\$42,089	\$67,343
Executive Assistant	\$59,784	\$95,655
HR Assistant II	\$44,824	\$71,718
Labor Compliance Technician II	\$60,779	\$97,247
Records & Information Management Specialist II	\$46,266	\$74,026
Security Specialist II	\$45,926	\$73,481
Security & Emergency Response Coordinator	\$53,175	\$85,080
Senior Construction Inspector	\$69,833	\$111,733
Senior Maintenance Project Inspector	\$67,839	\$108,542
Strategic Planning Outreach Coordinator	\$46,071	\$73,713
Talent, Culture & Capability Coordinator	\$42,596	\$68,154
Assistant Airport Planner	\$39,295	\$62,872
Assistant Authority Clerk I	\$46,741	\$74,785
Construction Inspector	\$58,837	\$94,139
Engineering Technician	\$52,502	\$84,002
Help Desk Technician	\$44,266	\$70,826
Labor Compliance Technician I	\$48,915	\$78,264
Procurement Coordinator	\$44,922	\$71,875
Senior Administrative Assistant	\$39,423	\$63,078
Maintenance Project Inspector	\$54,664	\$87,462
Accounting Technician	\$51,790	\$82,865
Administrative Assistant II	\$35,779	\$57,246
Payroll Technician	\$55,286	\$88,458
Records & Information Management Specialist I	\$38,772	\$62,034
Security Specialist I	\$40,575	\$64,920
Staff Assistant	\$40,136	\$64,218
Administrative Assistant I	\$32,601	\$52,161
Corporate Information Assistant	\$32,503	\$52,004

Figure 65 – Authority Position Range

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# Glossary



## Glossary

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

**AIRCRAFT OPERATIONS** – The landing or takeoff of an aircraft.

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

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

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

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

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

**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.

## Glossary

**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.

**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.

## Glossary

**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.

**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.

## Glossary

**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.

**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.

## Glossary

**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.

**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.



# SAN DIEGO

INTERNATIONAL AIRPORT

LET'S GO.

