

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

# FY 2021 ADOPTED BUDGET & FY 2022 APPROVED CONCEPTUAL BUDGET

SAN DIEGO, CALIFORNIA



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# Introductory Letter & Executive Summary



August 28, 2020

C. April Boling, Board Chair  
Paul Robinson, Vice Chair  
Greg Cox  
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Robert T. Lloyd  
Paul McNamara  
Johanna Schiavoni  
Catherine S. Blakespear  
Mark B. West

Ex-Officio Members

Gayle Miller  
Colonel Charles B. Dockery  
Gustavo Dallarda

Dear Board Members:

Typically, establishing the budget is a methodical and deliberative process reflecting the Board's continuous leadership and direction as expressed through the San Diego County Regional Airport Authority's (SDCRAA, or Airport Authority) five-year Strategic Plan. This year, as the Airport Authority was roughly halfway through the budget process, the worldwide outbreak of novel coronavirus SARS-CoV-2 ("COVID-19") shocked the world and economy and caused significant disruptions to domestic and international air travel. The effects were felt widely and deeply impacting passenger and cargo operations; as well as the conduct of day-to-day business in the United States and internationally.

In March 2020, the Airport Authority took action to implement our Financial Resilience Plan, eliminating, delaying, or reducing non-essential operating and capital expenditures. Given the continued uncertainty of recovery of air travel, these actions were also incorporated into the proposed Fiscal Year (FY) 2021 and FY 2022 operating and capital budgets. The Airport Authority continues to closely monitor expenses for additional savings and restrict expenses to essential work.

While the impact of COVID-19 has been immense, the Airport Authority remains committed to continue execution of our Strategic Plan. This five-year Strategic Plan enables the Airport Authority to sustain its leadership position as a business-driven, passenger-centered, community-minded enterprise. It does so by aligning leadership and staff over a five-year period in their efforts to plan and build an enduring, resilient enterprise through effective management of financial, social and environmental risks, opportunities and obligations. It is possible, if not likely, that the effects of COVID-19 may delay certain Strategic Plan initiatives but at this time it is unclear when or that may happen. Staff continues to explore creative methods to continue making progress with execution while utilizing limited resources.



Submitted herein are the Airport Authority's adopted operating and capital budget for Fiscal Year 2021 and approved Conceptual Budget for FY 2022. The budget is the culmination of an extensive, collaborative effort, which included workshops with members of the Airport Authority Board and staff that evaluated the operating and capital improvement needs and obligations of the organization. In the process of developing the Fiscal Year 2021 Budget, the Authority engaged in numerous industry discussions regarding the impacts the COVID-19 pandemic will have on the aviation industry, including the Airport, and incorporated reduced revenue and expense assumptions accordingly. The budget ensures adherence to the requirements of the master and subordinate bond indentures governing the Airport Authority's outstanding indebtedness and considers its obligations under state and federal law.

The goal of multiyear budgeting is to facilitate the integration of strategic and financial planning and resource allocation. Last year, the Board approved a FY 2021 Conceptual Budget that was significantly revised through this year's budget process, and subsequently adopted, as the FY 2021 Budget. The FY 2022 Conceptual Budget was approved and will be revised to reflect any changes in initiatives, as well as industry, economic and geopolitical events next year. After completion of the Airport Authority's budget preparation and evaluation process, a revised FY 2022 Budget will be presented and discussed with the Board in May and June 2020 for review and formal adoption. Given the great uncertainty surrounding FY 2022 at the time of conceptual approval of this budget, substantial changes to the revised FY 2022 Budget are expected next year. A FY 2023 Conceptual Budget will also be presented for approval at that time. The budget supports operating San Diego International Airport (SAN) as a world-class facility while maintaining the fiscal conservatism necessary to remain financially strong. In addition to supporting the Airport Authority's financial and operational requirements, the budget, to the extent prudent and practicable, also addresses the organization's responsibilities related to meeting the long-term aviation needs of the region:

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

The FY 2021 and Conceptual FY 2022 Operating Budget ("Budget") of \$288.4 million and \$304.8 million, respectively, marks the Authority's 18<sup>th</sup> fiscal year operating budget.

The FY 2021 and Conceptual FY 2022 total revenue budgets are \$376.0 million and \$400.2 million, respectively.

The Capital Improvement Program (CIP) is a rolling five-year program which provides for critical improvements and asset preservation for the Authority. The program includes projects that address airfield safety and capacity, environmental protection, terminal enhancements, and landside infrastructure and access improvements, as well as the recently adopted ADP budget. The FY 2021 – FY 2025 Capital Program total is \$3,728.2 million. Several projects have been placed on hold or have been reduced in scope in response to the COVID-19 impacts.

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

Every effort has been made to ensure that the FY 2021 Budget and the FY 2022 Conceptual Budget both reflect the resources required to execute the Airport Authority's strategies and initiatives as supported and directed by the Board, while meeting all federal safety and security mandates and legislative requirements. This Budget also anticipates the continued significant decreases in operations as a result of the COVID-19 pandemic and includes only essential funds to manage the Airport. The Budget preserves the Airport Authority's financial position through implementation of the financial resilience plan and cost containment efforts.

Respectfully submitted,



**Kimberly J. Becker**

President | Chief Executive Officer



**Scott M. Brickner, CPA**

Vice President | Chief Financial Officer

## Executive Summary

As SAN launches a new fiscal year, the Board of Directors of the Airport Authority continues to declare the existence of a state of local emergency as a result of the COVID-19 pandemic. This emergency declaration was first enacted on April 16, 2020. The declaration empowers the President/CEO of the Authority to, among other things, (a) promulgate written orders and regulations necessary to maintain operations and ensure compliance with applicable federal, state and local guidelines; (b) obtain vital supplies and equipment, such as personal protective equipment, needed for the protection of life and property; (c) waive any policy to the extent such waiver is prudent in responding to COVID-19; and (d) represent the Airport Authority in all dealing with public and private agencies on matters pertaining to the local emergency.

The COVID-19 pandemic and the related restrictions have had an adverse effect on both international and domestic travel and travel-related industries, including airlines, concessionaires and rental car companies serving the Airport. Passenger airlines have experienced a significant downturn in demand, causing the cancellation of numerous flights and a dramatic reduction in network capacity. Currently, this reduction in demand and capacity is expected to continue in the near term, although with modest incremental improvement. Retail, food and other service concessionaires located in terminal facilities at the Airport have reported significant declines in sales and the majority of the locations are temporarily closed as the result of reduced passenger levels. In addition, the reduction in air travel has had an adverse effect on parking, ground transportation companies and rental car activity and, consequently, the revenues of the Airport Authority.

## Organizational Goals

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

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

Guided by the above strategic goals, the FY 2021 and FY 2022 Conceptual Budgets reflect our aligned efforts based on three over-arching focus areas: Advance the ADP, Transform the Customer Journey, and Optimize Ongoing Business. While the COVID-19 impact has been immense, the Strategic Plan goals and initiatives continue to guide the Airport Authority's path forward, but potentially at a slower pace.

As annual plans are executed by our highly skilled and engaged workforce, we are achieving milestones that bring us closer to goal attainment. Throughout these efforts we are communicating SAN's story as a regional economic driver that has generated an estimated \$12 billion annually in economic impact pre-COVID-19 with the hope of returning to this level of impact as soon as possible; positioning our airport to assure continued safe, secure, environmentally sound, and efficient operations; providing optimal air service options for the region;



## Executive Summary

proceeding prudently with the Airport Development Plan; and introducing airport service options that are innovative and support a stress-free customer journey.

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

## Passenger Satisfaction

At San Diego International Airport, passenger satisfaction is a top priority. In fact, it is written right into our mission: “We will plan for and provide air transportation services to the region with safe, effective facilities that exceed our customer expectations...”

While there are many ways to measure success in this area, the Airport Authority in 2019 looked to the ubiquitous J.D. Power Survey. In the J.D. Power Survey’s 2019 results for North American Airports, SAN scored a total customer satisfaction score of 776, which is nine points higher than the average score for all Large-Hub airports. San Diego International Airport has had a higher score than the average Large-hub Airport in the J.D. Power Survey for the last five years consecutively.

While we pride ourselves on providing a first-class passenger experience, we acknowledge that is not always possible in the 53-year-old Terminal 1. That is why the Airport Authority is carefully advancing the Airport Development Plan (ADP), which would replace the existing Terminal 1 facility with a new, more modern and spacious facility featuring larger gate areas, more places to shop and eat, and more security checkpoint lanes. See “Airport Development Plan” section below for more information.

## Economic and Operational Trends Affecting the Budget

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

The U.S. economy continued to strengthen in 2019, but experienced a tremendous shock with the onset of the COVID-19 pandemic in Q1 2020. Gross Domestic Product (GDP) grew at annualized pace of 2.3%, reflecting continued moderate growth in the national economy (see *Figure 58* in ***Supplemental Data***). However, the GDP decreased 5.0% in Q1 2020 and more than 30% in Q2 2020, reflecting the effects of COVID-19. According to the National Bureau of Economic Research, the U.S. economy officially entered a recession in February 2020, following a 128-month economic expansion.

The Air Trade Area for SAN includes San Diego County as well as portions of neighboring Orange, Imperial and Riverside Counties, and Baja California, Mexico. The Census Bureau estimates the population of San Diego County to be 3.34 million as of July 2019. The county is the second largest in California, in terms of population, and the City of San Diego ranks as the second largest city in the state. The majority of the county’s population is concentrated in its western portion adjacent to the ocean.

San Diego County has enjoyed a relatively stable economic climate during the past few years until the recent pandemic, which resulted in the mandatory closure of numerous businesses. The U.S. Bureau of Labor Statistics notes that the county’s average unemployment rate for June 2020 was 13.9% compared to 14.9% for the State of California.

For Calendar Year (CY) 2019, U.S. airlines generated \$13.9 billion in profit, up from \$12.7 billion the previous year. All major U.S. airlines reported a profit in 2019 despite the loss of capacity and revenues due to the effects

## Executive Summary

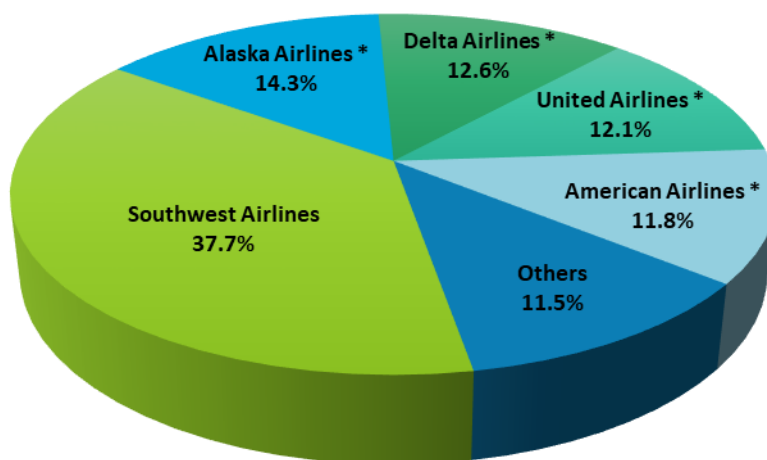
of the Boeing 737-MAX groundings. The industry's focus in 2020 shifted to responding to COVID-19 and the resultant demand shock facing airlines and airports alike. The federal government provided airlines \$25 billion in worker aid grants and made \$25 billion available for loans to lessen the impact of COVID-19, while also providing \$10 billion to airports, which has benefited airlines via lower airport rents and fees. Airlines have taken many cost-cutting steps in the wake of the crisis to reduce cash burn, and have adjusted capacity to better meet reduced demand. The industry is starting to see a slow recovery - in April of 2020, the number of Transportation Security Administration (TSA) Checkpoint Screenings nationwide hovered around 5% of 2019 volume, which has increased to about 20% of 2019 volume in mid-June.

Based on experience, future airline traffic at SAN will most likely continue to be affected by a variety of forces and events. These include local, national and international economic policies, geopolitical events, world health emergencies, federal regulatory and legislative actions, financial health of the airline industry, fuel prices, and natural disasters. The Airport Authority is unable to predict with absolute certainty the long-term operational and financial effect these factors may have on air travel. As a result, any long-term forecast the Airport Authority makes may vary materially from the actual results.

Given these uncertainties, it is beneficial for an airport to be served by a diverse carrier base that includes both legacy carriers and low-cost carriers. SAN is an origin-and-destination airport where no one carrier dominates, and where a significant number of low-cost carriers serve the market. In CY 2019, air service was provided by 17 passenger airlines. Southwest Airlines, the largest carrier, served 37.7% of the passengers who traveled through SAN (see *Figure 1*); its lead in market share is expected to continue.

In CY 2019, low-cost carriers accounted for 47.7% of seat capacity and 45.3% of enplaned passengers. Their presence in certain markets serves to stimulate pricing competition among all carriers, which typically stimulates demand through lower fares.

**SAN Enplaned Passengers in CY 2019**



*\*Including regional affiliates*

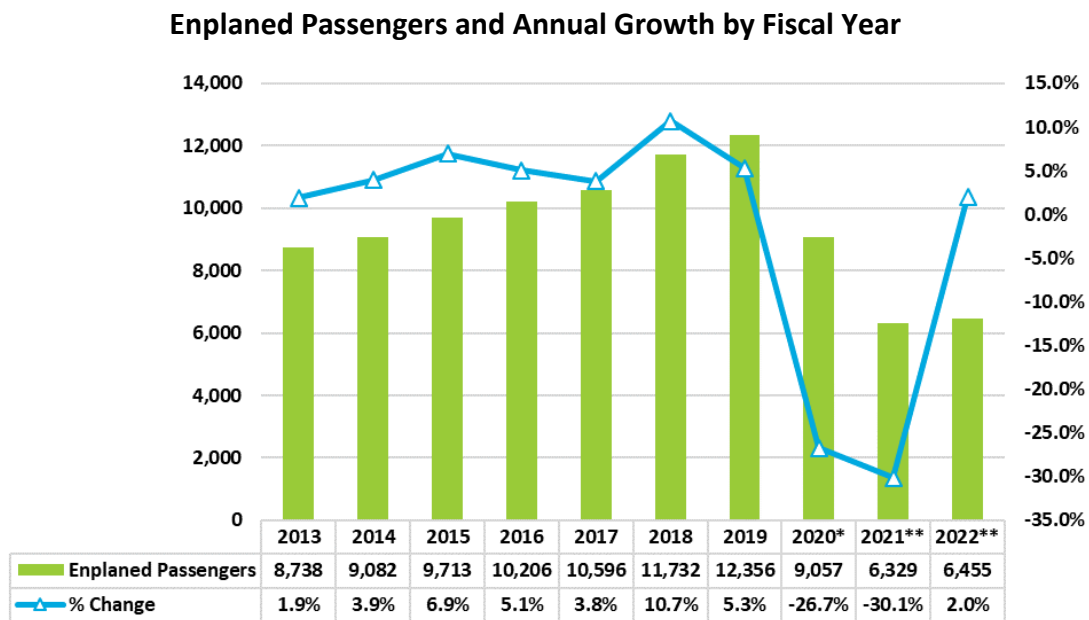
**Figure 1 – SAN Enplaned Passengers by Carrier**

Passengers departing from SAN prior to COVID-19 could fly non-stop to 64 domestic and 9 international destinations, with one-stop connections to over 300 international destinations around the world. FY 2020 saw the addition of new non-stop air service to *Redmond/Bend, OR; San Luis Obispo, CA; Billings, MT; Sioux Falls, ND; Idaho Falls, ID; and Medford, OR*. As a result of COVID-19, passengers currently departing from SAN can fly non-

## Executive Summary

stop to 50 domestic and 2 international destinations. The Airport Authority's Air Service Development department continues to pursue recovery of, as well as expanded international and domestic opportunities.

All of these economic and industry factors together with a decline in air services are reflected in the FY 2021 Budget and the FY 2022 Conceptual Budget, which are predicated on the current trend of passenger enplanements as shown in Figure 2. In FY 2021, enplaned passenger traffic at SAN is projected to decline to 6.3 million, which represents a decrease of 30.1% from the 9.1 million enplanements used in the FY 2020 Forecast. Enplaned passengers are projected to increase by 2.0% to 6.5 million in the FY 2022 Conceptual Budget.



\* Forecasted FY 2020

\*\* Budgeted FY 2021 & FY 2022

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

## Budget Process

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

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



## Executive Summary

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

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

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

**Figure 3 – SDCRAA Budget Calendar**

## Executive Summary

### Financial Plan

The financial plan, which includes the FY 2021 Budget and the FY 2022 Conceptual Budget, is influenced by several factors. Primarily, the San Diego County Regional Airport Authority Act, which is the Airport Authority's enabling legislation, and costs associated with near-term improvements at SAN. Other major factors affecting the Airport Authority's financial planning include the airline operating lease agreement (AOLA), master and subordinate bond indentures, Memorandum of Understanding with the California Attorney General, and various levels of federal funding.

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

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

Non-operating revenue of the Airport Authority is comprised of interest income, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), Build America Bonds (BAB) interest rebate and grant reimbursements (including CARES Act funding in FY 2021).

The Airport Authority's debt management policy was developed to ensure compliance with the master and subordinate bond indentures, which dictate the terms of the Airport Authority's outstanding debt and establishes various reserves, as described in the Fund Balance and Debt Service sections of the budget book. Funding of the required reserve balances affects the fund equity portion of the budget and rate-setting process.

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

## Executive Summary

### Budget Summary

The following table summarizes the forecasted revenue and expenses of the FY 2021 Budget and FY 2022 Conceptual Budget before depreciation, bond principal repayment and capital equipment outlays.

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Budget vs FY21 Budget	% Change
<b>Operating Revenue</b>								
<b>Airline Revenue</b>								
Landing Fees	\$ 31,734	\$ 35,839	\$ 36,135	\$ 296	0.8%	\$ 52,876	\$ 16,741	46.3%
Aircraft Parking Fees	3,471	11,839	9,034	(2,805)	-23.7%	13,219	4,185	46.3%
Building Rentals	86,711	97,557	91,092	(6,465)	-6.6%	118,836	27,744	30.5%
Common Use Fees	1,408	9,688	7,917	(1,771)	-18.3%	9,829	1,912	24.1%
Other Aviation Revenue	188	185	91	(93)	-50.4%	93	2	2.0%
<b>Total Airline Revenue</b>	<b>134,354</b>	<b>183,939</b>	<b>144,269</b>	<b>(39,670)</b>	<b>-21.6%</b>	<b>194,854</b>	<b>50,585</b>	<b>35.1%</b>
<b>Non-Airline Revenue</b>								
Terminal Rent Non-Airline	2,163	2,158	2,515	357	16.5%	2,520	5	0.2%
Terminal Concessions	30,102	30,211	21,237	(8,973)	-29.7%	27,155	5,918	27.9%
Rental Car License Fees	34,305	35,676	22,718	(12,958)	-36.3%	28,883	6,165	27.1%
License Fees - Other	6,850	6,531	3,535	(2,996)	-45.9%	3,961	426	12.0%
Parking Revenue	46,585	43,010	22,454	(20,556)	-47.8%	22,148	(306)	-1.4%
Ground Transportation Permits and Citations	16,233	20,312	9,662	(10,650)	-52.4%	11,045	1,383	14.3%
Ground Rentals	20,647	17,328	18,350	1,022	5.9%	20,628	2,279	12.4%
Grant Reimbursements	450	307	296	(11)	-3.6%	296	-	0.0%
Other Operating Revenue	1,990	1,055	1,070	15	1.4%	1,080	11	1.0%
<b>Total Non-Airline Revenue</b>	<b>159,325</b>	<b>156,588</b>	<b>101,836</b>	<b>(54,752)</b>	<b>-35.0%</b>	<b>117,716</b>	<b>15,880</b>	<b>15.6%</b>
<b>Total Operating Revenue</b>	<b>293,679</b>	<b>340,527</b>	<b>246,105</b>	<b>(94,422)</b>	<b>-27.7%</b>	<b>312,570</b>	<b>66,465</b>	<b>27.0%</b>
<b>Operating Expenses</b>								
Personnel Costs	49,578	52,533	51,841	(693)	-1.3%	54,820	2,980	5.7%
Contractual Services	49,903	47,994	29,071	(18,923)	-39.4%	32,785	3,714	12.8%
Safety and Security	31,397	34,004	34,176	172	0.5%	35,871	1,695	5.0%
Space Rental	10,191	10,191	10,203	12	0.1%	10,203	-	0.0%
Utilities	13,194	14,385	14,299	(86)	-0.6%	14,838	540	3.8%
Maintenance	13,436	13,189	12,433	(756)	-5.7%	12,458	25	0.2%
Operating Equipment & Systems	375	335	339	5	1.4%	332	(8)	-2.3%
Operating Supplies	656	630	624	(6)	-1.0%	663	39	6.3%
Insurance	1,200	1,506	1,558	53	3.5%	1,650	91	5.9%
Employee Development	1,045	1,264	806	(458)	-36.3%	861	55	6.8%
Business Development	2,630	3,155	1,236	(1,919)	-60.8%	1,377	142	11.5%
Equipment Rentals and Repairs	2,853	3,805	3,540	(265)	-7.0%	3,735	195	5.5%
Tenant Improvements	761	800	340	(460)	-57.5%	400	60	17.6%
<b>Total Operating Expenses before Depreciation &amp; Amortization</b>	<b>177,219</b>	<b>183,790</b>	<b>160,465</b>	<b>(23,325)</b>	<b>-12.7%</b>	<b>169,992</b>	<b>9,527</b>	<b>5.9%</b>
<b>Income from Operations before Depreciation &amp; Amortization</b>	<b>116,460</b>	<b>156,738</b>	<b>85,640</b>	<b>(71,097)</b>	<b>-45.4%</b>	<b>142,578</b>	<b>56,938</b>	<b>66.5%</b>
<b>Non-Operating Revenue/(Expenses)</b>								
Passenger Facility Charges	49,198	49,629	24,170	(25,459)	-51.3%	24,654	483	2.0%
Customer Facility Charges	41,919	41,509	20,739	(20,771)	-50.0%	21,153	415	2.0%
Quieter Home Program (Net) & Joint Studies	(3,291)	(3,095)	(3,145)	(50)	1.6%	(3,125)	20	-0.6%
BAB Interest Rebate	4,686	4,686	-	(4,686)	-100.0%	-	-	0.0%
CARES Act Grant	-	-	54,326	54,326	0.0%	-	(54,326)	-100.0%
Interest Income	16,812	17,835	7,590	(10,246)	-57.4%	11,525	3,936	51.9%
Interest Expense	(80,183)	(92,756)	(84,893)	7,863	-8.5%	(88,676)	(3,783)	4.5%
Bond Amortization Costs	5,682	5,521	9,589	4,068	73.7%	9,418	(172)	-1.8%
Other Non Operating Revenue/(Expense)	8,211	(20)	(20)	-	0.0%	(20)	-	0.0%
<b>Total Other Non-Operating Revenue, Net</b>	<b>43,033</b>	<b>23,310</b>	<b>28,356</b>	<b>5,046</b>	<b>21.6%</b>	<b>(25,071)</b>	<b>(53,427)</b>	<b>-188.4%</b>
<b>Income before Capital Grant Contributions</b>	<b>159,493</b>	<b>180,048</b>	<b>113,996</b>	<b>(66,052)</b>	<b>-36.7%</b>	<b>117,507</b>	<b>3,511</b>	<b>3.1%</b>
Capital Grant Contributions	8,213	10,642	10,912	270	2.5%	18,219	7,306	67.0%
<b>Net Income before Depreciation, Principal &amp; Capital Outlay</b>	<b>\$ 167,707</b>	<b>\$ 190,690</b>	<b>\$ 124,909</b>	<b>\$ (65,781)</b>	<b>-34.5%</b>	<b>\$ 135,725</b>	<b>10,817</b>	<b>8.7%</b>



## Executive Summary

Total Operating revenues for FY 2021 are budgeted at \$246.1 million, a decrease of \$94.4 million (-27.7%) over the FY 2020 Budget. This revenue reflects two sources: 1) Airline revenue of \$144.3 million and 2) Non-Airline revenue of \$101.8 million. Airline revenue is derived primarily from landing fees, aircraft parking fees, building rentals, common use fees and other aviation revenue. Non-Airline revenue is comprised of public parking and ground transportation fees, terminal and other concessions, rental car fees, ground rents and other operating revenues. FY 2022 Operating revenues are budgeted at \$312.6 million, an increase of \$66.5 million (27.0%), of which \$194.9 million represents Airline revenue and \$117.7 million is from Non-Airline revenue.

Total FY 2021 Airline revenue includes a decrease of \$39.7 million (-21.6%), as compared to the FY 2020 Budget. This result is mostly driven by deferral of the Major Maintenance Fund (MMF), a decrease in airfield operations expenses, debt service and amortization of cash funded projects.

Total FY 2022 Airline revenue is budgeted to increase by \$50.6 million (35.1%) compared to FY 2021 mainly due to higher operating and maintenance expenses and an increase in amortization charges for new terminal projects to be funded with cash.

Total FY 2021 Non-Airline revenue projects a net decrease of \$54.8 million (-35.0%) from the FY 2020 Budget. This is primarily driven by: 1) a decrease of \$20.6 million in parking revenue due to a decrease in enplanements and the closure of Harbor Drive lot and valet due to reduced enplanements ; 2) a decrease of \$13.0 million in rental car license revenue and \$9.0 million in concessions revenue due to reduced enplanements and Board-approved Minimum Annual Guarantee (MAG) waivers through September 2020; and 3) a decrease of \$10.7 million in ground transportation revenue reflecting a decrease in enplanements.

Total FY 2022 Non-Airline revenue is budgeted to increase by \$15.9 million (15.6%) compared to FY 2021. This increase reflects several factors including: 1) an increase in rental car license fees revenue of \$6.2 million and an increase in concessions revenue of \$5.9 million reflecting MAG revenue and no waivers; 2) an increase of \$2.3 million in ground rents revenue due to opening of the new Airport Support Building and anticipated CPI increase assumptions on other agreements.

The divisional and departmental operating expense budgets of \$160.5 million, which address the Airport Authority's overall strategies, initiatives and mandated obligations, reflect a decrease of \$23.3 million (-12.7%) in the FY 2021 operating expense budget from the FY 2020 Budget. FY 2022 operating expenses are projected to increase by \$9.5 million (5.9%) over the FY 2021 Budget.

The FY 2021 Operating Expense decrease of \$23.3 million (-12.7%) is driven by a variety of factors. Salaries and Wages, including overtime and benefits, are projected to decrease by \$1.1 million (-1.9%) over the FY 2020 Budget, reflecting a hiring freeze and reduced overtime. Together with lower capitalized labor expenses, personnel expenses resulted in a net decrease of \$0.7 million (-1.3%) in the FY 2021 Budget over the FY 2020 Budget for personnel expenses.

In FY 2021, Contractual Services are budgeted to have a net decrease of \$18.9 million (-39.4%) from the FY 2020 Budget reflecting a decrease of parking and shuttle operations, Rental Car Center (RCC) shuttles, and reduced annual maintenance. FY 2021 Business Development costs are projected to decrease by \$1.9 million (-60.8%) over the FY 2020 Budget, reflecting decreases in marketing and promotional activities. Additionally, Maintenance are also decreasing by \$0.8M (-5.7%).

FY 2022 Operating Expenses are budgeted to increase by \$9.5 million (5.9%); this increase reflects the hiring of vacant positions, wage and salary increases required under union contract agreements and pay-for-performance

## Executive Summary

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

FY 2021 Non-Operating revenue/(expense) is projected to increase by \$5.0 million (21.6%) from the FY 2020 Budget, primarily reflecting \$54.3 million in CARES Act Grant funding; partially offset by decreases in PFC's of \$25.5 million, a decrease in CFC's of \$20.8 million and interest income of \$10.2 million.

FY 2022 Non-Operating revenue/(expense) is budgeted to decrease by \$53.4 million versus the FY 2021 Budget mainly due to the CARES Act Grant.

## 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 2021 cash and investments will decrease by \$262.5 million to \$722.2 million versus the FY 2020 Projected of \$984.7 million. This decrease of 26.7% from the FY 2020 Projected is mostly due to reduction in revenues and higher capital expenditures. FY 2022 cash and investments are projected to increase by \$675.0 million (93.5%) to \$1,397.2 million, mainly reflecting anticipated ADP bond issuance.

## Capital Program

The Airport Authority maintains a five-year Capital Program that is intended to address critical improvements and asset preservation of SAN. Capital Expenditures are defined as anything with a useful life of more than one year and cost of greater than \$5,000. The Airport Authority's current Capital Program includes projects started prior to FY 2021, as well as new projects to be undertaken at SAN between FY 2021 and FY 2022, including ADP, at an estimated total cost of approximately \$3,728.2 million.

In light of the COVID-19 pandemic, the Authority has evaluated its entire Capital Program, including the ADP. Capital projects totaling approximately \$220 million have been placed on hold (meaning they have been completely delayed, reduced in scope, or will be phased in at a slower spend rate). Work on the ADP continues in a deliberative way (see additional information in "Airport Development Plan" section below).

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

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

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

## Executive Summary

### Sources of Funds

*In thousands*

Airport Revenue Bonds	\$ 3,030,248
Airport Cash	388,085
Federal Grants	121,666
Major Maintenance Fund	84,409
Other	76,336
Passenger Facility Charges	23,357
Customer Facility Charges	4,100
<b>Total Sources of Funds</b>	<b>\$ 3,728,201</b>

### Uses of Funds

*In thousands*

FY 2020 – 2024 Carryover	\$ 3,623,063
FY 2021 – 2025 New Projects & Allowances	105,138
<b>Total Use of Funds</b>	<b>\$ 3,728,201</b>

Projected FY 2021 Capital Program expenditures total \$296.3 million, and projected FY 2022 expenditures are \$483.2 million. Further discussion of these expenditures along with detailed descriptions can be found in the section titled **Capital Program**.

### Airport Development Plan

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

To meet the requirements of the California Environmental Quality Act (CEQA), the Airport Authority prepared an Environmental Impact Report (EIR) for all project components of the ADP. The EIR was undertaken to evaluate the potential environmental impacts associated with the ADP. At the January 9, 2020 Airport Authority Board meeting, board members voted to certify the EIR and adopt associated materials. Currently, the Airport Authority in coordination with the Federal Aviation Administration (FAA) is preparing an Environmental Assessment (EA) to meet the federal review requirements under the National Environmental Policy Act (NEPA).

Throughout the COVID-19 pandemic, the Airport Authority has continued planning for the ADP. Built into the planning process are options to slow down, speed up, or even stop work completely so the financial impacts of moving forward can be carefully evaluated.

## Executive Summary

### Airline Operating Lease Agreement

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

The new agreement establishes the following fees for signatory airlines:

	Unit	FY 2021 Budget	FY 2022 Conceptual Budget
Landing Fee	1,000 lbs	\$3.52	\$5.05
Aircraft Parking Position Rental Rate	per space	\$122,732	\$185,496
Aircraft Parking Position Turn Fee	per turn	\$188.07	\$154.95
Aircraft Parking Position Overnight Fee	per overnight	\$564.21	\$464.85
Terminal Rental Rate	sq ft.	\$157.92	\$216.78
Joint Use Fee (90%)	per enplanement	\$8.41	\$10.49
Joint Use Charges - 10% Share (MORE THAN 1% OF ENPLANEMENTS)	per airline	\$498,525	\$633,705
Joint Use Charges - 10% Share (1% OR LESS ENPLANEMENTS)	per airline	\$118,696	\$150,882
Common Use Fee	per enplanement	\$2.01	\$2.44
Federal Inspection Services (FIS) Fee	per available seat	\$10.00	\$10.00

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

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

Based on the fees above, the airline cost per enplaned passenger is forecasted to be \$21.85 for FY 2021 and \$28.91 for the FY 2022 Conceptual Budget.

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

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

### Outstanding Debt

As of July 1, 2020, the Airport Authority's outstanding long-term debt will consist of \$360.8 million of senior airport revenue bonds (Series 2013 Bonds), \$980.2 million of subordinate airport revenue bonds (Series 2017, 2019 and 2020 Bonds and \$288.1 million of senior special facility revenue bonds. The Airport Authority does not

## Executive Summary

have a legal debt limit. The master bond indenture requires the Airport Authority to establish certain reserves and to maintain net revenues (after the payment of operation and maintenance expenses) equal to at least 1.25x annual senior lien debt service and subordinate net revenues at 1.10x annual subordinate lien debt service. The Board-approved debt policy calls for minimum aggregate DEBT SERVICE COVERAGE of 1.40x. The Board approved target includes PFCs used to pay debt service and the Federal Interest Subsidy as Net Revenues, rather than deducting these items from debt service (the revenue method).

Further discussion of the Airport Authority's debt can be found in the Debt Service section of this document. Debt service coverage (generally consisting of operating revenue less operating expenses divided by principal and interest requirements for the fiscal year) is displayed in *Figure 5*. For FY 2021, debt service coverage on aggregate debt is projected to be 1.92x and 2.05x for FY 2022. As at the end of Fiscal 2020, the Airport Authority's did not have any outstanding variable rate debt as both a revolving line of credit agreement, which provided for borrowings up to \$125.0 million, and a revolving draw down bonds agreement, which provided for borrowings up to \$100.0 million, expired.

The following table shows debt service coverage on aggregate, senior and subordinate lien debt. The subordinate lien debt includes Series 2010 and 2017 Bonds and the revolving line of credit. FY 2021 and FY 2022 budgets reflect future anticipated debt issuance.

	FY 2019 Actuals	FY 2020 Budget	FY 2021 Budget	FY 2022 Conceptual Budget
Aggregate Debt Service Coverage (x)	2.03	2.46	1.92	2.05
Senior Lien Debt Service Coverage (x)	12.85	12.31	8.64	11.01
Subordinate Lien Debt Service Coverage (x)	3.18	5.12	2.45	3.68

**Figure 5 – Debt Service Coverage**



## Executive Summary

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

The Airport Authority received its fifteenth consecutive Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for its annual budget for the fiscal year beginning July 1, 2019. The GFOA established the Distinguished Budget Presentation Awards Program (Budget Awards Program) in 1984 to encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting, and the GFOA's best practices on budgeting and then to recognize individual governments that succeed in achieving that goal.

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

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



# Airport Authority Overview



## **Airport Authority Overview**

### **Board of Directors**

**C. April Boling, Board Chair**

**Paul Robinson, Vice Chair**

**Greg Cox**

**Mark Kersey**

**Robert T. Lloyd**

**Paul McNamara**

**Johanna Schiavoni**

**Catherine Blakespear**

**Mark B. West**

### **Ex-Officio Members**

**Gayle Miller**

**Col. Charles B. Dockery**

**Gustavo Dallarda**

## Airport Authority Overview

### Executive Management Team

**Kimberly Becker**

PRESIDENT / CHIEF EXECUTIVE OFFICER

**Scott Brickner**

VICE PRESIDENT / CHIEF FINANCIAL OFFICER

*Finance Division*

**Amy Gonzalez**

GENERAL COUNSEL

**Hampton Brown**

VICE PRESIDENT / CHIEF REVENUE OFFICER (INTERIM)

*Revenue Management & Innovation Division*

**Lee Parravano**

CHIEF AUDITOR

**Angela Shafer-Payne**

VICE PRESIDENT / CHIEF OPERATIONS OFFICER

*Operations Division*

**Dennis Probst**

VICE PRESIDENT / CHIEF DEVELOPMENT OFFICER

*Development Division*



## Airport Authority Overview

### Director Staff

**Monty Bell**

DIRECTOR

*Talent, Culture & Capability*

**Rick Belliotti**

DIRECTOR

*Customer Experience Design & Innovation*

**Jessica Bishop**

DIRECTOR

*Information & Technology Services*

**Bob Bolton**

DIRECTOR

*Airport Design & Construction*

**Michelle Brega**

SENIOR DIRECTOR

*External Relations*

**Jim DeCock**

DIRECTOR (INTERIM)

*Revenue Generation & Partnership Development*

**John Dillon**

DIRECTOR

*Finance & Risk Management*

**Matt Harris**

DIRECTOR

*Government Relations*

**Jon Graves**

DIRECTOR (INTERIM)

*Marketing & Air Service Development*

**Jonathan Heller**

DIRECTOR

*Communications*

**David LaGuardia**

DIRECTOR

*Facilities Management*

**Mark Nichols**

DIRECTOR

*Ground Transportation*

**Jeff Rasor**

DIRECTOR

*Airside & Terminal Operations*

**Brendan Reed**

DIRECTOR

*Planning & Environmental Affairs*

**Tony Russell**

DIRECTOR / AUTHORITY CLERK

*Board Services*

**Jana Vargas**

DIRECTOR

*Procurement*

**Clint Welch**

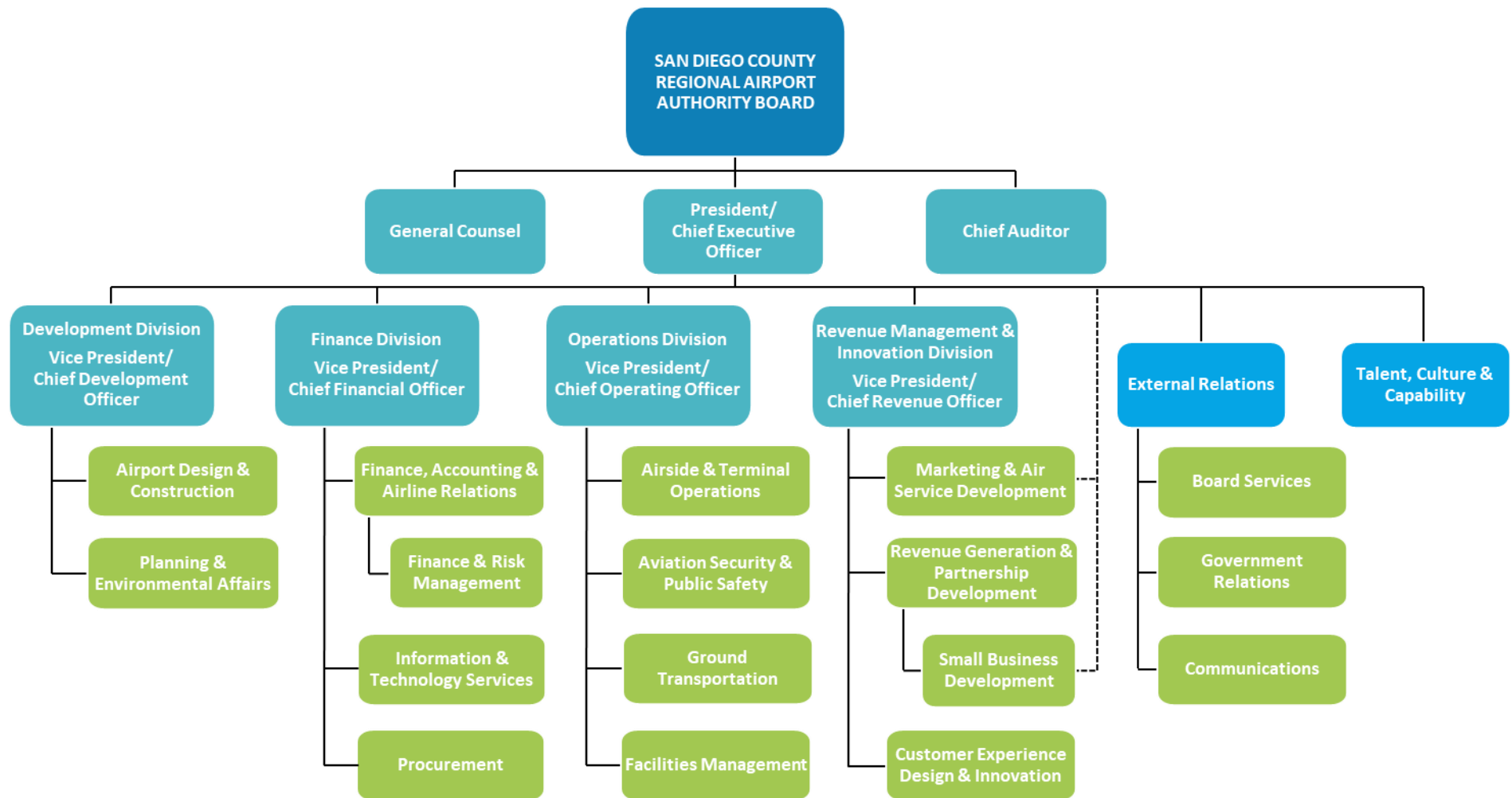
DIRECTOR

*Aviation Security & Public Safety*



## Airport Authority Overview

### SDCRAA Organizational Structure



## Airport Authority Overview

### Organizational Strategies and Initiatives

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



#### Community

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



#### Financial

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



#### Customer

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



#### Operations

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



#### Employee

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

### Organizational Initiatives

Guided by the above strategies and goals, the Airport Authority aims to sustain its leadership position as a business-driven, passenger-centered, community-minded enterprise. It will do so by aligning leadership and staff in our commitment to build an enduring and resilient enterprise that effectively manages our financial, social, and environmental risks, obligations and opportunities. In the FY21 and FY22 Conceptual Budgets in addition to implementing several measures to mitigate for impacts of the COVID-19 pandemic, we have aligned our efforts and allocated resources based on three over-arching focus areas that require integrated, cross-functional action plans. The focus areas are:

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

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

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# Overview of Financial Policies & Guidelines





## Financial Policies and Guidelines

### Overview

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

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

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

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

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

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

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

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

## Financial Policies and Guidelines

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

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

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

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

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

This Derivatives Policy was constructed by Airport Authority staff and its financial advisor after obtaining and evaluating the policies of more than 25 major issuers, including airports and counties throughout the country. In addition, sources such as the Government Finance Officers Association, the national

## Financial Policies and Guidelines

trade association for governmental entities and the credit rating agencies, who have written reports on the evaluation of credit risks associated with derivative products, were consulted.

The adopted policy provides for the following:

- Allows for the Airport Authority to use derivatives to increase its financing flexibility.
- Insures that derivatives are used appropriately and not for speculative purposes.
- Provides detailed and conservative criteria regarding qualifications of firms making swap payments (counterparties) or providing financial guarantees, including collateral requirements and exposure limits, to insure that the Airport Authority maintains maximum flexibility and security when negotiating a specific derivative agreement.
- Provides for detailed monitoring and evaluation on an ongoing basis to identify all actual and potential risks associated with outstanding and anticipated derivative agreements.
- Requires Board approval of each agreement based upon guidelines provided for in the policy.
- Enhances price transparency by requiring derivative products to be competitively bid (unless the Board approves an alternative method).
- Allows the Board the flexibility to change the policy in the future in response to market conditions, new products, or other factors.

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

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

The Airport Authority's unrestricted reserves target (defined as the sum of unrestricted cash and investments, unrestricted cash designated for capital projects, unrestricted long-term investments, the O&M Reserve, the O&M Subaccount Reserve and the Renewal and Replacement Reserve) shall be at least 600 days of budgeted operating and maintenance expenses for the current fiscal year (see *Figure 47* in Performance Indicators).

(in thousands)

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 Projected
Unrestricted & Undesignated Cash and Available Funds	\$ 149,719	\$ 161,358	\$ 209,652	\$ 256,469	\$ 229,731	\$ 292,336	\$ 337,993
Unrestricted & Designated for Specific Capital Projects & Other Commitments	\$ 17,145	\$ 22,588	\$ 31,271	\$ 25,792	\$ 39,294	\$ 26,209	\$ 43,596
O&M and R&R Reserves	\$ 54,943	\$ 56,868	\$ 57,872	\$ 60,780	\$ 62,346	\$ 62,912	\$ 63,145
Total Unrestricted & Available Funds per Board Policy	\$ 221,807	\$ 240,814	\$ 298,795	\$ 343,041	\$ 331,371	\$ 381,457	\$ 444,734
Operating Expenses	\$ 136,821	\$ 142,933	\$ 151,519	\$ 154,748	\$ 157,674	\$ 166,376	\$ 155,935
Days Cash on Hand	592	615	720	809	767	837	1,041

**Figure 6 – FY 2014 to FY 2020 Projected and Historical Liquidity**

## Financial Policies and Guidelines

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

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

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

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



# Overview of Projected Fund Balance





## Overview of Projected Fund Balance

The Airport Authority Fund Balance is generally defined as the difference between its assets and liabilities. The Airport Authority's fund balance statement projects that FY 2021 cash and investments will decrease by \$262.5 million to \$722.2 million versus the FY 2020 Projected of \$984.7 million. This decrease of 26.7% from the FY 2020 Projected is mostly due to reduction in revenues and higher capital expenditures. FY 2022 cash and investments are projected to increase by \$675.0 million (93.5%) to \$1,397.2 million, mainly reflecting anticipated ADP bond issuance.

(in thousands)

	FY 2019 Actuals	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	FY 2022 Conceptual Budget
<b>Beginning Fund Balance:</b>	<b>\$788,579</b>	<b>\$821,547</b>	<b>\$770,648</b>	<b>\$984,720</b>	<b>\$722,183</b>
<b>Source of Funds</b>					
<b>Operating Revenue:</b>					
Receipts from customers	286,895	340,527	257,351	197,598	292,963
<b>Total Operating Revenue</b>	<b>286,895</b>	<b>340,527</b>	<b>257,351</b>	<b>197,598</b>	<b>292,963</b>
<b>Non-Operating Revenue &amp; Other Financing:</b>					
Federal Grants received (excluding Quieter Home Program)	12,365	10,642	6,346	10,912	18,219
Passenger Facility Charges Receipts	48,873	49,629	35,336	24,170	24,654
Customer Facility Charges Receipts	41,677	41,509	28,335	20,739	21,153
Bond Proceeds	-	311,052	859,845	-	1,015,975
Principal Payments received on Notes Receivable	1,903	2,006	2,006	2,124	2,244
Interest Received from Notes Receivable & Investments	25,088	17,835	19,418	7,590	11,525
CARES Act Grant	-	-	36,895	54,326	-
Other Funding Sources	2,555	44,500	9	5,042	67,408
BAB Interest Rebate	4,686	4,686	2,083	-	-
<b>Total Non-Operating Revenue</b>	<b>137,148</b>	<b>481,861</b>	<b>990,274</b>	<b>124,903</b>	<b>1,161,178</b>
<b>Total Revenues</b>	<b>424,044</b>	<b>822,388</b>	<b>1,247,624</b>	<b>322,501</b>	<b>1,454,141</b>
<b>Use of Funds</b>					
<b>Operating Expenses:</b>					
Payments to Suppliers & Employees	(147,036)	(173,370)	(157,992)	(153,631)	(160,767)
<b>Total Operating Expenses</b>	<b>(147,036)</b>	<b>(173,370)</b>	<b>(157,992)</b>	<b>(153,631)</b>	<b>(160,767)</b>
<b>Non-Operating Expenses:</b>					
Capital Expenditures	(60,323)	(25,037)	(80,785)	(211,532)	(93,138)
Capital Expenditures Financed from Bond Proceeds	(111,941)	(188,302)	(128,987)	(65,848)	(387,257)
Capital Expenditures Financed from Passenger Facility Charges (PFC)	(1,400)	(41,109)	(327)	(4,586)	-
Capital Expenditures Financed from Special Facility Bonds	0	-	-	-	-
Capital Expenditures Financed from Major Maintenance Fund	-	(3,890)	(13,384)	(19,427)	(3,351)
Debt Refunding	-	(125,000)	(538,152)	-	-
Quieter Home Program, net and Joint Studies	(636)	(3,095)	(2,737)	(3,145)	(3,125)
Customer Facility Charges (CFC) Expenditures	(10,525)	(12,291)	(12,275)	(12,624)	(12,996)
Principal on Bonds and Variable rate debt paid	(29,094)	(30,605)	(23,935)	(31,560)	(36,720)
Interest and Debt Fees Paid (excl PFC funding)	(80,695)	(80,158)	(78,287)	(75,336)	(76,947)
Capitalized Interest Debt Service Payment	-	(4,294)	(5,670)	(6,462)	(3,924)
Other Miscellaneous Payments	-	(20)	9,856	(10)	(10)
Payment of capital lease	(324)	(877)	(877)	(877)	(877)
<b>Total Non-Operating Expenses</b>	<b>(294,937)</b>	<b>(514,679)</b>	<b>(875,561)</b>	<b>(431,407)</b>	<b>(618,346)</b>
<b>Total Expenses</b>	<b>(441,974)</b>	<b>(688,049)</b>	<b>(1,033,552)</b>	<b>(585,038)</b>	<b>(779,113)</b>
<b>Excess (Deficit) of Source over Use of Funds</b>	<b>(17,930)</b>	<b>134,339</b>	<b>214,072</b>	<b>(262,537)</b>	<b>675,028</b>
<b>Ending Fund Balance</b>	<b>\$770,648</b>	<b>\$955,885</b>	<b>\$984,720</b>	<b>\$722,183</b>	<b>\$1,397,211</b>
Unrestricted Cash and Investments	\$318,515	\$399,369	\$381,421	\$226,770	\$249,940
Total Bonds Reserves	246,278	322,707	428,363	344,983	976,099
Total Other Restricted Funds	205,855	233,809	174,936	150,430	171,173
<b>Ending Fund Balance</b>	<b>\$770,648</b>	<b>\$955,885</b>	<b>\$984,720</b>	<b>\$722,183</b>	<b>\$1,397,211</b>

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# Financial Projections





## Financial Projections

Based on the actual results experienced by the Airport Authority during FY 2019 and the budgets for FY 2020, FY 2021 and FY 2022, the following table shows projections for FY 2023.

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>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	FY2022 Conceptual Budget	FY2023 Projected
<b>Total Airline Revenue</b>	\$ 134,354	\$ 183,939	\$ 144,269	\$ 194,854	\$ 224,896
<b>Total Non-Airline Revenue</b>	<b>159,325</b>	<b>156,588</b>	<b>101,836</b>	<b>117,716</b>	<b>116,958</b>
<b>Total Operating Revenue</b>	<b>293,679</b>	<b>340,527</b>	<b>246,105</b>	<b>312,570</b>	<b>341,854</b>
<b>Total Operating Expenses before Depreciation &amp; Amortization</b>	<b>177,219</b>	<b>183,790</b>	<b>160,465</b>	<b>169,992</b>	<b>181,938</b>
<b>Income from Operations before Depreciation &amp; Amortization</b>	<b>116,460</b>	<b>156,738</b>	<b>85,640</b>	<b>142,578</b>	<b>159,916</b>
<b>Non-Operating Revenue/(Expenses)</b>					
Passenger Facility Charges	49,198	49,629	24,170	24,654	25,147
Customer Facility Charges	41,919	41,509	20,739	21,153	21,580
Quieter Home Program (Net) & Joint Studies	(3,291)	(3,095)	(3,145)	(3,125)	12,101
BAB Interest Rebate	4,686	4,686	-	-	-
CARES Act Grant	-	-	54,326	-	-
Interest Income	16,812	17,835	7,590	11,525	29,532
Interest Expense	(80,183)	(92,756)	(84,893)	(88,676)	(73,004)
Bond Amortization Costs	5,682	5,521	9,589	9,418	-
Other Non Operating Revenue/(Expense)	8,211	(20)	(20)	(20)	(10)
<b>Total Other Non-Operating Revenue, Net</b>	<b>43,033</b>	<b>23,310</b>	<b>28,356</b>	<b>(25,071)</b>	<b>15,346</b>
<b>Income before Capital Grant Contributions</b>	<b>159,493</b>	<b>180,048</b>	<b>113,996</b>	<b>117,507</b>	<b>175,262</b>
Capital Grant Contributions	8,213	10,642	10,912	18,219	48,028
<b>Net Income before Depreciation, Principal &amp; Capital Outlay</b>	<b>\$ 167,707</b>	<b>\$ 190,690</b>	<b>\$ 124,909</b>	<b>\$ 135,725</b>	<b>\$ 223,291</b>

## Financial Projections

	Unit	FY 2019 Actuals
Landing Fee	1,000 lbs	\$1.73
Terminal Rental Rate	sq ft.	\$181.13
Federal Inspection Services (FIS) Fee	per available seat	\$2.00
Cost Per Enplanement		\$10.74
Debt Service Coverage		2.03
Enplanements *		12,356
% Increase in Enplanements		5.3% <sup>(1)</sup>

	Unit	FY 2020 Budget	FY 2021 Budget	FY 2022 Conceptual Budget	FY 2023 Projected
Landing Fee	1,000 lbs	\$3.21	\$3.52	\$5.05	\$5.39
Aircraft Parking Position Rental Rate	per space	\$169,818	\$122,732	\$185,496	\$201,920
Aircraft Parking Position Turn Fee	per turn	\$71.43	\$188.07	\$154.95	\$165.38
Aircraft Parking Position Overnight Fee	per overnight	\$214.28	\$564.21	\$464.85	\$496.13
Terminal Rental Rate	sq ft.	\$210.57	\$157.92	\$216.78	\$263.76
Joint Use Fee (90%)	per enplanement	\$5.17	\$8.41	\$10.49	\$12.15
Joint Use Charges - 10% Share (MORE THAN 1% OF ENPLANEMENTS)	per airline	\$609,772	\$498,525	\$633,705	\$748,807
Joint Use Charges - 10% Share (1% OR LESS ENPLANEMENTS)	per airline	\$144,496	\$118,696	\$150,882	\$178,287
Common Use Fee	per enplanement	\$1.24	\$2.01	\$2.44	\$2.77
Federal Inspection Services (FIS) Fee	per available seat	\$10.00	\$10.00	\$10.00	\$10.00
Cost Per Enplanement		\$14.16	\$21.85	\$28.91	\$32.84
Debt Service Coverage		2.46	1.92	2.05	1.95
Enplanements *		12,557	6,329	6,455	6,584
% Increase in Enplanements versus prior year		1.6% <sup>(1)</sup>	-49.6%	2.0%	2.0%

*FY 2020 marks the first year of the new AOLA*

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

*\* In thousands*

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

**Figure 7 – FY 2020 to FY 2022 Financial Projections**



# Budget Overview: Revenue



## Revenue Overview

### FY 2021 Revenue Budget – FY 2022 Conceptual Revenue Budget

(in thousands)

	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Revenue</b>								
<b>Airline Revenue</b>								
Landing Fees	\$ 32,848	\$ 47,170	\$ 36,135	\$ (11,035)	-23.4%	\$ 52,876	\$ 16,741	46.3%
Aircraft Parking Fees	3,471	11,839	9,034	(2,805)	-23.7%	13,219	4,185	46.3%
Building Rentals	96,438	115,057	91,092	(23,965)	-20.8%	118,836	27,744	30.5%
Common Use Fees	1,408	9,688	7,917	(1,771)	-18.3%	9,829	1,912	24.1%
Other Aviation Revenue	188	185	91	(93)	-50.4%	93	2	2.0%
<b>Total Airline Revenue</b>	<b>134,354</b>	<b>183,939</b>	<b>144,269</b>	<b>(39,670)</b>	<b>-21.6%</b>	<b>194,854</b>	<b>50,585</b>	<b>35.1%</b>
<b>Non-Airline Revenue</b>								
Terminal Rent Non-Airline	2,163	2,158	2,515	357	16.5%	2,520	5	0.2%
Terminal Concessions	30,102	30,211	21,237	(8,973)	-29.7%	27,155	5,918	27.9%
Rental Car License Fees	34,305	35,676	22,718	(12,958)	-36.3%	28,883	6,165	27.1%
License Fees - Other	6,850	6,531	3,535	(2,996)	-45.9%	3,961	426	12.0%
Parking Revenue	46,585	43,010	22,454	(20,556)	-47.8%	22,148	(306)	-1.4%
Ground Transportation Permits and Citations	16,233	20,312	9,662	(10,650)	-52.4%	11,045	1,383	14.3%
Ground Rentals	20,647	17,328	18,350	1,022	5.9%	20,628	2,279	12.4%
Grant Reimbursements	450	307	296	(11)	-3.6%	296	-	0.0%
Other Operating Revenue *	1,990	1,055	1,070	15	1.4%	1,080	11	1.0%
<b>Total Non-Airline Revenue</b>	<b>159,325</b>	<b>156,588</b>	<b>101,836</b>	<b>(54,752)</b>	<b>-35.0%</b>	<b>117,716</b>	<b>15,880</b>	<b>15.6%</b>
<b>Total Operating Revenue</b>	<b>293,679</b>	<b>340,527</b>	<b>246,105</b>	<b>(94,422)</b>	<b>-27.7%</b>	<b>312,570</b>	<b>66,465</b>	<b>27.0%</b>
<b>Interest Income</b>	<b>16,812</b>	<b>17,835</b>	<b>7,590</b>	<b>(10,246)</b>	<b>-57.4%</b>	<b>11,525</b>	<b>3,936</b>	<b>51.9%</b>
<b>Non-Operating Revenue</b>								
Passenger Facility Charges	49,198	49,629	24,170	(25,459)	-51.3%	24,654	483	2.0%
Customer Facility Charges	41,919	41,509	20,739	(20,771)	-50.0%	21,153	415	2.0%
Quieter Home Program	11,550	11,981	12,181	200	1.7%	12,101	(80)	-0.7%
BAB Interest Rebate	4,686	4,686	-	(4,686)	-100.0%	-	-	0.0%
CARES Act Grant	-	-	54,326	54,326	0.0%	-	(54,326)	-100.0%
Capital Grant Contributions	8,213	10,642	10,912	270	2.5%	18,219	7,306	67.0%
Other Non Operating Revenue	8,211	(10)	(10)	-	0.0%	(10)	-	0.0%
<b>Total Non-Operating Revenue</b>	<b>123,777</b>	<b>118,439</b>	<b>122,319</b>	<b>3,881</b>	<b>3.3%</b>	<b>76,117</b>	<b>(46,202)</b>	<b>-37.8%</b>
<b>Total Revenue</b>	<b>\$ 434,268</b>	<b>\$ 476,801</b>	<b>\$ 376,014</b>	<b>\$ (100,787)</b>	<b>-21.1%</b>	<b>\$ 400,212</b>	<b>\$ 24,198</b>	<b>6.4%</b>

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

## Revenue Overview

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

**\$-100.8M (-21.1%)**

*(in millions)*

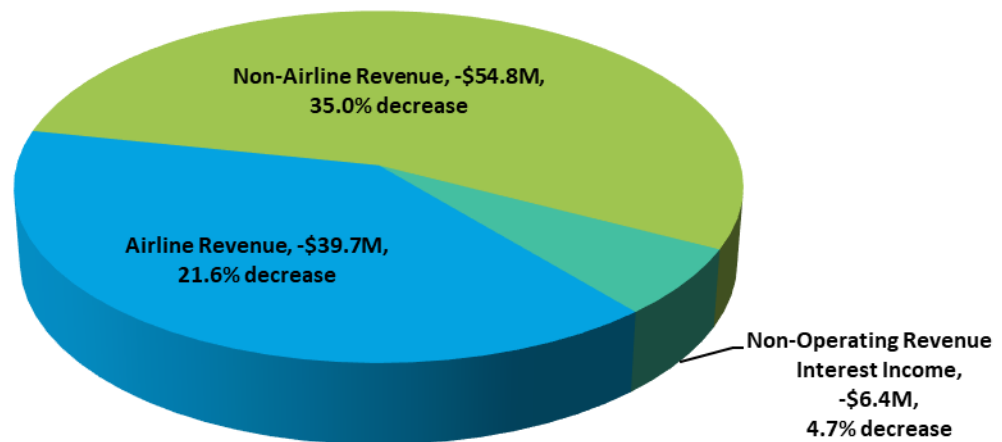


Figure 8 – FY 2021 Revenue Variance

### FY 2022 Budget Revenue Increase vs FY 2021 Budget

**\$24.2M (6.4%)**

*(in millions)*

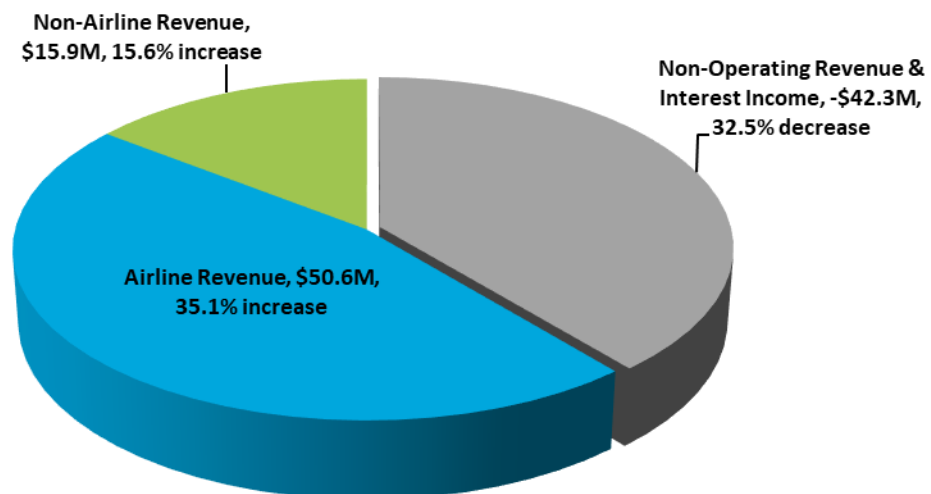


Figure 9 – FY 2022 Revenue Variance



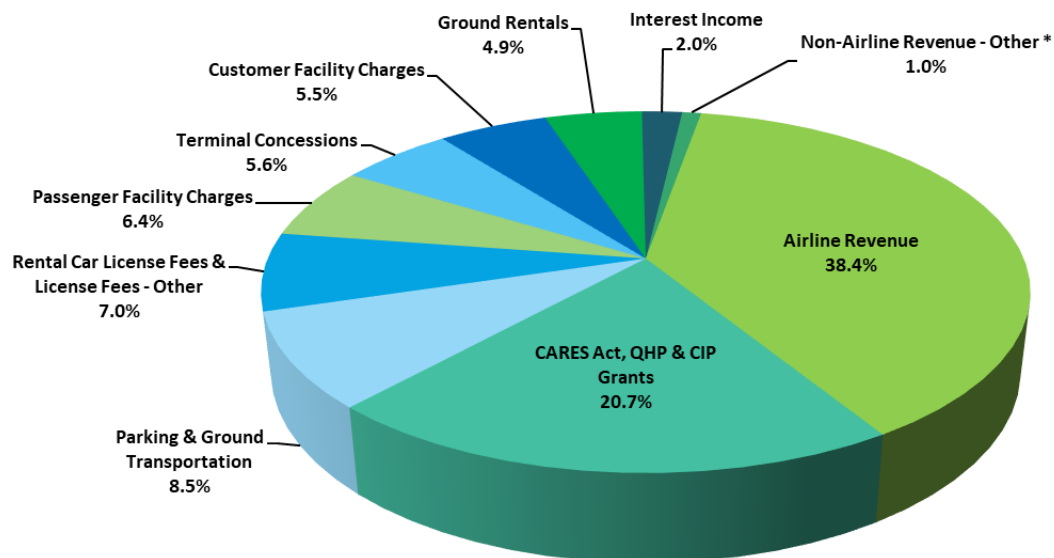
## Revenue Overview

### FY 2021 Revenue Budget by Major Sources

(in thousands)

Revenue by Major Sources	FY 2021 Budget
Airline Revenue	\$ 144,269
CARES Act, QHP & CIP Grants	77,716
Parking & Ground Transportation	32,116
Rental Car License Fees & License Fees - Other	26,253
Passenger Facility Charges	24,170
Terminal Concessions	21,237
Customer Facility Charges	20,739
Ground Rentals	18,350
Interest Income	7,590
Non-Airline Revenue - Other *	3,574
<b>Total Revenue <sup>1</sup></b>	<b>\$ 376,014</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 revenues

**Figure 10 – FY 2021 Revenue Budget by Sources**

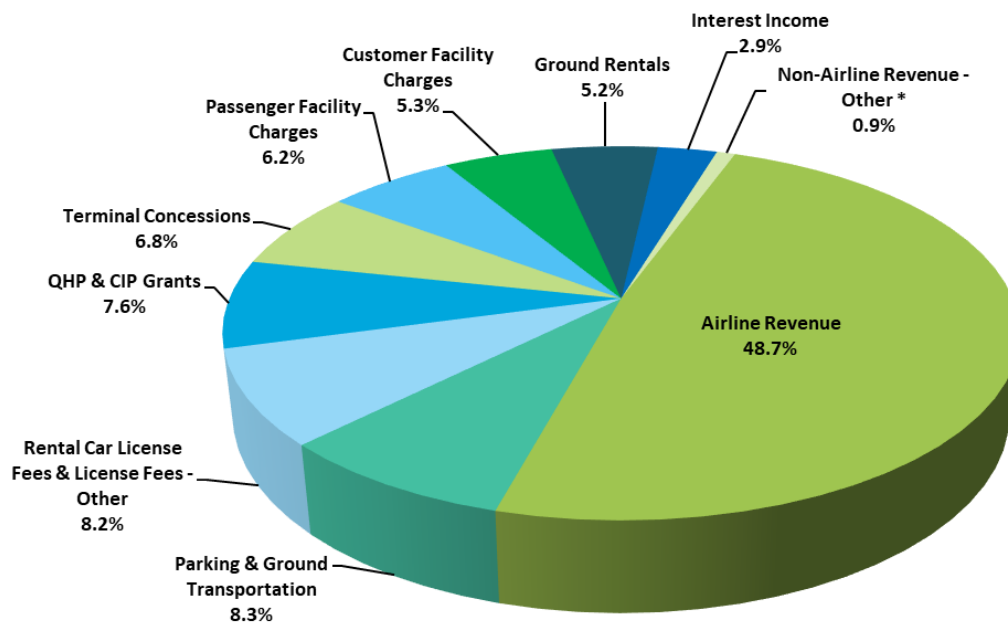
## Revenue Overview

### FY 2022 Revenue Budget by Major Sources

(in thousands)

Revenue by Major Sources	FY 2022 Conceptual Budget
Airline Revenue	\$ 194,854
Parking & Ground Transportation	33,193
Rental Car License Fees & License Fees - Other	32,843
QHP & CIP Grants	30,616
Terminal Concessions	27,155
Passenger Facility Charges	24,654
Customer Facility Charges	21,153
Ground Rentals	20,628
Interest Income	11,525
Non-Airline Revenue - Other *	3,590
<b>Total Revenue <sup>1</sup></b>	<b>\$ 400,212</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 revenues

**Figure 11 – FY 2022 Revenue Budget by Sources**



## Revenue Overview

### Overview

Operating and Non-Operating revenues for FY 2021 are projected to be \$376.0M, a decrease of \$100.8M (-21.1%) below the FY 2020 Budget. FY 2022 Conceptual Operating and Non-Operating revenues are budgeted to increase by \$24.2M (6.4%) over the FY 2021 Budget.

### Airline Operating Revenue

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

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

The AOLA includes signatory and non-signatory rate structure. Air Carriers that signed non-signatory agreement will be charged 120% premium on all signatory rates, fees and charges, except for FIS fee.

### Landing Fees

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

In FY 2021, landing fee revenues are projected to decrease to \$36.1M, which is \$11.0M (-23.4%) below the FY 2020 Budget due to a decrease in airfield operations expenses, as well as deferral of MMF. Estimated landed weight for FY 2021 is projected to decrease to 10,207 (million pound units), a 30.7% decrease from 14,732 (million pound units) versus the FY 2020 Budget. The combination of lower landed weight and decreased net airfield requirements results in the FY 2021 signatory landing fee rate (per 1,000 pounds of maximum gross landed weight) of \$3.52.

In FY 2022, landing fee revenues are projected to increase by \$16.7M (46.3%) to \$52.9M over the FY 2021 Budget. The increase reflects higher net airfield expenses, increased debt service and amortization of cash funded projects, in addition to reinstated collection of MMF. The FY 2022 signatory landing fee rate (per 1,000 pounds of maximum gross landed weight) is projected to increase to \$5.05, a 43.5% increase over the FY 2021 budgeted landing fee, mainly reflecting a combination of increased net airfield costs and a 2.0% increase in projected landed weight to 10,411 (million pound units).

### Aircraft Parking and Turn Fees

Aircraft parking fees are projected to recover 20% of the direct and allocated costs of the airfield, including maintenance and operation expenses and airfield security, debt service, amortization of capital investments, MMF and coverage charges. This charge is assessed based on the number of aircraft

## Revenue Overview

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

In FY 2021, aircraft parking and turn fees are projected to generate revenues of \$9.0M, a \$2.8M (-23.7%) decrease over the FY 2020 Budget due to a reduction in airfield operations expenses, as well as deferral of MMF. FY 2021 aircraft position rental signatory rate is \$122,732 per space, aircraft parking position signatory turn fee is \$188.07 per turn and aircraft parking position signatory overnight fee is \$564.21 per overnight stay.

In FY 2022, aircraft parking and turn fees are projected to increase by \$4.2M (46.3%) over the FY 2021 Budget due to increase in net airfield requirement.

### Building Rentals

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

In FY 2021 Budget building rentals revenues are projected to decrease to \$91.1M, a decrease of \$24.0M (-20.8%) over the FY 2020 Budget. FY 2021 Building Rentals revenues reflect a decrease in operating and maintenance expenses for terminal facilities, amortization of cash funded projects, as well as deferral of MMF. The FY 2021 signatory terminal rental rate is \$157.92 per square foot and the joint use fee is \$8.41 per enplanement.

In FY 2022, Building Rentals revenue is projected to increase by \$27.7M (30.5%) over the FY 2021 Budget due to higher operating and maintenance expenses, increase in debt service and in amortization charges for new terminal projects to be funded with cash, in addition to reinstated collection of MMF. The FY 2022 terminal rental signatory rate is projected to increase to \$216.78 per square foot and the joint use fee is \$10.49 per enplanement.

### Common Use Fees

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

FY 2021 Common Use Fee revenue is projected to be \$7.9M, a decrease of \$1.8M (-18.3%) over FY 2020 Budget. FY 2021 Common Use Fee revenue primarily reflect a decrease in terminal rental rate for common use premises. FY 2021 common use signatory fee is \$2.01 per enplanement.

In FY 2022, the charges will increase by \$1.9M (24.1%) over the FY 2021 Budget primary due to increase in terminal rental rate and increase in amortization charges for cash funded projects. The FY 2022 common use signatory fee is \$2.44 per enplanement.

## Revenue Overview

### Other Aviation Revenue

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

In FY 2021, Other Aviation revenue is projected to be \$0.1M, a decrease of \$0.1M (-50.4%) over the FY 2020 Budget.

In FY 2022, Other Aviation revenue is projected to remain relatively flat over the FY 2021 Budget.

### Non-Airline Operating Revenue

Non-Airline Operating revenue budgeted numbers were derived by analyzing the current agreements, recent trends, projected future events and historic revenue patterns, taking into consideration the projected FY 2021 enplaned passenger traffic. The FY 2021 Budget assumes 6.3M enplaned passengers, which represents a 49.6% decrease from the 12.6M enplanements used in the FY 2020 Budget and a 30.1% decrease over the FY 2020 year-end projected enplanements of 9.1M. FY 2022 enplanements are projected to grow to 6.5M, a 2.0% increase over the FY 2021 Budget enplanements.

### Terminal Rent Non-Airline

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

In FY 2021, Terminal Rent Non-Airline revenue is projected to be \$2.5M, an increase of \$0.4M (16.5%) over the FY 2020 Budget due to new five-year TSA agreement.

In FY 2022, Terminal Rent Non-Airline revenue is projected to remain relatively flat over the FY 2021 Budget.

### Terminal Concessions

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

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

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

The FY 2021 Budget for Terminal Concessions is \$21.2M, a decrease of \$9.0M (-29.7%) over the FY 2020 Budget reflecting decreased enplanements and Board-approved monthly MAG and cost recovery waivers for the first three months of the fiscal year.

FY 2022 revenues are budgeted at \$27.2M, an increase of \$5.9M (27.9%) over the FY 2021 Budget due to budgeted full-year of MAG.

## Revenue Overview

### Rental Car License Fee

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

In FY 2021, rental car license fees are projected at \$22.7M, a decrease of \$13.0M (-36.3%) over the FY 2020 Budget reflecting decreased enplanements and Board-approved monthly MAG and cost recovery waivers for the first three months of the fiscal year.

FY 2022 revenues are projected at \$28.9M, an increase of \$6.2M (27.1%) due to budgeted full-year of MAG.

### 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 2021 revenues are budgeted at \$3.5M, a decrease of \$3.0M (-45.9%) from the FY 2020 Budget due to lower activity levels as the result of reduced enplanements and operations.

In FY 2022, license fees revenues are projected to increase by \$0.4M (12.0%) to \$4.0M due to higher enplanements.

### Parking

Parking revenue is generated from Airport parking lots, including parking lots in front of the terminals, long-term parking operations located on Harbor Drive and valet services.

The FY 2021 revenue is budgeted at \$22.5M, a decrease of \$20.6M (-47.8%) from the FY 2020 Budget reflecting a decrease in enplanements and a temporary closure of Harbor Lot and Valet services as the result.

The FY 2022 Budget is \$22.1M, a projected decrease of \$0.3M (-1.4%), primarily reflecting a closure of Harbor Lot and Terminal 1 in fall of 2021 due to construction of the Terminal Roadways for ADP partially offset by opening of the Valet service and an increase in enplanements.

### Ground Transportation Trip Fees and Citations

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

FY 2021 revenue projections of \$9.7M, a decrease of \$10.7M (-52.4%) over the FY 2020 Budget mainly due to the decrease in enplanements.

In FY 2022, these revenues are budgeted at \$11.0M, an increase of \$1.4M (14.3%) mostly reflecting increased trip fees and higher enplanements.

## 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 2021 revenue is budgeted at \$18.4M, an increase of \$1.0M (5.9%) over the FY 2020 Budget mainly due to new cargo carrier agreement signed in FY 2020 partially offset by Board-approved three-month ground rent waiver of fifty percent for the Fixed Base Operator (FBO).

In FY 2022, revenues are budgeted at \$20.6M, an increase of \$2.3M (12.4%), primarily due to the planned opening of the Airport Support Building, FBO full rent, and anticipated CPI increase assumptions on other agreements.

### Grant Reimbursements (Operating)

Grant Reimbursement revenue is received by the Airport Authority pursuant to an agreement with TSA to offset the cost of providing Law Enforcement Officers (LEO) at various TSA checkpoints and throughout the Airport. In addition, the Airport Authority has received a grant from the FAA for Sustainability Management Planning. The grant is designed to assist airports in creating a comprehensive and systematic framework for integrating sustainability into their long-range planning and operations in topic areas: Air Quality & Emissions, Transportation, Waste, Wildlife Management, and Climate Resilience.

The FY 2021 budget for Grant Reimbursement revenue decrease is \$0.01M due to the completion of the Sustainability Management Planning Grant.

In FY 2022, Grant Reimbursements revenue is projected to remain flat over the FY 2021 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 2021, these revenues are budgeted at \$1.1M, remaining relatively flat over the FY 2020 budget.

In FY 2022, is also projected to remain relatively flat over the FY 2021.

### 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 2021, interest income is budgeted at \$7.6M, a projected decrease of \$10.2M (-57.4%) from the FY 2020 Budget reflecting a projected decrease in interest rates and cash balances. FY 2022 interest income revenues are projected to increase by \$4.0M (51.9%) over the FY 2021 Budget reflecting a projected increase in interest rates and cash balances.



## Revenue Overview

### Non-Operating Revenue

#### Passenger Facility Charges (PFCs)

PFCs revenue is comprised of a \$4.50 charge (net \$4.39 to the Airport after deduction of \$0.11 for the airline-processing fee) paid by each ticketed passenger that board an airplane at the Airport. The FY 2021 and FY 2022 Budget is based on the projected number of enplaned passengers for FY 2021 at an estimated collection rate of 87%. Certain types of passengers, including military, are excluded from paying the PFCs.

FY 2021 PFC revenues are budgeted at \$24.2M, a decrease of \$25.5M (-51.3%) from the FY 2020 Budget due to lower enplaned passengers and lower collection rate. FY 2022 PFC revenue are projected to increase by \$0.5M (2.0%) over the FY 2021 Budget due to an increase in enplaned passengers.

#### Customer Facility Charges

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

For FY 2021, CFC revenues are projected at \$20.7M, a decrease of \$20.8M (-50.0%) over the FY 2020 Budget reflecting a decrease in enplanements.

In FY 2022, CFC revenues are budgeted at \$21.2M, an increase of \$0.4M (2.0%) over the FY 2021 Budget due to higher enplanements.

#### Build America Bond (BAB) Interest Rebate

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

FY 2021 and FY 2022 have no BAB Interest Rebate revenue due to the refunding of the 2010C revenue bonds in FY 2020.

#### Grant Reimbursements (Residential Sound Attenuation Program, Capital and CARES Act)

The Quieter Home Program (QHP), is a residential sound insulation program for eligible single and multi-family dwellings located within the FAA-accepted SAN 65-decibel Community Noise Equivalent Level contour. The project is eligible for a maximum AIP funding of 80.0% for FY 2021. 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 2021 QHP revenue will be \$12.2M and FY 2022 QHP revenue will be \$12.1M.

Capital grant contributions are FAA grant awards from a federal program that provides funding for approved capital projects. The FY 2021 capital grant contributions increased by \$0.3M (2.5%) due to Engineered Material Arresting System (EMAS) replacement, continued rehabilitation of apron pavement and purchase of new electrical buses partially offset by the completion of other grant eligible projects.

## Revenue Overview

FY 2022 capital grant contributions are budgeted to increase by \$7.3M (67.0%) due to the progress of airfield projects under the Airport Development Program partially offset by the completion of other grant eligible projects.

CARES Act grant is the 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. The Authority was awarded \$91.2M in CARES Act grants. The Authority drew \$36.9M of the CARES Act grant in FY 2020 and expects to draw the remaining \$54.3M in FY 2021.

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# Budget Overview: Expenses



## Expense Overview

### FY 2021 Expense Budget – FY 2022 Conceptual Expense Budget

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 36,166	\$ 38,580	\$ 37,116	\$ (1,464)	-3.8%	\$ 39,973	\$ 2,858	7.7%
Overtime	829	869	669	(200)	-23.1%	665	(4)	-0.6%
Benefits	17,972	18,987	19,556	569	3.0%	20,673	1,117	5.7%
Subtotal	54,967	58,436	57,340	(1,096)	-1.9%	61,311	3,971	6.9%
Less: Capitalized Labor Recharge	(4,694)	(5,324)	(4,968)	357	-6.7%	(5,846)	(879)	17.7%
Less: QHP Labor Recharge	(695)	(578)	(532)	46	-8.0%	(644)	(112)	21.1%
<b>Total Personnel Costs</b>	<b>49,578</b>	<b>52,533</b>	<b>51,841</b>	<b>(693)</b>	<b>-1.3%</b>	<b>54,820</b>	<b>2,980</b>	<b>5.7%</b>
Contractual Services	49,903	47,994	29,071	(18,923)	-39.4%	32,785	3,714	12.8%
Safety and Security	31,397	34,004	34,176	172	0.5%	35,871	1,695	5.0%
Space Rental	10,191	10,191	10,203	12	0.1%	10,203	-	0.0%
Utilities	13,194	14,385	14,299	(86)	-0.6%	14,838	540	3.8%
Maintenance	13,436	13,189	12,433	(756)	-5.7%	12,458	25	0.2%
Operating Equipment & Systems	375	335	339	5	1.4%	332	(8)	-2.3%
Operating Supplies	656	630	624	(6)	-1.0%	663	39	6.3%
Insurance	1,200	1,506	1,558	53	3.5%	1,650	91	5.9%
Employee Development	1,045	1,264	806	(458)	-36.3%	861	55	6.8%
Business Development	2,630	3,155	1,236	(1,919)	-60.8%	1,377	142	11.5%
Equipment Rentals and Repairs	2,853	3,805	3,540	(265)	-7.0%	3,735	195	5.5%
Tenant Improvements	761	800	340	(460)	-57.5%	400	60	17.6%
<b>Total Non-Personnel Costs</b>	<b>127,641</b>	<b>131,257</b>	<b>108,625</b>	<b>(22,632)</b>	<b>-17.2%</b>	<b>115,172</b>	<b>6,548</b>	<b>6.0%</b>
<b>Total Operating Expenses</b>	<b>177,219</b>	<b>183,790</b>	<b>160,465</b>	<b>(23,325)</b>	<b>-12.7%</b>	<b>169,992</b>	<b>9,527</b>	<b>5.9%</b>
Joint Studies / Sound Attenuation	14,841	15,077	15,327	250	1.7%	15,227	(100)	-0.7%
Debt Service	97,690	118,109	112,319	(5,790)	-4.9%	118,906	6,588	5.9%
Legal Settlement Expense	-	10	10	-	0.0%	10	-	0.0%
<b>Non-Operating Expenses</b>	<b>112,531</b>	<b>133,196</b>	<b>127,655</b>	<b>(5,540)</b>	<b>-4.2%</b>	<b>134,143</b>	<b>6,488</b>	<b>5.1%</b>
<b>Total Expenses</b>	<b>289,749</b>	<b>316,986</b>	<b>288,120</b>	<b>(28,866)</b>	<b>-9.1%</b>	<b>304,135</b>	<b>16,015</b>	<b>5.6%</b>
Equipment Outlay Expenditures	779	628	268	(360)	-57.3%	615	347	129.1%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 290,529</b>	<b>\$ 317,614</b>	<b>\$ 288,389</b>	<b>\$ (29,225)</b>	<b>-9.2%</b>	<b>\$ 304,750</b>	<b>\$ 16,361</b>	<b>5.7%</b>

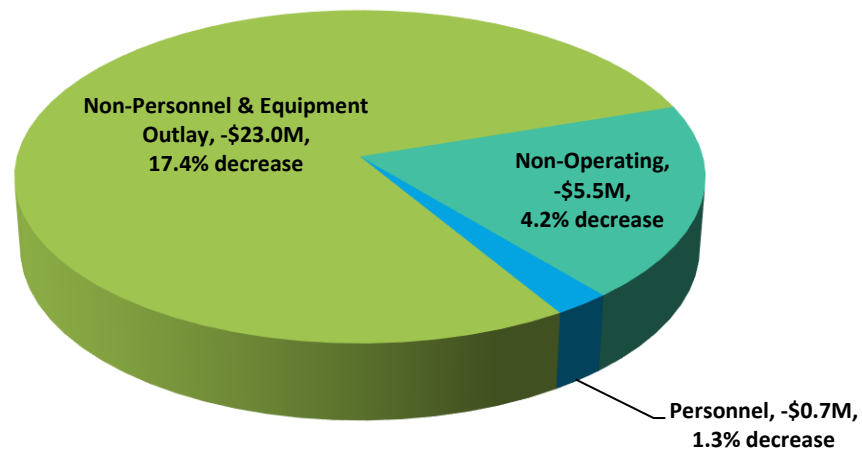


## Expense Overview

### FY 2021 Expense Budget Decrease vs FY 2020 Budget

**\$-29.2M (-9.2%)<sup>1</sup>**

*(in millions)*



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

**Figure 12 – FY 2021 Expense Variance**

## Expense Overview

### Major Drivers of FY 2021 Budget

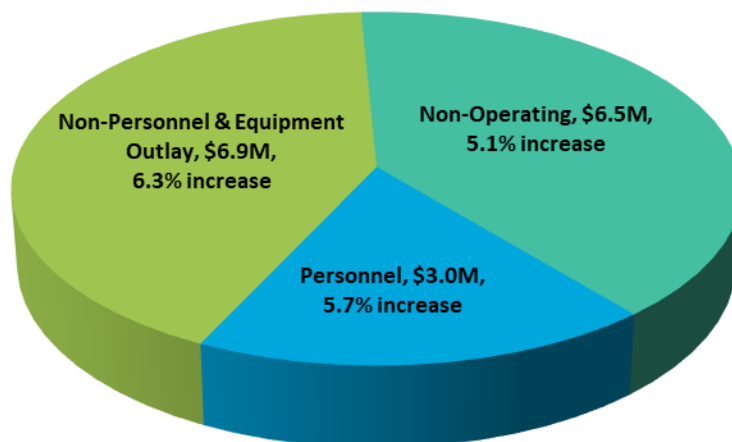
(in thousands)	Total Inc / (Dec) FY21 Budget vs FY20 Budget	Expense Category
Total Decrease in Expenses	\$ (29,225)	
Personnel:		
Vacancy Savings, net of capitalized labor and overtime	(1,546)	Salaries & Wages, Overtime, Capitalized Labor
Contracted wage increases	285	Salaries & Wages
Retirement	590	Employee Benefits
Other, net	(22)	Salaries & Wages, Employee Benefits
Total Increase / (Decrease) in Personnel	(693)	
Debt Service:		
2010 Bonds refinancing	(4,686)	Debt Service
2019 Bonds premium amortization	(4,068)	Debt Service
Cost of issuance	(3,898)	Debt Service
Variable debt	(1,960)	Debt Service
2019 Bonds debt service	8,822	Debt Service
Total Increase / (Decrease) in Debt Service	(5,790)	
Non Personnel:		
Safety and Security		
Customs & Border Protection (CBP) overtime	(350)	Safety and Security
Guard services	(137)	Safety and Security
Port District law enforcement - Harbor Police Department	105	Safety and Security
Aircraft Rescue and Fire Fight (ARFF)	442	Safety and Security
Terminal, Landside Operations and Maintenance		
Parking and shuttle operations	(8,906)	Contractual Services
Rental Car Center (RCC) buses	(4,213)	Contractual Services
Terminal operations and improvements	(1,587)	Contractual Services
Annual and major maintenance	(1,533)	Maintenance
Planning and Environmental consultants	(1,044)	Contractual Services
Credit card fees	(604)	Contractual Services
IT consultants and services	(517)	Contractual Services
Tenant improvements	(460)	Tenant Improvements
Utilities - gas, electric, and water	(181)	Utilities
Oval striping	750	Maintenance
Other Operating and Non-Operating Expenses		
Air Service Development consultants and advertising	(755)	Contractual Services
Authority travel and training	(581)	Employee Development
Marketing consultants and advertising	(575)	Contractual Services
CDP - Marketing incentive fund	(555)	Business Development
Customer Experience Design & Innovation	(473)	Contractual Services
Equipment Outlay	(360)	Equipment Outlay
Government & Public Relations consultants	(340)	Contractual Services
Authority sponorships, events, and activities	(301)	Business Development
Airport Land Use Compatibility Plans (ALUCPs)	(290)	Contractual Services
Recruitment and HR services	(185)	Contractual Services
Parking and ground transportation consultants	(160)	Contractual Services
Legal Services	(153)	Contractual Services
ADP operating budget	200	Contractual Services
QHP	250	QHP Expenses
Other, net	(230)	
Total Increase / (Decrease)	\$ (29,225)	

## Expense Overview

### FY 2022 Conceptual Expense Budget Increase vs FY 2021 Budget

**\$16.4M (5.7%)<sup>1</sup>**

*(in millions)*



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

**Figure 13 – FY 2022 Expense Variance**

## Expense Overview

### Major Drivers of FY 2022 Conceptual Budget

(in thousands)

	Total Inc / (Dec) FY22 Budget vs FY21 Budget	Expense Category
<b>Total Increase in Expenses</b>	<b>\$ 16,361</b>	
<b>Personnel:</b>		
Pay-for-Performance and contracted wage increases	1,434	Salaries & Wages
Vacancy recruitment	1,422	Salaries & Wages
Health Insurance	743	Employee Benefits
Capitalized labor increase	(991)	Salaries & Wages, Employee Benefits
Other, net	372	Salaries & Wages, Employee Benefits and Capitalization
<b>Total Increase / (Decrease) in Personnel</b>	<b>2,980</b>	
<b>Debt Service:</b>		
Cost of issuance for proposed ADP bonds	4,812	Debt Service
2019 Bonds Debt Service	849	Debt Service
Variable debt	757	Debt Service
Other, net	170	
<b>Total Increase / (Decrease) in Debt Service</b>	<b>6,588</b>	
<b>Non Personnel:</b>		
<b>Safety and Security</b>		
Port District law enforcement - Harbor Police Department	1,021	Safety and Security
Guard services	379	Safety and Security
Aircraft Rescue and Fire Fight (ARFF)	258	Safety and Security
<b>Terminal and Landside Operations</b>		
Parking and shuttle operations	1,398	Contractual Services
Terminal Operations and improvements	1,343	Contractual Services
Annual and major maintenance	727	Maintenance
Utilities - gas, electric, and water	492	Utilities
Rental Car Center (RCC) buses	166	Contractual Services
Oval striping	(750)	Maintenance
<b>Other Operating and Non-Operating Expenses</b>		
ADP operating budget	800	Contractual Services
Equipment Outlay	347	Equipment Outlay
Other contractual services	244	Contractual Services
<b>Other, net</b>	<b>369</b>	
<b>Total Increase / (Decrease)</b>	<b>\$ 16,361</b>	

## Expense Overview

### Overview

In FY 2021, SDCRAA total expenses, including debt service and equipment outlay, are projected to decrease to \$288.4M from \$317.6M in the FY 2020 Budget. This represents a decrease of \$29.2M (-9.2%). The FY 2022 Conceptual Budget anticipates total expenses increasing to \$304.8M, representing an increase of \$16.4M (5.7%).

### Operating Expenses

#### Personnel Expenses

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

In FY 2021, Salaries and Wages, including overtime, are projected to decrease by \$1.7M (-4.2%) over the FY 2020 Budget, reflecting a hiring freeze of 27 vacant positions and reduced overtime, partially offset by wage and salary increases required under union contract agreements. Employee benefits are projected to increase by \$0.6M (3.0%) from the FY 2020 Budget, primarily reflecting an increase in retirement expense and retirees' medical benefits. These combined factors, together with lower capitalized labor expenses, resulted in a net decrease of \$0.7M (1.3%) in the FY 2021 Budget over the FY 2020 Budget for personnel expenses.

In FY 2022, Salaries and Wages, including overtime, are projected to increase by \$2.9M (7.6%), 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 \$1.1M (5.7%) primarily reflecting increased costs associated with retirement and health benefits. These combined factors, together with higher capitalized labor expenses are projected to result in a net increase of \$3.0M (5.7%) in FY 2022.

#### 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 2021, Contractual Services are budgeted to have a net decrease of \$18.9M (-39.4%) over the FY 2020 Budget, primarily due to a decrease in parking and shuttle operations and Rental Car Center (RCC) buses expenses due to decrease in enplanements, as well as reduced consultant costs.

In FY 2022, Contractual Services are budgeted to increase \$3.7M (12.8%), primarily due to an increase in parking and shuttle operations.

##### Safety and Security

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

In FY 2021, Safety and Security costs are projected to increase by \$0.2M (0.5%) over the FY 2020 Budget. This is



## Expense Overview

primarily due to increases in ARFF and Port District Harbor Police Department law enforcement that is partially offset by a reduction in guard services reflecting gate closures and reduced inspections as the result of a decrease in operations.

FY 2022 Safety and Security costs are projected to increase by \$1.7M (5.0%) over the FY 2021 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) and Harbor Island properties.

FY 2021 Space Rental expenses are projected to increase slightly by \$0.01M (0.1%) from the FY 2020 Budget.

FY 2022 Space Rental costs are projected to remain flat.

### Utilities

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

FY 2021 utilities costs are projected to decrease slightly by \$0.01M (-0.6%) from the FY 2020 Budget. FY 2022 utilities costs are budgeted to increase by \$0.5M (3.8%) from the FY 2021 Budget, primarily due to anticipated electricity rate increases from SDG&E.

### Maintenance

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

FY 2021 Maintenance expense is projected to decrease by \$0.8M (-5.7%) from the FY 2020 Budget, reflecting reductions in scope of annual and major maintenance that are partially offset by the semi-annual plan of runway oval striping.

FY 2022 Maintenance expense is projected to decrease slightly by \$0.02M (-0.2%) from the FY 2021 Budget.

### Operating Equipment and Systems

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

FY 2021 and FY 2022 Operating Equipment and Systems expenses are relatively flat to FY 2020 Budget.

### Operating Supplies

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

FY 2021 Operating Supplies expenses are projected to decrease by \$0.01M (-1.0%) based on decreased actual spend in FY 2020 expected to continue into FY 2021.

FY 2022 Operating Supplies expenses are projected to increase by \$0.04M (6.3%) from the FY 2021 Budget.

### Insurance

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

FY 2021 Insurance expense is projected to increase by \$0.05M (3.5%) from the FY 2020 Budget, primarily due to

## Expense Overview

increases in property appraisal values.

FY 2022 Insurance expense is projected to increase by \$0.09M (5.9%) over the FY 2021 Budget, reflecting an increase in property values due to phased completion of miscellaneous CIP projects.

### 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 2021 Employee Development expense is projected to decrease by \$0.5M (-36.3%) from the FY 2020 Budget, primarily due to reduction in travel and training costs.

FY 2022 Employee Development expense is projected to increase by \$0.05M (6.8%) from the FY 2021 Budget.

### Business Development

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

FY 2021 Business Development expense is projected to decrease by \$1.9M (-60.8%) from the FY 2020 Budget, primarily due to a reduction in marketing and advertising costs as a result of reduced operations.

FY 2022 Business Development expense is projected to increase by \$0.1M (11.5%) from the FY 2021 Budget.

### Equipment Rentals and Repairs

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

FY 2021 Equipment Rentals and Repairs expense is projected to decrease by \$0.3M (-7.1%) from the FY 2020 Budget, primarily due to decreases in IT-related systems licenses and support.

FY 2022 Equipment Rentals and Repairs expense is projected to increase by \$0.2M (5.5%) from the FY 2021 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 2021 Tenant Improvements expense is projected to decrease by \$0.5M (-57.5%) from the FY 2020 Budget due to reduction in tenant improvement projects.

FY 2022 Tenant Improvements expense is projected to increase by \$0.06M (17.6%) from the FY 2021 Budget.

## Non-Operating Expenses

### Joint-Studies/Sound Attenuation

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

FY 2021 Joint-Studies/Sound Attenuation expense is projected to increase by \$0.3M (1.7%) from the FY 2020 Budget, due to the addition of air curfew violations funds to the QHP budget.

## Expense Overview

FY 2022 Joint-Studies/Sound Attenuation expense is projected to decrease by \$0.1M (-0.7%) from the FY 2021 Budget.

### Debt Service

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

FY 2021 Debt Service costs are projected to decrease by \$5.8M (-4.9%) from the FY 2020 Budget due to 2010 Bonds refinancing, increase in amortization due to 2019/2020 Bonds, and decrease in cost of issuance reflecting an acquirement of variable debt facility partially offset by 2019 Bonds debt service.

FY 2022 Debt Service costs are projected to increase by \$6.6M (5.9%) from the FY 2021 Budget, primarily due to anticipated new bond cost of issuance for ADP project.

### Equipment Outlay

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

FY 2021 Equipment Outlay expenses are projected to decrease by \$0.4M (-57.3%) from the FY 2020 Budget, reflecting a delay in fleet replacements which will be deferred into FY 2022.

FY 2022 Equipment Outlay expenses are projected to increase by \$0.3M (129.1%) from the FY 2021 Budget due primarily to fleet replacements deferred from FY 2021.

## Expense Overview

### FY 2021 Expense Budget by Division

(in thousands)

Divisions	FY 2021 Budget
Debt Service	\$ 112,319
Operations	104,342
Development	25,531
Revenue Management & Innovation	18,371
Finance	18,079
Executive	9,747
<b>Total <sup>1</sup></b>	<b>\$ 288,389</b>

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

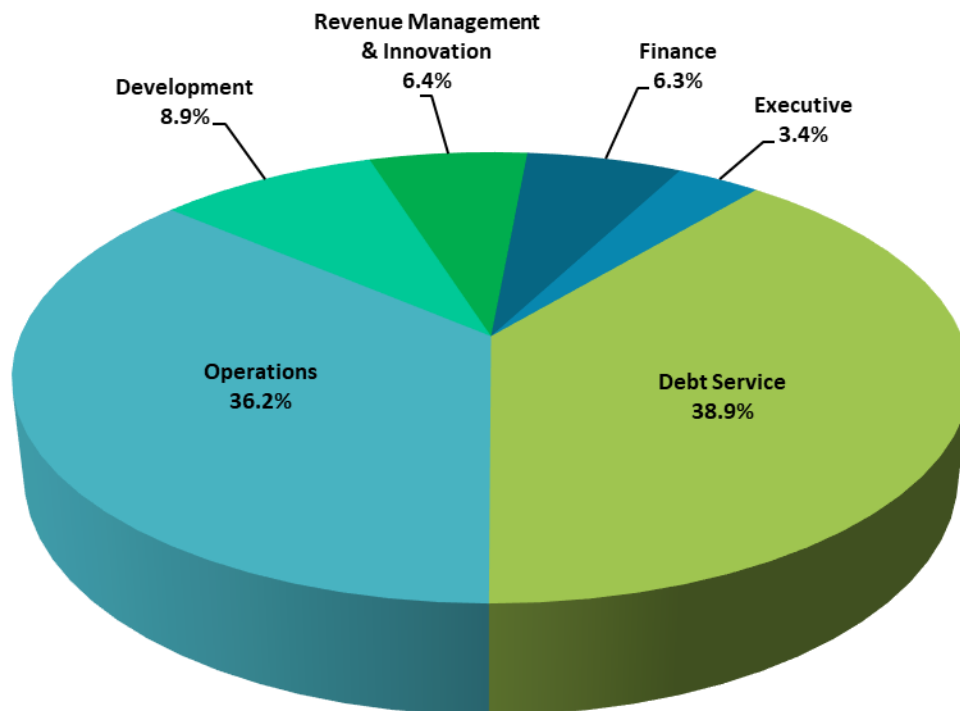


Figure 14 – FY 2021 Expense Budget by Division

## Expense Overview

### FY 2022 Expense Budget by Division

(in thousands)

Divisions	FY 2022 Conceptual Budget
Debt Service	\$ 118,906
Operations	110,227
Development	25,896
Revenue Management & Innovation	19,954
Finance	18,911
Executive	10,856
<b>Total <sup>1</sup></b>	<b>\$ 304,750</b>

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

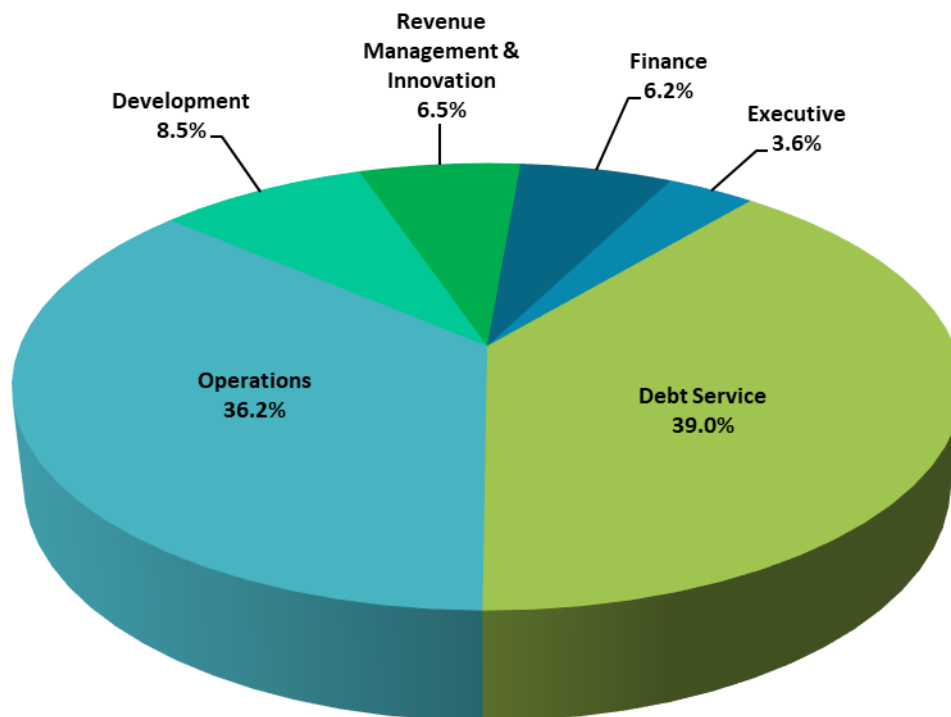


Figure 15 – FY 2022 Expense Budget by Division



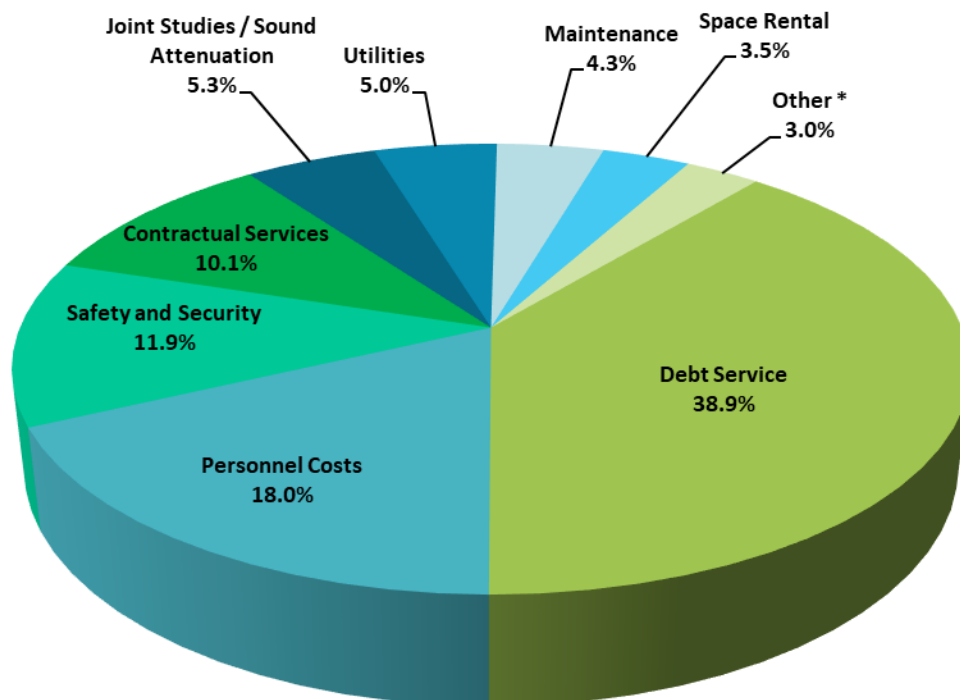
## Expense Overview

### FY 2021 Expense Budget by Category

(in thousands)

Category	FY 2021 Budget
Debt Service	\$ 112,319
Personnel Costs	51,841
Safety and Security	34,176
Contractual Services	29,071
Joint Studies / Sound Attenuation	15,327
Utilities	14,299
Maintenance	12,433
Space Rental	10,203
Other *	8,722
<b>Total <sup>1</sup></b>	<b>\$ 288,389</b>

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



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

Figure 16 – FY 2021 Expense Budget by Category

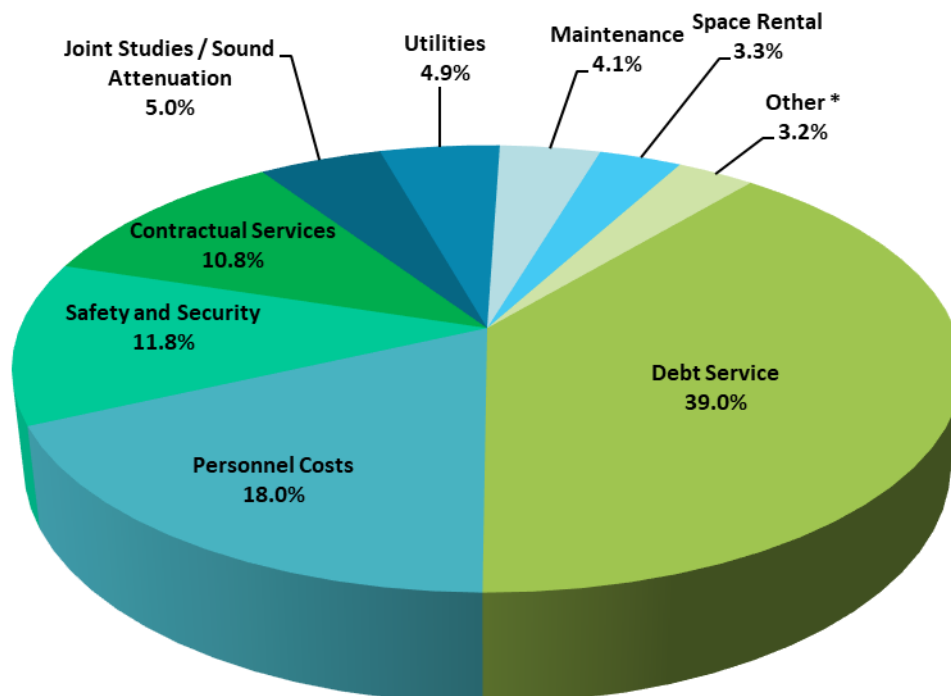
## Expense Overview

### FY 2022 Expense Budget by Category

(in thousands)

Category	FY 2022 Conceptual Budget
Debt Service	\$ 118,906
Personnel Costs	54,820
Safety and Security	35,871
Contractual Services	32,785
Joint Studies / Sound Attenuation	15,227
Utilities	14,838
Maintenance	12,458
Space Rental	10,203
Other *	9,642
<b>Total <sup>1</sup></b>	<b>\$ 304,750</b>

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



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

**Figure 17 – FY 2022 Expense Budget by Category**

## Expense Overview

### Division Personnel Summary

	FY 2019 Budget	FY 2020 Budget	FY 2021 Budget Transfers *	FY2021 Budget New/ (Eliminated) ^	FY 2021 Budget	FY2022 Budget New/ (Eliminated) ^	FY 2022 Conceptual Budget
<b>Executive Division</b>							
Board Services	5	5	-	-	5	-	5
Chief Auditor	7	7	-	-	7	-	7
Communications	5	8	2	-	10	-	10
Executive Office	3	2	-	-	2	-	2
General Counsel	6	6	-	-	6	-	6
Government Relations	2	2	-	-	2	-	2
Talent, Culture & Capability	21	20	(2)	-	18	-	18
<b>Total</b>	<b>49</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>-</b>	<b>50</b>
<b>Operations Division</b>							
Aviation Security & Public Safety	17	18	-	-	18	-	18
Airside & Terminal Operations	25	25	1	-	26	-	26
Ground Transportation	68	71	-	-	71	-	71
Facilities Management	88	88	-	-	88	-	88
<b>Total</b>	<b>198</b>	<b>202</b>	<b>1</b>	<b>-</b>	<b>203</b>	<b>-</b>	<b>203</b>
<b>Finance Division</b>							
Airline Relations	5	4	-	-	4	-	4
Accounting	12	12	-	-	12	-	12
Information & Technology Services	28	29	-	-	29	-	29
Procurement	12	12	-	-	12	-	12
Finance & Risk Management	19	19	-	-	19	-	19
<b>Total</b>	<b>76</b>	<b>76</b>	<b>-</b>	<b>-</b>	<b>76</b>	<b>-</b>	<b>76</b>
<b>Development Division</b>							
Airport Design & Construction	50	49	(1)	-	48	-	48
Planning & Environmental Affairs	29	29	-	-	29	-	29
<b>Total</b>	<b>79</b>	<b>78</b>	<b>(1)</b>	<b>-</b>	<b>77</b>	<b>-</b>	<b>77</b>
<b>Revenue Management &amp; Innovation Division</b>							
Customer Experience Design & Innovation	7	12	1	-	13	-	13
Marketing & Air Service Development	16	13	(2)	-	11	-	11
Revenue Generation & Partnership Development	13	13	2	-	15	-	15
Small Business Development	4	4	(1)	-	3	-	3
<b>Total</b>	<b>40</b>	<b>42</b>	<b>-</b>	<b>-</b>	<b>42</b>	<b>-</b>	<b>42</b>
<b>Total Positions</b>	<b>442</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 no new positions in FY 2021 and FY 2022

## Expense Overview

### FY 2021 Personnel Budget by Division

FY 2021 Total Authorized Positions: 448

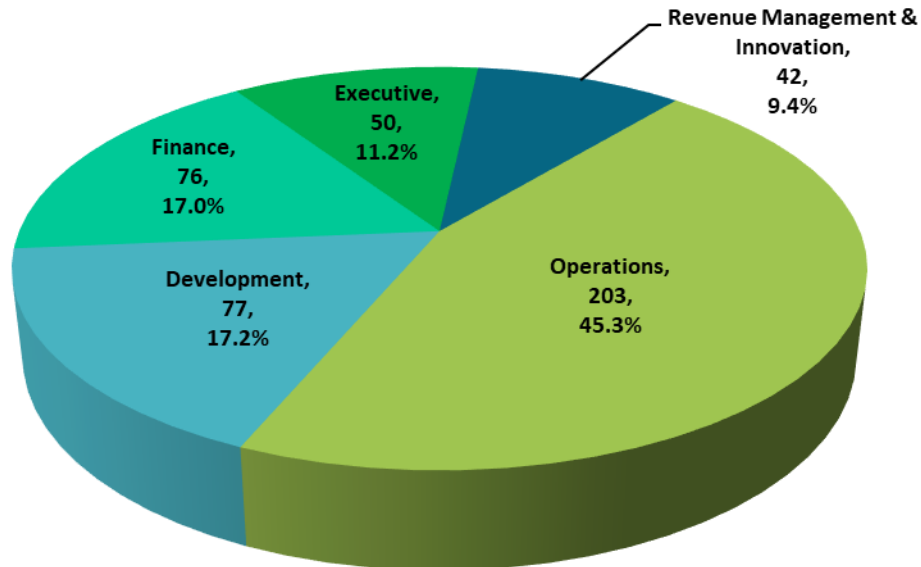


Figure 18 – FY 2021 Personnel Budget by Division

### FY 2022 Personnel Conceptual Budget by Division

FY 2022 Total Authorized Positions: 448

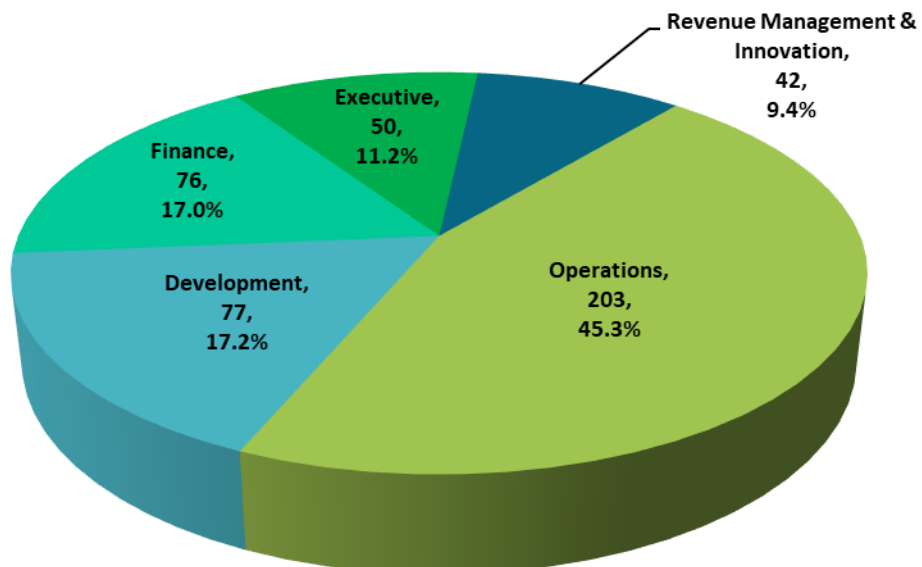


Figure 19 – FY 2022 Personnel Budget by Division

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# Executive Division



## Executive Division

### Overview

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

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

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

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

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

The **Office of the General Counsel** provides professional legal advice and representation to the Authority's Board and the various divisions and departments of the Authority. The Office of the General Counsel represents the Authority in all litigation and legal matters. It assists in the preparation and review of Authority leases, contracts, legal documents, ordinances and resolutions, Authority bonds and other instruments.

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

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

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

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

## Executive Division

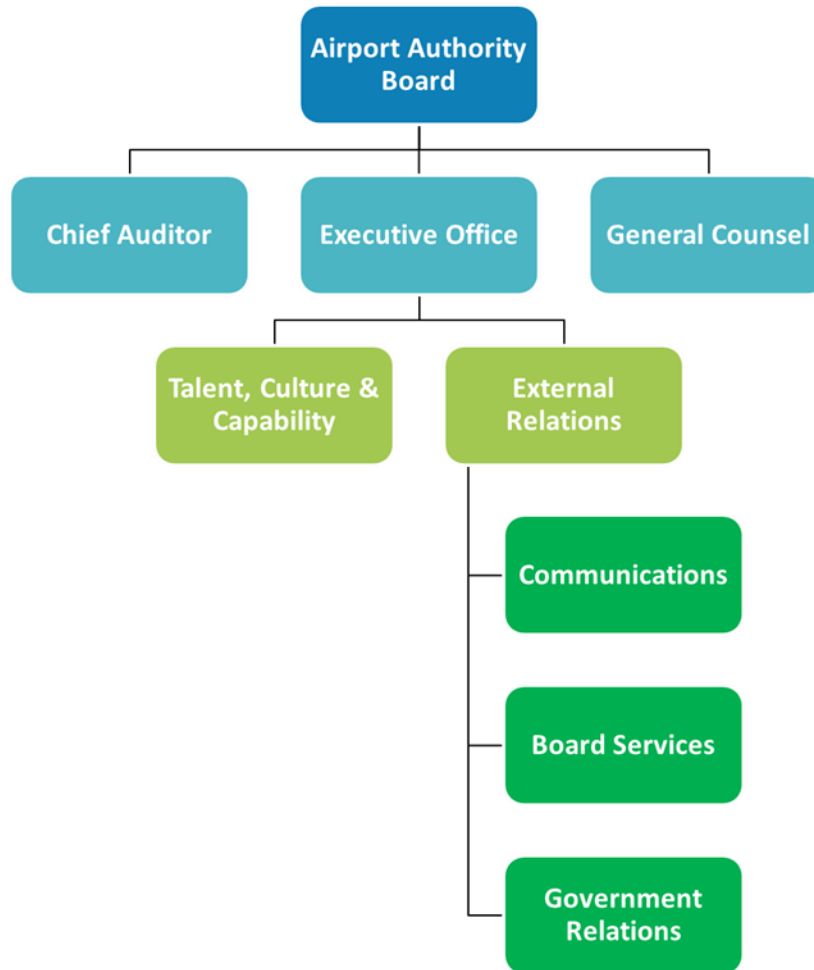
The **Communications** department develops and executes strategies for all communications and is the Airport Authority's designated point of contact for the media. Through public relations and community engagement programs, the department builds external relationships with various constituencies, including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

The **Board Services** department provides guidance and ensures compliance with state and local laws and Authority codes and policies pertaining to the administration of public Board and Committee meetings. The department is also responsible for maintaining Authority Codes and Policies; coordinates communications with the Board of Directors, executive and senior staff; serves as the office of record for Authority contracts, deeds and leases; manages Conflict of Interest Filings, AB 1234 Ethics filings and other filings required by the Political Reform Act; and manages the Authority's lobbyist program.

The **Government Relations** department develops and oversees policy initiatives and objectives designed to represent and protect the Authority's interests with local, state and federal agencies and constituents. The department develops and implements the Authority's legislative program and monitors and analyzes legislative and regulatory actions at the federal, state and local levels. It also manages relationships with representatives and provides advocacy services, in conjunction with contracted advocates in Sacramento and Washington D.C., in support of important Authority initiatives and programs.

## Executive Division

### FY 2021 – FY 2022 Organizational Structure



### Division Personnel Summary

	FY 2019 Budget	FY 2020 Budget	FY 2021 Budget Transfers	FY2021 Budget New/ (Eliminated)	FY 2021 Budget	FY2022 Budget New/ (Eliminated)	FY 2022 Conceptual Budget
<b>Executive Division</b>							
Board Services	5	5	-	-	5	-	5
Chief Auditor	7	7	-	-	7	-	7
Communications <sup>1</sup>	5	8	2	-	10	-	10
Executive Office	3	2	-	-	2	-	2
General Counsel	6	6	-	-	6	-	6
Government Relations	2	2	-	-	2	-	2
Talent, Culture & Capability <sup>2</sup>	21	20	(2)	-	18	-	18
<b>Total Authorized Funded Positions</b>	<b>49</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>-</b>	<b>50</b>

<sup>1</sup> 2 positions transferred from Talent, Culture & Capability

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



## Executive Division

### FY 2021 Budget – FY 2022 Expense Conceptual Budget Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 5,078	\$ 5,428	\$ 5,044	\$ (384)	-7.1%	\$ 5,736	\$ 692	13.7%
Overtime	6	-	-	-	0.0%	-	-	0.0%
Benefits	2,293	2,421	2,380	(41)	-1.7%	2,595	215	9.0%
Subtotal	7,377	7,850	7,424	(426)	-5.4%	8,331	907	12.2%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>7,377</b>	<b>7,850</b>	<b>7,424</b>	<b>(426)</b>	<b>-5.4%</b>	<b>8,331</b>	<b>907</b>	<b>12.2%</b>
Contractual Services	2,332	2,119	1,407	(712)	-33.6%	1,539	132	9.3%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	1	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	71	30	14	(16)	-53.0%	14	-	0.0%
Operating Supplies	40	36	23	(13)	-35.6%	23	-	0.0%
Insurance	1	1	1	1	140.0%	1	-	0.0%
Employee Development	356	427	277	(151)	-35.2%	319	42	15.1%
Business Development	715	672	493	(180)	-26.7%	502	9	1.9%
Equipment Rentals and Repairs	77	86	97	11	13.2%	116	19	20.1%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>3,592</b>	<b>3,371</b>	<b>2,312</b>	<b>(1,059)</b>	<b>-31.4%</b>	<b>2,514</b>	<b>202</b>	<b>8.7%</b>
<b>Total Operating Expenses</b>	<b>10,970</b>	<b>11,221</b>	<b>9,737</b>	<b>(1,484)</b>	<b>-13.2%</b>	<b>10,846</b>	<b>1,109</b>	<b>11.4%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	10	10	-	0.0%	10	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Non-Operating Expenses</b>	<b>-</b>	<b>10</b>	<b>10</b>	<b>-</b>	<b>0.0%</b>	<b>10</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>10,970</b>	<b>11,231</b>	<b>9,747</b>	<b>(1,484)</b>	<b>-13.2%</b>	<b>10,856</b>	<b>1,109</b>	<b>11.4%</b>
Equipment Outlay Expenditures	-	128	-	(128)	-100.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 10,970</b>	<b>\$ 11,359</b>	<b>\$ 9,747</b>	<b>\$ (1,612)</b>	<b>-14.2%</b>	<b>\$ 10,856</b>	<b>\$ 1,109</b>	<b>11.4%</b>



## Executive Division

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 11,359</b>	<b>\$ 9,747</b>
<b>Personnel Costs</b>		
Salary adjustments	(384)	692
Burden (benefits & employer taxes) for current staff	(41)	215
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>(426)</b>	<b>907</b>
<b>Non-Personnel Costs</b>		
Seminars & travel	(201)	34
Outside legal services	(153)	3
HR professional services	(137)	77
Sponsorships & promotional activities	(133)	-
Software upgrade & implementation	(128)	-
Government relations consultants	(50)	-
Enterprise Content Management Software consultant	50	(25)
Other, net	(435)	114
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(1,187)</b>	<b>202</b>
<b>Total Increase / (Decrease)</b>	<b>(1,612)</b>	<b>1,109</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 9,747</b>	<b>\$ 10,856</b>

## Executive Division

### FY 2021 Expense Budget by Department

(in thousands)

Departments	FY 2021 Budget
Talent, Culture & Capability	\$ 2,702
General Counsel	2,015
Communications	1,445
Chief Auditor	1,228
Government Relations	952
Board Services	657
Executive Office	748
<b>Total <sup>1</sup></b>	<b>\$ 9,747</b>

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

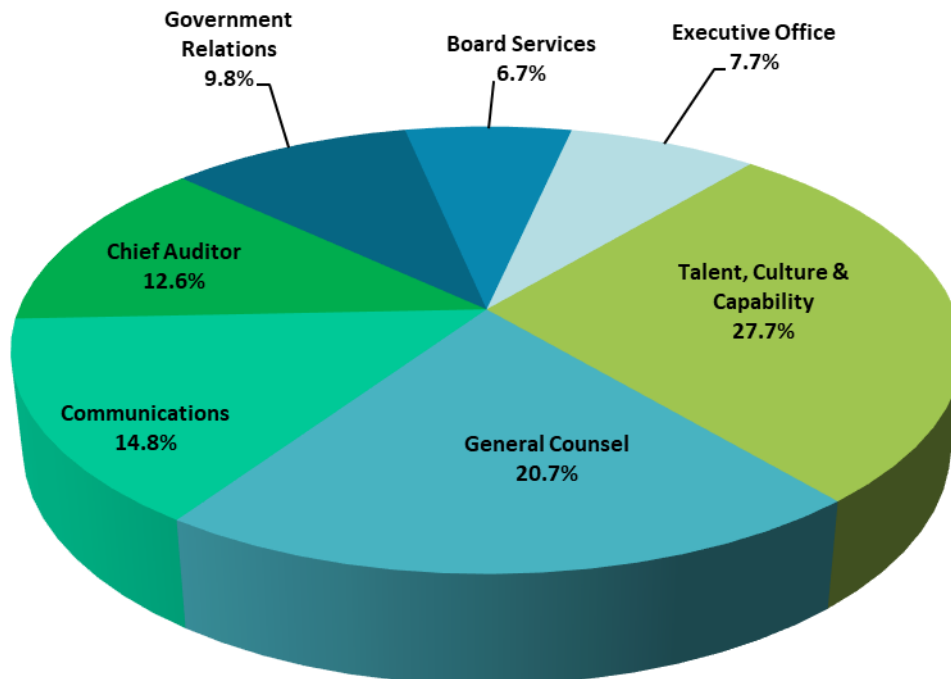


Figure 20 – FY 2021 Expense Budget by Department

## Executive Division

### FY 2022 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2022 Conceptual Budget
Talent, Culture & Capability	\$ 3,341
General Counsel	2,099
Communications	1,508
Chief Auditor	1,320
Government Relations	972
Board Services	809
Executive Office	806
<b>Total <sup>1</sup></b>	<b>\$ 10,856</b>

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

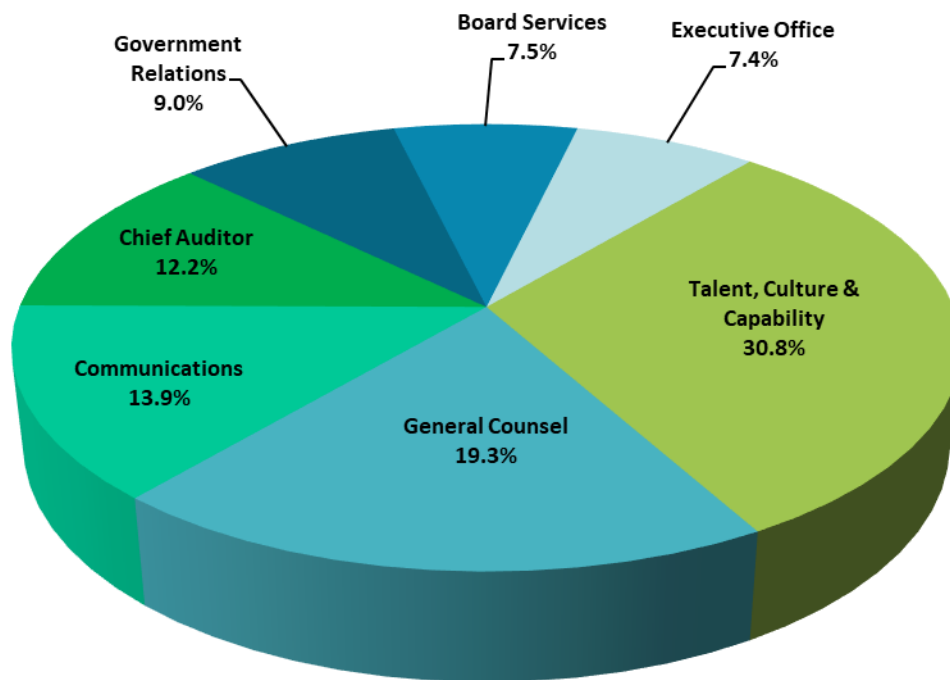


Figure 21 – FY 2022 Expense Conceptual Budget by Department

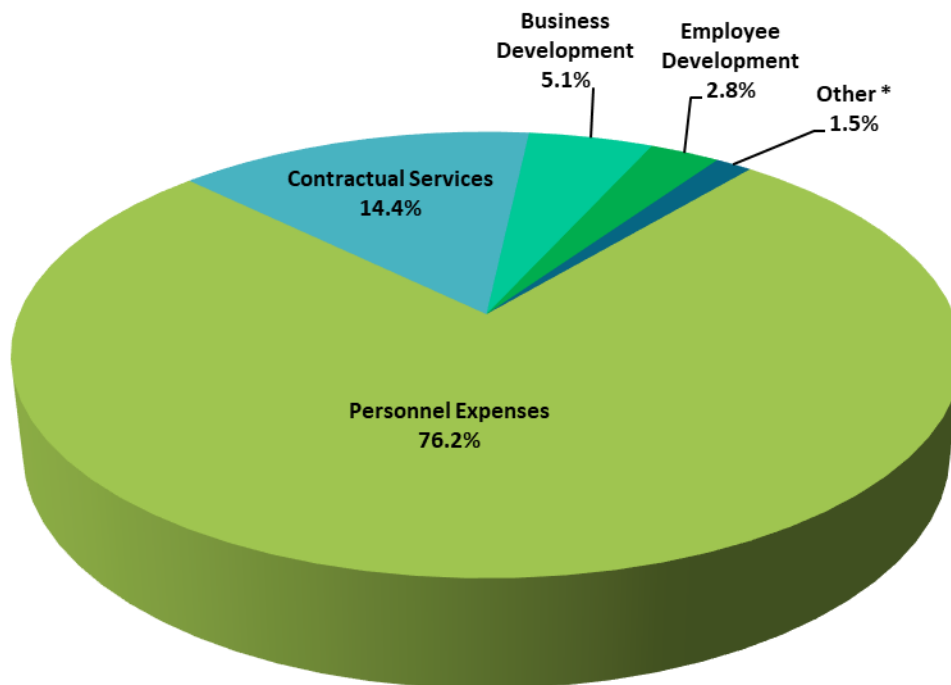
## Executive Division

### FY 2021 Expense Budget by Category

(in thousands)

Category	FY 2021 Budget
Personnel Expenses	\$ 7,424
Contractual Services	1,407
Business Development	493
Employee Development	277
Other *	145
<b>Total <sup>1</sup></b>	<b>\$ 9,747</b>

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



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

**Figure 22 – FY 2021 Expense Budget by Category**

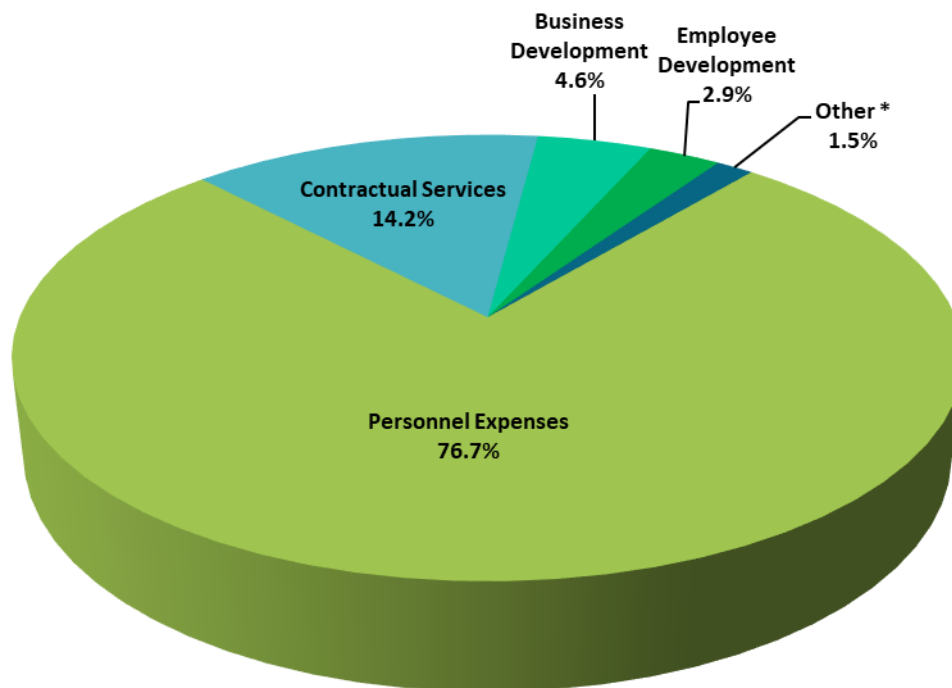
## Executive Division

### FY 2022 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2022 Conceptual Budget
Personnel Expenses	\$ 8,331
Contractual Services	1,539
Business Development	502
Employee Development	319
Other *	165
<b>Total <sup>1</sup></b>	<b>\$ 10,856</b>

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



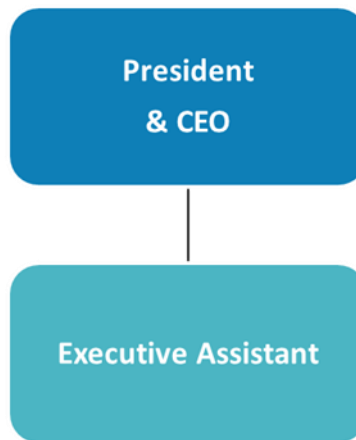
\*Other includes operating equipment & systems, operating supplies, equipment rentals & repairs, legal settlements, etc.

**Figure 23 – FY 2022 Expense Conceptual Budget by Category**



## Executive Division – Executive Office

### FY 2021 – FY 2022 Organizational Structure



*No personnel changes in FY 2022.*

## Executive Division – Executive Office

### FY 2021 Budget – FY 2022 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 483	\$ 396	\$ 433	\$ 37	9.3%	\$ 483	\$ 50	11.6%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	224	133	153	20	15.1%	158	5	3.1%
Subtotal	707	529	586	57	10.8%	641	55	9.4%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>707</b>	<b>529</b>	<b>586</b>	<b>57</b>	<b>10.8%</b>	<b>641</b>	<b>55</b>	<b>9.4%</b>
Contractual Services	78	27	-	(27)	-100.0%	-	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	4	2	2	-	0.0%	2	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	28	23	12	(11)	-49.8%	17	5	45.3%
Business Development	196	193	148	(45)	-23.3%	146	(3)	-1.8%
Equipment Rentals and Repairs	-	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>306</b>	<b>246</b>	<b>162</b>	<b>(83)</b>	<b>-34.0%</b>	<b>165</b>	<b>3</b>	<b>1.5%</b>
<b>Total Operating Expenses</b>	<b>1,013</b>	<b>775</b>	<b>748</b>	<b>(26)</b>	<b>-3.4%</b>	<b>806</b>	<b>58</b>	<b>7.7%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>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>1,013</b>	<b>775</b>	<b>748</b>	<b>(26)</b>	<b>-3.4%</b>	<b>806</b>	<b>58</b>	<b>7.7%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 1,013</b>	<b>\$ 775</b>	<b>\$ 748</b>	<b>\$ (26)</b>	<b>-3.4%</b>	<b>\$ 806</b>	<b>\$ 58</b>	<b>7.7%</b>

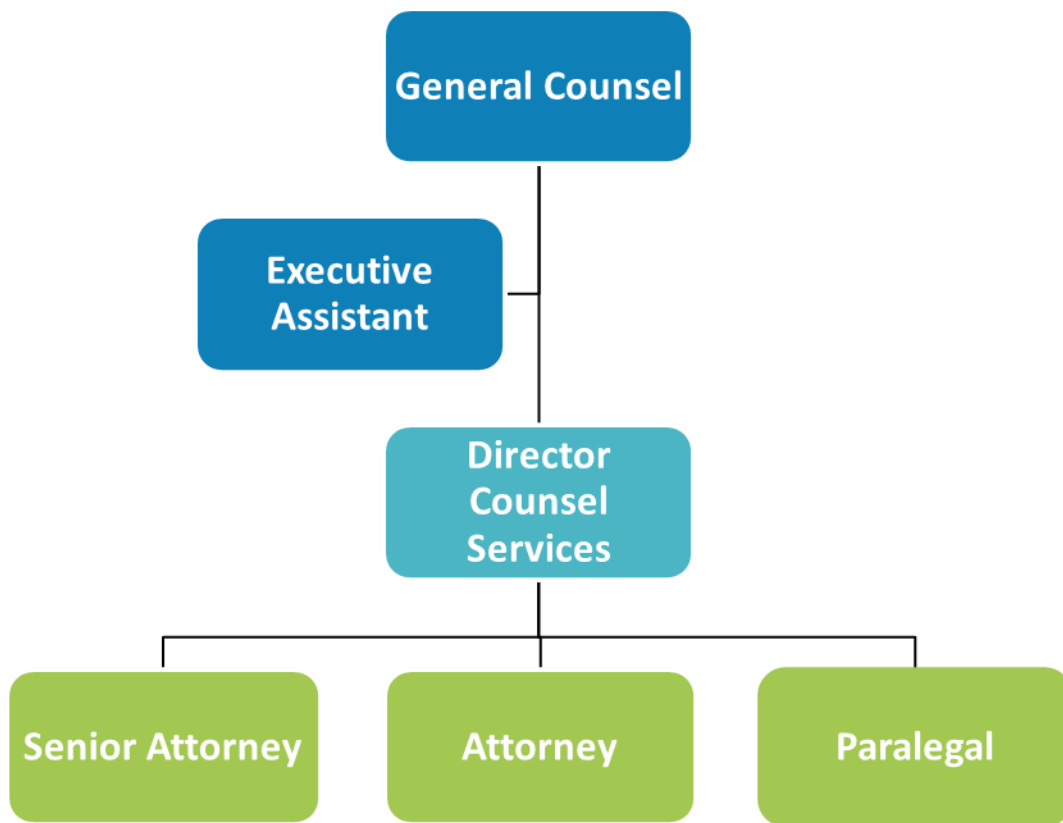
## Executive Division – Executive Office

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 775</b>	<b>\$ 748</b>
<b>Personnel Costs</b>		
Burden (benefits & employer taxes) for current staff	20	5
Salary adjustments	37	50
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>57</b>	<b>55</b>
<b>Non-Personnel Costs</b>		
Seminars & travel	(42)	7
Memberships	(18)	4
Other, net	(24)	(8)
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(83)</b>	<b>3</b>
<b>Total Increase / (Decrease)</b>	<b>(26)</b>	<b>58</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 748</b>	<b>\$ 806</b>

## Executive Division – General Counsel

### FY 2021 – FY 2022 Organizational Structure



*No personnel changes in FY 2022.*

## Executive Division – General Counsel

### FY 2021 Budget – FY 2022 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 868	\$ 889	\$ 907	\$ 17	2.0%	\$ 969	\$ 62	6.9%
Overtime	5	-	-	-	0.0%	-	-	0.0%
Benefits	388	393	434	40	10.2%	442	9	2.0%
Subtotal	1,261	1,282	1,340	58	4.5%	1,411	71	5.3%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,261</b>	<b>1,282</b>	<b>1,340</b>	<b>58</b>	<b>4.5%</b>	<b>1,411</b>	<b>71</b>	<b>5.3%</b>
Contractual Services	570	750	599	(151)	-20.1%	602	3	0.5%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	1	11	11	-	0.0%	11	-	0.0%
Operating Supplies	2	4	2	(3)	-62.5%	2	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	52	58	48	(10)	-17.8%	54	6	13.3%
Business Development	9	10	5	(5)	-48.5%	9	4	78.4%
Equipment Rentals and Repairs	-	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>635</b>	<b>833</b>	<b>665</b>	<b>(168)</b>	<b>-20.2%</b>	<b>678</b>	<b>13</b>	<b>2.0%</b>
<b>Total Operating Expenses</b>	<b>1,896</b>	<b>2,116</b>	<b>2,005</b>	<b>(111)</b>	<b>-5.2%</b>	<b>2,089</b>	<b>84</b>	<b>4.2%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	10	10	-	0.0%	10	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Non-Operating Expenses</b>	<b>-</b>	<b>10</b>	<b>10</b>	<b>-</b>	<b>0.0%</b>	<b>10</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,896</b>	<b>2,126</b>	<b>2,015</b>	<b>(111)</b>	<b>-5.2%</b>	<b>2,099</b>	<b>84</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>\$ 1,896</b>	<b>\$ 2,126</b>	<b>\$ 2,015</b>	<b>\$ (111)</b>	<b>-5.2%</b>	<b>\$ 2,099</b>	<b>\$ 84</b>	<b>4.2%</b>

## Executive Division – General Counsel

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 2,126</b>	<b>\$ 2,015</b>
<b>Personnel Costs</b>		
Salary adjustments	17	62
Burden (benefits & employer taxes) for current staff	40	9
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>58</b>	<b>71</b>
<b>Non-Personnel Costs</b>		
Outside legal services	(153)	3
Other, net	(15)	10
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(168)</b>	<b>13</b>
<b>Total Increase / (Decrease)</b>	<b>(111)</b>	<b>84</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 2,015</b>	<b>\$ 2,099</b>



## Executive Division – General Counsel

### FY 2020 Progress Report

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

**Progress:** Completed. The ADP progressive design build contract along with the RFQ and RFP for the Terminal 1 project was issued in January, 2020

**Strategic Goal:**

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

**Strategic Initiative:**

- 1B. Advance the ADP

2. Prepare and defend the recirculated ADP EIR.

**Progress:** Completed. The Recirculated ADP EIR was certified in January, 2020.

**Strategic Goal:**

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

**Strategic Initiative:**

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

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

**Progress:** Completed. The Authority's standard indemnity provision has resulted in the successful tender of defense and indemnity in past and present litigation.

**Strategic Goal:**

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

**Strategic Initiative:**

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

## Executive Division – General Counsel

### FY 2021 – FY 2022 Goals

1. Defend the ADP EIR to allow the ADP construction to move forward

**Strategic Plan Focus Area:**

- Advance the ADP

**Strategic Initiative:**

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

2. Streamline and improve internal environmental review processes

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

3. Provide timely and effective legal and strategic advice

**Strategic Plan Focus Area:**

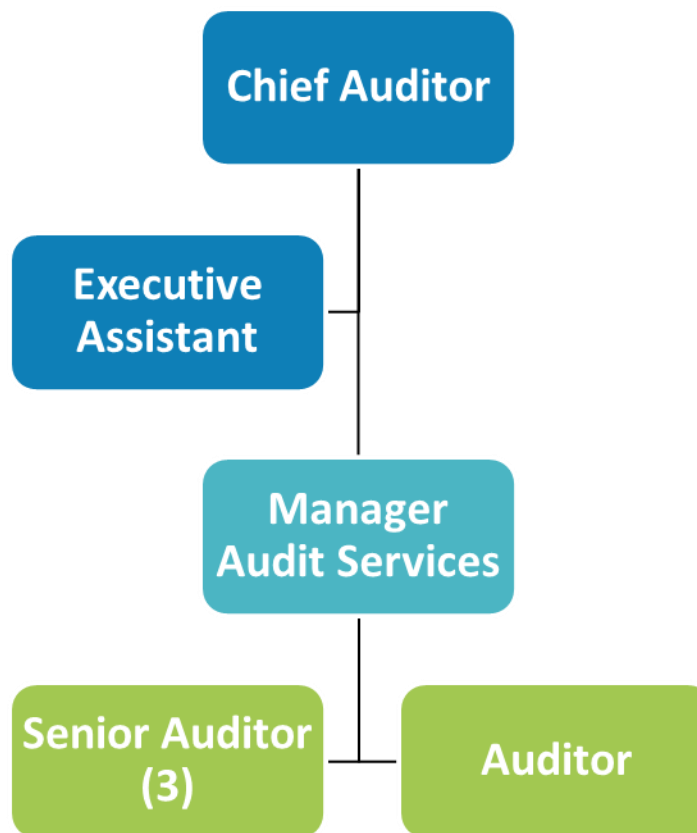
- Optimize Ongoing Business

**Strategic Initiative:**

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

## Executive Division – Chief Auditor

### FY 2021 – FY 2022 Organizational Structure



*No personnel changes in FY 2022.*

## Executive Division – Chief Auditor

### FY 2021 Budget – FY 2022 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 782	\$ 820	\$ 792	\$ (28)	-3.4%	\$ 840	\$ 48	6.1%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	358	369	387	19	5.0%	394	6	1.7%
Subtotal	1,140	1,189	1,179	(9)	-0.8%	1,234	54	4.6%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,140</b>	<b>1,189</b>	<b>1,179</b>	<b>(9)</b>	<b>-0.8%</b>	<b>1,234</b>	<b>54</b>	<b>4.6%</b>
Contractual Services	4	1	20	19	2400.0%	40	20	100.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	2	-	-	-	0.0%	-	-	0.0%
Operating Supplies	1	1	1	-	0.0%	1	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	18	30	17	(14)	-44.9%	17	-	0.0%
Business Development	5	3	4	1	29.2%	4	-	0.0%
Equipment Rentals and Repairs	7	8	8	-	0.0%	25	17	228.4%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>37</b>	<b>43</b>	<b>49</b>	<b>6</b>	<b>13.5%</b>	<b>86</b>	<b>37</b>	<b>76.6%</b>
<b>Total Operating Expenses</b>	<b>1,177</b>	<b>1,232</b>	<b>1,228</b>	<b>(4)</b>	<b>-0.3%</b>	<b>1,320</b>	<b>92</b>	<b>7.5%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>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>1,177</b>	<b>1,232</b>	<b>1,228</b>	<b>(4)</b>	<b>-0.3%</b>	<b>1,320</b>	<b>92</b>	<b>7.5%</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>\$ 1,177</b>	<b>\$ 1,232</b>	<b>\$ 1,228</b>	<b>\$ (4)</b>	<b>-0.3%</b>	<b>\$ 1,320</b>	<b>\$ 92</b>	<b>7.5%</b>

## Executive Division – Chief Auditor

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 1,232</b>	<b>\$ 1,228</b>
<b>Personnel Costs</b>		
Salary adjustments	(28)	48
Burden (benefits & employer taxes) for current staff	19	6
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>(9)</b>	<b>54</b>
<b>Non-Personnel Costs</b>		
Seminars & travel	(14)	(0)
Audit planning software	0	17
Third party audit assurances consultant	20	20
Other, net	(1)	0
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>6</b>	<b>37</b>
<b>Total Increase / (Decrease)</b>	<b>(4)</b>	<b>92</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 1,228</b>	<b>\$ 1,320</b>

## Executive Division – Chief Auditor

### FY 2020 Progress Report

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

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

**Strategic Goal:**

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

**Strategic Initiative:**

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

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

**Progress:** As of March 31, 2020, the department had a utilization rate of 66% including the Chief Auditor's time (69% excluding the Chief Auditor's time).

**Strategic Goal:**

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

**Strategic Initiative:**

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

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

**Progress:** As of March 31, 2020, management has agreed to 100% of the recommendations.

**Strategic Goal:**

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

**Strategic Initiative:**

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



## Executive Division – Chief Auditor

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

**Progress:** As of March 31, 2020, 58% of the audits have been completed within budget.

**Strategic Goal:**

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

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

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

**Progress:** As of March 31, 2020, we have achieved an internal customer satisfaction rating of 4.8.

**Strategic Goal:**

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

**Strategic Initiative:**

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

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

**Progress:** As of March 31, 2020, 100% of staff met their Continuing Professional Education (CPE) requirements.

**Strategic Goal:**

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

**Strategic Initiative:**

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

## Executive Division – Chief Auditor

### FY 2021 – FY 2022 Goals

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

4. Perform audit work in an efficient manner. Complete 80% of all audits 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 audit engagements in a manner that meets the expectations of the customer. Achieve an internal customer satisfaction ratio of 4.0 on a scale of 1 to 5, with 1 being very dissatisfied and 5 being very satisfied.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

## Executive Division – Chief Auditor

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

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

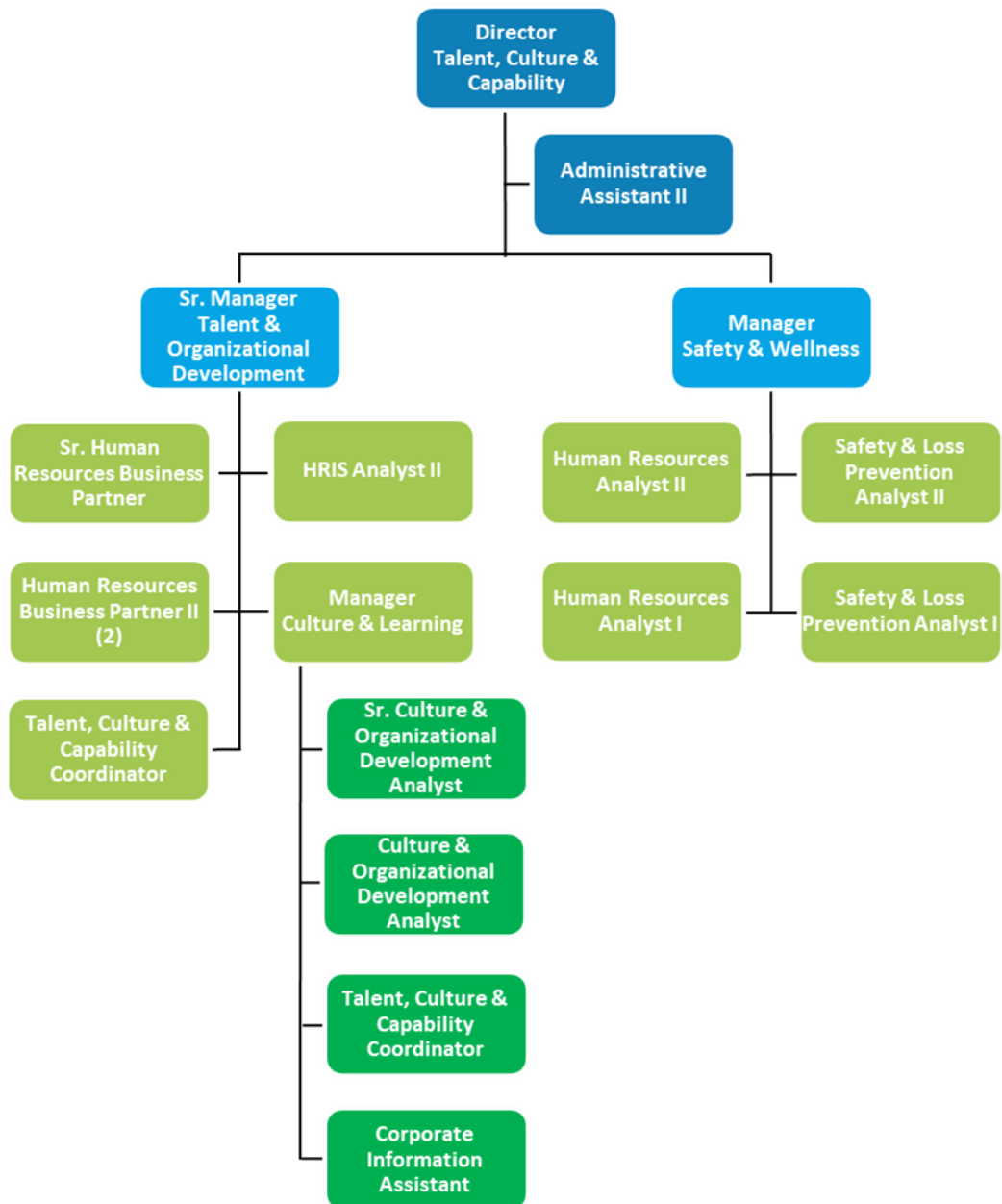
- Optimize Ongoing Business

### **Strategic Initiative:**

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

## Executive Division – Talent, Culture & Capability

### FY 2021 – FY 2022 Organizational Structure



*No personnel changes in FY 2022.*

## Executive Division – Talent, Culture & Capability

### FY 2021 Budget – FY 2022 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 1,861	\$ 1,924	\$ 1,484	\$ (440)	-22.9%	\$ 1,865	\$ 381	25.7%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	898	865	688	(176)	-20.4%	833	144	21.0%
Subtotal	2,759	2,789	2,172	(616)	-22.1%	2,698	526	24.2%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>2,759</b>	<b>2,789</b>	<b>2,172</b>	<b>(616)</b>	<b>-22.1%</b>	<b>2,698</b>	<b>526</b>	<b>24.2%</b>
Contractual Services	762	468	269	(199)	-42.5%	353	84	31.0%
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	12	4	3	(1)	-28.6%	3	-	0.0%
Operating Supplies	26	20	13	(7)	-34.9%	13	-	0.0%
Insurance	1	1	1	1	140.0%	1	-	0.0%
Employee Development	208	245	151	(94)	-38.4%	181	30	19.9%
Business Development	60	40	16	(24)	-59.3%	16	-	0.0%
Equipment Rentals and Repairs	56	65	76	11	16.9%	76	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>1,125</b>	<b>843</b>	<b>529</b>	<b>(313)</b>	<b>-37.2%</b>	<b>643</b>	<b>114</b>	<b>21.4%</b>
<b>Total Operating Expenses</b>	<b>3,884</b>	<b>3,631</b>	<b>2,702</b>	<b>(930)</b>	<b>-25.6%</b>	<b>3,341</b>	<b>639</b>	<b>23.7%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>3,884</b>	<b>3,631</b>	<b>2,702</b>	<b>(930)</b>	<b>-25.6%</b>	<b>3,341</b>	<b>639</b>	<b>23.7%</b>
Equipment Outlay Expenditures	-	128	-	(128)	-100.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 3,884</b>	<b>\$ 3,760</b>	<b>\$ 2,702</b>	<b>\$ (1,058)</b>	<b>-28.1%</b>	<b>\$ 3,341</b>	<b>\$ 639</b>	<b>23.7%</b>

## Executive Division – Talent, Culture & Capability

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 3,760</b>	<b>\$ 2,702</b>
<b>Personnel Costs</b>		
Salary adjustments *	(440)	381
Burden (benefits & employer taxes) for current staff	(176)	144
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>(616)</b>	<b>526</b>
<b>Non-Personnel Costs</b>		
HR professional services	(137)	77
Software upgrade & implementation	(128)	-
Seminars & travel	(120)	18
Other, net	(57)	20
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(441)</b>	<b>114</b>
<b>Total Increase / (Decrease)</b>	<b>(1,058)</b>	<b>639</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 2,702</b>	<b>\$ 3,341</b>

\* 2 positions transferred to Communications department



## Executive Division – Talent, Culture & Capability

### FY 2020 Progress Report

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

**Progress:** Workforce planning is still in progress to address the needs of ADP.

**Strategic Goal:**

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

**Strategic Initiative:**

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

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

**Progress:** We have on going diversity and wellness programs that are executed throughout the year. The Our Survey results of fall, 2019 identified diversity as an area of strength for the organization evidencing we are fostering inclusion in the workplace. Our wellness program was also identified as a strength.

**Strategic Goal:**

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

**Strategic Initiative:**

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

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

**Progress:** We are still assessing the new compensation philosophy and anticipate implementing later.

**Strategic Goal:**

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

**Strategic Initiative:**

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

## Executive Division – Talent, Culture & Capability

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

**Progress:** Process improvement initiatives are in progress.

**Strategic Goal:**

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

**Strategic Initiative:**

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

## Executive Division – Talent, Culture & Capability

### FY 2021 – FY 2022 Goals

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

**Strategic Plan Focus Area:**

- Advance the ADP

**Strategic Initiative:**

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

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

**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

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

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

## Executive Division – Communications

### FY 2021 – FY 2022 Organizational Structure



*No personnel changes in FY 2022.*

## Executive Division – Communications

### FY 2021 Budget – FY 2022 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 483	\$ 723	\$ 858	\$ 136	18.8%	\$ 893	\$ 34	4.0%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	188	331	413	83	25.0%	418	5	1.1%
Subtotal	671	1,053	1,272	218	20.7%	1,310	39	3.1%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>671</b>	<b>1,053</b>	<b>1,272</b>	<b>218</b>	<b>20.7%</b>	<b>1,310</b>	<b>39</b>	<b>3.1%</b>
Contractual Services	397	354	65	(289)	-81.6%	90	25	38.5%
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	1	1	-	0.0%	1	-	0.0%
Operating Supplies	2	3	3	-	0.0%	3	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	12	25	21	(5)	-18.4%	21	-	0.0%
Business Development	216	188	84	(104)	-55.4%	84	-	0.0%
Equipment Rentals and Repairs	-	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>630</b>	<b>571</b>	<b>173</b>	<b>(398)</b>	<b>-69.7%</b>	<b>198</b>	<b>25</b>	<b>14.5%</b>
<b>Total Operating Expenses</b>	<b>1,300</b>	<b>1,624</b>	<b>1,445</b>	<b>(179)</b>	<b>-11.0%</b>	<b>1,508</b>	<b>64</b>	<b>4.4%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>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>1,300</b>	<b>1,624</b>	<b>1,445</b>	<b>(179)</b>	<b>-11.0%</b>	<b>1,508</b>	<b>64</b>	<b>4.4%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 1,300</b>	<b>\$ 1,624</b>	<b>\$ 1,445</b>	<b>\$ (179)</b>	<b>-11.0%</b>	<b>\$ 1,508</b>	<b>\$ 64</b>	<b>4.4%</b>

## Executive Division – Communications

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 1,624</b>	<b>\$ 1,445</b>
<b>Personnel Costs</b>		
Burden (benefits & employer taxes) for current staff	83	5
Salary adjustments *	136	34
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>218</b>	<b>39</b>
<b>Non-Personnel Costs</b>		
Public relations consultant	(290)	50
Sponsorships & promotional activities	(105)	(3)
Enterprise Content Management Software consultant	50	(25)
Other, net	(53)	3
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(398)</b>	<b>25</b>
<b>Total Increase / (Decrease)</b>	<b>(179)</b>	<b>64</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 1,445</b>	<b>\$ 1,508</b>

\* 2 positions transferred from Talent, Culture & Capability department



## Executive Division – Communications

### FY 2020 Progress Report

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

**Progress:** There has been substantial progress toward this goal. The Airport Authority has stepped up its outreach on the airport's Facebook and Instagram accounts with more timely and relevant news.

Additionally, the Authority in the last fiscal year has launched a new Twitter account specifically for the Authority (as opposed to the airport). This has greatly amplified our reach in terms of discussing important Authority messaging regarding the ADP, sustainability, small business development, the Arts program and other initiatives. The audience for this account are airport stakeholders, elected officials, partner agencies and the immediate community. This contrasts with the airport's Twitter account, which targets the traveling public.

Further, the Airport Authority has created its own LinkedIn account and makes regular posts aimed at the business community.

**Strategic Goal:**

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

**Strategic Initiative:**

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

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

**Progress:** Significant progress was made towards achieving a major ADP milestone. Using a variety of tactics - including CEO messages, the AOLA press conference, the influencer luncheon to announce the AOLA, earned media, more than 75 community presentations, collateral development, web content, and social media - the Communications team was able to support the goal of board certification of the Environmental Impact Report and adoption of Alternative 4 of the ADP.

**Strategic Goal:**

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

**Strategic Initiative:**

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

## Executive Division – Communications

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

**Progress:** There was a substantial uptick in the number of proactively pitched media opportunities, and a sea-change in strategy on how the Authority approaches media pitching.

The Airport Authority now takes a more aggressive and comprehensive approach to media outreach, pitching opportunities ranging from small-group briefings with SMEs to selectively targeted news aimed at specialty outlets, such as business publications or small community papers. This is in addition to conventional avenues such as general news releases, press conferences and media availabilities.

**Strategic Goal:**

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

**Strategic Initiative:**

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

## Executive Division – Communications

### FY 2021 – FY 2022 Goals

1. Use all of the outreach tools at our disposal in a coordinated, strategic manner to deliver key messages regarding the Airport Authority's efforts to recover from the economic effects of the COVID-19 pandemic and also promote other Airport Authority programs and initiatives, including the ADP, other development projects, sustainability, small business development and innovation, among others. Tools include: 1) Unpaid media opportunities – securing fair, balanced and positive media coverage from local, regional, national and trade outlets, 2) Continue to hone the Airport Authority's social media tone and content across a number of channels promoting both the airport (passenger-focused communications) and the Airport Authority (community/government/stakeholder communications), 3) Draft internal and external communications such as email newsletters, video scripts, website content, intranet content, talking points and speeches, 4) Support all Authority departments in their communications endeavors, including marketing messaging, the CAFR, budget book, Sustainability Report and others.

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

- Transform the Customer Experience

#### **Strategic Initiative:**

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

2. Participate in business and industry efforts to support the recovery of the regional economy, and the overall aviation/travel industry.

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

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

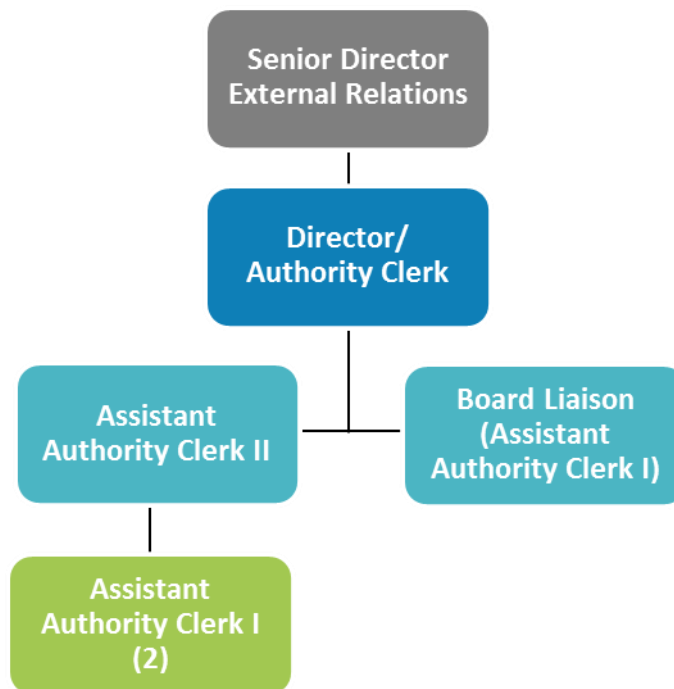
- Transform the Customer Experience

#### **Strategic Initiative:**

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

## Executive Division – Board Services

### FY 2021 – FY 2022 Organizational Structure



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

*No personnel changes in FY 2022.*

## Executive Division – Board Services

### FY 2021 Budget – FY 2022 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 302	\$ 412	\$ 316	\$ (96)	-23.3%	\$ 421	\$ 106	33.5%
Overtime	1	-	-	-	0.0%	-	-	0.0%
Benefits	133	205	173	(33)	-15.9%	217	45	25.9%
Subtotal	437	617	488	(129)	-20.8%	639	150	30.8%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>437</b>	<b>617</b>	<b>488</b>	<b>(129)</b>	<b>-20.8%</b>	<b>639</b>	<b>150</b>	<b>30.8%</b>
Contractual Services	181	107	92	(16)	-14.5%	92	-	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	45	15	-	(15)	-100.0%	-	-	0.0%
Operating Supplies	4	4	2	(2)	-50.0%	2	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	24	29	20	(9)	-29.8%	20	-	0.0%
Business Development	39	43	42	(1)	-3.0%	42	-	0.0%
Equipment Rentals and Repairs	14	13	13	-	0.0%	15	2	15.4%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>307</b>	<b>211</b>	<b>168</b>	<b>(42)</b>	<b>-20.1%</b>	<b>170</b>	<b>2</b>	<b>1.2%</b>
<b>Total Operating Expenses</b>	<b>744</b>	<b>828</b>	<b>657</b>	<b>(171)</b>	<b>-20.7%</b>	<b>809</b>	<b>152</b>	<b>23.2%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>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>744</b>	<b>828</b>	<b>657</b>	<b>(171)</b>	<b>-20.7%</b>	<b>809</b>	<b>152</b>	<b>23.2%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 744</b>	<b>\$ 828</b>	<b>\$ 657</b>	<b>\$ (171)</b>	<b>-20.7%</b>	<b>\$ 809</b>	<b>\$ 152</b>	<b>23.2%</b>

## Executive Division – Board Services

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 828</b>	<b>\$ 657</b>
<b>Personnel Costs</b>		
Salary adjustments	(96)	106
Burden (benefits & employer taxes) for current staff	(33)	45
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>(129)</b>	<b>150</b>
<b>Non-Personnel Costs</b>		
Board retreat	(20)	-
Board room equipment	(15)	-
Other, net	(7)	2
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(42)</b>	<b>2</b>
<b>Total Increase / (Decrease)</b>	<b>(171)</b>	<b>152</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 657</b>	<b>\$ 809</b>

## Executive Division – Board Services

### FY 2020 Progress Report

1. Upgrade the Board Room request to speak and voting capabilities to improve Board and Committee meeting management by January 2020.

**Progress:** Receive a proposal for the system, but did not have the funding

**Strategic Goal:**

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

**Strategic Initiative:**

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

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

**Progress:** Completed

**Strategic Goal:**

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

**Strategic Initiative:**

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



## Executive Division – Board Services

### FY 2021 – FY 2022 Goals

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

**Strategic Plan Focus Area:**

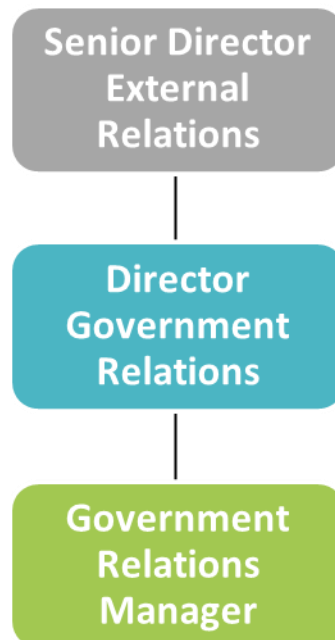
- Transform the Customer Experience

**Strategic Initiative:**

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

## Executive Division – Government Relations

### FY 2021 – FY 2022 Organizational Structure



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

*No personnel changes in FY 2022.*

## Executive Division – Government Relations

### FY 2021 Budget – FY 2022 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 299	\$ 265	\$ 255	\$ (10)	-3.9%	\$ 265	\$ 10	4.0%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	104	125	132	6	4.8%	133	2	1.3%
Subtotal	402	391	387	(4)	-1.1%	398	12	3.1%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>402</b>	<b>391</b>	<b>387</b>	<b>(4)</b>	<b>-1.1%</b>	<b>398</b>	<b>12</b>	<b>3.1%</b>
Contractual Services	339	412	362	(50)	-12.1%	362	-	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	10	-	-	-	0.0%	-	-	0.0%
Operating Supplies	1	2	1	(1)	-50.0%	1	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	14	17	9	(8)	-46.6%	9	-	0.0%
Business Development	190	194	194	(1)	-0.4%	202	8	4.1%
Equipment Rentals and Repairs	-	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>553</b>	<b>625</b>	<b>566</b>	<b>(59)</b>	<b>-9.5%</b>	<b>574</b>	<b>8</b>	<b>1.4%</b>
<b>Total Operating Expenses</b>	<b>955</b>	<b>1,016</b>	<b>952</b>	<b>(63)</b>	<b>-6.2%</b>	<b>972</b>	<b>20</b>	<b>2.1%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>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>955</b>	<b>1,016</b>	<b>952</b>	<b>(63)</b>	<b>-6.2%</b>	<b>972</b>	<b>20</b>	<b>2.1%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 955</b>	<b>\$ 1,016</b>	<b>\$ 952</b>	<b>\$ (63)</b>	<b>-6.2%</b>	<b>\$ 972</b>	<b>\$ 20</b>	<b>2.1%</b>

## Executive Division – Government Relations

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 1,016</b>	<b>\$ 952</b>
<b>Personnel Costs</b>		
Salary adjustments	(10)	10
Burden (benefits & employer taxes) for current staff	6	2
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>(4)</b>	<b>12</b>
<b>Non-Personnel Costs</b>		
Government relations consultants	(50)	-
Other, net	(10)	8
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(59)</b>	<b>8</b>
<b>Total Increase / (Decrease)</b>	<b>(63)</b>	<b>20</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 952</b>	<b>\$ 972</b>

## Executive Division – Government Relations

### FY 2020 Progress Report

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

**Progress:** There were continued efforts during this fiscal year toward the goal of obtaining a Passenger Facility Charge (PFC) increase. Government Relations staff worked with the Authority's legislative consultants and key industry trade associations to push for an increased PFC.

During this fiscal year, there was a focus on obtaining additional grant funding for the Quieter Home Program (QHP). While the initial Federal Aviation Administration discretionary funding for QHP was over 60% below the normal amount, through efforts by the Government Relations team and other key staff, the Authority ultimately received one of its highest ever grants from the FAA for the QHP.

Finally, Government Relations staff also pursued changes to the eligibility criteria for the Federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program. Traditionally a program designed for surface transportation improvements, Authority staff and consultants are working toward expanding eligibility to clearly include airports in the program.

#### Strategic Goal:

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

#### Strategic Initiative:

- 1B. Advance the ADP
  - 2D. Implement a sustainable 20-year capital plan.
2. Obtain support from the region's elected officials and community leaders for the Airport Development Plan, related environmental documents, and other airport improvement projects. These efforts will include (a) working with other regional agencies and jurisdictions to obtain support and coordinate multi-jurisdictional planning activities; and (b) ensuring that leaders are well-informed of the importance and specific economic impact of SDIA to the San Diego region.

**Progress:** There was substantial success in this goal over the course of the fiscal year. The Government Relations team, together with other key Authority staff, held and/or participated in over 100 meetings with partner agencies and jurisdictions, business and community groups, and other stakeholders. These meetings focused on the Airport Development Plan (ADP), including its Environmental Impact Report (EIR), as well as connectivity planning with other agencies. Also, key to many of the public presentations was the economic impact of the ADP and of San Diego International Airport.

One key measure of the success of this outreach was the ultimate support received for the ADP EIR at and leading up to the Authority Board's meeting approving it. Supporters from business, labor, and other stakeholder groups, as well as partner agencies (SANDAG, the Port District, and the City of San Diego), sent support letters and/or were in attendance and spoke in support of certification of the EIR. There were no negative speakers on the item during consideration. Ultimately, the Board certified the EIR and the ADP moved into the next phase of planning and environmental review.

## Executive Division – Government Relations

### **Strategic Goal:**

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

### **Strategic Initiative:**

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

## Executive Division – Government Relations

### FY 2021 – FY 2022 Goals

1. Communicate and obtain support from the region’s elected officials and community leaders for the Airport Authority, San Diego International Airport, the Airport Development Plan and related environmental documents (NEPA/Coastal Development Permits), and other airport improvement projects. These efforts will include (a) working with other regional agencies and jurisdictions to obtain support and coordinate multi-jurisdictional planning activities; and (b) ensuring that leaders are well-informed of the importance and specific economic impact of SDIA to the San Diego region.

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

- Optimize Ongoing Business

#### **Strategic Initiative:**

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

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

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

- Optimize Ongoing Business

#### **Strategic Initiative:**

- 2D. Implement a sustainable 20 year capital plan

3. Advocate Continue engagement regarding airport connectivity (transit and roadways) with regional, State, and Federal agencies and jurisdictions, including the California Department of Transportation, City of San Diego, County of San Diego, Metropolitan Transit System, North County Transit District, San Diego Association of Governments, San Diego Unified Port District, U.S. Department of Defense, and U.S. Department of Transportation. These efforts include (a) ensuring connectivity plans incorporate an optimal customer experience for airport users; and (b) advocating, as necessary, at all levels of government for passage of enabling legislation, approvals of project components, and allocation of funding and other resources.

#### **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



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# Development Division



## Development Division

### Overview

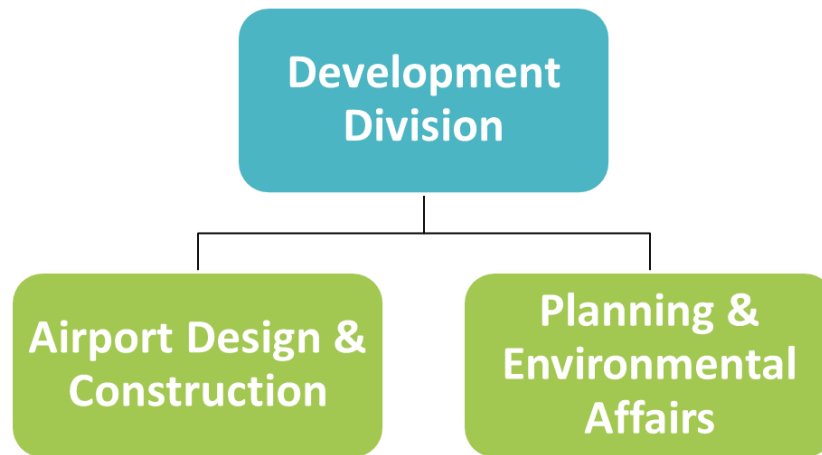
The **Development Division** is responsible for long-term airport facility and infrastructure planning, infrastructure design and construction, and compliance with legislative mandates for environmental and land-use matters. The legislative compliance includes local, state and federal environmental laws,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

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

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

## Development Division

### FY 2021 – FY 2022 Organizational Structure



### Division Personnel Summary

	FY 2019 Budget	FY 2020 Budget	FY 2021 Budget Transfers	FY2021 Budget New/ (Eliminated)	FY 2021 Budget	FY2022 Budget New/ (Eliminated)	FY 2022 Conceptual Budget
<b>Development Division</b>							
Airport Design & Construction <sup>1</sup>	50	49	(1)	-	48	-	48
Planning & Environmental Affairs	29	29	-	-	29	-	29
<b>Total Authorized Funded Positions</b>	<b>79</b>	<b>78</b>	<b>(1)</b>	<b>-</b>	<b>77</b>	<b>-</b>	<b>77</b>

<sup>1</sup> 1 position transferred to Airside & Terminal Operations

## Development Division

### FY 2021 Budget – FY 2022 Expense Conceptual Budget Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 6,532	\$ 7,241	\$ 6,540	\$ (700)	-9.7%	\$ 7,530	\$ 989	15.1%
Overtime	4	5	5	-	0.0%	5	-	0.0%
Benefits	3,086	3,400	3,375	(26)	-0.8%	3,744	369	10.9%
Subtotal	9,621	10,646	9,920	(726)	-6.8%	11,278	1,358	13.7%
Less: Capitalized Labor Recharge	(4,568)	(5,324)	(4,968)	357	-6.7%	(5,846)	(879)	17.7%
Less: QHP Labor Recharge	(695)	(578)	(532)	46	-8.0%	(644)	(112)	21.1%
<b>Total Personnel Costs</b>	<b>4,359</b>	<b>4,744</b>	<b>4,421</b>	<b>(323)</b>	<b>-6.8%</b>	<b>4,788</b>	<b>367</b>	<b>8.3%</b>
Contractual Services	5,086	4,747	3,287	(1,461)	-30.8%	3,317	31	0.9%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	14	26	12	88.6%	26	-	0.0%
Utilities	1	3	-	(3)	-100.0%	-	-	0.0%
Maintenance	1,270	1,397	1,446	49	3.5%	1,446	-	0.0%
Operating Equipment & Systems	(16)	14	7	(7)	-51.9%	7	-	0.0%
Operating Supplies	48	97	96	(1)	-0.6%	96	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	198	284	192	(92)	-32.3%	198	6	3.2%
Business Development	168	204	141	(64)	-31.1%	142	1	0.7%
Equipment Rentals and Repairs	173	177	250	73	41.1%	250	-	0.0%
Tenant Improvements	706	800	340	(460)	-57.5%	400	60	17.6%
<b>Total Non-Personnel Costs</b>	<b>7,634</b>	<b>7,736</b>	<b>5,784</b>	<b>(1,952)</b>	<b>-25.2%</b>	<b>5,882</b>	<b>98</b>	<b>1.7%</b>
<b>Total Operating Expenses</b>	<b>11,993</b>	<b>12,480</b>	<b>10,205</b>	<b>(2,275)</b>	<b>-18.2%</b>	<b>10,670</b>	<b>465</b>	<b>4.6%</b>
Joint Studies / Sound Attenuation	14,841	15,077	15,327	250	1.7%	15,227	(100)	-0.7%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Non-Operating Expenses</b>	<b>14,841</b>	<b>15,077</b>	<b>15,327</b>	<b>250</b>	<b>1.7%</b>	<b>15,227</b>	<b>(100)</b>	<b>-0.7%</b>
<b>Total Expenses</b>	<b>26,834</b>	<b>27,557</b>	<b>25,531</b>	<b>(2,025)</b>	<b>-7.3%</b>	<b>25,896</b>	<b>365</b>	<b>1.4%</b>
<b>Equipment Outlay Expenditures</b>	<b>63</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>\$ 26,897</b>	<b>\$ 27,557</b>	<b>\$ 25,531</b>	<b>\$ (2,025)</b>	<b>-7.3%</b>	<b>\$ 25,896</b>	<b>\$ 365</b>	<b>1.4%</b>

## Development Division

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 27,557</b>	<b>\$ 25,531</b>
<b>Personnel Costs</b>		
Salary adjustments *	(700)	989
Burden (benefits & employer taxes) for current staff	(26)	369
Capitalization	403	(991)
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>(323)</b>	<b>367</b>
<b>Non-Personnel Costs</b>		
Professional services	(1,475)	7
Tenant improvements	(460)	60
Quieter Home Program	250	(100)
Other, net	(17)	31
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(1,702)</b>	<b>(2)</b>
<b>Total Increase / (Decrease)</b>	<b>(2,025)</b>	<b>365</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 25,531</b>	<b>\$ 25,896</b>

\* 1 position transferred to Airside & Terminal Operations

## Development Division

### FY 2021 Expense Budget by Department

(in thousands)

Departments	FY 2021 Budget
Planning & Enviromental Affairs	\$ 23,309
Airport Design & Construction	2,223
<b>Total <sup>1</sup></b>	<b>\$ 25,531</b>

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

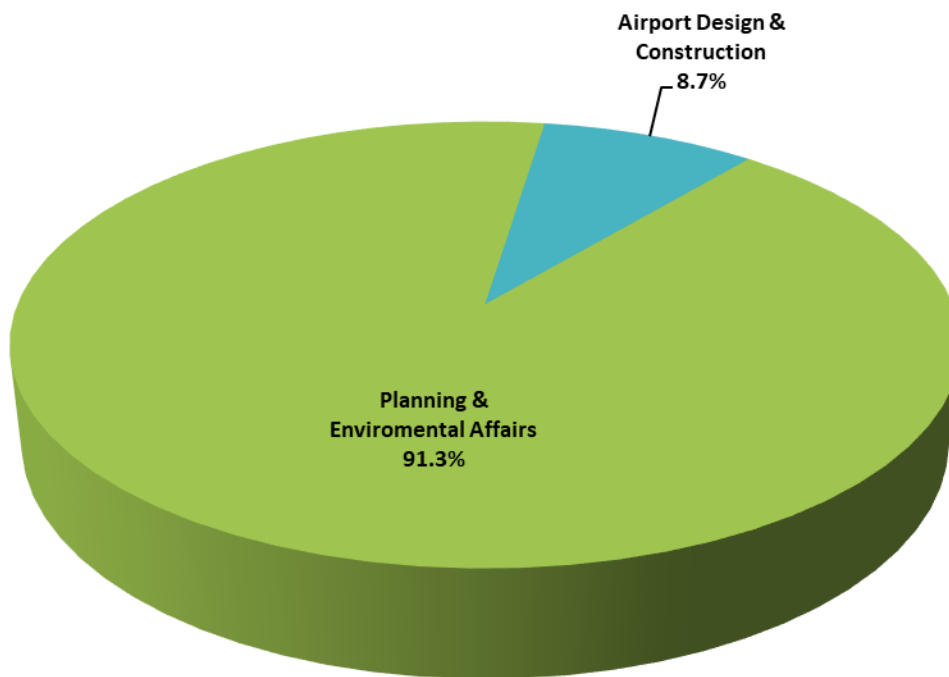


Figure 24 – FY 2021 Expense Budget by Department



## Development Division

### FY 2022 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2022 Conceptual Budget
Planning & Enviromental Affairs	\$ 23,398
Airport Design & Construction	2,498
<b>Total <sup>1</sup></b>	<b>\$ 25,896</b>

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

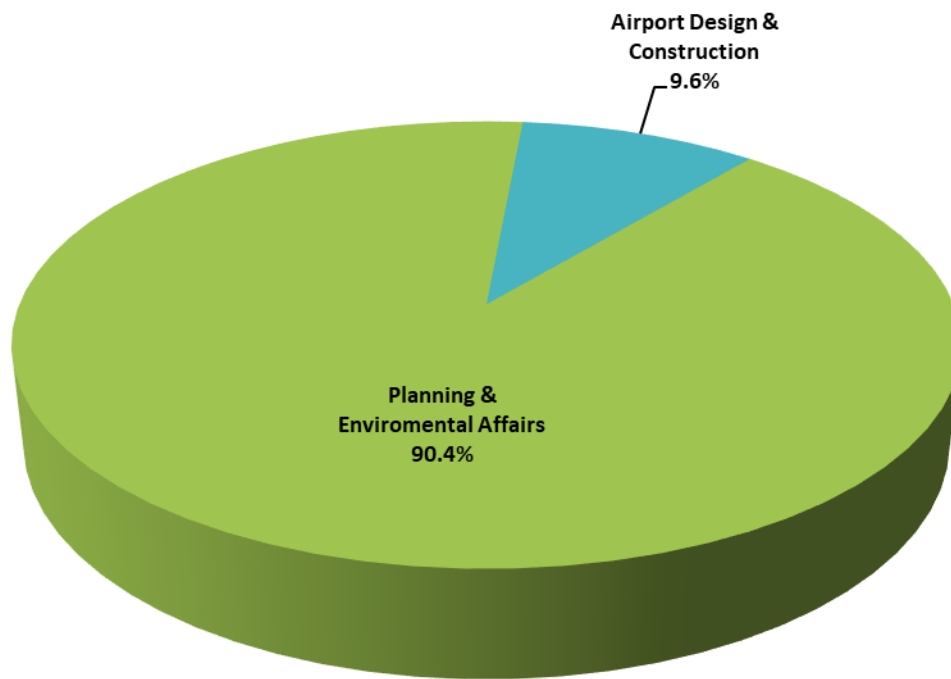


Figure 25 – FY 2022 Expense Conceptual Budget by Department

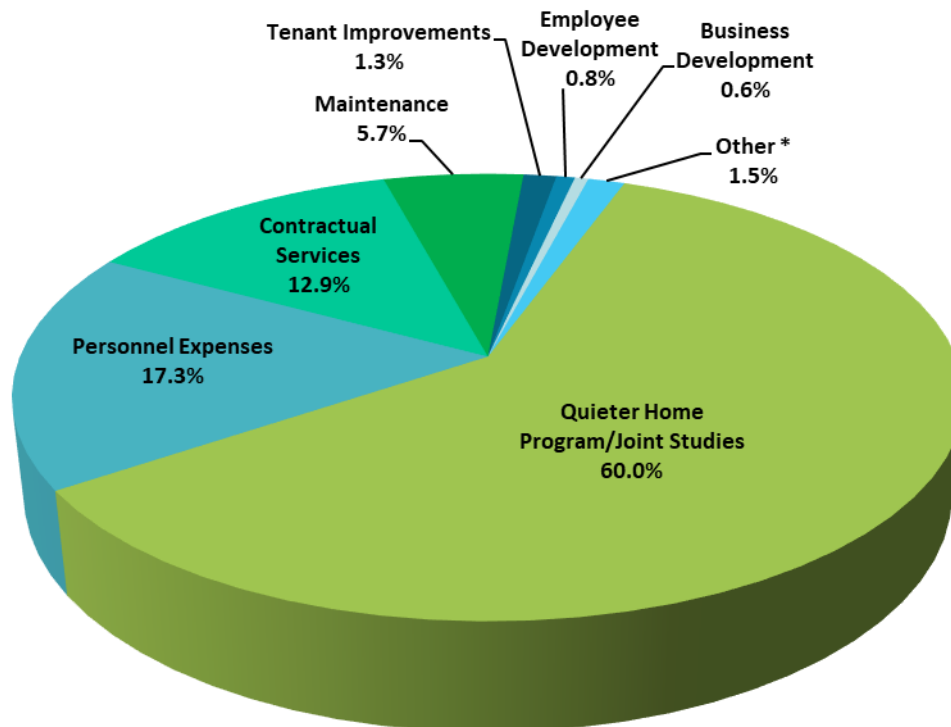
## Development Division

### FY 2021 Expense Budget by Category

(in thousands)

Category	FY 2021 Budget
Quieter Home Program/Joint Studies	\$ 15,327
Personnel Expenses	4,421
Contractual Services	3,287
Maintenance	1,446
Tenant Improvements	340
Employee Development	192
Business Development	141
Other *	379
<b>Total <sup>1</sup></b>	<b>\$ 25,531</b>

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



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

**Figure 26 – FY 2021 Expense Budget by Category**

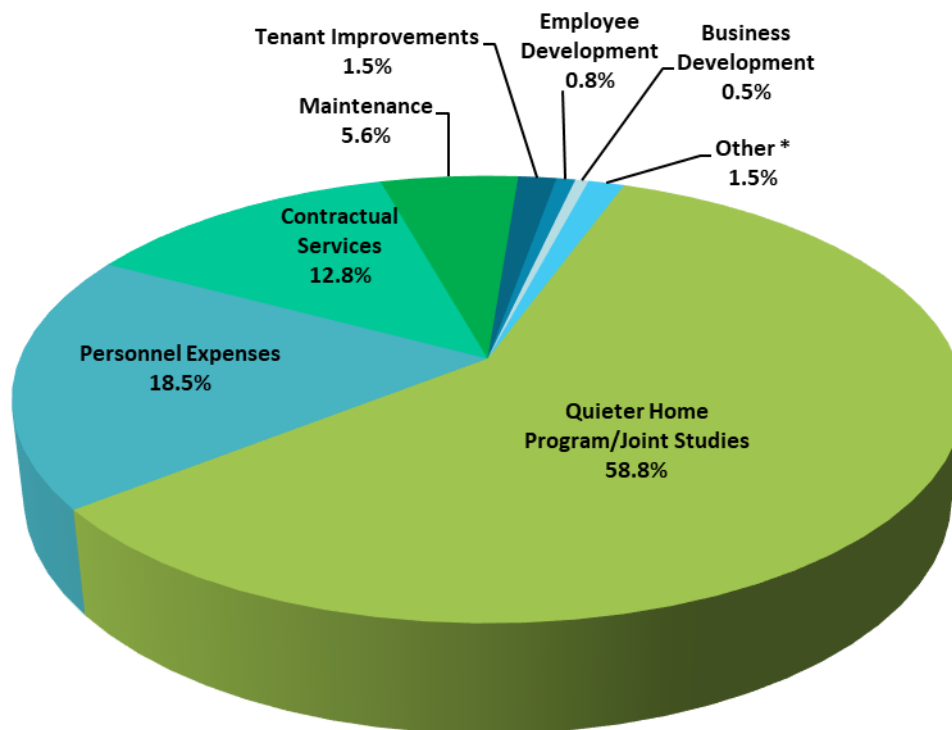
## Development Division

### FY 2022 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2022 Conceptual Budget
Quieter Home Program/Joint Studies	\$ 15,227
Personnel Expenses	4,788
Contractual Services	3,317
Maintenance	1,446
Tenant Improvements	400
Employee Development	198
Business Development	142
Other *	379
<b>Total <sup>1</sup></b>	<b>\$ 25,896</b>

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

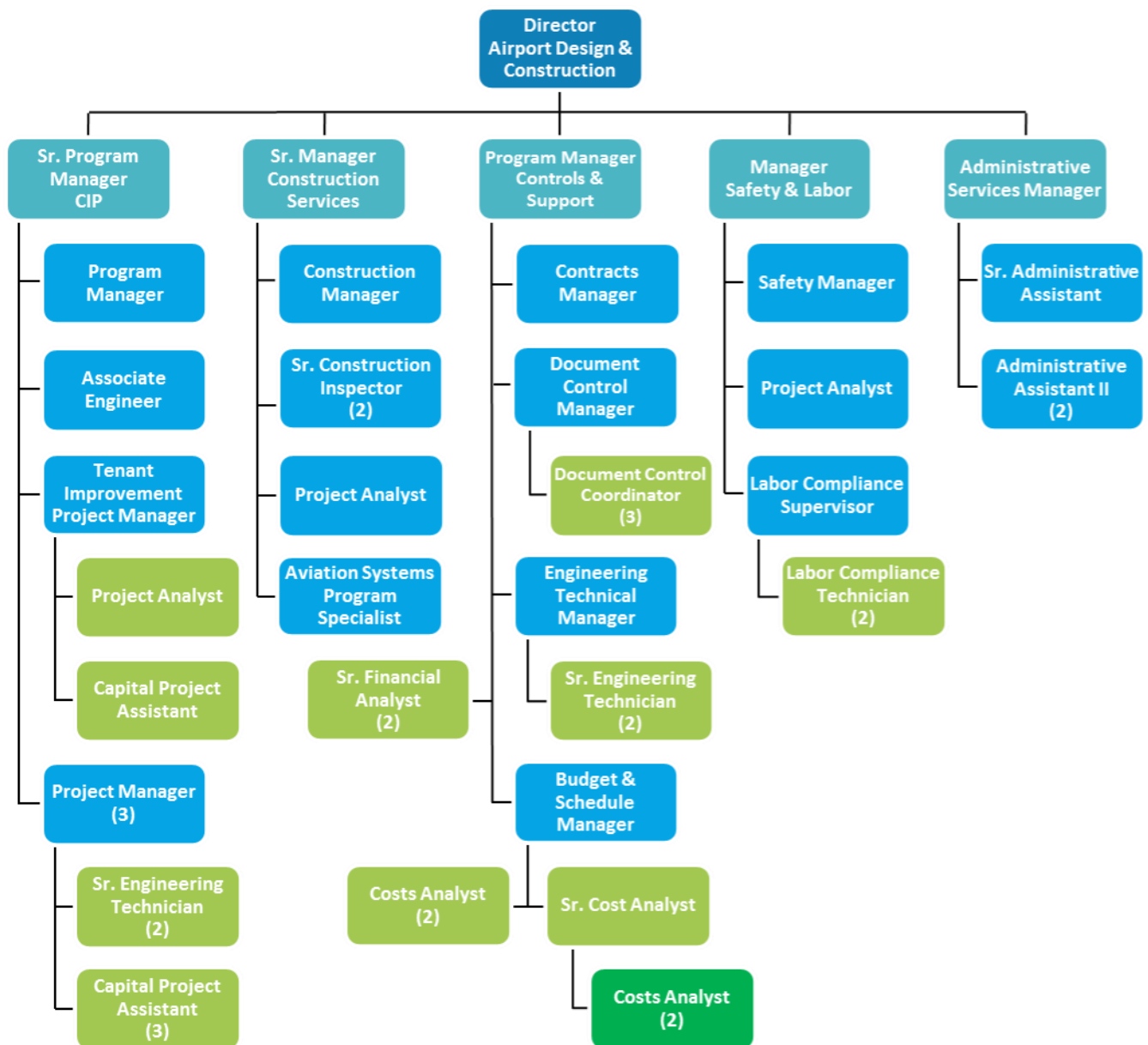


\*Other includes operating equipment & systems, utilities and operating supplies, equipment rentals & repairs, etc.

**Figure 27 – FY 2022 Expense Conceptual Budget by Category**

## Development Division – Airport Design & Construction

### FY 2021 – FY 2022 Organizational Structure



*No personnel changes in FY 2022.*

## Development Division – Airport Design & Construction

### FY 2021 Budget – FY 2022 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 3,199	\$ 4,484	\$ 3,894	\$ (590)	-13.2%	\$ 4,650	\$ 756	19.4%
Overtime	4	5	5	-	0.0%	5	-	0.0%
Benefits	1,554	2,166	2,093	(74)	-3.4%	2,397	304	14.5%
Subtotal	4,757	6,656	5,992	(663)	-10.0%	7,052	1,060	17.7%
Less: Capitalized Labor Recharge	(3,818)	(5,324)	(4,968)	357	-6.7%	(5,846)	(879)	17.7%
Less: QHP Labor Recharge	(24)	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>915</b>	<b>1,331</b>	<b>1,025</b>	<b>(306)</b>	<b>-23.0%</b>	<b>1,206</b>	<b>181</b>	<b>17.7%</b>
Contractual Services	821	658	537	(121)	-18.4%	570	33	6.2%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	2	-	(2)	-100.0%	-	-	0.0%
Maintenance	4	100	-	(100)	-100.0%	-	-	0.0%
Operating Equipment & Systems	5	10	5	(5)	-50.0%	5	-	0.0%
Operating Supplies	7	66	66	-	0.0%	66	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	10	75	31	(43)	-58.0%	31	-	0.0%
Business Development	19	38	27	(10)	-27.6%	28	1	3.7%
Equipment Rentals and Repairs	18	67	92	25	37.2%	92	-	0.0%
Tenant Improvements	706	800	340	(460)	-57.5%	400	60	17.6%
<b>Total Non-Personnel Costs</b>	<b>1,591</b>	<b>1,815</b>	<b>1,098</b>	<b>(717)</b>	<b>-39.5%</b>	<b>1,192</b>	<b>94</b>	<b>8.6%</b>
<b>Total Operating Expenses</b>	<b>2,505</b>	<b>3,146</b>	<b>2,123</b>	<b>(1,024)</b>	<b>-32.5%</b>	<b>2,398</b>	<b>275</b>	<b>13.0%</b>
Joint Studies / Sound Attenuation	99	100	100	-	0.0%	100	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Non-Operating Expenses</b>	<b>99</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>0.0%</b>	<b>100</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>2,604</b>	<b>3,246</b>	<b>2,223</b>	<b>(1,024)</b>	<b>-31.5%</b>	<b>2,498</b>	<b>275</b>	<b>12.4%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 2,604</b>	<b>\$ 3,246</b>	<b>\$ 2,223</b>	<b>\$ (1,024)</b>	<b>-31.5%</b>	<b>\$ 2,498</b>	<b>\$ 275</b>	<b>12.4%</b>

## Development Division – Airport Design & Construction

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 3,246</b>	<b>\$ 2,223</b>
<b>Personnel Costs</b>		
Salary adjustments *	(590)	756
Burden (benefits & employer taxes) for current staff	(74)	304
Capitalization	357	(879)
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>(306)</b>	<b>181</b>
<b>Non-Personnel Costs</b>		
Tenant improvements	(460)	60
Professional services	(141)	9
Maintenance	(100)	-
Other, net	(16)	25
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(717)</b>	<b>94</b>
<b>Total Increase / (Decrease)</b>	<b>(1,024)</b>	<b>275</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 2,223</b>	<b>\$ 2,498</b>

\* 1 position transferred to Airside & Terminal Operations

## Development Division – Airport Design & Construction

### FY 2020 Progress Report

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

Measures of success:

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

**Progress:**

- The Board approved the Program Budget of \$3B.
- The RFQ Phase of the ADP Phase 1 is complete and the RFP Phase is in progress.

**Strategic Goal:**

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

**Strategic Initiative:**

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

2. ADC will complete and close-out phase 2 construction on the T2-W FIS project to meet the substantial completion date for the program within, or better than, the established "GMP Baseline" schedule. ADC will manage a final cost for the T2-W FIS project within or better than the Board approved budget.

Measures of success:

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

**Progress:**

- All construction milestones were met.
- The project closeout process was extended to June 01, 2020.
- To date, staff cost is \$2.9M lower than budget.



## Development Division – Airport Design & Construction

### Strategic Goal:

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

### Strategic Initiative:

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

3. ADC will progress the Airport Support Facilities (ASF) project and the first phase of the Storm Water Capture System on time and within the Board approved budget while achieving project milestones necessary to complete Phase 1 (North Side) by March 2020.

#### Measures of success:

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

### Progress:

- All elements of the ASF project are tracking on schedule with the exception of the Airline Support Building that was delayed due to a lengthy California Coastal Commission approval process.
- Due to COVID-19 and the concern for staff safety and Social Distancing requirements, the move-in date of the FMD campus is currently delayed by 60 days.
- At this time, the project is tracking under the Board approved budget.

### Strategic Goal:

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

### Strategic Initiative:

- 1B. Advance the ADP

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

#### Measures of success:

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

## Development Division – Airport Design & Construction

- Maintain an efficient, lean and cost effective staff that will result in a staff budget cost within the program budget at the end-of-project.

### Progress:

- Rain events have impacted the construction schedule and the Contractor is trying to recover lost time to get back on schedule.
- The project is tracking under the Board approved budget.

### Strategic Goal:

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

### Strategic Initiative:

- 1B. Advance the ADP

5. Throughout the year, continue to develop an efficient high performing ADC team while combining two existing Development departments (CIP/ADP). Ensuring robust communications for ADC employees and stakeholders (internal and external) to enhance the community's (public, professional, tenants and employees), understanding of the Authority's active projects, initiatives, and ADC team culture.

#### Measures of success:

- Timely completion of quarterly ADC CIPOC reports and briefings to the Board and senior management
- Timely completion of monthly construction progress updates
- Timely completion of program updates for Aviation Matters
- Timely completion of weekly updates to the President/CEO for the Board report
- Provide ADC jobsite tours for internal/external Stakeholders
- Provide communication of ADC program to external community groups
- Provide communication of ADC workplace culture to potential employees (internal/external)

### Progress:

- ADC has completed all updates on time, throughout the past year.
- Jobsite tours have been provided on a monthly schedule.
- ADC has been able to hire or promote (5) new employees in the past year.

### Strategic Goal:

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

### Strategic Initiative:

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

## Development Division – Airport Design & Construction

### FY 2021 – FY 2022 Goals

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

Measures of success:

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

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

- Advance the ADP

#### **Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic
2. ADC will progress the Airport Support Facilities (ASF) project and the first phase of the Storm Water Capture System on time and within the Board approved budget while achieving project milestones necessary to complete all phases by January 2021.

Measures of success:

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

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

- Advance the ADP

#### **Strategic Initiative:**

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

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

Measures of success:

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

## Development Division – Airport Design & Construction

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

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

- Advance the ADP

### **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/ADP. Ensuring robust communications for ADC employees and stakeholders (internal and external) to enhance the community's (public, professional, tenants and employees), understanding of the Authority's active projects, initiatives, and ADC team culture.

#### Measures of success:

- Timely completion of quarterly ADC CIPOC reports and briefings to the Board and senior management
- Timely completion of monthly construction progress updates
- Timely completion of program updates for Aviation Matters
- Timely completion of weekly updates to the President/CEO for the Board report
- Provide ADC jobsite tours for internal/external Stakeholders
- Provide communication of ADC program to external community groups
- Provide communication of ADC workplace culture to potential employees (internal/external)

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

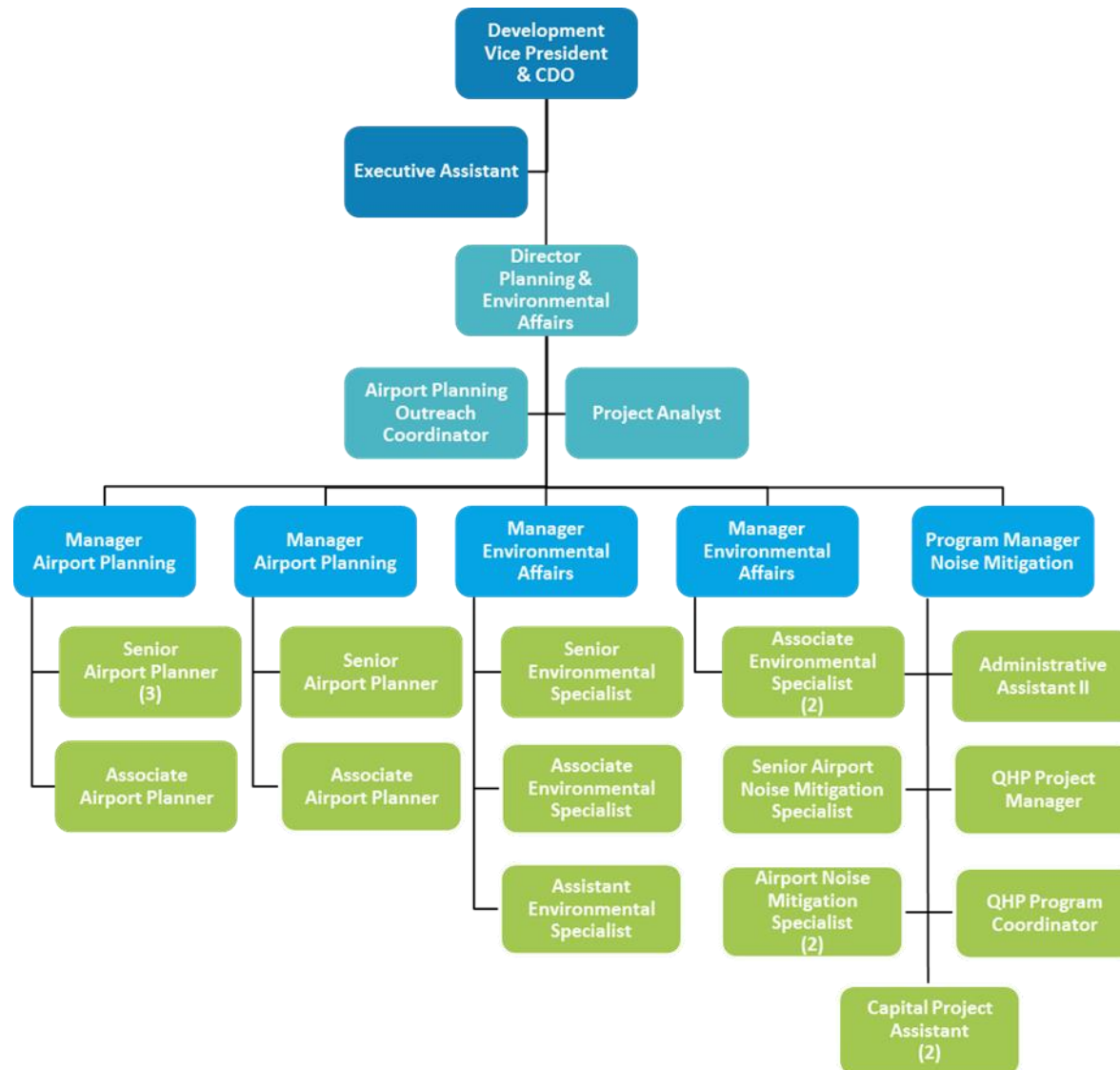
- Optimize Ongoing Business

### **Strategic Initiative:**

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

## Development Division – Planning & Environmental Affairs

### FY 2021 - 2021 Organizational Structure



*No personnel changes in FY 2022.*

## Development Division – Planning & Environmental Affairs

### FY 2021 Budget – FY 2022 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 2,684	\$ 2,757	\$ 2,646	\$ (110)	-4.0%	\$ 2,880	\$ 233	8.8%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	1,175	1,234	1,282	48	3.9%	1,346	64	5.0%
Subtotal	3,859	3,990	3,928	(62)	-1.6%	4,226	298	7.6%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	(638)	(578)	(532)	46	-8.0%	(644)	(112)	21.1%
<b>Total Personnel Costs</b>	<b>3,221</b>	<b>3,413</b>	<b>3,396</b>	<b>(16)</b>	<b>-0.5%</b>	<b>3,582</b>	<b>186</b>	<b>5.5%</b>
Contractual Services	4,124	4,090	2,750	(1,340)	-32.8%	2,748	(3)	-0.1%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	14	26	12	88.6%	26	-	0.0%
Utilities	1	1	-	(1)	-100.0%	-	-	0.0%
Maintenance	1,266	1,297	1,446	149	11.5%	1,446	-	0.0%
Operating Equipment & Systems	(22)	4	2	(2)	-57.1%	2	-	0.0%
Operating Supplies	35	31	30	(1)	-2.0%	30	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	182	209	161	(48)	-23.1%	167	6	3.8%
Business Development	147	167	113	(53)	-31.9%	113	-	0.0%
Equipment Rentals and Repairs	135	110	158	48	43.5%	158	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>5,867</b>	<b>5,921</b>	<b>4,686</b>	<b>(1,235)</b>	<b>-20.9%</b>	<b>4,690</b>	<b>4</b>	<b>0.1%</b>
<b>Total Operating Expenses</b>	<b>9,088</b>	<b>9,334</b>	<b>8,082</b>	<b>(1,251)</b>	<b>-13.4%</b>	<b>8,272</b>	<b>189</b>	<b>2.3%</b>
Joint Studies / Sound Attenuation	14,742	14,977	15,227	250	1.7%	15,127	(100)	-0.7%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Non-Operating Expenses</b>	<b>14,742</b>	<b>14,977</b>	<b>15,227</b>	<b>250</b>	<b>1.7%</b>	<b>15,127</b>	<b>(100)</b>	<b>-0.7%</b>
<b>Total Expenses</b>	<b>23,830</b>	<b>24,310</b>	<b>23,309</b>	<b>(1,001)</b>	<b>-4.1%</b>	<b>23,398</b>	<b>89</b>	<b>0.4%</b>
Equipment Outlay Expenditures	63	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 23,894</b>	<b>\$ 24,310</b>	<b>\$ 23,309</b>	<b>\$ (1,001)</b>	<b>-4.1%</b>	<b>\$ 23,398</b>	<b>\$ 89</b>	<b>0.4%</b>

## Development Division – Planning & Environmental Affairs

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 24,310</b>	<b>\$ 23,309</b>
<b>Personnel Costs</b>		
Salary adjustments	(110)	233
Capitalization	46	(112)
Burden (benefits & employer taxes) for current staff	48	64
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>(16)</b>	<b>186</b>
<b>Non-Personnel Costs</b>		
Professional services	(1,044)	(3)
Airport Land Use Compatibility Plans	(290)	-
Flight tracker	51	-
Quieter Home Program	250	(100)
Other, net	48	6
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(985)</b>	<b>(96)</b>
<b>Total Increase / (Decrease)</b>	<b>(1,001)</b>	<b>89</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 23,309</b>	<b>\$ 23,398</b>



## Development Division – Planning & Environmental Affairs

### FY 2020 Progress Report

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

**Progress:** During Fiscal Year 2020, the Planning & Environmental Affairs Department successfully completed the California Environmental Quality Act (CEQA) review process for the proposed Airport Development Plan (ADP). Specifically, a Draft Environmental Impact Report (EIR) was recirculated using an updated aviation activity forecast, refined environmental analyses, and a new project alternative that emphasizing transit connectivity. The ADP's Final EIR was officially certified by the Authority Board in January. Now, Planning & Environmental Affairs staff is pursuing additional environmental approvals for the ADP through the FAA under the National Environmental Policy Act and the Coastal Commission under the California Coastal Act.

**Strategic Goal:**

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

**Strategic Initiative:**

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

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

**Progress:** During Fiscal Year 2020, the Planning & Environmental Affairs Department continued to provide guidance to the City of San Diego and the Port of San Diego on the current Airport Land Use Compatibility Plan (ALUCP) for San Diego International Airport. This ongoing engagement with the local jurisdictions will inform how the Authority begins to revise SAN's ALUCP over the next 12 months. Authority staff also made significant progress in developing the first-ever ALUCP for Naval Air Station North Island, by releasing a draft policy document and a corresponding Draft EIR for public review and feedback. Finally, public outreach events were conducted for proposed updates to the ALUCPs for six rural airports - Agua Caliente Airstrip, Borrego Valley Airport, Fallbrook Community Airpark, Jacumba Airstrip, Ocotillo Airstrip, and Ramona Airport

**Strategic Goal:**

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

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

## Development Division – Planning & Environmental Affairs

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

**Progress:** During Fiscal Year 2020, 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. Specifically, the Authority initiated development of a new storm water cistern on the Airport's north side. The 3-million gallon underground tank will allow the Airport Authority to achieve compliance with NPDES development requirements for its Airport Support Facilities, which includes a new Facilities Management Department campus, Airline Support Building, and Airport Fueling Operations Building. By harvesting rainwater, the Authority will also reduce storm water discharges to the San Diego Bay and will contribute to achieving Water Quality Improvement Plan goals enacted by the Regional Water Quality Control Board.

**Strategic Goal:**

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

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

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

**Progress:** During Fiscal Year 2020, the Planning & Environmental Affairs Department helped to establish a new Memorandum of Understanding with airlines serving SAN to transition over 80% of their Ground Support Equipment (GSE) to alternative fuels by 2024. To support this transition, department staff initiated a project with San Diego Gas & Electric to replace and expand the number of chargers around Terminal 2 for electric GSE. Likewise, the new Terminal 1, which is proposed under the Airport Development Plan, was programmed to be outfitted with airside charging stations at all its gates. Finally, staff began assisting airlines in researching the regional availability and operational logistics for the use of renewable diesel at SAN.

**Strategic Goal:**

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

**Strategic Initiative:**

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

## Development Division – Planning & Environmental Affairs

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

**Progress:** During Fiscal Year 2020, the Planning & Environmental Affairs Department successfully completed the 4,000th home to participate in the San Diego International Airport's residential sound insulation program - "The Quieter Home Program." Authority staff also continued to facilitate the update of SAN's Part 150 Study (or Noise Compatibility Program) by convening multiple meetings for its citizen and technical advisory committees and hosting a broader public workshop to provide feedback on opportunities to reduce aircraft noise in surrounding communities. These public engagement efforts were facilitated through the launch of a new project website ([www.sannoisestudy.com](http://www.sannoisestudy.com)) that allows interested community members to access existing noise mitigation programs and to submit ideas for new programs.

**Strategic Goal:**

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

**Strategic Initiative:**

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

## Development Division – Planning & Environmental Affairs

### FY 2021 – FY 2022 Goals

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

**Strategic Plan Focus Area:**

- Advance the ADP

**Strategic Initiative:**

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

2. Engage the City of San Diego, Port District of San Diego, developers, and surrounding communities to solicit feedback on the proposed approach to updating the SDIA Airport Land Use Compatibility Plan and to create a related working group to guide the update process by June 2021.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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# Finance Division



## Finance Division

### Overview

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

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

The **Airline Relations** department negotiates and manages airline and airfield lease and operating agreements to assure effective utilization and management of Authority resources. The department calculates, assess and collects rates, fees and charges; and negotiates landing fees and other revenue from airline, cargo and fixed base operators.

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

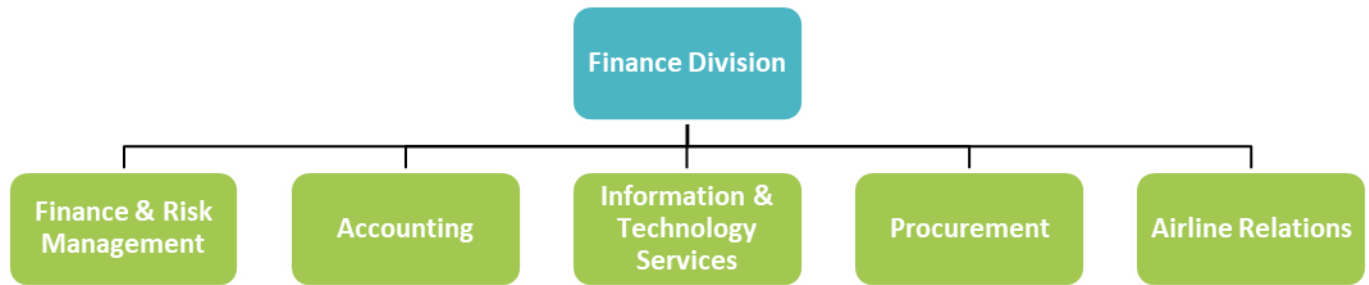
The **Information & Technology Services (ITS)** department operates the Authority's information technology infrastructure, including hardware, software and communications technology and provides the strategic direction for all Information Technology decisions for the Authority. The department provides information technology services including internet services, desktop computing, websites, telephone connection and hosted system services to all Authority departments. ITS provides the airlines with Flight Information Display System (FIDS), Wi-Fi, paging, common use services stations (CUSS) at the elevated departure roadway, gates and ticket counters.

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



## Finance Division

### FY 2021 – FY 2022 Organizational Structure



### Division Personnel Summary

	FY 2019 Budget	FY 2020 Budget	FY 2021 Budget Transfers	FY2021 Budget New/ (Eliminated)	FY 2021 Budget	FY2022 Budget New/ (Eliminated)	FY 2022 Conceptual Budget
<b>Finance Division</b>							
Airline Relations	5	4	-	-	4	-	4
Accounting	12	12	-	-	12	-	12
Information & Technology Services	28	29	-	-	29	-	29
Procurement	12	12	-	-	12	-	12
Finance & Risk Management	19	19	-	-	19	-	19
<b>Total Authorized Funded Positions</b>	<b>76</b>	<b>76</b>	<b>-</b>	<b>-</b>	<b>76</b>	<b>-</b>	<b>76</b>

## Finance Division

### FY 2021 Budget – FY 2022 Expense Conceptual Budget Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 6,552	\$ 6,322	\$ 6,527	\$ 204	3.2%	\$ 6,331	\$ (196)	-3.0%
Overtime	87	152	152	-	0.0%	152	-	0.0%
Benefits	3,611	3,206	3,362	156	4.9%	3,447	85	2.5%
Subtotal	10,250	9,681	10,041	360	3.7%	9,930	(111)	-1.1%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs *</b>	<b>10,250</b>	<b>9,681</b>	<b>10,041</b>	<b>360</b>	<b>3.7%</b>	<b>9,930</b>	<b>(111)</b>	<b>-1.1%</b>
Contractual Services	3,457	3,869	3,046	(823)	-21.3%	3,817	771	25.3%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	522	556	654	99	17.7%	701	47	7.2%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	173	167	176	9	5.3%	166	(10)	-5.7%
Operating Supplies	217	135	132	-	0.0%	150	18	13.2%
Insurance	1,199	1,505	1,557	52	3.5%	1,649	91	5.9%
Employee Development	149	176	85	(91)	-51.8%	89	4	5.2%
Business Development	70	67	41	(26)	-38.8%	48	7	17.0%
Equipment Rentals and Repairs	2,367	2,610	2,347	(263)	-10.1%	2,342	(5)	-0.2%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>8,155</b>	<b>9,085</b>	<b>8,038</b>	<b>(1,047)</b>	<b>-11.5%</b>	<b>8,961</b>	<b>923</b>	<b>11.5%</b>
<b>Total Operating Expenses</b>	<b>18,405</b>	<b>18,766</b>	<b>18,079</b>	<b>(687)</b>	<b>-3.7%</b>	<b>18,891</b>	<b>812</b>	<b>4.5%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>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>18,405</b>	<b>18,766</b>	<b>18,079</b>	<b>(687)</b>	<b>-3.7%</b>	<b>18,891</b>	<b>812</b>	<b>4.5%</b>
<b>Equipment Outlay Expenditures</b>	<b>17</b>	<b>20</b>	<b>-</b>	<b>(20)</b>	<b>-100.0%</b>	<b>20</b>	<b>20</b>	<b>0.0%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 18,422</b>	<b>\$ 18,786</b>	<b>\$ 18,079</b>	<b>\$ (707)</b>	<b>-3.8%</b>	<b>\$ 18,911</b>	<b>\$ 832</b>	<b>4.6%</b>

\* Personnel costs include vacancy savings

## Finance Division

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 18,786</b>	<b>\$ 18,079</b>
<b>Personnel Costs</b>		
Burden (benefits & employer taxes) for current staff	156	85
Salary adjustments	204	(196)
<b>Total Increase / (Decrease) in Personnel Costs *</b>	<b>360</b>	<b>(111)</b>
<b>Non-Personnel Costs</b>		
Credit card fees	(604)	(46)
IT professional support services	(340)	-
Software license & support	(100)	-
Seminars & travel	(93)	1
Common use maintenance & supplies	(77)	17
Insurance premiums	52	91
ADP operating budget	200	800
Other, net	(105)	80
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(1,067)</b>	<b>943</b>
<b>Total Increase / (Decrease)</b>	<b>(707)</b>	<b>832</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 18,079</b>	<b>\$ 18,911</b>

\* Personnel costs include vacancy savings

## Finance Division

### FY 2021 Expense Budget by Department

(in thousands)

Departments	FY 2021 Budget
Information & Technology Services	\$ 8,150
Finance & Risk Management	5,430
Accounting	1,708
Procurement	1,680
Airline Relations	480
Other *	632
<b>Total <sup>1</sup></b>	<b>\$ 18,079</b>

\* Includes ADP Operating Budget & increase in Paid Time Off Balance

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

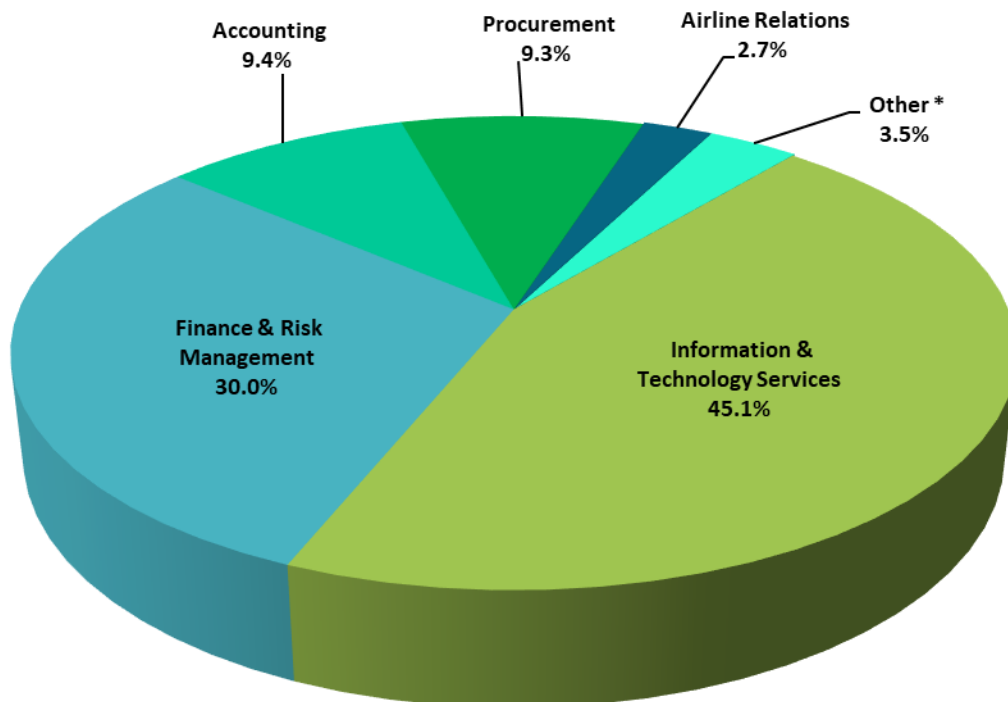


Figure 28 – FY 2021 Expense Budget by Department

## Finance Division

### FY 2022 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2022 Conceptual Budget
Information & Technology Services	\$ 8,893
Finance & Risk Management	6,018
Accounting	1,775
Procurement	1,649
Airline Relations	668
Other *	(92)
<b>Total <sup>1</sup></b>	<b>\$ 18,911</b>

\* Includes Vacancy Savings partially offset by ADP Operating Budget

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

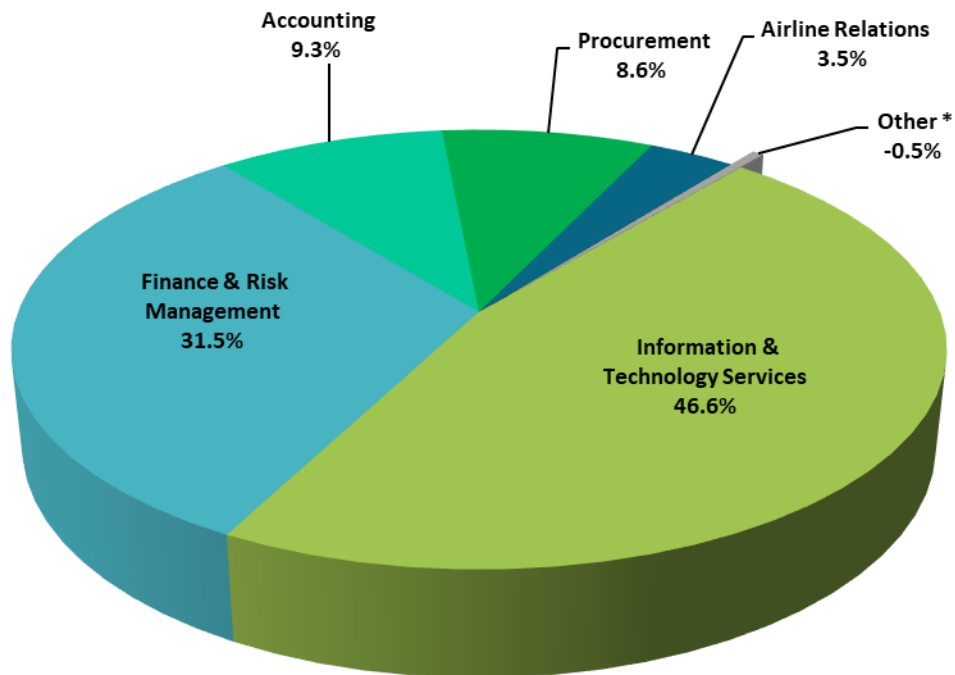


Figure 29 – FY 2022 Expense Conceptual Budget by Department

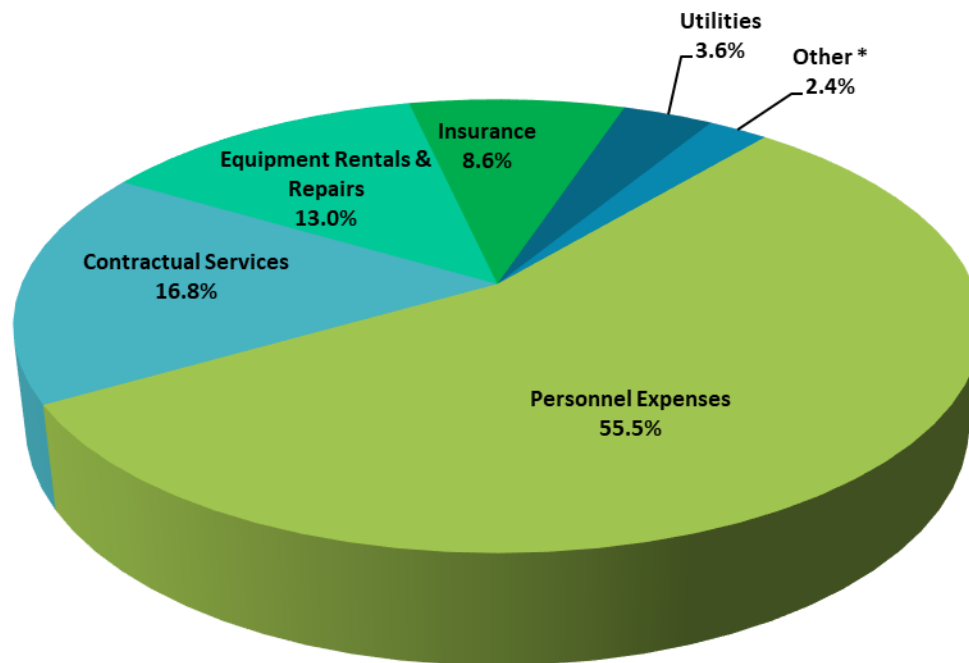
## Finance Division

### FY 2021 Expense Budget by Category

(in thousands)

Category	FY 2021 Budget
Personnel Expenses	\$ 10,041
Contractual Services	3,046
Equipment Rentals & Repairs	2,347
Insurance	1,557
Utilities	654
Other *	434
<b>Total <sup>1</sup></b>	<b>\$ 18,079</b>

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



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

Figure 30 – FY 2021 Expense Budget by Category

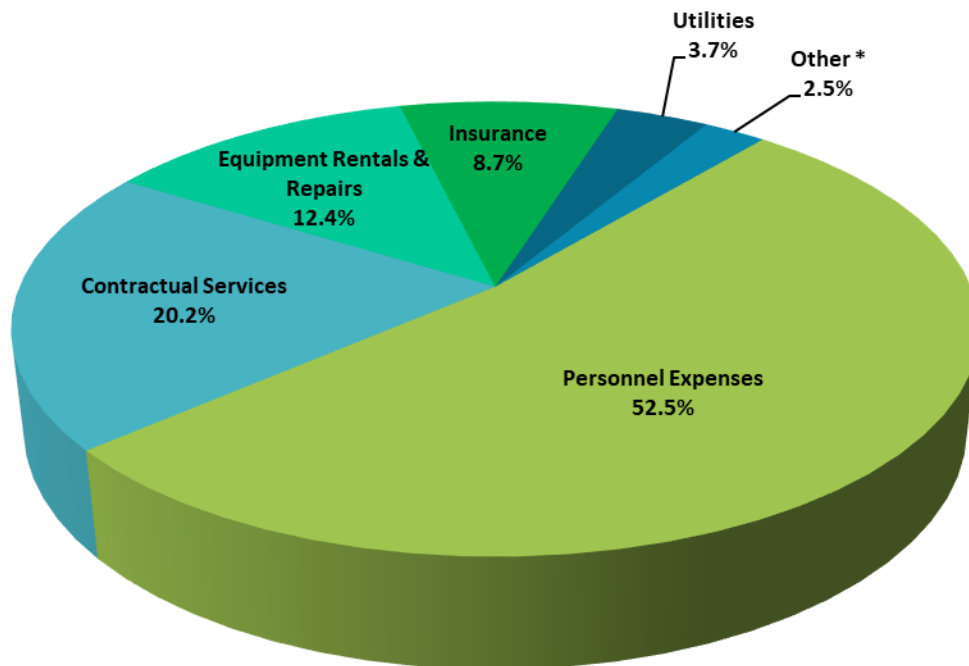
## Finance Division

### FY 2022 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2022 Conceptual Budget
Personnel Expenses	\$ 9,930
Contractual Services	3,817
Equipment Rentals & Repairs	2,342
Insurance	1,649
Utilities	701
Other *	473
<b>Total <sup>1</sup></b>	<b>\$ 18,911</b>

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



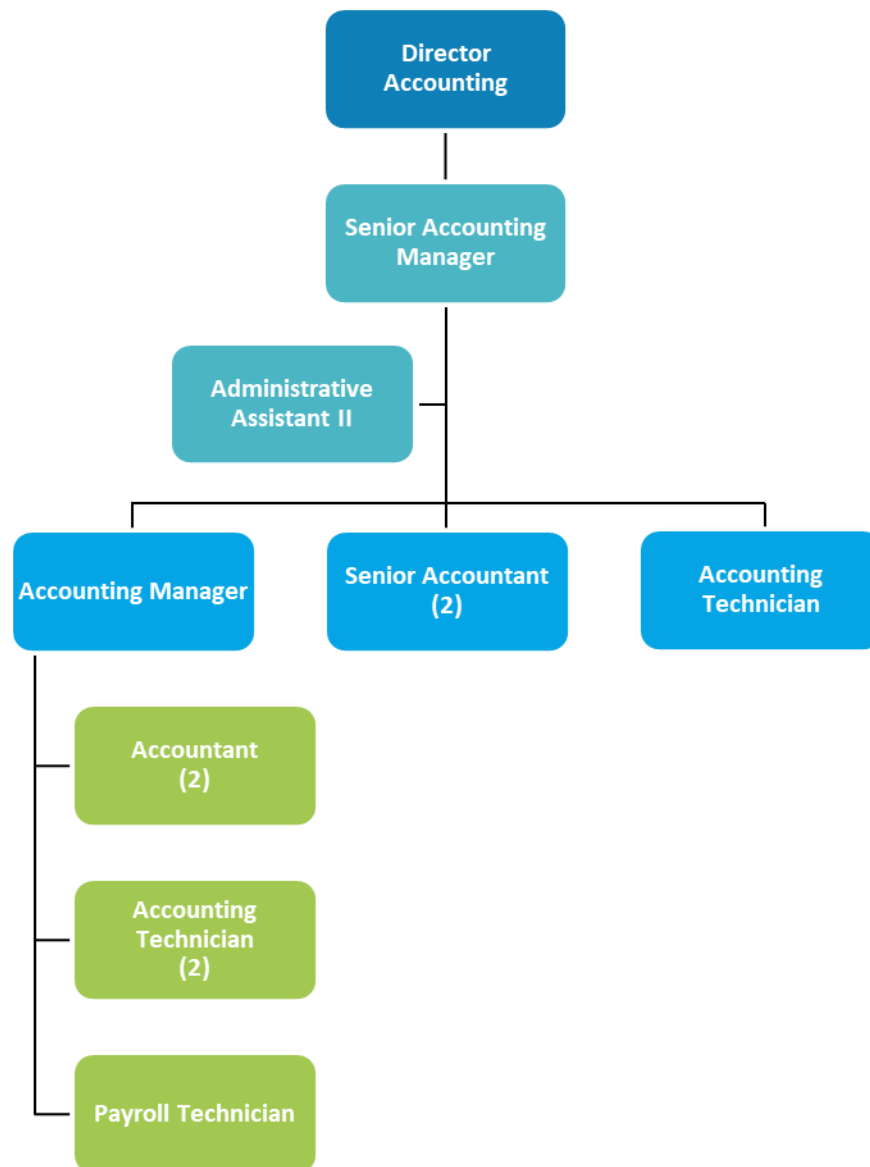
\*Other includes business and employee development, operating supplies, operating equipment & systems, etc.

**Figure 31 – FY 2022 Expense Conceptual Budget by Category**



## Finance Division – Accounting

### FY 2021 – FY 2022 Organizational Structure



*No personnel changes in FY 2022.*

## Finance Division – Accounting

### FY 2021 Budget – FY 2022 Expense Conceptual Budget Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 999	\$ 1,005	\$ 991	\$ (14)	-1.4%	\$ 1,031	\$ 40	4.0%
Overtime	-	2	2	-	0.0%	2	-	0.0%
Benefits	448	512	532	20	3.9%	541	9	1.7%
Subtotal	1,447	1,519	1,525	6	0.4%	1,574	49	3.2%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,447</b>	<b>1,519</b>	<b>1,525</b>	<b>6</b>	<b>0.4%</b>	<b>1,574</b>	<b>49</b>	<b>3.2%</b>
Contractual Services	167	172	152	(19)	-11.3%	166	13	8.8%
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	1	3	-	(3)	-100.0%	-	-	0.0%
Operating Supplies	10	16	10	(6)	-35.5%	10	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	7	13	5	(9)	-65.9%	9	4	93.3%
Business Development	11	16	16	-	0.0%	17	1	6.5%
Equipment Rentals and Repairs	-	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>195</b>	<b>219</b>	<b>182</b>	<b>(37)</b>	<b>-16.8%</b>	<b>201</b>	<b>19</b>	<b>10.2%</b>
<b>Total Operating Expenses</b>	<b>1,642</b>	<b>1,738</b>	<b>1,708</b>	<b>(31)</b>	<b>-1.8%</b>	<b>1,775</b>	<b>68</b>	<b>4.0%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>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>1,642</b>	<b>1,738</b>	<b>1,708</b>	<b>(31)</b>	<b>-1.8%</b>	<b>1,775</b>	<b>68</b>	<b>4.0%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 1,642</b>	<b>\$ 1,738</b>	<b>\$ 1,708</b>	<b>\$ (31)</b>	<b>-1.8%</b>	<b>\$ 1,775</b>	<b>\$ 68</b>	<b>4.0%</b>

## Finance Division – Accounting

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 1,738</b>	<b>\$ 1,708</b>
<b>Personnel Costs</b>		
Salary adjustments	(14)	40
Burden (benefits & employer taxes) for current staff	20	9
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>6</b>	<b>49</b>
<b>Non-Personnel Costs</b>		
Other Post Employment Benefits (OPEB) valuation	(17)	18
Other, net	(20)	1
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(37)</b>	<b>19</b>
<b>Total Increase / (Decrease)</b>	<b>(31)</b>	<b>68</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 1,708</b>	<b>\$ 1,775</b>

## Finance Division – Accounting

### FY 2020 Progress Report

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

**Progress:** The FY 2019 audit was completed on time and with no findings.

**Strategic Goal:**

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

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

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

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

**Progress:** A new airline reporting tool was developed to facilitate the detailed reporting required by the new AOLA. This tool integrated the data that was reported by the airlines to several department into one single source. It provided an efficient method to record the information in the accounting system.

Processes and procedures were developed and completed for the New Employee Travel and Business Expense policy.

Progress was made and is ongoing towards development of the recording demands for ADP and system planning and set up is underway.

**Strategic Goal:**

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

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

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

**Progress:** Team members have completed training necessary for the implementation of GASB 87. The software tool has been selected and installed. The team is preparing for the significant work to be done for the FY21 implementation.

**Strategic Goal:**

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

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

## Finance Division – Accounting

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

**Progress:** The Accounting team continuously looks for and develops ways to streamline processes to improve efficiencies while maintaining data integrity and stringent internal control. During FY 2020 improvements were made relating to the vendor data base, fixed assets coding and utilizing ancillary software to preform month-end variance analysis.

**Strategic Goal:**

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

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

## Finance Division – Accounting

### FY 2021 – FY 2022 Goals

1. Provide innovative solutions to support new and challenging recordkeeping, reporting and tracking requirements, support organizational priorities, and improve efficiency of accounting functions.
  - System modifications to record, report and support management of airport partner deferral agreements
  - Automation of accounts payable processing
  - Develop improved methods for processing concessions data gathering and billing
  - Assist with implementation of workforce management software

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

2. Prepare for the implementation of GASB Statement No. 87 – Leases for the fiscal year ending June 30, 2022, including collaborating with the Finance Budget team to work through the implications on the budget and rate setting.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2D. Implement a sustainable 20 year capital plan

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

**Strategic Plan Focus Area:**

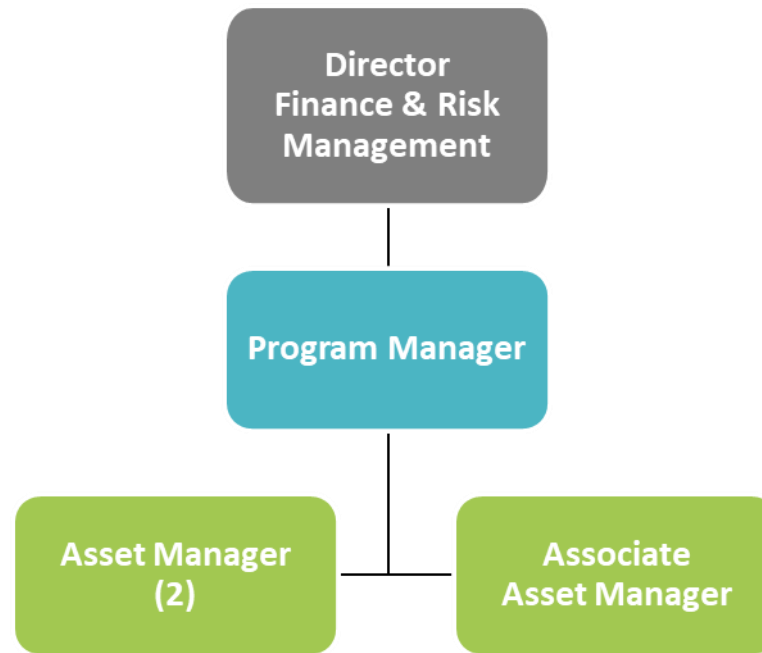
- Optimize Ongoing Business

**Strategic Initiative:**

- 2D. Implement a sustainable 20 year capital plan

## Finance Division – Airline Relations

### FY 2021 - FY 2022 Organizational Structure



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

*No personnel changes in FY 2022.*



## Finance Division – Airline Relations

### FY 2021 Budget – FY 2022 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 354	\$ 405	\$ 322	\$ (83)	-20.5%	\$ 458	\$ 136	42.1%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	206	156	150	(6)	-3.7%	203	53	35.2%
Subtotal	560	561	472	(89)	-15.8%	661	188	39.9%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>560</b>	<b>561</b>	<b>472</b>	<b>(89)</b>	<b>-15.8%</b>	<b>661</b>	<b>188</b>	<b>39.9%</b>
Contractual Services	170	40	-	(40)	-100.0%	-	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	-	1	2	1	114.3%	2	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	4	5	1	(3)	-70.0%	1	-	0.0%
Business Development	11	6	4	(2)	-32.2%	4	-	0.0%
Equipment Rentals and Repairs	-	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>185</b>	<b>51</b>	<b>7</b>	<b>(44)</b>	<b>-86.2%</b>	<b>7</b>	<b>-</b>	<b>0.0%</b>
<b>Total Operating Expenses</b>	<b>745</b>	<b>613</b>	<b>480</b>	<b>(133)</b>	<b>-21.7%</b>	<b>668</b>	<b>188</b>	<b>39.3%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>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>745</b>	<b>613</b>	<b>480</b>	<b>(133)</b>	<b>-21.7%</b>	<b>668</b>	<b>188</b>	<b>39.3%</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>\$ 745</b>	<b>\$ 613</b>	<b>\$ 480</b>	<b>\$ (133)</b>	<b>-21.7%</b>	<b>\$ 668</b>	<b>\$ 188</b>	<b>39.3%</b>

## Finance Division – Airline Relations

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 613</b>	<b>\$ 480</b>
<b>Personnel Costs</b>		
Salary adjustments	(83)	136
Burden (benefits & employer taxes) for current staff	(6)	53
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>(89)</b>	<b>188</b>
<b>Non-Personnel Costs</b>		
Financial consultants	(40)	-
Other, net	(4)	-
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(44)</b>	<b>-</b>
<b>Total Increase / (Decrease)</b>	<b>(133)</b>	<b>188</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 480</b>	<b>\$ 668</b>

## Finance Division – Airline Relations

### FY 2020 Progress Report

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

**Progress:** The AOLA became effective on July 1<sup>st</sup>. The team has worked with the Airlines, Accounting and Finance to successfully implement the new agreement.

**Strategic Goal:**

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

**Strategic Initiative:**

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

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

**Progress:** Airline Relations team has been a key participant in the Airline Support Building lease as well as the Airline Fuel Consortium. Working to support Revenue Generation in the negotiation of these leases.

**Strategic Goal:**

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

**Strategic Initiative:**

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

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

**Progress:** This goal is an ongoing initiative. The Airline relations team continue to work with our key stakeholders in support of the ADP.

**Strategic Goal:**

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

**Strategic Initiative:**

- 1B. Advance the ADP

## Finance Division – Airline Relations

### FY 2021 – FY 2022 Goals

1. Implement the new Airline Fuel Consortium Lease

**Strategic Plan Focus Area:**

- Advance the ADP

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

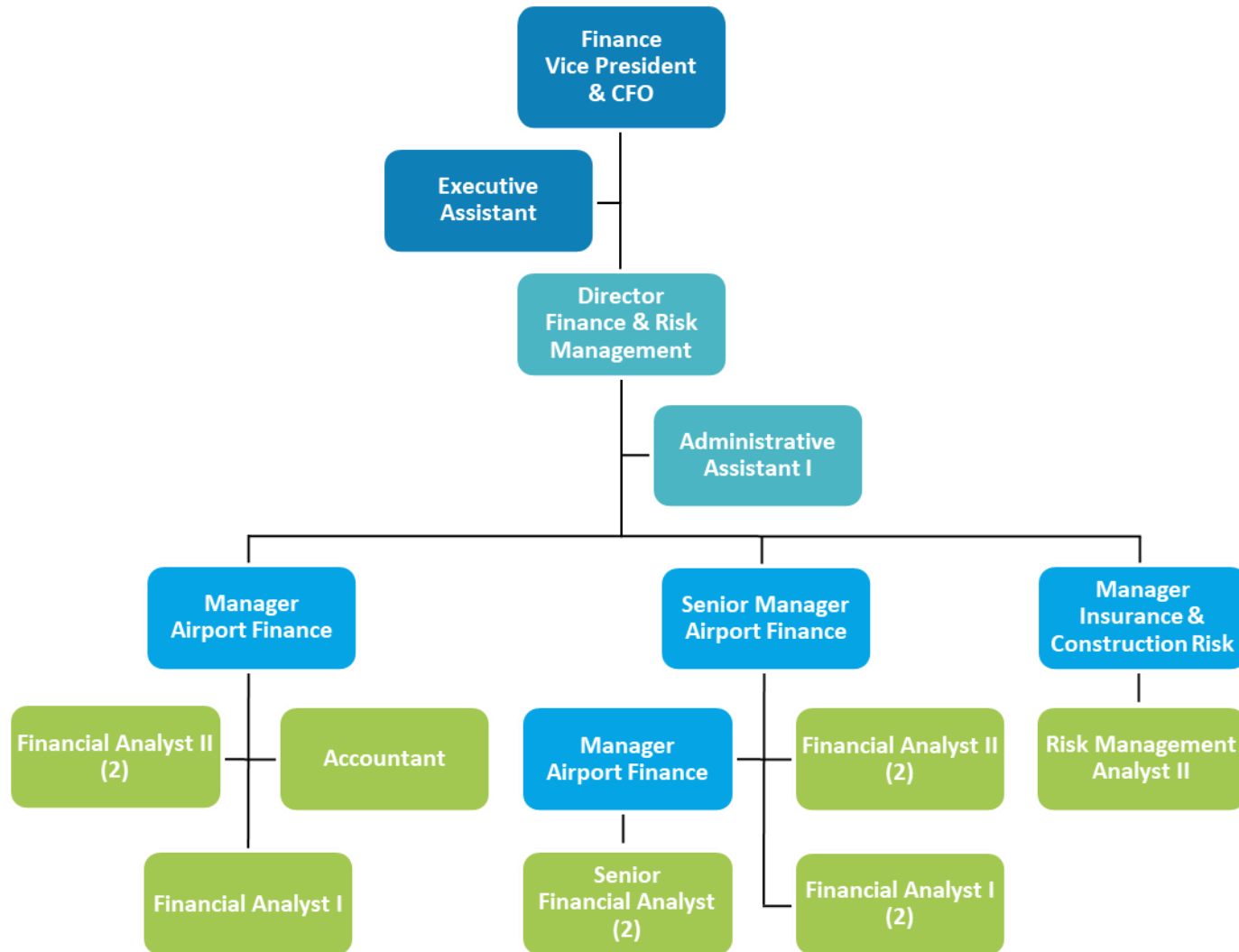
- Advance the ADP

**Strategic Initiative:**

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

## Finance Division – Finance & Risk Management

### FY 2021 – FY 2022 Organizational Structure



*No personnel changes in FY 2022.*

## Finance Division – Finance & Risk Management

### FY 2021 Budget – FY 2022 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 1,898	\$ 1,927	\$ 1,595	\$ (331)	-17.2%	\$ 1,969	\$ 374	23.5%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	876	865	803	(62)	-7.2%	948	146	18.2%
Subtotal	2,774	2,791	2,398	(393)	-14.1%	2,918	520	21.7%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>2,775</b>	<b>2,791</b>	<b>2,398</b>	<b>(393)</b>	<b>-14.1%</b>	<b>2,918</b>	<b>520</b>	<b>21.7%</b>
Contractual Services	1,750	1,917	1,304	(613)	-32.0%	1,260	(43)	-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	-	3	-	(3)	-100.0%	-	-	0.0%
Operating Supplies	12	11	7	(4)	-37.5%	7	-	0.0%
Insurance	1,199	1,505	1,557	52	3.5%	1,649	91	5.9%
Employee Development	34	52	25	(26)	-50.7%	25	-	0.0%
Business Development	38	25	9	(16)	-64.4%	14	5	57.3%
Equipment Rentals and Repairs	62	130	130	-	0.0%	125	(5)	-3.8%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>3,095</b>	<b>3,642</b>	<b>3,032</b>	<b>(610)</b>	<b>-16.7%</b>	<b>3,080</b>	<b>48</b>	<b>1.6%</b>
<b>Total Operating Expenses</b>	<b>5,870</b>	<b>6,433</b>	<b>5,430</b>	<b>(1,003)</b>	<b>-15.6%</b>	<b>5,998</b>	<b>568</b>	<b>10.5%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>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>5,870</b>	<b>6,433</b>	<b>5,430</b>	<b>(1,003)</b>	<b>-15.6%</b>	<b>5,998</b>	<b>568</b>	<b>10.5%</b>
Equipment Outlay Expenditures	17	20	-	(20)	-100.0%	20	20	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 5,887</b>	<b>\$ 6,453</b>	<b>\$ 5,430</b>	<b>\$ (1,023)</b>	<b>-15.9%</b>	<b>\$ 6,018</b>	<b>\$ 588</b>	<b>10.8%</b>

## Finance Division – Finance & Risk Management

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 6,453</b>	<b>\$ 5,430</b>
<b>Personnel Costs</b>		
Salary adjustments	(331)	374
Burden (benefits & employer taxes) for current staff	(62)	146
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>(393)</b>	<b>520</b>
<b>Non-Personnel Costs</b>		
Credit card fees	(604)	(46)
IT professional support services	(32)	-
Insurance premiums	52	91
Other, net	(46)	22
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(630)</b>	<b>68</b>
<b>Total Increase / (Decrease)</b>	<b>(1,023)</b>	<b>588</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 5,430</b>	<b>\$ 6,018</b>

## Finance Division – Finance & Risk Management

### FY 2020 Progress Report

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

**Progress:** Completed - Starting July 1<sup>st</sup> the new Airline Agreement and the setup of all the new rates & billing was successfully completed.

**Strategic Goal:**

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

**Strategic Initiative:**

- 1B. Advance the ADP

2. Implement a Debt and Credit Strategy that facilitates Financial and Risk Management's execution of proposed FY 2020 Debt Issue for projects including the ASF and 2010 Bond refundings; and replacement for the current Variable Debt instruments.

**Progress:** Completed - The credit strategy was completed along with a debt issuance moved forward into November of 2019 due to favorable market conditions.

**Strategic Goal:**

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

**Strategic Initiative:**

- 1B. Advance the ADP

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

**Progress:** The new Construction Insurance Broker was selected. Due to the delay in the ADP the need to bind the new OCIP was delayed as well. This will be completed in FY 2021.

**Strategic Goal:**

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

**Strategic Initiative:**

- 1B. Advance the ADP



## Finance Division – Finance & Risk Management

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

**Progress:** The new AOLA provides for additional funding for capital projects through the establishment of the Major Maintenance Fund. Further the Airlines agreed to guarantee 1.4x debt service coverage. Additionally the Finance Staff is evaluating the TIFIA Loan Program along with other grant opportunities.

**Strategic Goal:**

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

**Strategic Initiative:**

- 1B. Advance the ADP

## Finance Division – Finance & Risk Management

### FY 2021 – FY 2022 Goals

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

**Strategic Plan Focus Area:**

- Advance the ADP

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2D. Implement a sustainable 20 year capital plan

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

**Strategic Plan Focus Area:**

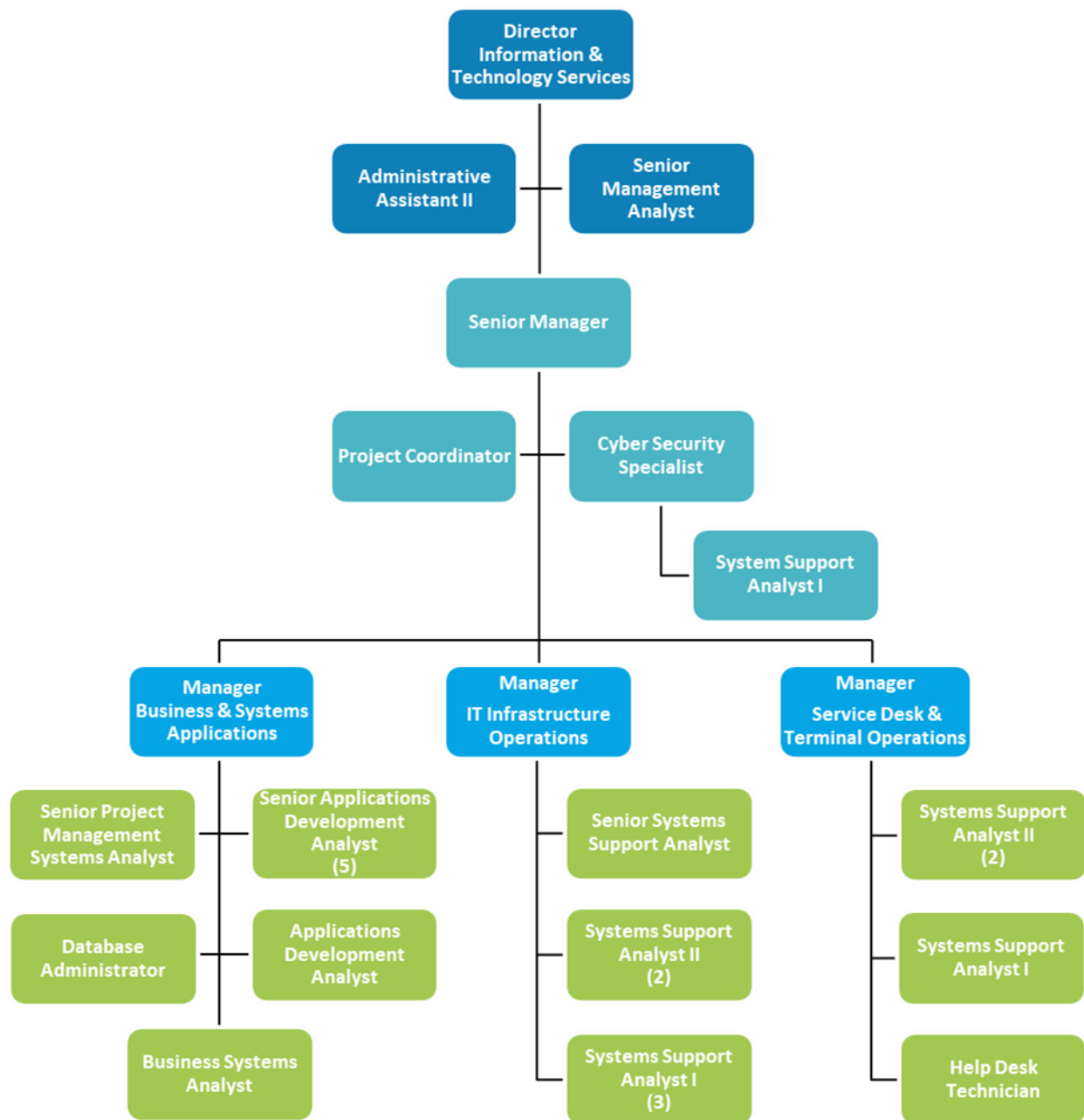
- Optimize Ongoing Business

**Strategic Initiative:**

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

## Finance Division – Information & Technology Services

### FY 2021 – FY 2022 Organizational Structure



*No personnel changes in FY 2022.*

## Finance Division – Information & Technology Services

### FY 2021 Budget – FY 2022 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 2,331	\$ 2,655	\$ 2,255	\$ (400)	-15.1%	\$ 2,747	\$ 493	21.9%
Overtime	87	150	150	-	0.0%	150	-	0.0%
Benefits	1,125	1,323	1,241	(82)	-6.2%	1,436	195	15.7%
Subtotal	3,543	4,127	3,646	(481)	-11.7%	4,334	688	18.9%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>3,543</b>	<b>4,127</b>	<b>3,646</b>	<b>(481)</b>	<b>-11.7%</b>	<b>4,334</b>	<b>688</b>	<b>18.9%</b>
Contractual Services	1,358	1,718	1,378	(340)	-19.8%	1,379	1	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	522	556	654	99	17.7%	701	47	7.2%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	171	160	175	15	9.4%	165	(10)	-5.7%
Operating Supplies	192	100	74	(26)	-25.8%	91	17	22.6%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	94	90	45	(46)	-50.4%	45	-	0.0%
Business Development	6	12	3	(8)	-71.7%	3	-	0.0%
Equipment Rentals and Repairs	2,267	2,440	2,175	(265)	-10.9%	2,175	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>4,610</b>	<b>5,075</b>	<b>4,505</b>	<b>(571)</b>	<b>-11.2%</b>	<b>4,559</b>	<b>55</b>	<b>1.2%</b>
<b>Total Operating Expenses</b>	<b>8,153</b>	<b>9,203</b>	<b>8,150</b>	<b>(1,052)</b>	<b>-11.4%</b>	<b>8,893</b>	<b>742</b>	<b>9.1%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>8,153</b>	<b>9,203</b>	<b>8,150</b>	<b>(1,052)</b>	<b>-11.4%</b>	<b>8,893</b>	<b>742</b>	<b>9.1%</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>\$ 8,153</b>	<b>\$ 9,203</b>	<b>\$ 8,150</b>	<b>\$ (1,052)</b>	<b>-11.4%</b>	<b>\$ 8,893</b>	<b>\$ 742</b>	<b>9.1%</b>

## Finance Division – Information & Technology Services

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 9,203</b>	<b>\$ 8,150</b>
<b>Personnel Costs</b>		
Salary adjustments	(400)	493
Burden (benefits & employer taxes) for current staff	(82)	195
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>(481)</b>	<b>688</b>
<b>Non-Personnel Costs</b>		
IT professional support services	(340)	-
Software license & support	(100)	-
Common use maintenance & supplies	(77)	17
Seminars & travel	(45)	-
Other, net	(9)	38
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(571)</b>	<b>55</b>
<b>Total Increase / (Decrease)</b>	<b>(1,052)</b>	<b>742</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 8,150</b>	<b>\$ 8,893</b>

## Finance Division – Information & Technology Services

### FY 2020 Progress Report

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

**Progress:** We have selected a contractor, E-Plus, to assist in the redesign efforts. E-plus has conducted surveys of the fiber pathways and created detailed rack elevations of all existing network equipment. In partnership with E-Plus, we have created a bill of materials for the replacement Cisco equipment. We will be submitting this BOM to Procurement to bid out by the end of February. We have received all the equipment to stand up a development environment to test out the new features and functions of the Cisco equipment.

**Strategic Goal:**

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

**Strategic Initiative:**

- 1B. Advance the ADP

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

**Progress:** We have upgraded all common use gates to the latest version of SITA Airport Connect running on Windows 10 desktops. All self-service kiosks have been upgraded from S3 to S5 units complete with facial biometrics. We will receive the replacement FIDS (Flight Information Display Systems) monitors in the next few weeks and hope to complete their replacement by May 2020. The airline feedback received to date has all been very positive.

**Strategic Goal:**

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

**Strategic Initiative:**

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

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

**Progress:** Morpheus Technology Group was contracted to clean up the 15+ integrations between PMWeb and E1 and conduct training with staff on how to manage the integrations. There is an ongoing initiative to standardize, harmonize and streamline workflows in PMWeb. To date, 5 out of 30 workflows have been completed. The upgrade of PMWeb is underway and expected to be completed by March 2020.

**Strategic Goal:**

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

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

## Finance Division – Information & Technology Services

### FY 2021 – FY 2022 Goals

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

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

- Optimize Ongoing Business

#### **Strategic Initiative:**

- 4F. Train and develop business driven, agile and collaborative capabilities
2. Optimize solutions to enable Authority staff to effectively telecommute to maintain physical distancing when necessary. Collaborate with internal and external stakeholders in the design of innovative technology solutions for the new admin building and the terminal 1 replacement as conditions allow. Engage strategic partners on cellular 5G so that we can make informed technology decisions.

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

- Transform the Customer Experience

#### **Strategic Initiative:**

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue
3. Continue prioritizing cybersecurity initiatives including remediating findings from the DHS NCATS (National Cybersecurity Assessments and Technical Services) audit, NIST (National Institute of Standards Technology) audit of the AVSec network, baggage handling system, and building automation systems (HVAC) and maintain PCI compliance ensuring all credit card data is properly secured.

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

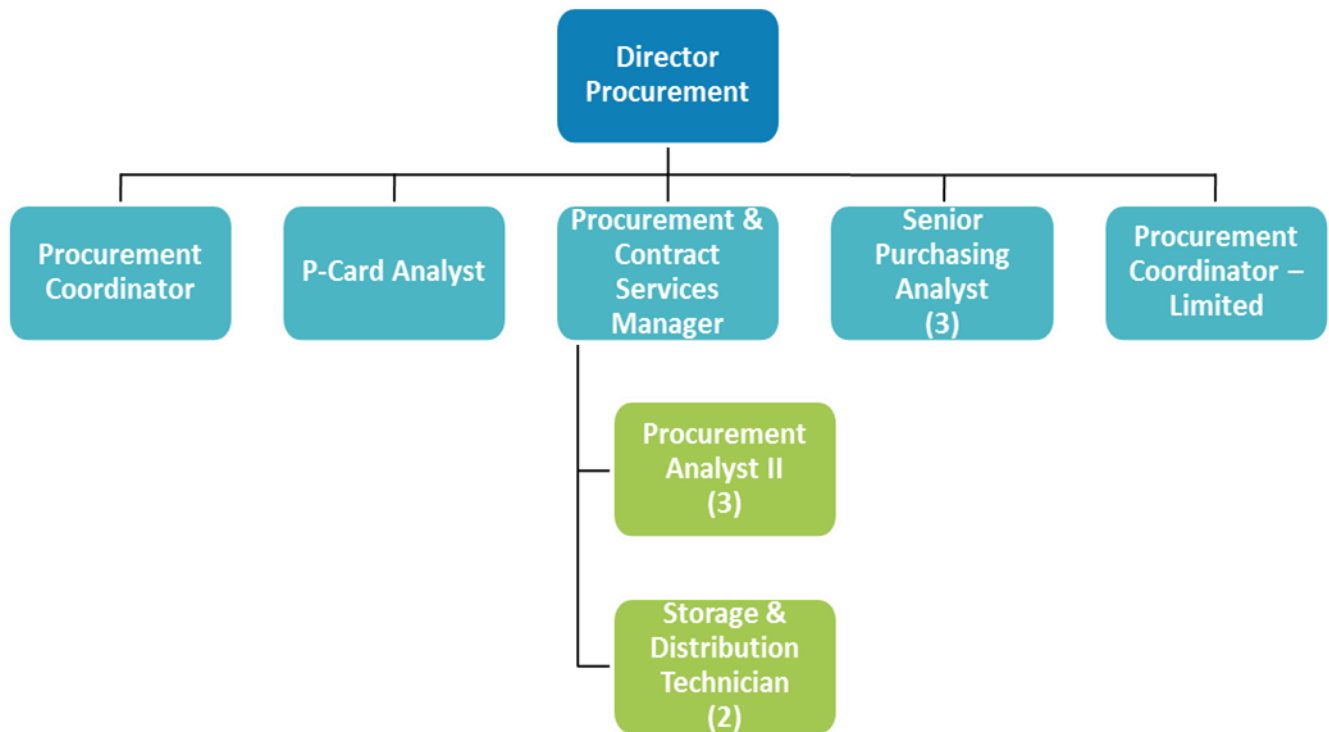
- Optimize Ongoing Business

#### **Strategic Initiative:**

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

## Finance Division – Procurement

### FY 2021 – FY 2022 Organizational Structure



*No personnel changes in FY 2022.*



## Finance Division – Procurement

### FY 2021 Budget – FY 2022 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 969	\$ 961	\$ 1,013	\$ 52	5.5%	\$ 1,001	\$ (13)	-1.2%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	474	491	555	64	13.1%	535	(20)	-3.5%
Subtotal	1,443	1,451	1,568	117	8.0%	1,536	(32)	-2.1%
Less: Capitalized Labor Recharge		-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge				-	0.0%		-	0.0%
<b>Total Personnel Costs</b>	<b>1,443</b>	<b>1,451</b>	<b>1,568</b>	<b>117</b>	<b>8.0%</b>	<b>1,536</b>	<b>(32)</b>	<b>-2.1%</b>
Contractual Services	12	23	12	(11)	-46.9%	12	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	2	1	1	(1)	-58.3%	1	-	0.0%
Operating Supplies	3	8	40	32	413.0%	40	1	1.8%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	10	16	9	(8)	-46.6%	9	-	0.0%
Business Development	4	10	10	-	0.0%	11	1	10.3%
Equipment Rentals and Repairs	38	40	42	2	3.8%	42	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>70</b>	<b>97</b>	<b>112</b>	<b>14</b>	<b>14.8%</b>	<b>114</b>	<b>2</b>	<b>1.7%</b>
<b>Total Operating Expenses</b>	<b>1,513</b>	<b>1,549</b>	<b>1,680</b>	<b>131</b>	<b>8.5%</b>	<b>1,649</b>	<b>(30)</b>	<b>-1.8%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>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>1,513</b>	<b>1,549</b>	<b>1,680</b>	<b>131</b>	<b>8.5%</b>	<b>1,649</b>	<b>(30)</b>	<b>-1.8%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 1,513</b>	<b>\$ 1,549</b>	<b>\$ 1,680</b>	<b>\$ 131</b>	<b>8.5%</b>	<b>\$ 1,649</b>	<b>\$ (30)</b>	<b>-1.8%</b>

## Finance Division – Procurement

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 1,549</b>	<b>\$ 1,680</b>
<b>Personnel Costs</b>		
Salary adjustments	52	(13)
Burden (benefits & employer taxes) for current staff	64	(20)
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>117</b>	<b>(32)</b>
<b>Non-Personnel Costs</b>		
Authority-wide supplies centralization	32	1
Other, net	(17)	1
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>14</b>	<b>2</b>
<b>Total Increase / (Decrease)</b>	<b>131</b>	<b>(30)</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 1,680</b>	<b>\$ 1,649</b>

## Finance Division – Procurement

### FY 2020 Progress Report

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

**Progress:** 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 through competition and negotiations. Contract negotiations also result in value added services, operational efficiencies and cost containment for the Authority. A savings of 16% has been achieved through competition and a savings of 10.5% has been achieved through contract negotiations. Additional improved efficiencies include increasing blanket agreements and centralizing Authority-wide services.

In support of the ADP, contracts already negotiated and executed include: On-call Program Management Staffing, Architectural and Engineering Services, and Coastal Consulting. A Request for Qualifications was completed for the Terminal and Roadways Project, which shortlisted teams qualified to respond to a Request for Proposals.

**Strategic Goal:**

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

**Strategic Initiative:**

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

2. Promote the Authority's Brand Promise to the local business community through outreach, engagement and transparency. Continue to maintain project specific outreach plans, tracking small and local business participation and contract awards on solicitations facilitated by Procurement; and participating in various contractor outreach and supplier training events.

**Progress:** Procurement continues to participate in various local contractor outreach, networking and training events sponsored by the Authority and various local business associations. Procurement also worked with the Small Business Development team to implement and provide outreach for the local business certification process. Procurement is currently collaborating with Small Business Development on new training and a computer-lab instruction class for contractors and suppliers interested in working on Authority projects.

All of the solicitations facilitated by Procurement in FY20 document small, local, veteran and disadvantaged business participation. Outreach plans include preferences under policy 5.12 or inclusionary methods. As of February 2020, 456 new vendors have registered in the Authority's vendor database as a result of outreach by Procurement and Small Business Development. Of the 38 projects solicited since 7/1/2019, 1,705 vendors have actively participated by downloading an opportunity; 23% are certified Small Business Enterprise (SBE), 34% are self-claimed Local Business Enterprise (LBE), 7% are certified Local Businesses (LBC), 8% are certified Disadvantaged Business Enterprises (DBEs) and 2% are Veteran owned (VOSB) or Service-Disabled Veteran Small Business (SDVSB) certified.

## Finance Division – Procurement

The following summary reflects 23 executed contract awards for a total of \$51,225,259.21 resulting from competitive solicitations that closed since 7/1/2019.

- Certified Local Businesses received 4 awards (17%) for a total of \$38,000,000 (74%)
- Local Business Enterprises received 8 awards (35%) for a total of \$40,965,330 (80%)
- Certified SBE's received 3 awards (13%) for a total of \$957,810 (1.8%)
- Certified DBE's received 0 awards
- VOSB/SDVSB's received 0 awards

### **Strategic Goal:**

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

### **Strategic Initiative:**

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

## Finance Division – Procurement

### FY 2021 – FY 2022 Goals

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

**Strategic Plan Focus Area:**

- Advance the ADP

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

3. Promote the Authority's Brand Promise to the local business community through outreach, engagement and transparency. Continue to maintain project specific outreach plans, tracking small and local business participation and contract awards on solicitations facilitated by Procurement; and participating in various contractor outreach and supplier training events.

**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.

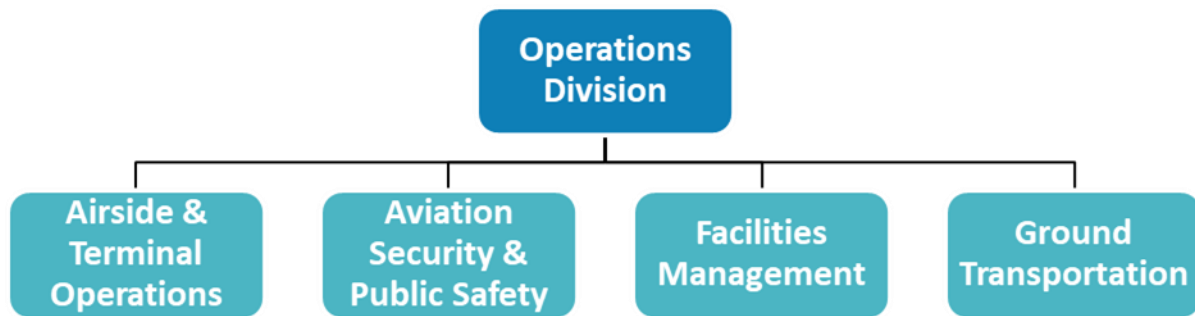
The **Aviation Security & Public Safety (AVSEC)** department implements all required FAA and TSA security programs and security equipment improvements; manages the Service Level Agreement with Harbor Police; coordinates with all Homeland Security and state agencies for passenger inspection services;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

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

The **Ground Transportation (GT)** department is responsible for operations from the terminal curb and roadways to the parking lots. This includes a parking plaza, five parking lots, and the terminal transportation islands, all of which require coordinated shuttle bus services. The department regulates the airport's commercial transportation service providers, including, taxicabs, shuttles, limousines and courtesy vehicles; issues permits for all ground transportation service provider vehicles; manages the Rental Car Center (RCC) busing operation in conjunction with the RCC bus contractor; and manages the airport parking card program for stakeholders and employees.

## Operations Division

### FY 2021 – FY 2022 Organizational Structure



### Division Personnel Summary

	FY 2019 Budget	FY 2020 Budget	FY 2021 Budget Transfers	FY2021 Budget New/ (Eliminated)	FY 2021 Budget	FY2022 Budget New/ (Eliminated)	FY 2022 Conceptual Budget
<b>Operations Division</b>							
Aviation Security & Public Safety	17	18	-	-	18	-	18
Airside & Terminal Operations <sup>1</sup>	25	25	1	-	26	-	26
Ground Transportation	68	71	-	-	71	-	71
Facilities Management	88	88	-	-	88	-	88
<b>Total Authorized Funded Positions</b>	<b>198</b>	<b>202</b>	<b>1</b>	<b>-</b>	<b>203</b>	<b>-</b>	<b>203</b>

<sup>1</sup> 1 position transferred from Airport Design & Construction



## Operations Division

### FY 2021 Budget – FY 2022 Expense Conceptual Budget Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 14,603	\$ 15,502	\$ 15,330	\$ (172)	-1.1%	\$ 16,168	\$ 838	5.5%
Overtime	731	712	512	(200)	-28.2%	508	(4)	-0.8%
Benefits	7,267	8,076	8,578	502	6.2%	8,831	253	3.0%
Subtotal	22,601	24,290	24,419	129	0.5%	25,506	1,087	4.5%
Less: Capitalized Labor Recharge	(125)	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>22,476</b>	<b>24,290</b>	<b>24,419</b>	<b>129</b>	<b>0.5%</b>	<b>25,506</b>	<b>1,087</b>	<b>4.5%</b>
Contractual Services	35,612	33,464	19,228	(14,235)	-42.5%	21,314	2,085	10.8%
Safety and Security	31,397	34,004	34,176	172	0.5%	35,871	1,695	5.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	12,667	13,826	13,644	(181)	-1.3%	14,137	492	3.6%
Maintenance	12,141	11,792	10,987	(805)	-6.8%	11,012	25	0.2%
Operating Equipment & Systems	109	103	100	(3)	-2.8%	97	(3)	-2.7%
Operating Supplies	330	355	364	9	2.5%	385	22	5.9%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	213	240	193	(47)	-19.6%	196	3	1.3%
Business Development	135	156	154	(2)	-1.1%	125	(29)	-18.5%
Equipment Rentals and Repairs	204	811	808	(3)	-0.4%	988	180	22.3%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>92,808</b>	<b>94,750</b>	<b>79,655</b>	<b>(15,095)</b>	<b>-15.9%</b>	<b>84,126</b>	<b>4,471</b>	<b>5.6%</b>
<b>Total Operating Expenses</b>	<b>115,285</b>	<b>119,040</b>	<b>104,074</b>	<b>(14,966)</b>	<b>-12.6%</b>	<b>109,632</b>	<b>5,558</b>	<b>5.3%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>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>115,285</b>	<b>119,040</b>	<b>104,074</b>	<b>(14,966)</b>	<b>-12.6%</b>	<b>109,632</b>	<b>5,558</b>	<b>5.3%</b>
<b>Equipment Outlay Expenditures</b>	<b>699</b>	<b>480</b>	<b>268</b>	<b>(212)</b>	<b>-44.1%</b>	<b>595</b>	<b>327</b>	<b>121.6%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$115,983</b>	<b>\$ 119,520</b>	<b>\$ 104,342</b>	<b>\$ (15,177)</b>	<b>-12.7%</b>	<b>\$ 110,227</b>	<b>\$ 5,884</b>	<b>5.6%</b>

## Operations Division

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 119,520</b>	<b>\$ 104,342</b>
<b>Personnel Costs</b>		
Salary adjustments and contracted wage increases	(373)	834
Burden (benefits & employer taxes) for current staff	502	253
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>129</b>	<b>1,087</b>
<b>Non-Personnel Costs</b>		
Parking and shuttle operations	(8,906)	1,398
Rental Car Center (RCC) Buses	(4,214)	166
Major and annual maintenance	(1,582)	727
Terminal operations and improvements	(884)	790
Customs & Border Protection (CBP) overtime	(350)	-
Equipment Outlay	(315)	240
Professional Services	(266)	16
Utilities	(181)	492
Guard Services	(137)	379
Port District law enforcement - Harbor Police Department	105	1,021
Surface, Gate and Inspection Log Software	199	8
Aircraft Rescue and Fire Fight (ARFF)	442	258
Oval striping	750	(750)
Other, net	34	52
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(15,306)</b>	<b>4,798</b>
<b>Total Increase / (Decrease)</b>	<b>(15,177)</b>	<b>5,884</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 104,342</b>	<b>\$ 110,227</b>

## Operations Division

### FY 2021 Expense Budget by Department

(in thousands)

Departments	FY 2021 Budget
Facilities Management	\$ 35,914
Aviation Security & Public Safety	31,200
Ground Transportation	21,857
Airside & Terminal Operations	15,372
<b>Total <sup>1</sup></b>	<b>\$ 104,342</b>

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

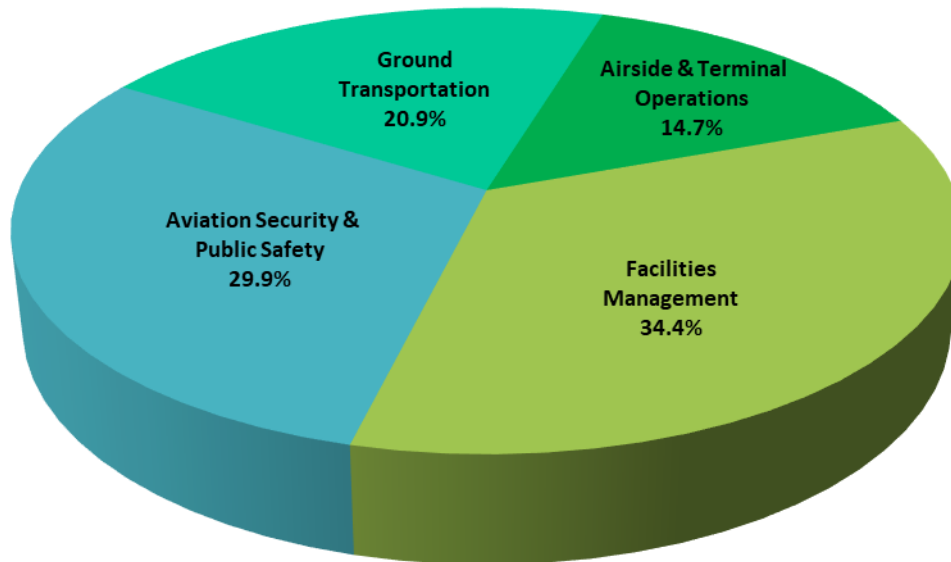


Figure 32 – FY 2021 Expense Budget by Department

## Operations Division

### FY 2022 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2022 Conceptual Budget
Facilities Management	\$ 37,196
Aviation Security & Public Safety	32,636
Ground Transportation	23,895
Airside & Terminal Operations	16,499
<b>Total <sup>1</sup></b>	<b>\$ 110,227</b>

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

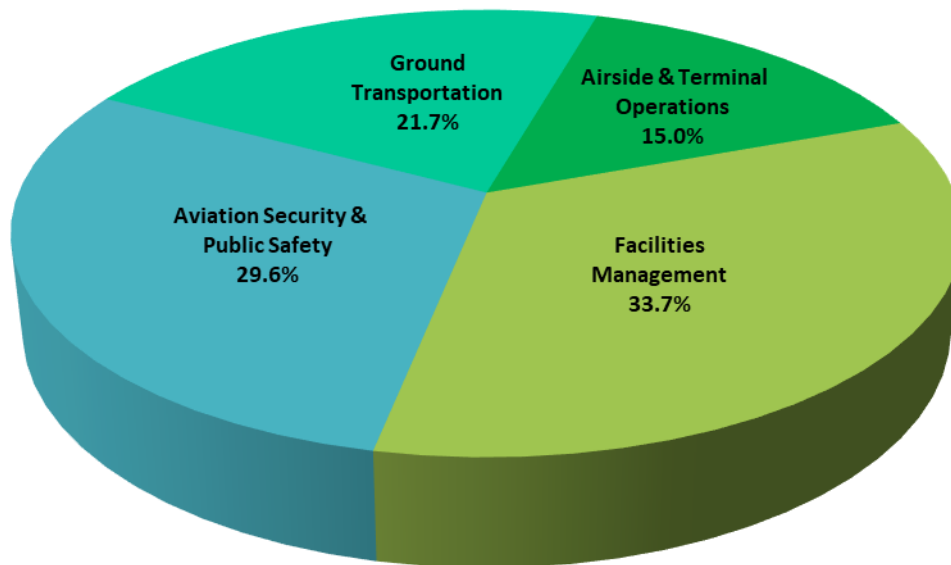


Figure 33 – FY 2022 Expense Conceptual Budget by Department

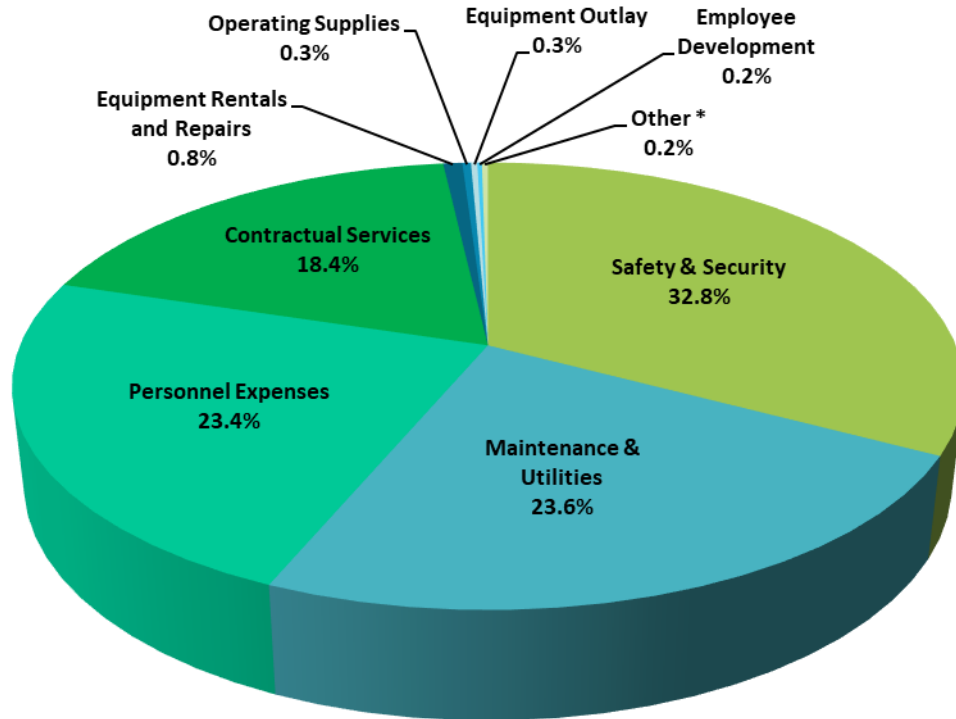
## Operations Division

### FY 2021 Expense Budget by Category

(in thousands)

Category	FY 2021 Budget
Safety & Security	\$ 34,176
Maintenance & Utilities	24,632
Personnel Expenses	24,419
Contractual Services	19,228
Equipment Rentals and Repairs	808
Operating Supplies	364
Equipment Outlay	268
Employee Development	193
Other *	254
<b>Total <sup>1</sup></b>	<b>\$ 104,342</b>

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



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

Figure 34 – FY 2021 Expense Budget by Category

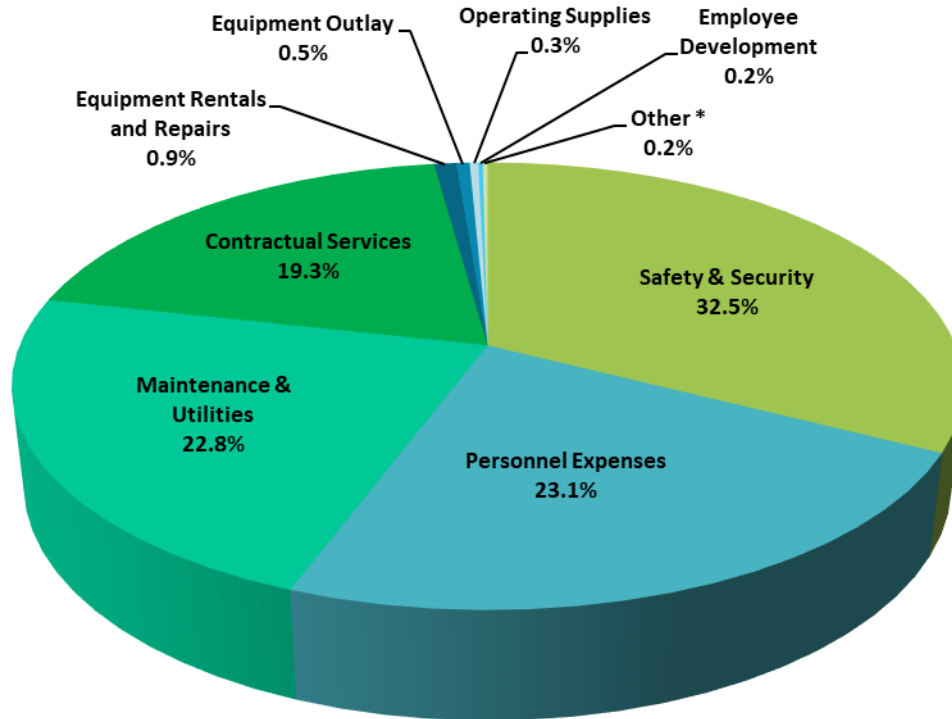
## Operations Division

### FY 2022 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2022 Conceptual Budget
Safety & Security	\$ 35,871
Personnel Expenses	25,506
Maintenance & Utilities	25,149
Contractual Services	21,314
Equipment Rentals and Repairs	988
Equipment Outlay	595
Operating Supplies	385
Employee Development	196
Other *	223
<b>Total <sup>1</sup></b>	<b>\$ 110,227</b>

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

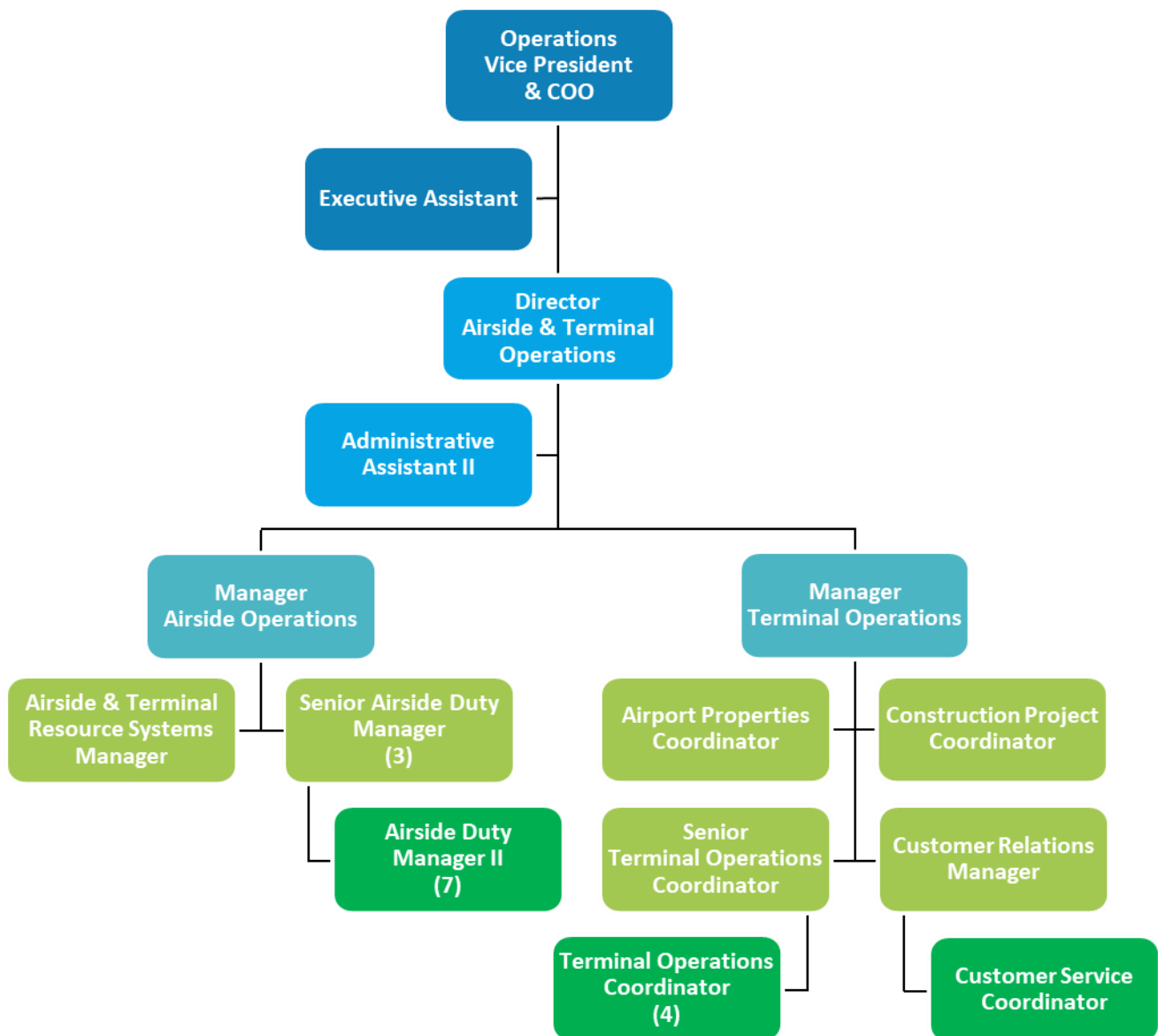


\*Other includes operating equipment & systems, business development, etc.

**Figure 35 – FY 2022 Expense Conceptual Budget by Category**

## Operations Division – Airside & Terminal Operations

### FY 2021 – FY 2022 Organizational Structure



*No personnel changes in FY 2022*

## Operations Division – Airside & Terminal Operations

### FY 2021 Budget – FY 2022 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 2,677	\$ 2,610	\$ 2,569	\$ (40)	-1.5%	\$ 2,676	\$ 106	4.1%
Overtime	38	27	44	17	63.0%	40	(4)	-9.1%
Benefits	1,166	1,221	1,328	108	8.8%	1,344	16	1.2%
Subtotal	3,882	3,857	3,942	84	2.2%	4,060	118	3.0%
Less: Capitalized Labor Recharge	(109)	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>3,773</b>	<b>3,857</b>	<b>3,942</b>	<b>84</b>	<b>2.2%</b>	<b>4,060</b>	<b>118</b>	<b>3.0%</b>
Contractual Services	8,700	5,141	4,363	(778)	-15.1%	4,937	574	13.2%
Safety and Security	5,679	6,197	6,639	442	7.1%	6,897	258	3.9%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	12	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	36	22	11	(12)	-52.0%	11	-	0.0%
Operating Supplies	37	22	23	2	7.7%	25	2	6.6%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	56	49	38	(11)	-22.7%	38	-	0.0%
Business Development	81	78	79	1	1.8%	82	2	2.7%
Equipment Rentals and Repairs	63	204	277	73	36.0%	450	173	62.6%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>14,663</b>	<b>11,712</b>	<b>11,430</b>	<b>(282)</b>	<b>-2.4%</b>	<b>12,439</b>	<b>1,009</b>	<b>8.8%</b>
<b>Total Operating Expenses</b>	<b>18,437</b>	<b>15,570</b>	<b>15,372</b>	<b>(198)</b>	<b>-1.3%</b>	<b>16,499</b>	<b>1,127</b>	<b>7.3%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>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>18,437</b>	<b>15,570</b>	<b>15,372</b>	<b>(198)</b>	<b>-1.3%</b>	<b>16,499</b>	<b>1,127</b>	<b>7.3%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 18,437</b>	<b>\$ 15,570</b>	<b>\$ 15,372</b>	<b>\$ (198)</b>	<b>-1.3%</b>	<b>\$ 16,499</b>	<b>\$ 1,127</b>	<b>7.3%</b>



## Operations Division – Airside & Terminal Operations

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 15,570</b>	<b>\$ 15,372</b>
<b>Personnel Costs</b>		
Salary adjustments and contracted wage increases	(23)	102
Burden (benefits & employer taxes) for current staff	108	16
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>84</b>	<b>118</b>
<b>Non-Personnel Costs</b>		
Terminal operations and improvements	(884)	790
Surface, Gate and Inspection Log Software	199	8
Aircraft Rescue and Fire Fight (ARFF)	442	258
Other, net	(39)	(46)
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(282)</b>	<b>1,009</b>
<b>Total Increase / (Decrease)</b>	<b>(198)</b>	<b>1,127</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 15,372</b>	<b>\$ 16,499</b>

## Operations Division – Airside & Terminal Operations

### FY 2020 Progress Report

1. Ensure that SDIA is operated in compliance with FAA FAR Part 139 requirements. Success for this goal will be achieved if both: (1) the annual FAA Certification inspection does not identify any Part 39 violations that are subject to civil penalty, and (2) there are no SDIA airfield incidents / accidents that are attributed to Part 139 compliance.

**Progress:** No Part 139 violations were issued during the FAA FAR Part 139 annual FAA Certification Inspection. No SIDA airfield incidents / accidents occurred on the airfield.

**Strategic Goal:**

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

**Strategic Initiative:**

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

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

**Progress:** Provided oversight and coordination for the relocation of the fuel line and fuel hydrant systems at gates 48, 49, 50 and 51. Initiated and implemented a plan to save 8 weeks off the construction schedule and approximately \$40,000 in cost savings.

**Strategic Goal:**

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

**Strategic Initiative:**

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

3. Plan for activation and overnight transition support for new Authority Administration Building

**Progress:** Planning continues for the activation and overnight transition support of the new administration building. A concept of operations document is in the process of being drafted.

**Strategic Goal:**

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

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

## Operations Division – Airside & Terminal Operations

### FY 2021 – FY 2022 Goals

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

**Strategic Plan Focus Area:**

- Advance the ADP

**Strategic Initiative:**

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

2. Implement outbound passenger biometric technology for air carriers.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

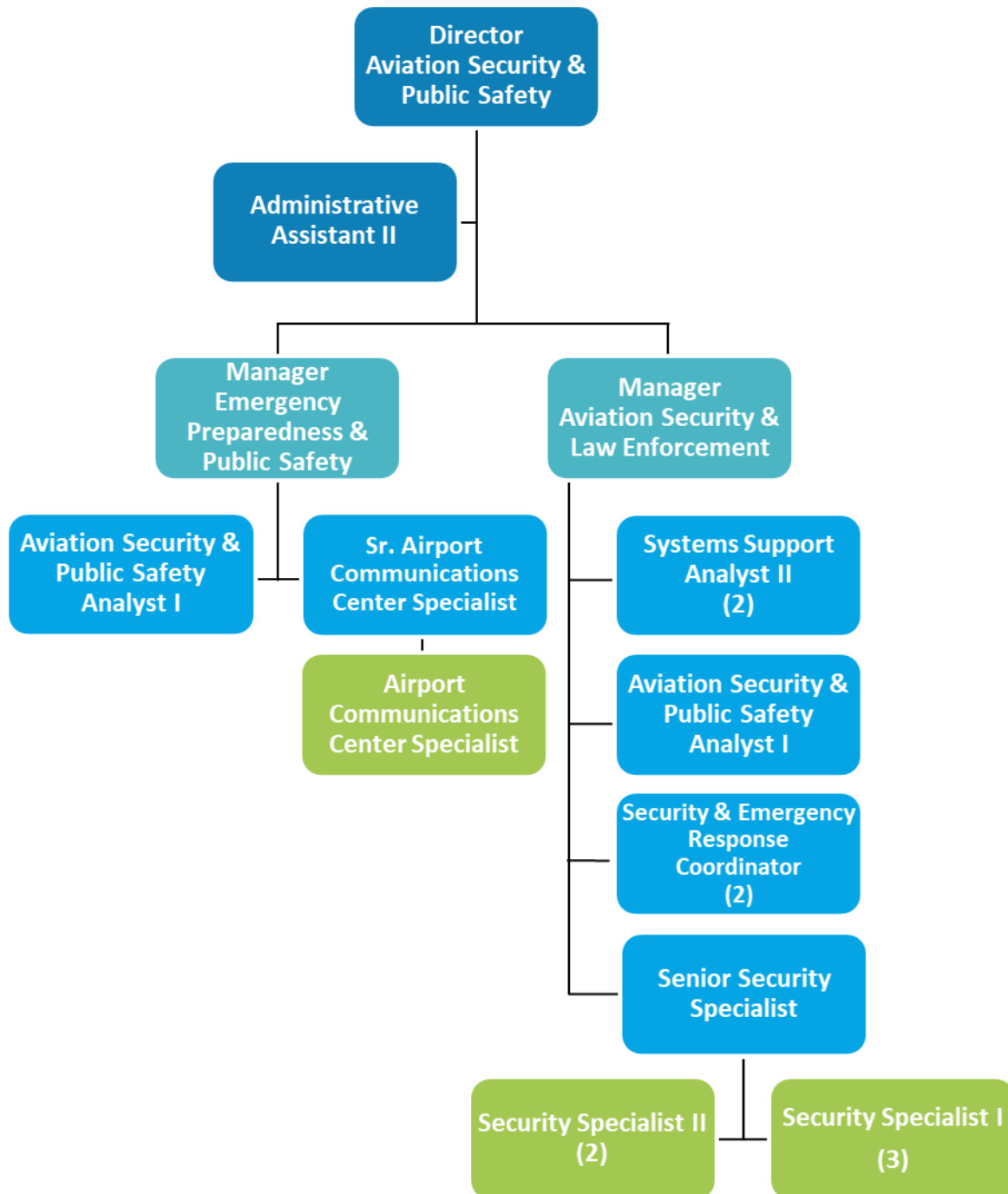
- Optimize Ongoing Business

**Strategic Initiative:**

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

## Operations Division – Aviation Security & Public Safety

### FY 2021 – FY 2022 Organizational Structure



*No personnel changes in FY 2022.*

## Operations Division – Aviation Security & Public Safety

### FY 2021 Budget – FY 2022 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 1,259	\$ 1,437	\$ 1,380	\$ (57)	-4.0%	\$ 1,435	\$ 55	4.0%
Overtime	48	55	55	-	0.0%	55	-	0.0%
Benefits	637	716	781	65	9.1%	794	13	1.6%
Subtotal	1,943	2,208	2,216	8	0.4%	2,284	68	3.1%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,943</b>	<b>2,208</b>	<b>2,216</b>	<b>8</b>	<b>0.4%</b>	<b>2,284</b>	<b>68</b>	<b>3.1%</b>
Contractual Services	577	746	728	(18)	-2.4%	643	(85)	-11.7%
Safety and Security	25,718	27,807	27,537	(270)	-1.0%	28,975	1,437	5.2%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	12	38	47	9	23.5%	44	(3)	-7.1%
Operating Supplies	129	149	179	30	20.0%	190	12	6.4%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	16	35	22	(13)	-36.3%	25	3	11.5%
Business Development	14	42	43	1	3.5%	11	(33)	-75.2%
Equipment Rentals and Repairs	35	160	159	(1)	-0.6%	160	2	1.1%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>26,500</b>	<b>28,976</b>	<b>28,715</b>	<b>(261)</b>	<b>-0.9%</b>	<b>30,047</b>	<b>1,332</b>	<b>4.6%</b>
<b>Total Operating Expenses</b>	<b>28,444</b>	<b>31,184</b>	<b>30,931</b>	<b>(253)</b>	<b>-0.8%</b>	<b>32,331</b>	<b>1,400</b>	<b>4.5%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>28,444</b>	<b>31,184</b>	<b>30,931</b>	<b>(253)</b>	<b>-0.8%</b>	<b>32,331</b>	<b>1,400</b>	<b>4.5%</b>
Equipment Outlay Expenditures	269	100	268	168	168.5%	305	37	13.6%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 28,713</b>	<b>\$ 31,284</b>	<b>\$ 31,200</b>	<b>\$ (85)</b>	<b>-0.3%</b>	<b>\$ 32,636</b>	<b>\$ 1,437</b>	<b>4.6%</b>

## Operations Division – Aviation Security & Public Safety

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 31,284</b>	<b>\$ 31,200</b>
<b>Personnel Costs</b>		
Salary adjustments and contracted wage increases	(57)	55
Burden (benefits & employer taxes) for current staff	65	13
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>8</b>	<b>68</b>
<b>Non-Personnel Costs</b>		
Customs & Border Protection (CBP) overtime	(350)	-
Guard Services	(137)	379
Emergency Medical Services (EMS)	81	23
Port District law enforcement - Harbor Police Department	105	1,021
Security Training module update	113	(113)
Other, net	95	58
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(93)</b>	<b>1,369</b>
<b>Total Increase / (Decrease)</b>	<b>(85)</b>	<b>1,437</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 31,200</b>	<b>\$ 32,636</b>

## Operations Division – Aviation Security & Public Safety

### FY 2020 Progress Report

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

**Progress:** Planning for the FAR 139 mass-casualty field exercise continues with the exercise to take place in late summer or early fall of 2020. The original date of April 29, 2020 was postponed due to the COVID19 pandemic.

**Strategic Goal:**

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

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

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

**Progress:** The scheduled modernization of CCTV equipment is underway. To date the department has replaced twenty-four (24) cameras, six (6) Network Video Recorders (NVR), and eighteen (18) video encoders. The department is scheduled to install the final four (4) cameras by July 1, 2020.

**Strategic Goal:**

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

**Strategic Initiative:**

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

## Operations Division – Aviation Security & Public Safety

### FY 2021 – FY 2022 Goals

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

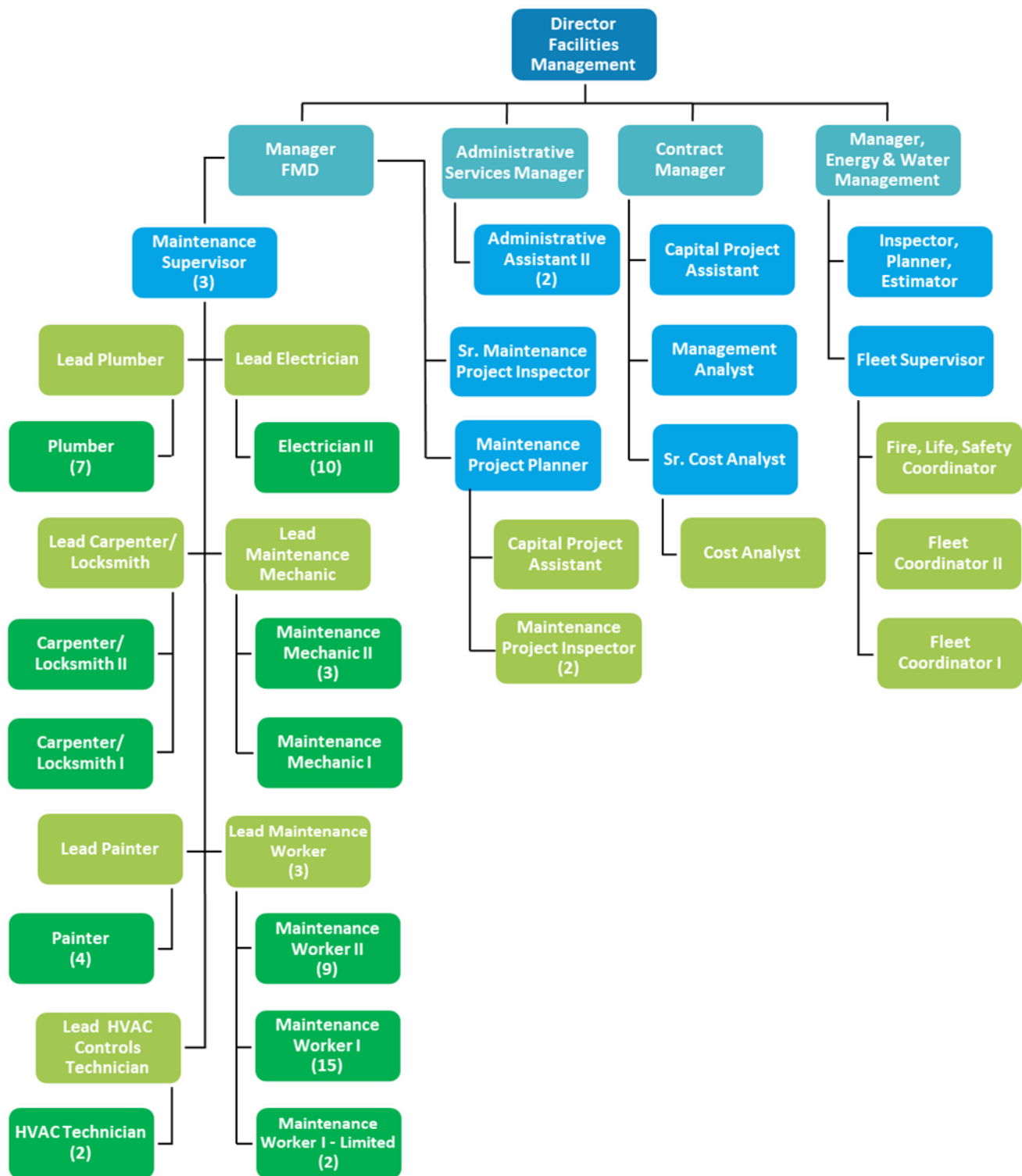
**Strategic Initiative:**

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



## Operations Division – Facilities Management

### FY 2021 – FY 2022 Organizational Structure



*No personnel changes in FY 2022.*

## Operations Division – Facilities Management

### FY 2021 Budget – FY 2022 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 6,600	\$ 6,899	\$ 6,894	\$ (5)	-0.1%	\$ 7,285	\$ 391	5.7%
Overtime	463	450	225	(225)	-50.0%	225	-	0.0%
Benefits	3,322	3,635	3,826	191	5.3%	3,944	118	3.1%
Subtotal	10,385	10,984	10,945	(39)	-0.4%	11,454	509	4.7%
Less: Capitalized Labor Recharge	(16)	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>10,369</b>	<b>10,984</b>	<b>10,945</b>	<b>(39)</b>	<b>-0.4%</b>	<b>11,454</b>	<b>509</b>	<b>4.7%</b>
Contractual Services	94	340	71	(269)	-79.1%	88	16	23.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	12,654	13,823	13,641	(181)	-1.3%	14,133	492	3.6%
Maintenance	12,141	11,792	10,987	(805)	-6.8%	11,012	25	0.2%
Operating Equipment & Systems	14	40	40	-	0.0%	40	-	0.0%
Operating Supplies	79	120	109	(11)	-9.2%	109	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	77	97	72	(25)	-25.7%	72	-	0.0%
Business Development	5	8	7	(1)	-10.0%	7	-	0.0%
Equipment Rentals and Repairs	75	125	41	(84)	-67.1%	41	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>25,140</b>	<b>26,344</b>	<b>24,969</b>	<b>(1,376)</b>	<b>-5.2%</b>	<b>25,502</b>	<b>534</b>	<b>2.1%</b>
<b>Total Operating Expenses</b>	<b>35,508</b>	<b>37,328</b>	<b>35,914</b>	<b>(1,415)</b>	<b>-3.8%</b>	<b>36,956</b>	<b>1,043</b>	<b>2.9%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>35,508</b>	<b>37,328</b>	<b>35,914</b>	<b>(1,415)</b>	<b>-3.8%</b>	<b>36,956</b>	<b>1,043</b>	<b>2.9%</b>
Equipment Outlay Expenditures	350	315	-	(315)	-100.0%	240	240	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 35,859</b>	<b>\$ 37,643</b>	<b>\$ 35,914</b>	<b>\$ (1,730)</b>	<b>-4.6%</b>	<b>\$ 37,196</b>	<b>\$ 1,283</b>	<b>3.6%</b>

## Operations Division – Facilities Management

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 37,643</b>	<b>\$ 35,914</b>
<b>Personnel Costs</b>		
Salary adjustments and contracted wage increases	(230)	391
Burden (benefits & employer taxes) for current staff	191	118
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>(39)</b>	<b>509</b>
<b>Non-Personnel Costs</b>		
Major and annual maintenance	(1,582)	727
Equipment Outlay	(315)	240
Professional Services	(266)	16
Utilities	(181)	492
Oval striping	750	(750)
Other, net	(96)	48
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(1,691)</b>	<b>774</b>
<b>Total Increase / (Decrease)</b>	<b>(1,730)</b>	<b>1,283</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 35,914</b>	<b>\$ 37,196</b>

## Operations Division – Facilities Management

### FY 2020 Progress Report

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

**Progress:** FMD has implemented PM Web for processing contracts and payments to contractors in order to automate staff processes. FMD has begun the process of procuring three hundred twenty smart faucets to be used in the public areas to allow for smart device maintenance. This cutting edge approached will allow for staff plumbers to provide accurate and detailed diagnostic and statistical information from the faucets in real time.

**Strategic Goal:**

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

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic
2. Provide relevant training to staff and explore career development opportunities through the mentorship program to align with ADP staffing needs.

**Progress:** FMD continuously rotates two team members at a time to learn other job duties/skills in preparation for ADP staffing needs.

**Strategic Goal:**

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

**Strategic Initiative:**

- 4F. Train and develop business driven, agile and collaborative capabilities
3. Continue to deliver department retreats that enhance communication and keep staff engaged in the delivering the brand promise pledge of providing good feelings non-stop.

**Progress:** FMD has pledged to a quarterly staff engagement series with staff.

**Strategic Goal:**

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

**Strategic Initiative:**

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

## Operations Division – Facilities Management

### FY 2021 – FY 2022 Goals

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

**Strategic Plan Focus Area:**

- Advance the ADP

**Strategic Initiative:**

- 4E. Determine innovative, flexible organizational staffing needs that reflect the ADP 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:**

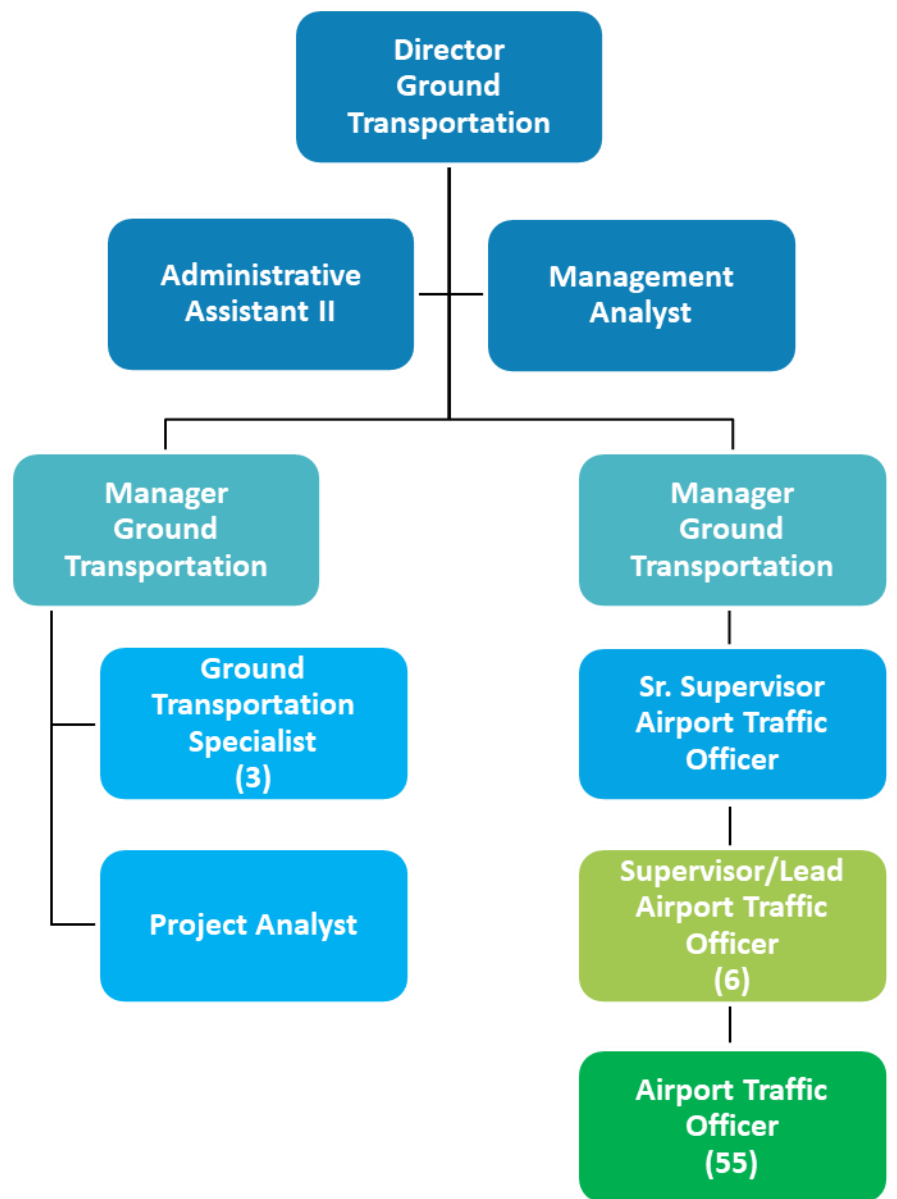
- Transform the Customer Experience

**Strategic Initiative:**

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

## Operations Division – Ground Transportation

### FY 2021 – FY 2022 Organizational Structure



*No personnel changes in FY 2022.*

## Operations Division – Ground Transportation

### FY 2021 Budget – FY 2022 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 3,636	\$ 4,557	\$ 4,487	\$ (70)	-1.5%	\$ 4,772	\$ 285	6.4%
Overtime	177	180	188	7	4.2%	188	-	0.0%
Benefits	1,898	2,503	2,642	138	5.5%	2,749	107	4.0%
Subtotal	5,711	7,240	7,316	76	1.0%	7,708	392	5.4%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>5,711</b>	<b>7,240</b>	<b>7,316</b>	<b>76</b>	<b>1.0%</b>	<b>7,708</b>	<b>392</b>	<b>5.4%</b>
Contractual Services	79	27,236	14,066	(13,170)	-48.4%	15,646	1,580	11.2%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	1	3	3	-	0.0%	3	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	46	3	3	-	0.0%	3	-	0.0%
Operating Supplies	70	64	53	(11)	-17.9%	61	8	16.1%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	44	59	61	2	2.9%	61	-	0.0%
Business Development	9	28	25	(4)	-13.3%	26	2	7.7%
Equipment Rentals and Repairs	24	323	332	8	2.6%	337	5	1.5%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>274</b>	<b>27,717</b>	<b>14,542</b>	<b>(13,176)</b>	<b>-47.5%</b>	<b>16,137</b>	<b>1,596</b>	<b>11.0%</b>
<b>Total Operating Expenses</b>	<b>5,984</b>	<b>34,957</b>	<b>21,857</b>	<b>(13,100)</b>	<b>-37.5%</b>	<b>23,845</b>	<b>1,988</b>	<b>9.1%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>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>5,984</b>	<b>34,957</b>	<b>21,857</b>	<b>(13,100)</b>	<b>-37.5%</b>	<b>23,845</b>	<b>1,988</b>	<b>9.1%</b>
Equipment Outlay Expenditures	-	65	-	(65)	-100.0%	50	50	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 5,984</b>	<b>\$ 35,022</b>	<b>\$ 21,857</b>	<b>\$ (13,165)</b>	<b>-37.6%</b>	<b>\$ 23,895</b>	<b>\$ 2,038</b>	<b>9.3%</b>

## Operations Division – Ground Transportation

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 35,022</b>	<b>\$ 21,857</b>
<b>Personnel Costs</b>		
Salary adjustments and contracted wage increases	(63)	285
Burden (benefits & employer taxes) for current staff	138	107
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>76</b>	<b>392</b>
<b>Non-Personnel Costs</b>		
Parking and shuttle operations	(8,906)	1,398
Rental Car Center (RCC) Buses	(4,214)	166
Other, net	(120)	81
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(13,241)</b>	<b>1,646</b>
<b>Total Increase / (Decrease)</b>	<b>(13,165)</b>	<b>2,038</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 21,857</b>	<b>\$ 23,895</b>



## Operations Division – Ground Transportation

### FY 2020 Progress Report

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

#### **Progress:**

- Implemented Transportation Network Company (TNC) “Pin Match” operations, customizing the customer experience by allowing a more efficient first-in, first-out loading operation at the transportation islands.
- Expanded “Re-Match” and “Pre-Match” operations for Uber and Lyft, reducing deadhead trips and increasing mode efficiency.
- Implemented the first step in a Virtual Hold Lot experience for Airport Taxis by enabling drive-thru “check-in” in to the Taxi Hold Lot.
- Progressed on Landside Operations initiatives and specific actions as directed by the Authority Board Ground Transportation Adhoc Committee.
- Progressed on Taxi Operating Strategy Transition to an open system to allow all Metropolitan Transit System (MTS) taxis to pick up at the airport.
- Progressed on implementation of Old Town Transit Connector Service to provide direct connect from the transit center to airport terminals – expected service to begin in Fiscal Year 2021.

#### **Strategic Goal:**

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

#### **Strategic Initiative:**

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

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

#### **Progress:**

- Relocated the TNC and Cell Phone Lot to accommodate construction of the Airport Support Facilities Building.
- Relocated airport tenant employees to the new north side employee lot to accommodate the construction of the Airport Support Facilities Building.
- Planned for move of Employee and Customer shuttles to new location to accommodate the construction of the Airport Support Facilities Building.
- Provided input to Planning T1RP group to facilitate completion of ADP EIR.

#### **Strategic Goal:**

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

#### **Strategic Initiative:**

- 1B. Advance the ADP

## Operations Division – Ground Transportation

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

### **Progress:**

- Expanded use of Docusign online permitting to Taxi Mode.
- Procured Kronos timekeeping software for ATO unit to enhance compliance, reduce administrative processing time, and increase engagement with ATO team.
- Implemented staffing study recommendations to increase engagement and effectiveness of ATO team.
- Created ATO Scheduling committee to identify optimized scheduling options to reduce overtime, maximize ATO effectiveness and engagement, and enhance customer service.
- Promoted 2 new ATO Supervisors and identified ATO Acting Leads to broaden leadership scope, increase ATO accountability, enhance employee development opportunities, balance administrative and operational duties, and enhance customer service.
- Ordered 30 new Electric Vehicle (EV) vehicles to replace fossil-fuel burning vehicles and make progress toward California Air Resources Board (CARB) directives.
- Implemented online training for ATO existing staff and new hires to streamline training process and ensure consistency of operations.
- Implemented Taxi Hold Lot safety improvements to reduce the risks of accidents.
- Created ATO Daily Report to disseminate operational events to various Authority stakeholders.
- Implemented new contract management process for managing parking, shuttles, and rental car bus operations contracts.
- Managed parking systems to allow the roll out of parking reservations and new parking services.

### **Strategic Goal:**

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

### **Strategic Initiative:**

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

## Operations Division – Ground Transportation

### FY 2021 – FY 2022 Goals

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

**Strategic Goal:**

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

**Strategic Initiative:**

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

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

**Strategic Goal:**

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

**Strategic Initiative:**

- 1B. Advance the ADP

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

**Strategic Goal:**

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

**Strategic Initiative:**

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

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# Revenue Management & Innovation Division





## Revenue Management & Innovation Division

### Overview

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

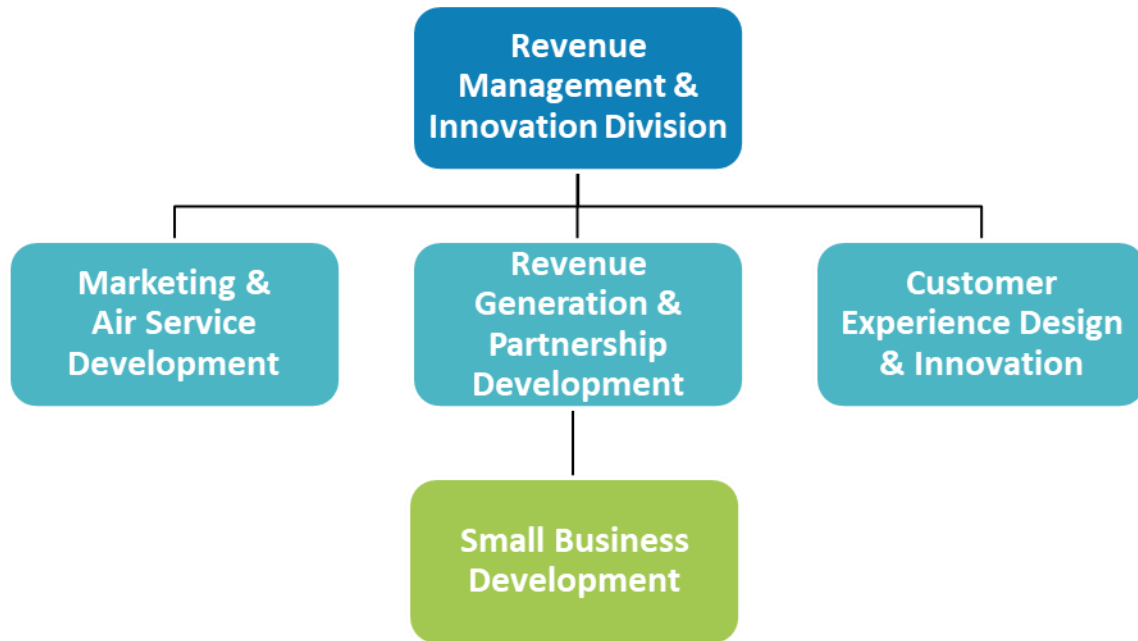
The **Customer Experience Design & Innovation** department identifies and maps interactions a customer has with the Airport in order to identify opportunities to enhance or deliver new products and services that support a positive, meaningful experience across those interactions. The department is responsible for a variety of related activities, including analyzing data for competitive insights; creating and maintaining the customer journey map and customer personas; offering a robust Airport Arts Program that engages travelers in innovative, memorable and considerate experiences; and managing the Innovation Lab where innovators and airport executives work together to create and test new ideas to drive airport innovation and improve the passenger experience. By incorporating feedback and insight across the Airport system, the department focuses on creating experiences that exceed customers' expectations and drive incremental revenue growth.

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

The **Revenue Generation & Partnership Development** department oversees non-airline revenue generation contracts and programs. The department negotiates and manages the business relationships and associated contract execution for concessions, passenger services, and other lessees at the airport. This includes ensuring contractual and operational lease compliance, maximizing revenue opportunities, and ensuring management oversight of tenant activities. In addition, the department is responsible for the assessment, development, and implementation of new business opportunities and programs for the Authority. The department also leads **Small Business Development (SBD)** by encouraging the use of local, small, historically underutilized, disabled veteran, emerging disadvantaged business enterprises, and airport concession disadvantaged business enterprises. All of the department's efforts are designed to drive incremental revenue growth, reduce costs, and enhance the overall passenger experience.

## Revenue Management & Innovation Division

### FY 2021 – FY 2022 Organizational Structure



### Division Personnel Summary

	FY 2019 Budget	FY 2020 Budget	FY 2021 Budget Transfers	FY2021 Budget New/ (Eliminated)	FY 2021 Budget	FY2022 Budget New/ (Eliminated)	FY 2022 Conceptual Budget
<b>Revenue Management &amp; Innovation Division</b>							
Customer Experience Design & Innovation <sup>1</sup>	7	12	1	-	13	-	13
Marketing & Air Service Development <sup>2</sup>	16	13	(2)	-	11	-	11
Revenue Generation & Partnership Development <sup>3</sup>	13	13	2	-	15	-	15
Small Business Development <sup>4</sup>	4	4	(1)	-	3	-	3
<b>Total Authorized Funded Positions</b>	<b>40</b>	<b>42</b>	<b>-</b>	<b>-</b>	<b>42</b>	<b>-</b>	<b>42</b>

<sup>1</sup> 1 position transferred from Marketing & Air Service Development

<sup>2</sup> 1 position transferred to Customer Experience Design & Innovation, 1 position transferred to Revenue Generation & Partnership Development

<sup>3</sup> 1 position transferred from Small Business Development, 1 position transferred from Marketing & Air Service Development

<sup>4</sup> 1 position transferred to Revenue Generation & Business Development

## Revenue Management & Innovation Division

### FY 2021 Budget – FY 2022 Expense Conceptual Budget Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 3,400	\$ 4,086	\$ 3,675	\$ (411)	-10.1%	\$ 4,209	\$ 534	14.5%
Overtime	1	-	-	-	0.0%	-	-	0.0%
Benefits	1,716	1,883	1,861	(22)	-1.2%	2,056	195	10.5%
Subtotal	5,117	5,969	5,535	(434)	-7.3%	6,265	730	13.2%
Less: Capitalized Labor Recharge	(2)	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>5,115</b>	<b>5,969</b>	<b>5,535</b>	<b>(434)</b>	<b>-7.3%</b>	<b>6,265</b>	<b>730</b>	<b>13.2%</b>
Contractual Services	3,416	3,795	2,102	(1,693)	-44.6%	2,798	696	33.1%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	10,191	10,177	10,177	-	0.0%	10,177	-	0.0%
Utilities	2	-	-	-	0.0%	-	-	0.0%
Maintenance	24	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	38	21	43	22	104.8%	48	5	11.6%
Operating Supplies	21	8	9	1	10.6%	9	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	130	137	59	(78)	-56.8%	59	-	0.0%
Business Development	1,542	2,055	407	(1,649)	-80.2%	560	153	37.5%
Equipment Rentals and Repairs	32	121	38	(83)	-68.5%	38	-	0.0%
Tenant Improvements	55	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>15,451</b>	<b>16,315</b>	<b>12,835</b>	<b>(3,479)</b>	<b>-21.3%</b>	<b>13,689</b>	<b>854</b>	<b>6.7%</b>
<b>Total Operating Expenses</b>	<b>20,567</b>	<b>22,284</b>	<b>18,371</b>	<b>(3,913)</b>	<b>-17.6%</b>	<b>19,954</b>	<b>1,583</b>	<b>8.6%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>20,567</b>	<b>22,284</b>	<b>18,371</b>	<b>(3,913)</b>	<b>-17.6%</b>	<b>19,954</b>	<b>1,583</b>	<b>8.6%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 20,567</b>	<b>\$ 22,284</b>	<b>\$ 18,371</b>	<b>\$ (3,913)</b>	<b>-17.6%</b>	<b>\$ 19,954</b>	<b>\$ 1,583</b>	<b>8.6%</b>



## Revenue Management & Innovation Division

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 22,284</b>	<b>\$ 18,371</b>
<b>Personnel Costs</b>		
Salary adjustments	(411)	534
Burden (benefits & employer taxes) for current staff	(22)	195
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>(434)</b>	<b>730</b>
<b>Non-Personnel Costs</b>		
Marketing consultants, advertising, and promotional activities	(939)	10
CDP marketing fund	(558)	105
Air service development advertising and consultants	(525)	65
Bradford Logistics	(391)	437
Art performances, conservation, installation, and handling	(210)	50
Training & business development travel	(193)	4
CDP ventilation cleaning	(170)	100
Customer experience design consultant	(150)	-
Innovation lab operations	(113)	1
Property management software	(100)	-
Parking consultant	(90)	60
Other, net	(40)	21
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(3,479)</b>	<b>854</b>
<b>Total Increase / (Decrease)</b>	<b>(3,913)</b>	<b>1,583</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 18,371</b>	<b>\$ 19,954</b>

## Revenue Management & Innovation Division

### FY 2021 Expense Budget by Department

(in thousands)

Departments	FY 2021 Budget
Revenue Generation & Business Development	\$ 13,844
Marketing & Air Service Development	2,412
Customer Experience Design & Innovation	1,771
Small Business Development	343
<b>Total <sup>1</sup></b>	<b>\$ 18,371</b>

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

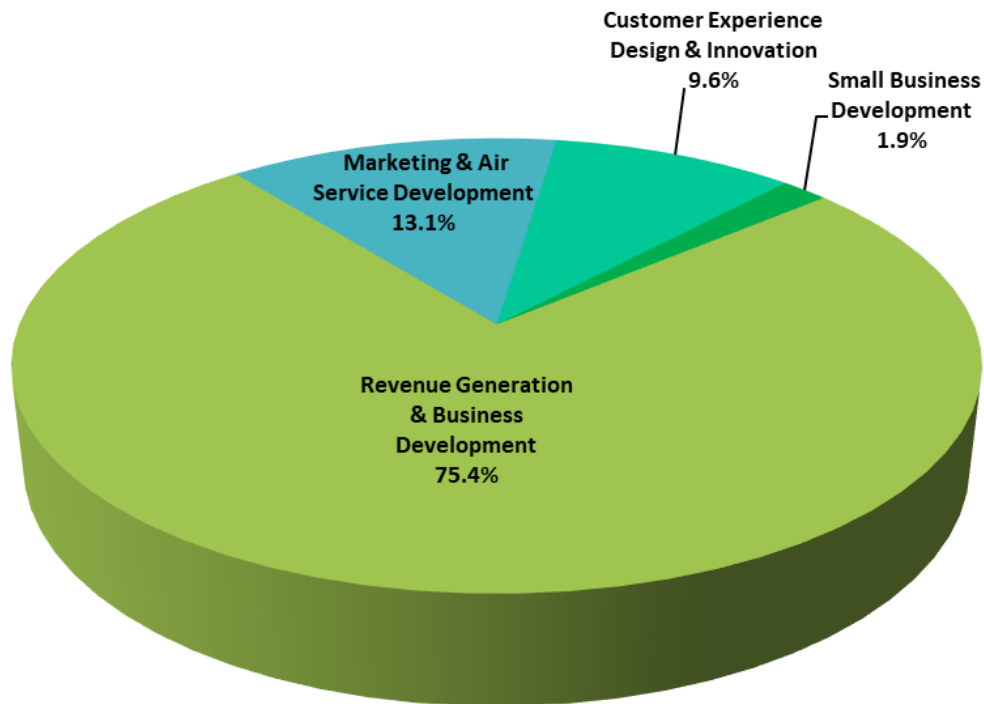


Figure 36 – FY 2021 Expense Budget by Department

## Revenue Management & Innovation Division

### FY 2022 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2022 Conceptual Budget
Revenue Generation & Business Development	\$ 14,955
Marketing & Air Service Development	2,547
Customer Experience Design & Innovation	1,970
Small Business Development	482
<b>Total <sup>1</sup></b>	<b>\$ 19,954</b>

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

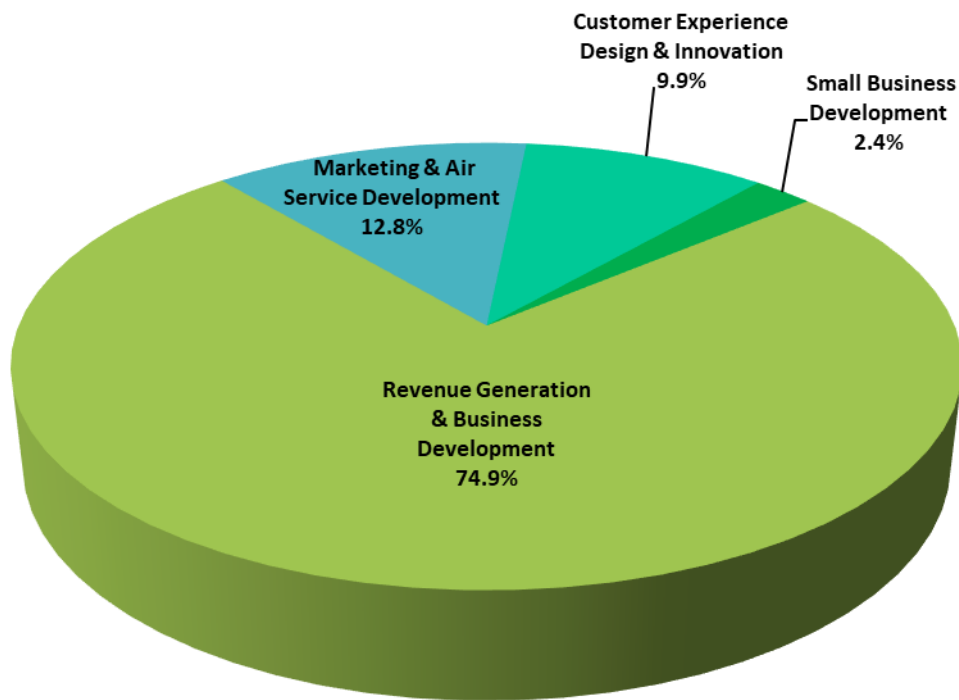


Figure 37 – FY 2022 Expense Conceptual Budget by Department

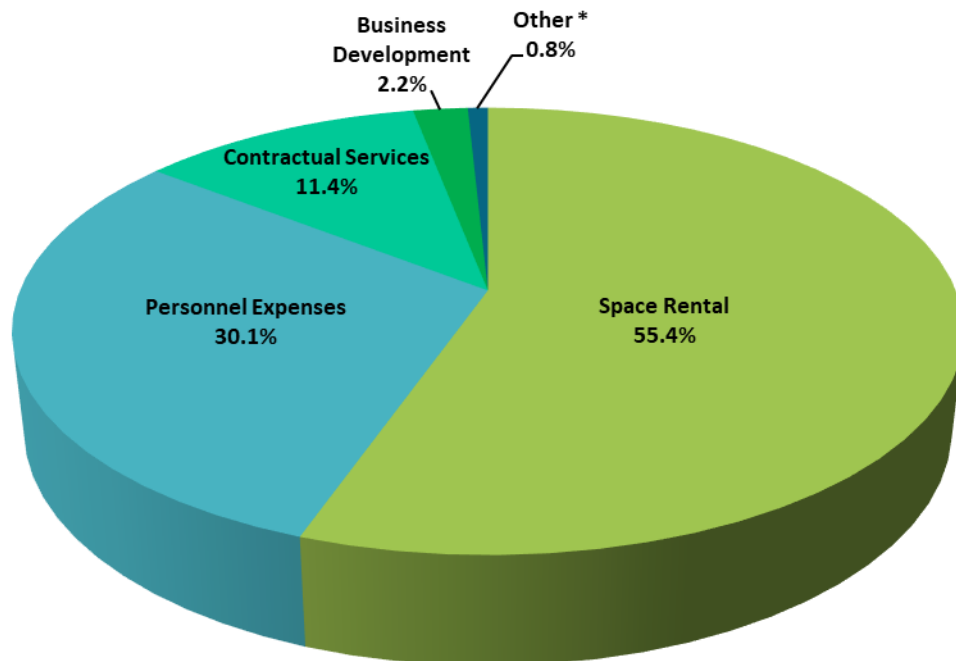
## Revenue Management & Innovation Division

### FY 2021 Expense Budget by Category

(in thousands)

Category	FY 2021 Budget
Space Rental	\$ 10,177
Personnel Expenses	5,535
Contractual Services	2,102
Business Development	407
Other *	149
<b>Total <sup>1</sup></b>	<b>\$ 18,371</b>

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



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

Figure 38 – FY 2021 Expense Budget by Category

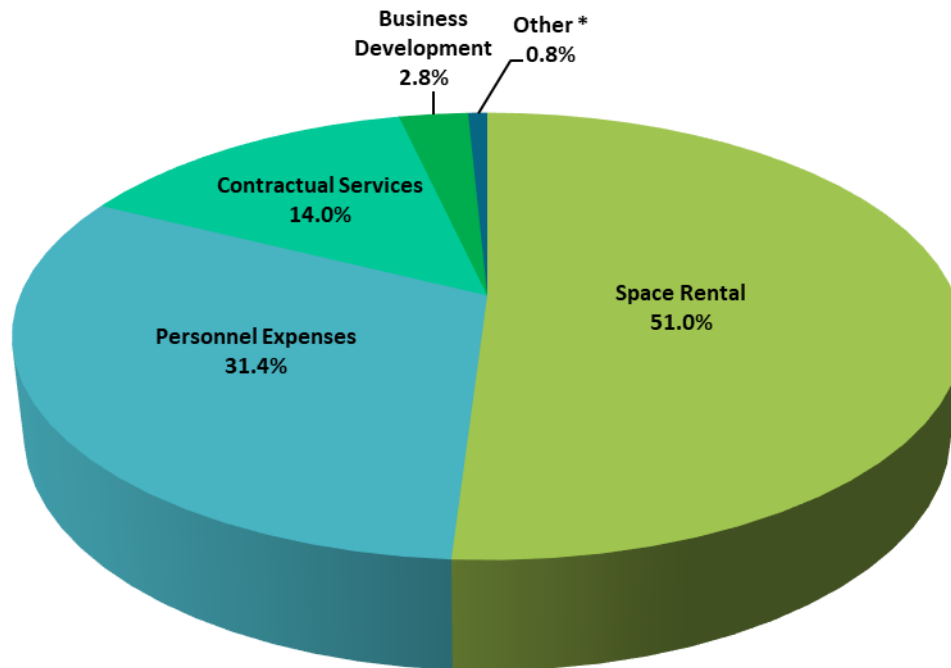
## Revenue Management & Innovation Division

### FY 2022 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2022 Conceptual Budget
Space Rental	\$ 10,177
Personnel Expenses	6,265
Contractual Services	2,798
Business Development	560
Other *	154
<b>Total <sup>1</sup></b>	<b>\$ 19,954</b>

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

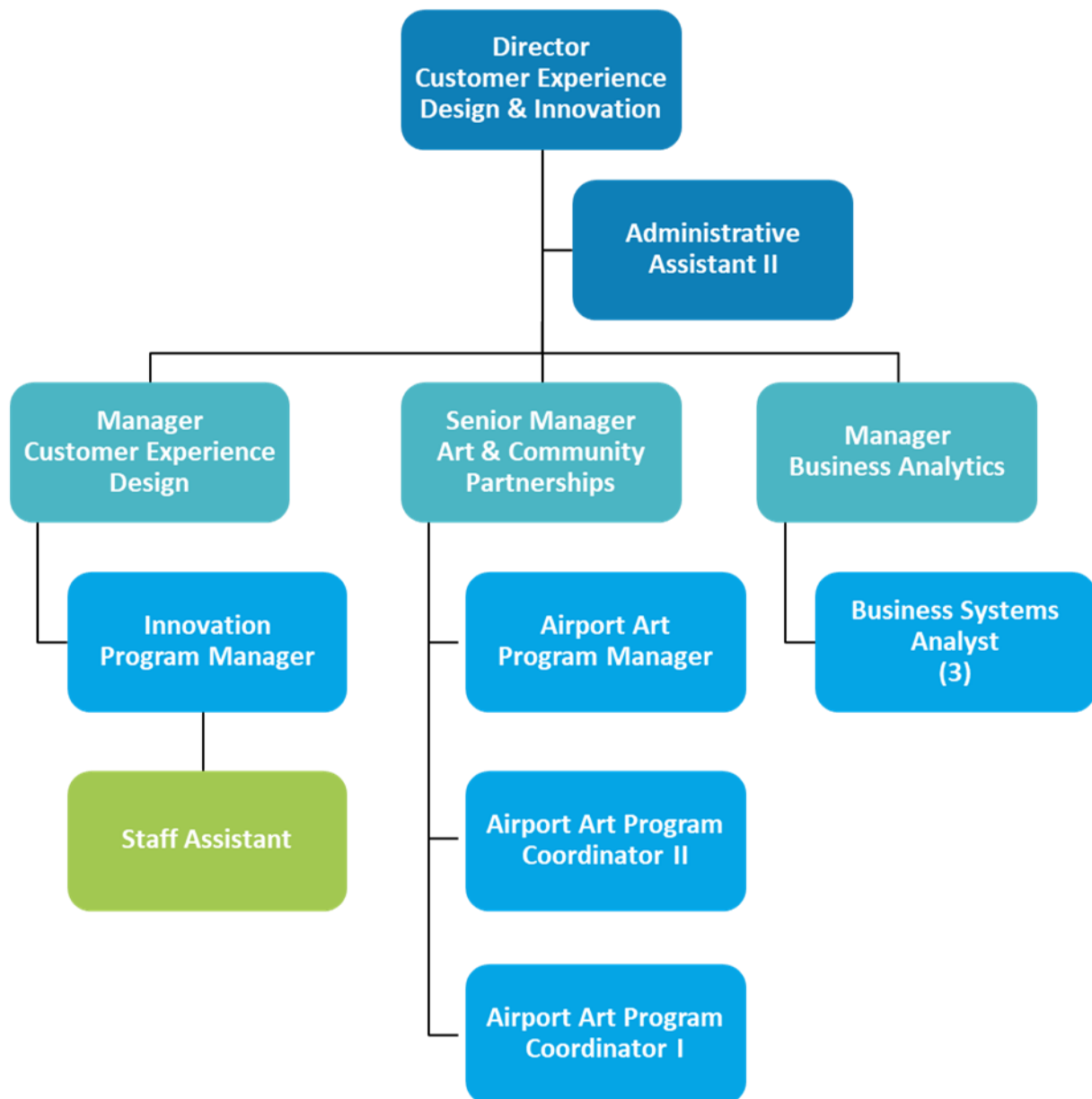


\*Other includes operating equipment & systems, operating supplies, equipment rentals & repairs, employee development, etc.

**Figure 39 – FY 2022 Expense Conceptual Budget by Category**

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

### FY 2021 – FY 2022 Organizational Structure



*No personnel changes in FY 2022.*

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

### FY 2021 Budget – FY 2022 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 709	\$ 1,066	\$ 1,059	\$ (6)	-0.6%	\$ 1,158	\$ 98	9.3%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	406	522	562	39	7.5%	604	43	7.6%
Subtotal	1,115	1,588	1,621	33	2.1%	1,762	141	8.7%
Less: Capitalized Labor Recharge	2	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,117</b>	<b>1,588</b>	<b>1,621</b>	<b>33</b>	<b>2.1%</b>	<b>1,762</b>	<b>141</b>	<b>8.7%</b>
Contractual Services	225	531	59	(473)	-88.9%	110	51	87.1%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	1	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	23	20	43	23	115.0%	48	5	11.6%
Operating Supplies	3	-	2	2	0.0%	2	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	22	8	18	10	116.3%	18	-	0.0%
Business Development	9	34	27	(7)	-21.2%	28	1	4.6%
Equipment Rentals and Repairs	3	-	2	2	0.0%	2	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>286</b>	<b>594</b>	<b>150</b>	<b>(444)</b>	<b>-74.7%</b>	<b>208</b>	<b>57</b>	<b>38.2%</b>
<b>Total Operating Expenses</b>	<b>1,403</b>	<b>2,182</b>	<b>1,771</b>	<b>(411)</b>	<b>-18.8%</b>	<b>1,970</b>	<b>198</b>	<b>11.2%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>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>1,403</b>	<b>2,182</b>	<b>1,771</b>	<b>(411)</b>	<b>-18.8%</b>	<b>1,970</b>	<b>198</b>	<b>11.2%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 1,403</b>	<b>\$ 2,182</b>	<b>\$ 1,771</b>	<b>\$ (411)</b>	<b>-18.8%</b>	<b>\$ 1,970</b>	<b>\$ 198</b>	<b>11.2%</b>

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

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 2,182</b>	<b>\$ 1,771</b>
<b>Personnel Costs</b>		
Salary adjustments *	(6)	98
Burden (benefits & employer taxes) for current staff	39	43
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>33</b>	<b>141</b>
<b>Non-Personnel Costs</b>		
Art performances, conservation, installation, and handling	(210)	50
Customer experience design consultant	(150)	-
Innovation lab operations	(113)	1
Other, net	29	6
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(444)</b>	<b>57</b>
<b>Total Increase / (Decrease)</b>	<b>(411)</b>	<b>198</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 1,771</b>	<b>\$ 1,970</b>

\* 1 position transferred from Marketing & Air Service Development



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

## FY 2020 Progress Report

1. Customer Experience and Innovation: Create and begin to implement the customer experience design, including journey mapping, customer personas and brand promise. This customer experience design will influence the future focus of the Airport Innovation Lab to engage 3<sup>rd</sup> Horizon concepts.

**Progress:** The Customer Experience design work has begun, and staff have created the initial customer personas. In addition, staff are now focused on creating the remaining deliverables, and hope to have that work completed by August of 2020.

**Strategic Goal:**

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

**Strategic Initiative:**

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

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

**Progress:** The initial data analytics dashboard was launched, and the data analytics team is now working with a variety of stakeholders to develop additional views of Authority data, and to create insights into that data to help drive business decisions.

**Strategic Goal:**

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

**Strategic Initiative:**

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

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

**Progress:** The Arts Program staff have begun execution of the Arts Master Plan recommendations, and have released the ADP Lead Artist opportunity.

**Strategic Goal:**

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

**Strategic Initiative:**

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

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

### FY 2021 – FY 2022 Goals

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

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

- Transform the Customer Experience

#### **Strategic Initiative:**

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

2. Data Analytics/BI: refine the customer-centric Business Intelligence & Analytics Program that enables data driven, customer experience-centric decision-making capabilities. Work with business units to identify data quality issues and liaise with stakeholders, subject matter experts and information technology group in finding robust and scalable data driven solutions.

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

- Optimize Ongoing Business

#### **Strategic Initiative:**

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

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

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

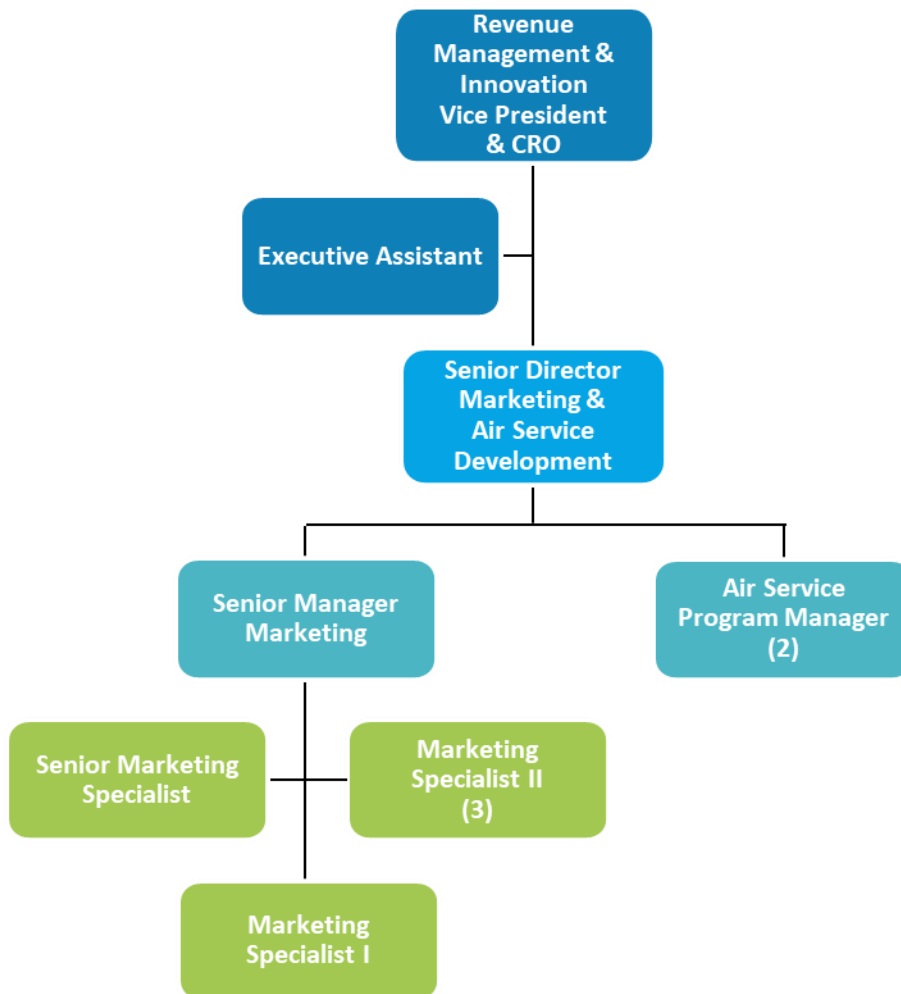
- Transform the Customer Experience

#### **Strategic Initiative:**

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

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

### FY 2021 – FY 2022 Organizational Structure



*No personnel changes in FY 2022.*

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

### FY 2021 Budget – FY 2022 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 1,243	\$ 1,299	\$ 1,196	\$ (104)	-8.0%	\$ 1,235	\$ 39	3.3%
Overtime	1	-	-	-	0.0%	-	-	0.0%
Benefits	663	601	575	(26)	-4.3%	573	(3)	-0.4%
Subtotal	1,907	1,901	1,771	(130)	-6.8%	1,808	37	2.1%
Less: Capitalized Labor Recharge	(2)	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,906</b>	<b>1,901</b>	<b>1,771</b>	<b>(130)</b>	<b>-6.8%</b>	<b>1,808</b>	<b>37</b>	<b>2.1%</b>
Contractual Services	898	850	340	(510)	-60.0%	385	45	13.2%
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	10	-	-	-	0.0%	-	-	0.0%
Operating Supplies	9	7	3	(4)	-52.2%	3	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	59	114	21	(93)	-81.6%	21	-	0.0%
Business Development	1,488	1,970	269	(1,700)	-86.3%	323	54	20.1%
Equipment Rentals and Repairs	15	-	7	7	0.0%	7	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>2,479</b>	<b>2,941</b>	<b>641</b>	<b>(2,300)</b>	<b>-78.2%</b>	<b>740</b>	<b>99</b>	<b>15.5%</b>
<b>Total Operating Expenses</b>	<b>4,384</b>	<b>4,842</b>	<b>2,412</b>	<b>(2,430)</b>	<b>-50.2%</b>	<b>2,547</b>	<b>136</b>	<b>5.6%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>4,384</b>	<b>4,842</b>	<b>2,412</b>	<b>(2,430)</b>	<b>-50.2%</b>	<b>2,547</b>	<b>136</b>	<b>5.6%</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>\$ 4,384</b>	<b>\$ 4,842</b>	<b>\$ 2,412</b>	<b>\$ (2,430)</b>	<b>-50.2%</b>	<b>\$ 2,547</b>	<b>\$ 136</b>	<b>5.6%</b>

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

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 4,842</b>	<b>\$ 2,412</b>
<b>Personnel Costs</b>		
Salary adjustments *	(104)	39
Burden (benefits & employer taxes) for current staff	(26)	(3)
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>(130)</b>	<b>37</b>
<b>Non-Personnel Costs</b>		
Marketing consultants, advertising, and promotional activities	(939)	10
CDP marketing fund	(618)	15
Air service development advertising and consultants	(525)	65
Training & business development travel	(193)	4
Other, net	(25)	5
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(2,300)</b>	<b>99</b>
<b>Total Increase / (Decrease)</b>	<b>(2,430)</b>	<b>136</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 2,412</b>	<b>\$ 2,547</b>

\* 1 position transferred to Revenue Generation & Partnership Development and 1 position transferred to Customer Experience Design & Innovation

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

### FY 2020 Progress Report

1. Secure Air Service to a Latin American hub and begin relationship building with carriers capable of providing service to a second Asia hub.

**Progress:** Service to Latin America has been stymied by the Boeing Max grounding. Meetings on access to a second Asian hub have been secured.

**Strategic Goal:**

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

**Strategic Initiative:**

- 1A. Attract domestic and international airlines and passengers

2. Develop a Brand Promise campaign that promotes cultural implementation of the pledge expectations.

**Progress:** Outreach was conducted on brand campaign and a draft toolkit has been presented, however the campaign is not final and still in development process.

**Strategic Goal:**

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

**Strategic Initiative:**

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

3. Complete a Departmental Strategic Plan that aligns the work of air service and marketing group.

**Progress:** The strategic plan remains in development process.

**Strategic Goal:**

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

**Strategic Initiative:**

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

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

### FY 2021 – FY 2022 Goals

1. Retain air service to London, Frankfurt, and Tokyo.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 1A. Attract domestic and international airlines and passengers

2. Develop a 3-year strategic marketing communications plan with the new brand toolkit in advance of full recovery.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 1A. Attract domestic and international airlines and passengers

3. Launch a new San.org website.

**Strategic Plan Focus Area:**

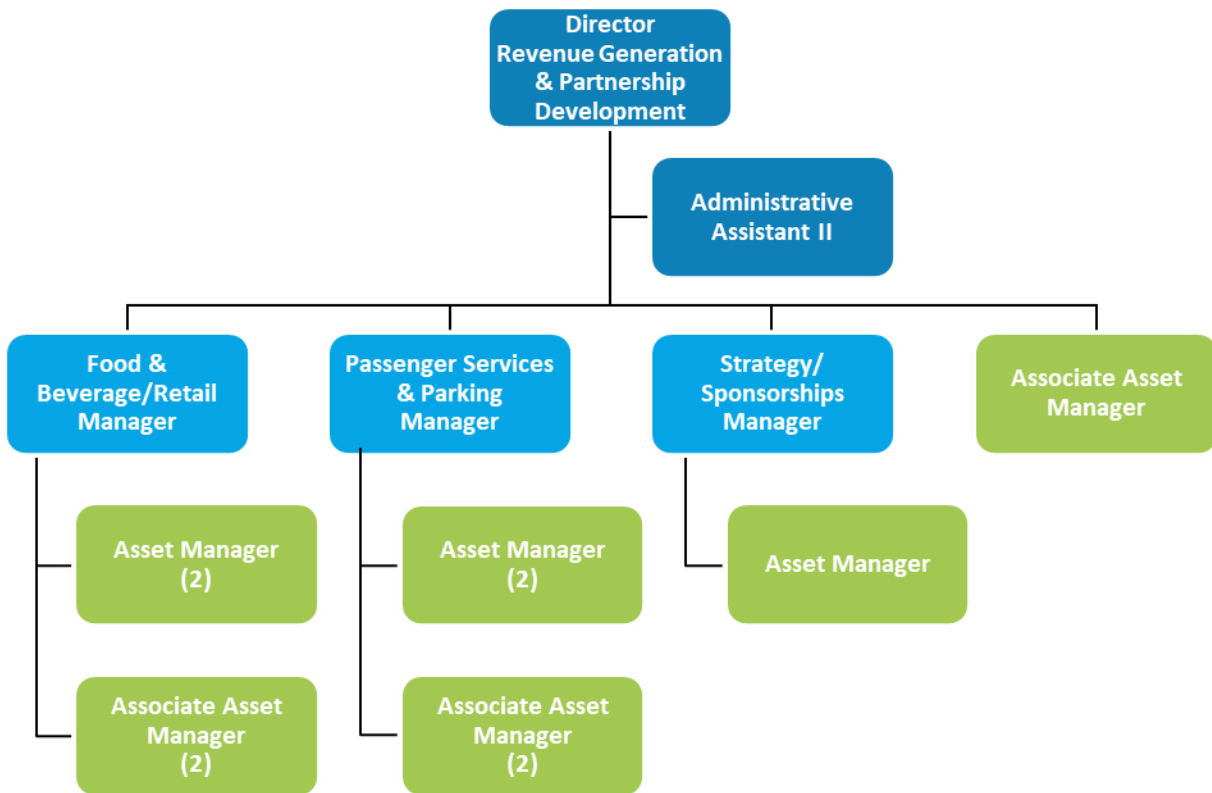
- Transform the Customer Experience

**Strategic Initiative:**

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

## Revenue Management & Innovation Division – Revenue Generation & Partnership Development

### FY 2021 – FY 2022 Organizational Structure



*No personnel changes in FY 2022.*



## Revenue Management & Innovation Division – Revenue Generation & Partnership Development

### FY 2021 Budget – FY 2022 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 1,121	\$ 1,372	\$ 1,256	\$ (116)	-8.4%	\$ 1,559	\$ 303	24.1%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	523	627	651	24	3.9%	765	114	17.5%
Subtotal	1,644	1,999	1,907	(92)	-4.6%	2,324	417	21.9%
Less: Capitalized Labor Recharge	(2)	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,642</b>	<b>1,999</b>	<b>1,907</b>	<b>(92)</b>	<b>-4.6%</b>	<b>2,324</b>	<b>417</b>	<b>21.9%</b>
Contractual Services	2,278	2,344	1,671	(673)	-28.7%	2,268	597	35.7%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	10,191	10,177	10,177	-	0.0%	10,177	-	0.0%
Utilities	2	-	-	-	0.0%	-	-	0.0%
Maintenance	24	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	5	1	-	(1)	-100.0%	-	-	0.0%
Operating Supplies	8	1	3	1	112.0%	3	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	26	5	17	12	228.3%	17	-	0.0%
Business Development	11	14	65	51	366.9%	162	97	148.4%
Equipment Rentals and Repairs	2	105	5	(100)	-95.2%	5	-	0.0%
Tenant Improvements	55	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>12,601</b>	<b>12,647</b>	<b>11,937</b>	<b>(710)</b>	<b>-5.6%</b>	<b>12,631</b>	<b>694</b>	<b>5.8%</b>
<b>Total Operating Expenses</b>	<b>14,244</b>	<b>14,645</b>	<b>13,844</b>	<b>(801)</b>	<b>-5.5%</b>	<b>14,955</b>	<b>1,111</b>	<b>8.0%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>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>14,244</b>	<b>14,645</b>	<b>13,844</b>	<b>(801)</b>	<b>-5.5%</b>	<b>14,955</b>	<b>1,111</b>	<b>8.0%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 14,244</b>	<b>\$ 14,645</b>	<b>\$ 13,844</b>	<b>\$ (801)</b>	<b>-5.5%</b>	<b>\$ 14,955</b>	<b>\$ 1,111</b>	<b>8.0%</b>

## Revenue Management & Innovation Division – Revenue Generation & Partnership Development

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 14,645</b>	<b>\$ 13,844</b>
<b>Personnel Costs</b>		
Salary adjustments *	(116)	303
Burden (benefits & employer taxes) for current staff	24	114
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>(92)</b>	<b>417</b>
<b>Non-Personnel Costs</b>		
Bradford Logistics	(391)	437
CDP ventilation cleaning	(170)	100
Property management software	(100)	-
Parking consultant	(90)	60
CDP marketing fund	60	90
Other, net	(18)	7
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(710)</b>	<b>694</b>
<b>Total Increase / (Decrease)</b>	<b>(801)</b>	<b>1,111</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 13,844</b>	<b>\$ 14,955</b>

\* 1 position transferred from Marketing & Air Service Development and 1 position transferred from Small Business Development

## Revenue Management & Innovation Division – Revenue Generation & Partnership Development

### FY 2020 Progress Report

1. Optimize revenue through identifying new business opportunities such as business model for digital antenna system (DAS) and sponsorship opportunity.

**Progress:** Research was conducted with communications companies on various business models for carriers as well as addressing future technical needs. An internal multi-departmental team consisting of RevGen, CX, Operations and ADC was working together to determine the specifications needed for 5G capability. Due to COVID-19 the consulting resource budget and resources to complete the specifications has been eliminated and will be revisited in future budgets.

**Strategic Goal:**

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

**Strategic Initiative:**

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

2. Determine optimal food, beverage and retail concession development and management model for future terminal improvements.

**Progress:** Due to the impact of COVID-19 and under direction of the ELT, the solicitations for the various concession development and management model for future terminal improvements, has been delayed slightly. Evaluation of models will determine the selection of which management model will be utilized for concession development and management.

**Strategic Goal:**

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

**Strategic Initiative:**

- 1B. Advance the ADP

3. Optimize revenue generation efforts by transferring non-revenue generation/duplicative functions to appropriate divisions in Airport Authority.

**Progress:** Revenue Generation department is in process of developing a checklist/template for one of these functions to present to the Executive Leadership Team prior to transferring of function.

**Strategic Goal:**

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

**Strategic Initiative:**

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

## Revenue Management & Innovation Division – Revenue Generation & Partnership Development

### FY 2021 – FY 2022 Goals

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

**Strategic Plan Focus Area:**

- Advance the ADP

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

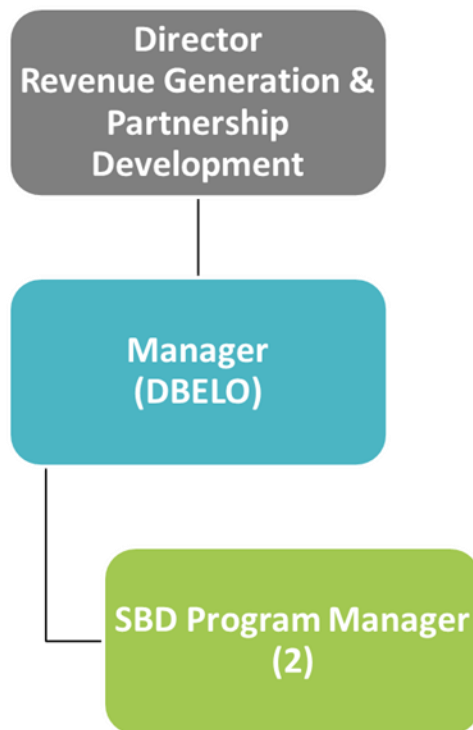
- Optimize Ongoing Business

**Strategic Initiative:**

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

## Revenue Management & Innovation Division – Small Business Development

### FY 2021 – FY 2022 Organizational Structure



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

*No personnel changes in FY 2022.*

## Revenue Management & Innovation Division – Small Business Development

### FY 2021 Budget – FY 2022 Conceptual Budget Expense Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 Budget vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
<b>Operating Expenses</b>								
Salaries & Wages	\$ 327	\$ 349	\$ 163	\$ (186)	-53.2%	\$ 258	\$ 94	57.8%
Overtime	-	-	-	-	0.0%	-	-	0.0%
Benefits	124	133	73	(60)	-44.9%	114	41	56.4%
Subtotal	451	482	236	(245)	-50.9%	372	136	57.4%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>451</b>	<b>482</b>	<b>236</b>	<b>(245)</b>	<b>-50.9%</b>	<b>372</b>	<b>136</b>	<b>57.4%</b>
Contractual Services	15	70	33	(38)	-53.6%	35	3	7.7%
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	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	1	-	1	1	0.0%	1	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	22	10	4	(6)	-59.7%	4	-	0.0%
Business Development	35	37	45	8	21.1%	46	-	0.0%
Equipment Rentals and Repairs	13	16	24	8	51.2%	24	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>85</b>	<b>133</b>	<b>107</b>	<b>(26)</b>	<b>-19.7%</b>	<b>110</b>	<b>3</b>	<b>2.8%</b>
<b>Total Operating Expenses</b>	<b>536</b>	<b>614</b>	<b>343</b>	<b>(271)</b>	<b>-44.2%</b>	<b>482</b>	<b>139</b>	<b>40.4%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>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>536</b>	<b>614</b>	<b>343</b>	<b>(271)</b>	<b>-44.2%</b>	<b>482</b>	<b>139</b>	<b>40.4%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 536</b>	<b>\$ 614</b>	<b>\$ 343</b>	<b>\$ (271)</b>	<b>-44.2%</b>	<b>\$ 482</b>	<b>\$ 139</b>	<b>40.4%</b>

## Revenue Management & Innovation Division – Small Business Development

### Major Drivers of FY 2021 Budget & FY 2022 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY21 vs FY20	Inc/(Dec) FY22 Conceptual vs FY21
<b>FY 2020 Budget / FY 2021 Budget</b>	<b>\$ 614</b>	<b>\$ 343</b>
<b>Personnel Costs</b>		
Salary adjustments *	(186)	94
Burden (benefits & employer taxes) for current staff	(60)	41
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>(245)</b>	<b>136</b>
<b>Non-Personnel Costs</b>		
ACDBE/DBE consultant	(38)	3
Other, net	11	0
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(26)</b>	<b>3</b>
<b>Total Increase / (Decrease)</b>	<b>(271)</b>	<b>139</b>
<b>FY 2021 Budget / FY 2022 Conceptual Budget</b>	<b>\$ 343</b>	<b>\$ 482</b>

\* 1 position transferred to Revenue Generation & Partnership Development

# Revenue Management & Innovation Division – Small Business Development

## FY 2020 Progress Report

1. Work with the ASF contractors, ADP contractors, and other major projects to facilitate their Small Business goals.

**Progress:** SBD and the ASF prime has been collaborating with small businesses to identify opportunities for improvement. SBD has been working with ASF contractors continuously during the construction period to identify subcontracting opportunities. Currently, the Small Business goals for ASF are on track and are being met. The ASF prime, Sundt Construction has a small business commitment of 35%, \$50 million has been committed to subcontractors and the small business attainment to date is \$36 million (24% small business attainment). Due to the COVID19 some SBD workshops for the calendar year 2020 have been cancelled. However, SBD will continue to focus on assisting future potential ADP contractors.

**Strategic Goal:**

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

**Strategic Initiative:**

- 1B. Advance the ADP

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

**Progress:** SBD continues to support external stakeholders and has hosted several events and educational workshops. On October 16, 2019, the department hosted Meet the Primes and had a successful turnout of 455 attendees. Meet the Primes provided a platform for businesses to network with Authority staff, prime contractors/concessionaires, other public agencies and business support services and learn about upcoming contract opportunities.

The Joint Venture Concessionaires and ACDBEs Lunch and Learn was hosted on October 17, 2019 with 36 attendees which included a panel of some current prime and ACDBE concessionaires to share their experiences with new interested ACDBE firms on how to be a successful concessionaire.

The Veteran Appreciation Luncheon was hosted on November 21, 2019 where 84 veteran businesses attended the event to network and also learn from a diverse panel of primes, public agencies and veteran businesses on how to be a successful veteran business and about veteran opportunities and programs.

At the October 3, 2019 Board Meeting, SBD received approval from the Board to amend Policy 5.12 to clarify the following: 1) the award of preference points for qualification based criteria shall be applied to determine which proposers shall be interviewed for final consideration and shall be applied to determine the recommended final contract award; 2) the definition of Veteran Owned Small Business shall include Service Disabled Veteran Owned Small Businesses. The amended Policy 5.12 provides more opportunities for small, local and veteran businesses and simplifies procurement calculations. SBD has educated the community and region on the new Local Business Enterprise (LBE) certification through public outreach, marketing, and presentations. The LBE certification allows qualified businesses to receive local preference.



## Revenue Management & Innovation Division – Small Business Development

SBD educated contractors who participated in Turner School of Construction Management in Fall 2020 on how to do business with the Authority, the Bonding and Contract Financing Assistance Program and about vital certifications that businesses may obtain in order for them to have a competitive edge.

SBD hosted monthly workshops to which included topics such as OSHA 30-Hours, DBE and ACDBE Certifications, Prevailing Wages, and Cal/OSHA Injury and Illness Prevention.

### **Strategic Goal:**

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

### **Strategic Initiative:**

- 4F. Train and develop business driven, agile and collaborative capabilities
3. Improve the collaboration between SBD and our internal stakeholders by providing training on departmental procedures and services that SBD can provide.

**Progress:** SBD has educated the Revenue Management and Innovation division on the department's programs and services. Due to the department having being short staffed, SBD plans on focusing on further education and training to other internal stakeholders in the next Fiscal Year.

### **Strategic Goal:**

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

### **Strategic Initiative:**

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

## Revenue Management & Innovation Division – Small Business Development

### FY 2021 – FY 2022 Goals

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

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

- Optimize Ongoing Business

#### **Strategic Initiative:**

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

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

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

- Optimize Ongoing Business

#### **Strategic Initiative:**

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

3. Improve the collaboration between SBD and our internal stakeholders by providing training on departmental procedures and services that SBD can provide.

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

- Optimize Ongoing Business

#### **Strategic Initiative:**

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

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# Debt Service





## Debt Service

### Overview

Capital projects are funded by a combination of sources that include short-term and long-term debt instruments. Debt service amounts appearing in the budget are based on payments of principal, interest, and fees for the revenue bonds and variable debt. Debt service expenses (which also include amortization of bond premiums and cost of issuance fees) are projected at \$118.1M for the FY 2021 Budget and \$127.8M for the FY 2022 Conceptual Budget (see **Debt Service by Source**).

### Allowed Purposes and Types of Debt

The Airport Authority does not have taxing power and therefore issues revenue bonds to finance the construction of airport projects. The bonds are called revenue bonds because their repayment is secured solely by revenues produced by the Airport system. The Airport Authority may also issue special facility obligations to finance capital projects. Such obligations must be secured by a defined revenue stream derived from or relating to discrete facilities.

### Debt Limit Policy

The Airport Authority's policy is to manage its current and future debt service requirements in compliance with all bond covenants, while prudently meeting the Airport Authority's capital needs. The Airport Authority does not have a legal debt limit, but is constrained by its bond indenture requirement for debt service coverage, which requires that net revenues (generally defined as operating revenues less operating expenses) pledged to pay debt service exceed 125% (1.25x) of annual senior lien bond debt service and that subordinate net revenues shall exceed 110% (1.10x) of subordinate lien debt service. This acts as a cap on the annual debt service, not a cap on the amount of outstanding debt, and is a common provision in airport bond resolutions. A debt service coverage table is shown on page 224.

In addition, the Board has adopted a debt policy that calls for minimum debt service coverage of 140% (1.40x) for aggregate debt service coverage (senior and subordinate).

### Outstanding Debt

#### Series 2013 Bonds – Senior Airport Revenue Bonds

On January 30, 2013, the Airport Authority issued \$379.6M in Senior Airport Revenue Bonds. The bond proceeds were used to finance a portion of the construction of the Green Build and certain projects in the CIP. The bonds were issued in the following series and amounts: Series A (non-Alternative Minimum Tax (AMT)) \$107.3M; and Series B (AMT) \$272.3M.

The Series 2013 Bonds were structured as serial and term bonds that bear interest rates ranging from 3.0% to 5.0% maturing in Fiscal Years 2016-2044.

The Series 2013 Bonds are payable solely from and secured by a pledge of "Net Revenues." Net Revenues are generally defined as all revenues and other cash receipts of the Airport Authority's Airport operations less amounts required to pay operations and maintenance expenses of the Airport. Pledged "Net Revenues" do not include cash received from PFCs, CFCs or Federal Grants

#### Series 2010 & 2017, 2019 & 2020 Bonds – Subordinate Airport Revenue Bonds

On October 5, 2010, the Airport Authority issued \$572.6M in Subordinate Airport Revenue Bonds. The bond proceeds were used primarily for construction of The Green Build as well as for projects in the CIP. The bonds

## Debt Service

were issued in the following series and amounts: Series A (non-AMT) \$313.2M; Series B (non-AMT) \$44.1M; and Series C (Build America Bonds) \$215.4M.

On December 11, 2019, most of the 2010 Series C Bonds were refunded with Series A 2019 Bonds. On April 8, 2020, the Authority refunded most of the 2010 Series A and B Bonds with 2020 Series A, B and C Bonds. Both of these refunding's were undertaken to realize financial savings. Only the current portion (July 1, 2020 payment) of 2010 Series A and B remains outstanding as of June 30, 2020.

On July 18, 2017, the Airport Authority issued \$291.2M of Series A and B Subordinate Airport Revenue Bonds (Series 2017 Bonds). The Subordinate Series 2017 Bonds were issued to finance certain capital improvements at SDIA including the Parking Plaza and the FIS facility, fund a portion of the interest accruing on the subordinate Series 2017 Bonds, refund \$32.6M of the Airport Authority's outstanding variable rate debt, fund the subordinate reserve fund and pay the costs of issuance of the subordinate Series 2017 Bonds. The Series 2017 Bonds are structured as serial and term bonds that bear interest at rates ranging from 4.0% to 5.0% and mature in fiscal years 2019 to 2048. The bonds were issued at a premium of \$48.4M, which is being amortized over the life of the bonds. Interest on the senior Series 2017 Bonds is payable semiannually on January 1 and July 1 of each year

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

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

The Series 2010 Bonds, 2017 Bonds, 2019 Bonds and 2020 Bonds are payable solely from and secured by a pledge of "Subordinate Net Revenues." Subordinate Net Revenues are generally defined as all revenues and other cash receipts of the Airport Authority's Airport operations remaining after Senior Lien payments have been deposited by the Trustee in accordance with the Senior Lien Trust Indenture.

### Series 2014 Bonds – Senior Special Facilities Revenue Bonds

On February 19, 2014, the Airport Authority issued \$305.3M in Senior Special Facilities Revenue Bonds. The Bond Proceeds were used to finance the construction of the Rental Car Center (RCC) and certain associated projects in the CIP. The bonds were issued in the following series and amounts: Series A (non-AMT) \$29.4M; and Series B (AMT) \$275.9M.

## Debt Service

The Series 2014 Bonds were structured as serial and term bonds that bear interest rates ranging from 2.5% to 5.6% maturing in Fiscal Years 2020-2045.

The Series 2014 Bonds are payable solely from and secured by a pledge of the “Trust Estate” which includes CFCs and bond funding supplemental consideration, payable by the rental car companies in the event that CFCs are insufficient to meet the Bond funding obligations.

## Debt Rating

The following table outlines the credit ratings for the Airport Authority’s outstanding bond issues.

Rating Agency	Standard & Poor’s	Moody’s	Fitch
Series 2013 (Senior)	A	A1	AA-
Series 2010 (Subordinate)	A-	A2	A+
Series 2014 (Special Facility)	BBB+	A3	N/A

## Variable Rate Debt

The Airport Authority entered into a revolving line of credit, issued by US Bank, on September 5, 2014. The Revolving Credit Agreement was for an initial term of three (3) years and has a total available commitment of \$125.0M. The agreement was extended for an additional three years on June 29, 2017. The Agreement expired on June 29, 2020. Additionally, in April of 2017, the Airport Authority established a Subordinate Drawdown Bond program with Royal Bank of Canada (RBC) Municipal Products of up to \$100.0M. The RBC Drawdown Bond commitment expired on April 10, 2020.

The Airport Authority currently has no outstanding short-term debt.

## Debt Service

### Debt Service Coverage

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

	FY 2019 Actuals	FY 2020 Budget	FY 2021 Budget	FY 2022 Conceptual Budget
Airport Revenues	\$ 306,683	\$ 354,024	\$ 252,553	\$ 322,864
Operations & Maintenance Expenses	(165,926)	(172,535)	(125,130)	(160,571)
<b>Net Revenue available for Senior &amp; Subordinate Lien Debt Service</b>	140,757.54	181,489	127,423	162,293
Senior Bond Debt Service	20,494	26,006	26,000	25,994
PFCs used to pay Debt Service	(9,544)	(11,261)	(11,259)	(11,257)
<b>Senior Bond Debt Service, Net of PFCs</b>	\$ 10,950	\$ 14,746	\$ 14,741	\$ 14,738
<b>Senior Bonds Debt Service Coverage (x)</b>	12.85	12.31	8.64	11.01
<b>Subordinate Net Revenues</b>	\$ 129,808	\$ 197,208	\$ 136,169	\$ 181,042
Subordinate Lien Bond Debt Service	58,499	60,277	64,036	67,422
Variable Rate Debt Service	7,498	1,701	193	505
PFCs used to pay Debt Service	(20,461)	(18,745)	(8,746)	(18,749)
BAB Subsidy	(4,686)	(4,686)	-	-
<b>Subordinate Debt Service, Net of PFCs and BAB Subsidy</b>	\$ 40,849	\$ 38,548	\$ 55,483	\$ 49,179
<b>Subordinate Debt Service Coverage (x)</b>	3.18	5.12	2.45	3.68
Aggregate (Senior and Subordinate Lien) Debt Service	\$ 86,490	\$ 87,985	\$ 90,229	\$ 93,921
PFCs used to pay Debt Service	(30,005)	(30,005)	(20,005)	(30,005)
BAB Subsidy	(4,686)	(4,686)	-	-
CARES Act Grant	-	-	(26,021)	-
<b>Total Debt Service, Net of PFCs and BAB Subsidy</b>	\$ 51,799	\$ 53,293	\$ 44,203	\$ 63,916
<b>Total Debt Service Coverage (x)</b>	2.72	3.41	2.88	2.54
<b>Net Revenue (Including PFC, BAB Subsidy and CARES Act Grant)</b>	\$ 175,449	\$ 216,180	\$ 173,449	\$ 192,299
<b>Revenue Method - Debt Service Coverage on Aggregate Debt</b>	2.03	2.46	1.92	2.05



## Debt Service

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

(in thousands)

	FY 2019 Actuals	FY 2020 Budget	FY 2021 Budget	FY 2022 Conceptual Budget
CFC Collections	\$ 41,919	\$ 29,264	\$ 20,630	\$ 21,043
Transfers from Stabilization Account	-	2,000	8,000	-
Interest Earnings	1,544	1,416	647	1,335
<b>Total Amounts Available</b>	<b>\$ 43,463</b>	<b>\$ 32,681</b>	<b>\$ 29,277</b>	<b>\$ 22,378</b>
Rolling Coverage Fund Balance	6,576	6,576	6,575	6,576
<b>Total Amounts Available, plus Rolling Coverage Fund Balance</b>	<b>\$ 50,039</b>	<b>\$ 39,256</b>	<b>\$ 35,853</b>	<b>\$ 28,954</b>
<b>Aggregate Annual Debt Service</b>	<b>\$ 21,920</b>	<b>\$ 21,919</b>	<b>\$ 21,918</b>	<b>21,921</b>
<b>Coverage excluding Rolling Coverage Fund</b>	<b>1.98</b>	<b>1.49</b>	<b>1.34</b>	<b>1.02</b>
<b>Coverage including Rolling Coverage Fund</b>	<b>2.28</b>	<b>1.79</b>	<b>1.64</b>	<b>1.32</b>

## Debt Service

### Outstanding Debt Service \*

(in thousands)

Aggregate Senior and Subordinate Debt Service								Special Facility Debt
Year Ended July 1	Variable Debt Principal, Interest and Fees	2013 Senior Bonds Principal and Interest	2010 Subordinate Bonds Principal and Interest	2017 Subordinate Bonds Principal and Interest	2019 Subordinate Bonds Principal and Interest	2020 Subordinate Bonds Principal and Interest	Total	2014 CFC Bonds
2020	1,938	26,006	14,616	18,916	13,654	2,786,392	2,861,522	21,919
2021		26,000	-	18,919	25,712	12,054,825	12,125,456	21,918
2022		25,994	-	18,916	26,561	11,364,270	11,435,741	21,921
2023		26,003	-	18,915	27,994	10,638,990	10,711,902	21,917
2024		26,000	-	18,916	27,994	9,877,755	9,950,664	21,919
2025		25,998	-	18,912	26,889	9,072,775	9,144,575	21,920
2026		26,003	-	18,915	26,889	8,509,580	8,581,386	21,919
2027		26,002	-	18,916	26,894	7,918,675	7,990,487	21,919
2028		25,996	-	18,917	26,889	7,298,050	7,369,852	21,920
2029		25,990	-	18,915	26,889	6,646,205	6,717,999	21,920
2030		26,003	-	18,916	26,888	5,961,635	6,033,442	21,918
2031	-	16,668	-	18,918	36,720	5,240,780	5,313,085	21,922
2032	-	16,979	-	18,915	37,957	4,601,155	4,675,006	21,920
2033	-	17,240	-	18,917	37,939	3,994,085	4,068,181	21,920
2034	-	17,606	-	18,912	39,473	3,351,420	3,427,411	21,917
2035	-	18,016	-	18,915	43,905	2,751,565	2,832,400	21,918
2036	-	18,552	-	18,918	43,877	2,348,715	2,430,062	21,921
2037	-	19,105	-	18,916	43,845	1,925,895	2,007,760	21,918
2038	-	19,692	-	18,913	43,808	1,481,585	1,563,998	21,919
2039	-	20,294	-	18,913	43,769	1,015,305	1,098,280	21,919
2040	-	20,923	-	18,918	43,734	525,555	609,130	21,918
2041	-	67,600	-	18,918	18,423	-	104,941	21,921
2042	-	67,600	-	18,921	18,418	-	104,939	21,922
2043	-	67,598	-	18,915	18,418	-	104,930	21,922
2044	-	-	-	18,919	18,416	-	37,335	21,919
2045	-	-	-	18,916	18,417	-	37,333	-
2046	-	-	-	18,914	18,421	-	37,334	-
2047	-	-	-	18,916	18,418	-	37,334	-
2048	-	-	-	-	18,417	-	18,417	-
2049	-	-	-	-	18,417	-	18,417	-
<b>Total</b>	<b>\$ 1,938</b>	<b>\$ 673,867</b>	<b>\$ 14,616</b>	<b>\$ 529,644</b>	<b>\$ 864,044</b>	<b>\$ 119,365,212</b>	<b>\$ 121,449,321</b>	<b>\$ 547,987</b>

\* Net of capitalized interest and excludes Passenger Facility Charge applied to Debt Service and Build America Bond Rebate

\* 2019 Bonds are shown with estimated Debt Service

## Debt Service

### Debt Service by Source

*(in thousands)*

	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
Principal on Variable Rate Debt	\$ -	\$ 1,100	\$ -	\$ (1,100)	-100.0%	\$ -	\$ -	0.0%
Interest on Variable Rate Debt	510	2,751	1,890	(861)	-31.3%	2,647	757	40.1%
Principal on Revenue Bonds	17,145	23,615	30,630	7,015	29.7%	33,005	2,375	7.8%
Interest on Revenue Bonds	62,268	68,770	65,867	(2,903)	-4.2%	64,336	(1,531)	-2.3%
Principal on Special Facility Bonds	5,720	5,890	6,090	200	3.4%	6,320	230	3.8%
Interest on Special Facility Bonds	16,200	16,029	15,828	(201)	-1.3%	15,601	(227)	-1.4%
Principal & Interest Expense – Capitalized Leases	959	877	877	0	0.0%	877	(0)	0.0%
Cost of Issuance and other Fees	569	4,598	725	(3,873)	-84.2%	5,538	4,812	663.5%
Amortization of Bond Premiums	(5,682)	(5,521)	(9,589)	(4,068)	73.7%	(9,418)	172	-1.8%
<b>Total Debt Service</b>	<b>\$ 97,690</b>	<b>\$ 118,109</b>	<b>\$ 112,319</b>	<b>\$ (5,790)</b>	<b>-4.9%</b>	<b>\$ 118,906</b>	<b>\$ 6,588</b>	<b>5.9%</b>

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# Capital Program



## Capital Program

### Overview

The capital program at SAN consists of the Capital Improvement Program (CIP), which uses traditional (Design-Bid-Build) project delivery, as well as projects such as the Rental Car Center and Terminal 2 West FIS Build-out, which were implemented under an alternative project delivery method (Design-Build). The CIP is a rolling five-year program that provides critical improvements and asset preservation. The program includes capital improvement projects that address federal security requirements, airfield safety, environmental remediation, terminal upgrades and development. Funding sources for the projects include Federal Aviation Administration's AIP, Transportation Security Agency grants, PFCs, CFCs, Airport operating revenues, Airport revenue bonds, Special Facility Bonds and short-term borrowing using commercial paper/revolving line of credit.

### Capital Program Process

The Capital Program is designed to incorporate a dynamic process. The annual development of the capital program begins with departments submitting project requests for their functional area. These project requests are reviewed and approved by the respective department's Vice President prior to submission to a capital program development team led by the Airport Design and Construction department and comprised of staff representatives from various Airport Authority departments.

After the request is submitted to the development team, interviews are conducted between Authority staff and project sponsors to determine if there are any significant issues and/or risks in undertaking the project. Taking into account the Authority's Sustainability Policy, a complete review is performed with a focus on developing a business case that includes total costs of ownership, project feasibility and economic viability. In addition, the operational benefit and the Authority's ability to provide natural resource conservation while being socially responsible are evaluated.

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

## Capital Program

### Prioritization Criteria for Capital Projects

0	Airport Support Facilities – consolidation and relocation from aged buildings to energy-efficient and modern facilities
1	Required for Part 139 or other regulatory compliance
2	Maintain core building systems - IT, Fire/Life/Safety, Mechanical, Electrical, Plumbing
3	Maintain airport access roadways and parking infrastructure
4	Enhancement to customer service, revenue generation, cost savings
5	Enhancements to systems or facilities not required by regulation

### Program Summary

(in thousands)

<b>FY 2020 – 2024 Beginning Capital Program Budget</b>	<b>\$ 725,974</b>
Terminal 2 West FIS Build-out	<u>229,474</u>
<i>Subtotal</i>	<i>955,448</i>
Airport Development Plan	<b>\$ 3,000,000</b>
FY 2020 - 2024 Project Closeouts/Eliminations/Adjustments	<u>(332,385)</u>
<b>FY 2020 - 2024 Ending Capital Program Balance</b>	<b>\$ 3,623,063</b>
FY 2021 - 2025 New Capital Projects/Allowances/Adjustments	<u>105,138</u>
<b>FY 2021 - 2025 Capital Program Budget</b>	<b><u>\$ 3,728,201</u></b>

## Capital Program

### Sources of Funds by Fiscal Year

(in thousands)

Capital Program	Pre-FY 2021	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
Airport Revenue Bonds	\$ 138,945	\$ 65,848	\$ 387,257	\$ 584,263	\$ 736,524	\$ 1,117,410	\$ 3,030,248
Airport Funds	124,741	192,401	6,924	6,578	14,368	43,074	388,085
Federal Grants	6,452	10,912	18,219	48,028	31,055	7,000	121,666
Major Maintenance Fund	13,384	17,479	3,351	26,102	5,058	19,035	84,409
Variable Rate Debt	9	5,042	67,408	668	1,158	2,051	76,336
Passenger Facility Charges	1,685	4,586	-	1,599	14,982	505	23,357
Customer Facility Charges*	1,100	-	-	-	-	3,000	4,100
<b>Total Sources of Funds</b>	<b>\$ 286,317</b>	<b>\$ 296,269</b>	<b>\$ 483,159</b>	<b>\$ 667,238</b>	<b>\$ 803,144</b>	<b>\$ 1,192,074</b>	<b>\$ 3,728,201</b>

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

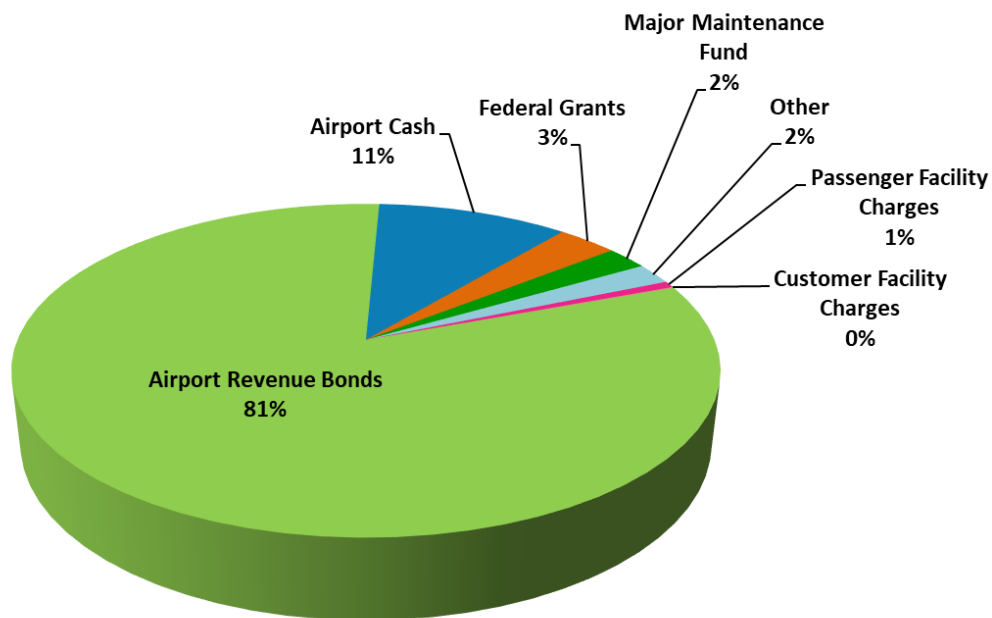


Figure 40 – Total Sources of Funds

### Uses of Funds by Fiscal Year

(in thousands)

Capital Program	Pre-FY 2021	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
Terminal	\$ 66,183	\$ 145,220	\$ 346,767	\$ 451,105	\$ 549,371	\$ 833,156	\$ 2,391,803
Landside	107,721	51,907	79,292	107,394	139,732	242,512	728,558
Airside	59,551	80,018	42,144	107,628	112,932	109,796	512,069
Administrative	52,862	19,124	14,956	1,110	1,110	6,609	95,771
<b>Total Use of Funds</b>	<b>\$ 286,317</b>	<b>\$ 296,269</b>	<b>\$ 483,159</b>	<b>\$ 667,238</b>	<b>\$ 803,144</b>	<b>\$ 1,192,074</b>	<b>\$ 3,728,201</b>



## Capital Program

### Funding

#### Airport Improvement Program (AIP)

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

Title 49 of the United States Code (U.S.C.) authorizes the AIP. The objective of this federal program is to assist in the development of a nationwide system of public use airports, to ensure the safe and secure operation of the airport and airway system and to meet the projected needs of the public. The program not only provides funding for development projects, but also Airport Planning and Noise Compatibility Programs. The program is funded by aviation use fees, which are collected and deposited into the Airport and Airway Trust Fund in support of the AIP. The U.S. Congress authorizes expenditures from this dedicated fund on an annual basis each year. The AIP includes entitlement and discretionary funding. Entitlement funds are awarded to eligible sponsors through a formula based on the number of passenger boarding and cargo tonnage at each airport. Discretionary funds are set aside to provide the FAA the flexibility to fund various high priority programs. The AIP typically provides funding up to 75% of eligible project costs.

Once awarded, AIP grants must typically be expended within four years. As the Authority expends funds for eligible capital projects, it is then reimbursed with grant proceeds. Projected expenditures to be reimbursed by AIP grants are \$10.9M in FY 2021 and \$18.2M in FY 2022.

#### Passenger Facility Charge

PFCs were initially authorized through the Aviation Safety and Capacity Expansion Act of 1990. The Act allowed public agencies that manage commercial airports, to charge each enplaning passenger a facility charge in accordance with FAA requirements. The passenger facility charge is levied on the passenger tickets, collected by the airline, and forwarded to the airport (less a handling fee charged by the airlines). The revenues collected are to preserve or enhance safety, security, capacity, to reduce noise, or to enhance competition. The primary difference between AIP and PFCs is that the PFCs are a fee charged directly to the passenger, is administratively retained by the airport and is considered local funds versus airport funds.

SAN began collecting a PFC of \$3.00 per enplaned passenger on October 1, 1995. Approved amendments to and applications for the Airport's PFC program occurred on December 16, 1997, and on June 5, 2001. The FAA approved the third passenger facility application on May 20, 2003 that established Airport Authority to collect \$4.50 per eligible enplaned passenger effective August 1, 2003. Subsequent applications have maintained collections at the \$4.50 level. The FAA approved an eighth application in November 2010 for a total collection Airport Authority of approximately \$1.1B in support of the Terminal Development Program. A ninth application for \$31.3M was approved in July 2012, and subsequently amended to \$27.8M. The majority of this application provided funding for the QHP as well as the completed Rehabilitate Taxiway "C" project. The FAA approved a tenth PFC application in October 2016. This application provides \$43.8M to fund various airfield projects, passenger-boarding bridges, as well the local match for future QHP phases. An eleventh PFC application was approved in FY 2020 to provide \$40.0M funding for the Terminal 2 West FIS project. A subsequent amendment to this application was submitted to FAA to apply an additional \$11.1M in PFC funding to the project, for a total of \$51.1M. Approval for this amendment is expected in the Fall of 2020.

## Capital Program

### Customer Facility Charge (CFCs)

California state law authorizes an airport to collect fees for financing, designing and constructing consolidated car rental facilities, constructing and operating a common-use transportation system and terminal modifications to accommodate and provide customer access. The Board approved implementation of CFCs at SAN in FY 2009. Board authorization for the use of CFCs for initial planning efforts was given in FY 2010. As allowed per state legislation, the CFC collection methodology changed in January 2012 from a charge of \$10.00 per rental car transaction to \$6.00 per rental day. Starting January 2014, the rate increased from \$6.00 to \$7.50 per rental day. The rate subsequently increased to \$9.00 per rental day starting in January 2018. CFCs will support the debt service for the consolidated car rental facility and operating costs of the busing fleet.

## Airside CIP Projects

(in thousands)

Current Airside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104149	SDIA Airport Development Plan	This project will define the future plan for SDIA through the year 2035. The near-term phase will focus on the replacement of Terminal 1 and the Commuter Terminal. The future uses of the TDY property will also be defined, as well as the ultimate build-out of all Airport property north of the runway. It will include associated environmental analyses and documentation from both the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) and preparation of an FAA approved Airport Layout Plan (ALP) package.	\$6,590	PFC / Cash	Q1/2012	Q4/2021	None
104245E	Gate P-18 Relocation	The project will relocate and construct a new AOA Gate P-18.	2,377	Bonds / Cash	Q2/2019	Q2/2020	None
104249	Hydrant Fueling Infrastructure	Install a new fuel transmission pipeline from the bulk fuel storage facility on the north side to the south end of the Terminal 2 Green Build apron and extend the distribution main to the fueling infrastructure of FIS gates 48-50. Also provides for installation of a utility duct bank and surface pavement improvements.	50,456	Other (Airline Direct Contribution)	Q2/2018	Q2/2021	None
104250	FAR Part 150 Study Update	Update Noise Exposure Maps (NEMs) using FAA software & develop Noise Compatibility Program (NCP) report. Provides detailed existing & 5-year future airport/aircraft noise exposure patterns.	1,800	AIP / Bonds / Cash	Q3/2019	Q3/2021	None
104251	Northside RON Parking	Replace existing Group-3 Aircraft Remain Overnight concrete parking positions which will be displaced by the proposed air cargo facility. The RON positions will be situated to allow direct access to the airfield taxiway system so that aircraft remaining overnight at SAN have safe and efficient access to parking positions.	33,513	Bonds / Major Maint.	Q4/2018	Q4/2025	None
104255	Rehabilitate Cross Taxiways C1, C2, C5 & D	Rehabilitate cross taxiways per 2015 Pavement Management Study. Mill and overlay nominal 5-6" full depth asphalt replacement on taxiways C1, C2, C5 & D. Reconstruct a portion of taxiway C1 with concrete pavement.	\$11,767	AIP / Bonds / Cash	Q2/2019	Q4/2021	None

## Airside CIP Projects

(in thousands)

Current Airside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104264	Runway Electrical Vault Upgrades	Install clean agent type fire suppression system in airfield lighting vault to protect runway lighting equipment and monitor 24/7 as are Airport's other fire systems. Replace runway vault lighting regulators and electrical gear including main switchboard, as required.	\$1,273	Bonds	Q1/2020	Q1/2022	None
104271	Develop Mitigation Plan for Least Terns	Project prepares a mitigation plan to secure and prepare a site with a suitable nesting habitat for Least Terns.	875	Major Maint.	Q2/2021	Q4/2025	None
104277	Airfield Pavement Management Program	Conduct an analysis of the airfield pavement management program and update in accordance with FAA AC 150/5380-7B. This will identify areas that require repair or reconstruction and develop alternatives for future complete restoration of the runway pavement.	750	Bonds	Q1/2021	Q2/2021	None
104278	Rehabilitate Apron Pavement	Perform detailed assessment of approximately 4 million sf. of existing apron pavement and PCC joints; repair corner spalls, cracks, and joint sealing; replace existing panels where necessary; and perform pavement marking in repair areas.	10,945	AIP / Bonds	Q2/2020	Q4/2021	None
104280	Airside Electric Vehicle Supply Equipment	Install approximately 75 Electrical Vehicle Supply Equipment (EVSE) ports at T2 gates. Replace approximately 25 outdated EVSE ports at T2 gates. Potential funding from SDG&E or VW Settlement.	1,804	Other	Q2/2020	Q4/2024	None
104281	Upgrade/Replace EMAS	Upgrade or replace the existing EMAS (Engineered Material Arresting System) with the latest generation system. This would provide a design life of 20 years and maintain regulatory compliance.	19,124	AIP / Major Maint. / Other	Q2/2020	Q2/2022	None
104282A	Perimeter Security Fencing / Perimeter Intrusion Detection System (PIDS) Master Plan Study	Project will evaluate the entire Perimeter Intrusion Detection System (PIDS) currently installed on Airport property. The PIDS encompasses approximately 90% of the existing perimeter security fence. The project will also evaluate the entire existing perimeter fence. This project does not include the limits of the ADP.	\$500	Major Maint.	Q2/2020	Q3/2021	None

## Airside CIP Projects

(in thousands)

Current Airside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104283	Taxiway B Mill & Overlay	The project will mill and overlay a 3" asphalt surface course on Taxiway Bravo from Cross Taxiway B6 to Cross Taxiway B1, and the asphalt portion of Taxiway B1. Affected pavement markings will be replaced.	\$3,300	Major Maint.	Q2/2020	Q4/2020	None
411001	ADP Airside	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).	219,106	Cash	Q3/2020	Q2/2027	None
109901	Capital Program Support (CPS)	Professional staff support for the Capital Improvement Program	14,324	Cash	Q1/2021	Q4/2025	None
New FY17	Construct Taxiway A	The project will construct a new 5,000' x 50' taxiway parallel to Taxiway B, including lighting, storm drain, electrical, striping and security fencing.	38,936	Major Maint. / Other	Q1/2023	Q4/2023	None
New FY13	Relocate Taxiway B	This project will relocate Taxiway B 37.5 ft. south between Taxiway B4 and B10 to meet FAA standards of required distance from center-line of the runway.	30,863	Other	Q4/2023	Q3/2024	None
New FY18	Airfield Stormwater Treatment Control BMPs	Design/Install treatment control BMPs to reduce copper & zinc levels in water runoff. Comply with State Industrial General Permit & San Diego County MS4 Permit to prevent pollution of San Diego bay & avoid fines for non-compliance.	5,506	Bonds	Q1/2024	Q4/2025	None
New 20-01	Stormwater Infiltration Beds	Install a 3-million gallon infiltration bed under oval S-3 that would allow storm runoff from the airfield to be percolated into the ground, thereby reducing the volume of direct discharges into the Bay and address heavy metal pollutant issues.	19,585	Bonds / Major Maint.	Q1/2023	Q3/2024	None
Subtotal - Current Airside CIP Projects			<b>\$473,393</b>				

## Airside CIP Projects

(in thousands)

New Airside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
New FY21	West Refueler Loading Facility	Replace the existing 5-bay fuel rack with a new one on the west side of the airfield. The existing fuel rack will need to be demolished prior to construction of the new Terminal 1 since it is in conflict with the footprint of the future terminal.	\$14,080	Other	Q1/2021	Q3/2022	None
New FY21	Airfield Safety Area Manhole/Utility Vault Covers	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	Major Maint.	Q1/2021	Q4/2022	None
New FY21	ARFF Building HVAC Improvements	Replace existing ARFF building HVAC system. The current system is beyond its useful life and no longer serviceable and a new system will improve efficiency, reduce costs and provide a better environment for ARFF personnel.	780	Major Maint.	Q1/2021	Q2/2022	None
Subtotal - New Airside CIP Projects			\$15,540				
Total Airside CIP Projects			\$488,933				

## Landside CIP Projects

(in thousands)

Current Landside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104168C	SDIA Wayfinding Signage/Directories – RCC	Project provides wayfinding directions for customers accessing the Rental Car Center facility.	\$1,100	CFC	Q4/2018	Q1/2021	None
104197	Admiral Boland Way Murals - Public Art	Project provides an on-going opportunity for artistic design and enhancement to be integrated on the Wind Tunnel south-facing wall.	125	Cash	Q2/2015	TBD	None
104205	Widen Sassafras Street Intersection	Project will increase the width of Sassafras Street between Pacific Hwy and Kettner Boulevard up to the railroad crossing in order to mitigate traffic impacts due to RCC opening, increased FBO tenants and future cargo use.	5,663	Bonds / Cash	Q1/2015	Q2/2022	None
104226	Replace Sidewalk T2W Existing to Green Build - Phase 1	The project replaces concrete sidewalk, curb and base in order to repair existing cracking, spalling and faulting.	2,000	Bonds / Major Maint. / Cash	Q1/2017	Q1/2021	None
104230	Ground Transportation Systems- Phase 3 (Virtual Hold Lot)	Project will implement the "virtual hold lot" concept to efficiently locate and identify Airport-permitted commercial vehicles off-Airport premises. This will include hardware / software to ensure minimal response time.	964	Cash	Q4/2018	Q4/2025	None
104231	Northside Cargo Development	This project will provide project management oversight for a cargo building tenant improvement on the North Side.	1,551	Cash	Q2/2017	Q4/2025	None
104245	Airport Support Facilities D-B Contract	Project will facilitate procurement of the Design-Build team for the five Airport Support Facilities components, as well as miscellaneous programmatic design costs.	21,527	Bonds / Cash	Q1/2018	Q2/2021	None
104245A	Airport Support Facilities Contract Management	Project will account for the costs associated with the administration of the overall Airport Support Facilities Design-Build contract.	5,746	Bonds / Cash	Q1/2018	Q2/2021	None
104245C	Airline Support Building	New airline provisioning and cargo facilities located on South side with both public & airfield access to facilities.	43,230	Cash	Q4/2018	Q2/2021	None
104245D	Fueling Operator Facility	This project will design and construct the facility to be utilized by the Airport Fueling Operator.	\$7,050	Other	Q2/2019	Q2/2021	None

## Landside CIP Projects

(in thousands)

Current Landside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104245F	Northside Utilities	Provide new common site infrastructure - utilities, roads, exterior lighting, AOA gate and AOA fencing for northside improvements including the proposed FMD campus and Airport Fueling Operations Facility. Utilities include water, sewer, storm drainage, gas, electric and communications.	\$6,203	Bonds	Q2/2019	Q2/2021	Minimal
104245G	ASF - Stormwater Management	Collect, treat and reuse stormwater for irrigation, cooling tower, Terminal gray water and RCC vehicle washes. Project will address current and future regulatory requirements.	37,490	Bonds	Q1/2019	Q2/2021	None
104252	Northside Utility Infrastructure - Cargo Development	Project will build underground utility infrastructure required for construction of the Northside Cargo Development project.	8,651	Bonds	Q4/2018	Q4/2025	None
104266	Airport Support Building - Public Art	Provide artist services and design, fabrication, Public Art transport and delivery, and consultation during installation of a public art project at the Airline Support Building.	350	Bonds	Q4/2019	Q4/2025	None
104273	ZEV - Acquire Electric Buses	Acquire four zero emission vehicle (ZEV) buses along with associated chargers and infrastructure installation.	3,989	AIP / Bonds	Q4/2019	Q3/2021	None
104274	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	Q1/2020	Q3/2022	None
104274A	West Solid Waste Facility	The facility will partially replace the existing trash and recycling facility on the west side of the Airport.	6,600	Bonds	Q1/2021	Q3/2022	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.	3,815	Bonds	Q1/2020	Q1/2022	None
New 17-05	Rehabilitate Terminal 2 Loop Pavement	The project will rehabilitate 128,000 square feet with full depth, partial asphalt concrete replacement to provide safe ingress / egress for passengers and service vehicles.	\$2,057	Bonds	Q1/2024	Q4/2025	None



## Landside CIP Projects

(in thousands)

Current Landside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
New 18-04	Landside Electric Vehicle Supply Equipment	Install up to 65 EVSE ports at T2 Parking Plaza and other parking areas to meet increasing demand for electric vehicle charging. Potential funding from SDG&E or VW Settlement.	\$2,385	Other	Q3/2024	Q4/2025	None
New 18-08	Cell Phone Lot Relocation	Relocate existing Cell Phone Lot to another location on the South side of Airport. This includes pavement striping, cctv cameras, video display, etc.	1,181	Cash	Q1/2024	Q4/2025	None
	<b>Subtotal - Current Landside CIP Projects</b>		<b>\$187,778</b>				

## Landside CIP Projects

(in thousands)

New Landside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
New 21-06	Northside Overflow Parking Lot	Project will procure 29 EV Chargers for the new Shuttle Parking Lot.	\$1,800	Cash	Q1/2021	Q2/2021	None
New 21-09	Parking Lot Camera Upgrade to Digital	Project will upgrade 20 parking lot cameras to digital format & DVR storage, along with servers, switches, workstations/monitors, software and licenses in Terminal 2 West and Economy/Employee Parking Lots to improve security and reduce liability.	2,150	Cash	Q2/2024	Q4/2025	None
New 21-10	T2 Transportation Island Master Plan	Project will assess current conditions, provide plans for improvements to access, wayfinding signage, operator locations, passenger queue, lighting, curb/gutter and crosswalks. Improvements will be made to effectively & safely manage increased vehicle/passenger activity.	500	Cash	Q2/2025	Q4/2025	None
New 21-11	Airport Roadway & Vehicle Monitoring Master Plan	Project will provide a study for real-time visual monitoring of airport traffic conditions, data collection/analytics, Automated License Plate Reader (ALPR) cameras, Vehicle ID Readers (AVI) and related software & infrastructure.	950	Cash	Q4/2024	Q4/2025	None
New 21-12	Airport Roadway & Vehicle Monitoring	Project will install systems for real-time visual monitoring of airport traffic conditions, data collection/analytics, Automated License Plate Reader (ALPR) cameras, Vehicle ID Readers (AVI) and related software & infrastructure.	31,800	Cash	Q1/2024	Q4/2025	None
New 21-13	ZEV - Acquire RCC Buses - Phase 1	Project will procure Zero Emission Vehicle (ZEV) to provide transportation between terminals and the Rental Car Center and replace existing buses at the end of their useful life.	5,000	AIP / CFC	Q1/2024	Q1/2025	None
New 21-14	ZEV - Acquire RCC Buses - Phase 2	Project will procure Zero Emission Vehicle to provide transportation between terminals and the Rental Car Center and replace existing buses at the end of their useful life.	5,000	AIP / CFC	Q4/2024	Q4/2025	None
	<b>Subtotal - New Landside CIP Projects</b>		<b>\$47,200</b>				
<b>Total Landside CIP Projects</b>			<b>\$234,978</b>				

## Terminal CIP Projects

(in thousands)

Current Terminal CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104149	SDIA Airport Development Plan	This project will define the future plan for SDIA through the year 2035. The near-term phase will focus on the replacement of Terminal 1 and the Commuter Terminal. The future uses of the TDY property will also be defined, as well as the ultimate build-out of all Airport property north of the runway. It will include associated environmental analyses and documentation from both the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) and preparation of an FAA approved Airport Layout Plan (ALP) package.	\$6,590	PFC / Cash	Q1/2012	Q4/2021	None
104194B	Replace & Refurbish Passenger Boarding Bridges	This project provides for replacement and / or refurbishment of existing passenger boarding bridges, based on an updated assessment.	16,853	PFC / Bonds	Q2/2015	Q4/2025	\$30
104194D	Refurbish Passenger Boarding Bridges - T1	This project will refurbish passenger boarding bridges at T1 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.	2,867	Bonds	Q4/2018	Q3/2022	None
104204	Replace Terminal Seating in T1 & T2	This project provides for the replacement of approximately 2,266 seats in Terminal 1 and Terminal 2, in order to provide electrical connectivity to passengers, and for ease of replacing worn or damaged seats.	4,970	Major Maint.	Q1/2016	Q2/2020	\$26
104229	HVAC Modernization	Project will upgrade air handler units and fan coils in T2E and T2W, and modernize the T2W existing pump room.	10,381	Bonds	Q2/2017	Q1/2021	None
104235	Replace Baggage Screening Equipment	Replace 7 Explosive Detection System (EDS) units in T1E and T2E and supporting equipment. TSA to provide EDS machines and will reimburse a portion of installation & integration of costs. Units will handle increased processing speed to meet future capacity needs.	\$11,090	AIP / Bonds	Q2/2017	Q3/2021	None

## Terminal CIP Projects

(in thousands)

Current Terminal CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104235A	Replace Baggage Screening Equipment - Southwest Airlines	Track Authority oversight costs for Southwest Airlines replacement of baggage screening equipment, BHS optimization, CBIS/CBRA improvements and enclosure, and makeup area expansion.	\$411	Cash	Q2/2018	Q1/2021	None
104240	T2E Roof Replacement	Project will add a liquid applied membrane by WeatherWeld (spray on application of ¼" thickness) and white acrylic surfacing due to aging of existing roof. Project is currently on-hold pending completion of T2E Roof Hydronic Pipe Insulation.	6,550	Bonds	Q3/2017	Q3/2022	None
104254	AVSEC Network Redesign	Redesign the network infrastructure for the Aviation & Security network. Replace fiber cabling/network equipment in all terminals and airfield gates. Implement a network architecture that provides redundancy and high availability.	13,038	Bonds	Q3/2019	Q1/2022	None
104256	SDIA Common Use System	Rebid and replace common-use hardware and software to support rapid and flexible passenger processing, including workstations at ticketing and gate counters, gate/boarding equipment, CUSS kiosks, FIDS displays, etc. Implement both a new Resource Management System (RMS) and a Business Intelligence (BI) Platform to improve reporting at the Airport.	13,872	Major Maint.	Q3/2019	Q2/2022	None
104257	Gate Information Displays	This project will provide Gate Information Display monitors and the required power and data at all hold-rooms in Terminal 2 East.	1,910	Major Maint.	Q4/2018	Q4/2025	None
104258	Fire Department Violations Remediation	Project will mitigate the FD violations, develop/update current Airport Facility Emergency Exiting Floor Plans to establish a 30% level of definition in order to translate captured corrective actions into a complete ROM budget relative to the SOW for mitigation of the violations.	1,871	Bonds	Q3/2019	Q4/2025	None
104258A	Fire Department Violations Remediation	This project will mitigate fire code violations in T2E upper floor and complete unfinished construction on the exit/service corridor buildout.	106	Bonds	Q3/2019	Q1/2021	None
104262	Replace Emergency Generators	Provide study and replace emergency generators at various locations throughout the Airport, including terminals.	\$2,100	Bonds	Q4/2019	Q4/2025	None

## Terminal CIP Projects

(in thousands)

Current Terminal CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104263	Electrical Modernization in T2E and T2W	Project will replace and modernize end of useful life of the outdoor electrical main switchboard (MSB) feeding terminal T2E and associated downstream electrical equipment located within the existing main electrical room; expand and construct a larger electrical room to meet latest code and safety requirements; and provide additional capacity, redundancy and system reliability to accommodate for terminal long term use.	\$9,855	Bonds	Q4/2015	Q3/2022	None
104265	T2W Crosswalk Improvements	Project will provide safety and aesthetic enhancements at the primary pedestrian crosswalk in front of Terminal 2	1,105	Bonds	Q4/2019	Q4/2025	None
104267	T2W DAS Room Cooling Upgrade	This project will address the cooling deficiencies in the T2W DAS Cellular Equipment Room that could lead to premature equipment failure leading to cellular and Wi-Fi service interruptions.	779	Bonds	Q1/2019	Q3/2021	None
104268	T2E Renovation Master Plan	Provide a comprehensive plan that identifies and coordinates future capital improvements to the Terminal 2 East facility to ensure that it can provide a high quality passenger experience into the future.	2,200	Bonds	Q4/2019	Q4/2025	None
104272	Replace Baggage Handling System and Baggage Makeup Units in T2E	This project will modernize existing T2E Baggage Handling System (BHS), remove abandoned conveyors, reconfigure main and sortation devices, resolve dieback and jamming issues, and optimize system performance, supporting current airline operations and future growth projections.	15,946	Bonds	Q1/2020	Q4/2025	None
104276	Replace Existing Sidewalk T2E - Phases 2-4	Demolish and replace existing concrete sidewalk and remove and replace existing electrical/communication conduits and install new LED in-pavement lighting and outlets.	3,542	Bonds	Q1/2020	Q4/2025	None
104279	Server & Storage Hardware Refresh	Replace the computer hardware supporting the T2 terminal systems that will no longer be supported including CUPPS, CUSS, IDS, workstations, directories, etc. The technology will match the new Terminal 1.	\$1,225	Major Maint.	Q1/2021	Q2/2024	None

## Terminal CIP Projects

(in thousands)

Current Terminal CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104286	T2 Concession Utilities & Beaudevin Downsize	This project will upgrade/upsue utilities supporting five concessions in T2E & T2W in coordination with the Concessions Enhancement Program. In addition, this project will remodel a portion of the current Beaudevin concession area to become part of the holdroom at Gate 41.	\$3,100	Cash	Q4/2024	Q4/2025	None
104287	T2 Accessibility Barrier Removal	Project will remove ADA barriers to provide an accessible path of travel to concessions at Terminal 2, in support of the Concessions Enhancement Program.	600	Bonds	Q3/2024	Q4/2025	None
413001	ADP Terminal and Roadway	Design and construct a new Terminal 1 building with up to 30 gates, aircraft boarding bridges, new entry, circulation, arrival and departure roadways, pedestrian bridges, demolition of buildings, surface features and utilities, new and relocated utilities, storm drainage collection, storage and transmission facilities, parking structure and existing central utility plant upgrades.	2,487,155	Cash	Q1/2021	Q4/2027	\$13,634
415001	ADP Program Contingency	To provide contingency funds for the Airside, Landside and Terminal developments in the ADP Program	190,918	Cash	Q1/2021	Q4/2027	None
FMDT	FMD Capital Expenditures	This project provides for the necessary ongoing maintenance of various capital improvement projects throughout the Airport.	10,786	Cash	Q3/2012	Q4/2025	None
109901	CIP Support	Professional staff support for the Capital Improvement Program	14,324	Cash	Q1/2021	Q4/2025	None
Subtotal - Current Terminal CIP Projects			<b>\$2,834,144</b>				

## Terminal CIP Projects

(in thousands)

New Terminal CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
New 21-01	Remodel Terminal 2 East for Access Control Office & Harbor Police Department Relocations	Project will provide structural repairs and repurposing of space in T2E in order to relocate the Access Control Office, Harbor Police Dept., Lost & Found and the Airside Ops Duty Manager.	\$6,100	Bonds	Q1/2021	Q4/2022	None
New 21-04	Replace T2E Roof Hydronic Pipe Insulation	Project will remove and replace all existing hydronic pipe insulation and valves with new. Currently, insulation is deteriorated beyond repair, jeopardizing the underlying supply and return pipes and life expectancy.	890	Major Maint.	Q1/2021	Q1/2022	None
New 21-07	Remodel Terminal 2 West Westend Gallery	Project will restore the previous T2W gallery to accommodate Public Art exhibitions. Work will include floor repair, lighting, storage area, painting, wall for concession area, etc.	550	Major Maint.	Q4/2024	Q4/2025	None
New 21-08	T2 Baggage Claim Assignment Displays	Project will install 15 baggage claim assignment monitors on Terminal 2 ramp areas to improve baggage operations.	650	Major Maint.	Q3/2024	Q4/2025	None
Subtotal - New Terminal CIP Projects			\$8,190				
Total Terminal CIP Projects			\$2,842,334				

## 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.	\$2,246	Major Maint.	Q1/2021	Q4/2025	None
104069	Capital Project Allowance	The Capital Project Allowance is a program account to provide a source of funds for the design and construction of unforeseen projects during the course of implementing the Airport Capital Improvement Program.	5,000	Cash	Q1/2025	Q4/2025	None
104196	Exhibition Display Equipment - Public Art	Project provides for the purchase of equipment to become part of the Public Art Program's permanent cache of installation / display resources and provide flexibility for future art exhibits.	110	Cash	Q2/2015	TBD	None
104209	Facilities Condition Assessment	Project will provide a 20-year strategic planning of the long- and short-range costs associated with facilities maintenance and / or replacements.	800	Major Maint.	Q1/2016	Q2/2021	None
104234	Identity Management System	Procure a system that integrates access control, fingerprinting & computer-based training into a single interface.	931	Major Maint.	Q2/2017	Q1/2021	None
104244	Battery Energy Storage	The project will install up to a 2.5 MW battery energy storage system. It will tie into the 12 kV micro-grid to charge/discharge stored energy and reduce peak electricity demand and associated costs.	641	Major Maint.	Q4/2017	Q1/2021	Savings \$170
104245B	Facilities Maintenance Department Facility	Provide a new Facilities Management Department campus with administrative spaces, maintenance shops and warehouse relocated to the north side. Includes parking for employees, fleet vehicles and equipment, as well as an underground storage tank for storm water capture and reuse.	48,009	Bonds	Q1/2018	Q1/2021	None
104285	Facilities Condition Assessment	Project will provide a condition assessment of the Airport roadways and bridges.	\$400	Major Maint.	Q3/2022	Q4/2021	None



## Administrative CIP Projects

(in thousands)

Current Administrative CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104288	Fiber Duct Bank Master Plan	Project will provide a comprehensive Duct Bank Master Plan to define required points of connection, identify potential conflicts and recommend enhancements to the system. Required for the ADP Terminal 1 project and future ADC construction projects.	\$500	Bonds	Q1/2021	Q2/2021	None
414002	ADP Administration Building	Project will design and build a new Airport Administration Building to replace the existing building which is in the footprint of the new Terminal 1.	102,821	Cash	Q1/2021	Q1/2024	None
	<b>Subtotal - Current Administrative CIP Projects</b>		<b>\$161,458</b>				
New Administrative CIP Projects							
NEW 21-15	Facilities Condition Assessment	Provide definitive long & short-range understanding of costs associated with facilities maintenance and/or replacement as an update to the previous baseline assessment.	500	Major Maint.	Q1/2025	Q4/2025	None
	<b>Subtotal - New Administrative CIP Projects</b>		<b>\$500</b>				
<b>Total Administrative CIP Projects</b>			<b>\$161,958</b>				
<b>Total FY 2021 CIP Budget</b>			<b>\$3,728,202</b>				

# Performance Indicators



## Performance Indicators

The following performance indicators are a selection of the various operational and financial metrics that the Airport Authority monitors during the course of the year.

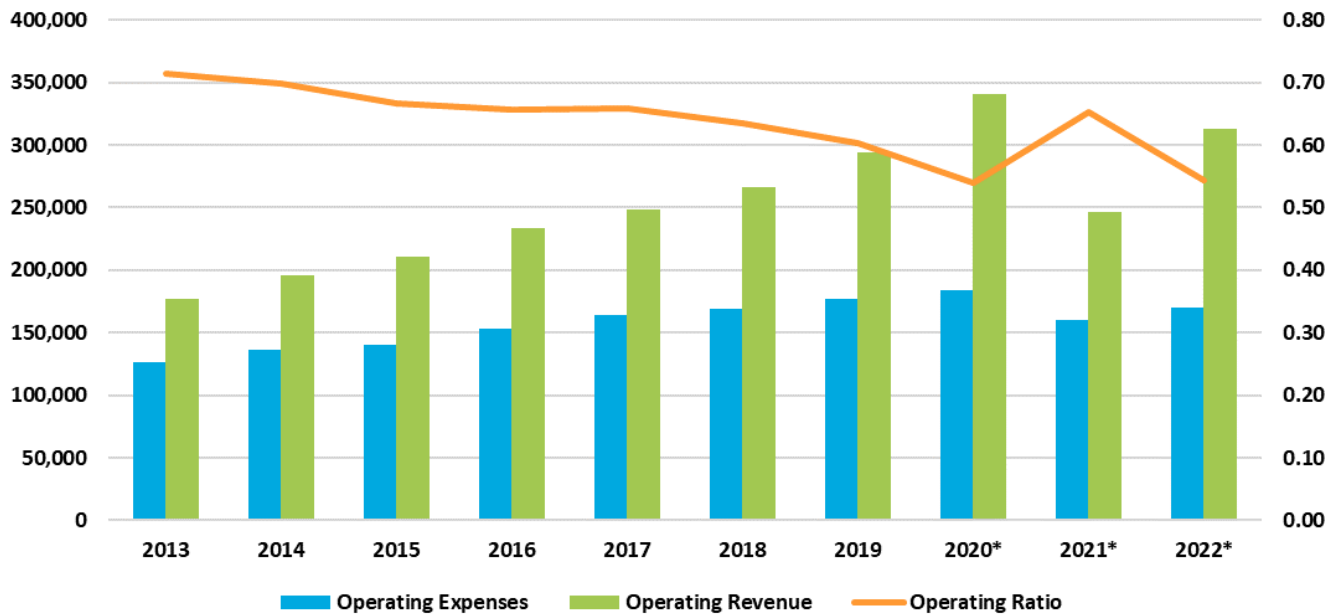
### Operating Ratio

This is a measure of operating efficiency that compares operating expense to operating revenue. Operating revenue must exceed operating expenses to provide a financial cushion and cover debt service expenses.

#### Fiscal Years ended June 30, 2013 to 2022

Fiscal Year	Operating Expenses (\$) <sup>1</sup>	Operating Revenue (\$) <sup>1</sup>	Operating Ratio	% Change
2013	126,846	177,498	0.71	-7.9%
2014	136,833	195,737	0.70	-2.2%
2015	140,310	210,505	0.67	-4.7%
2016	153,698	233,994	0.66	-1.5%
2017	163,726	248,847	0.66	0.2%
2018	169,120	266,079	0.64	-3.4%
2019	177,219	293,679	0.60	-5.1%
2020*	183,790	340,527	0.54	-10.6%
2021*	160,465	246,105	0.65	20.8%
2022*	169,992	312,570	0.54	-16.6%

<sup>1</sup> in thousands



\* Budgeted FY 2020, FY 2021, & FY 2022

Figure 41 – Operating Ratio

Source: San Diego County Regional Airport Authority

## Performance Indicators

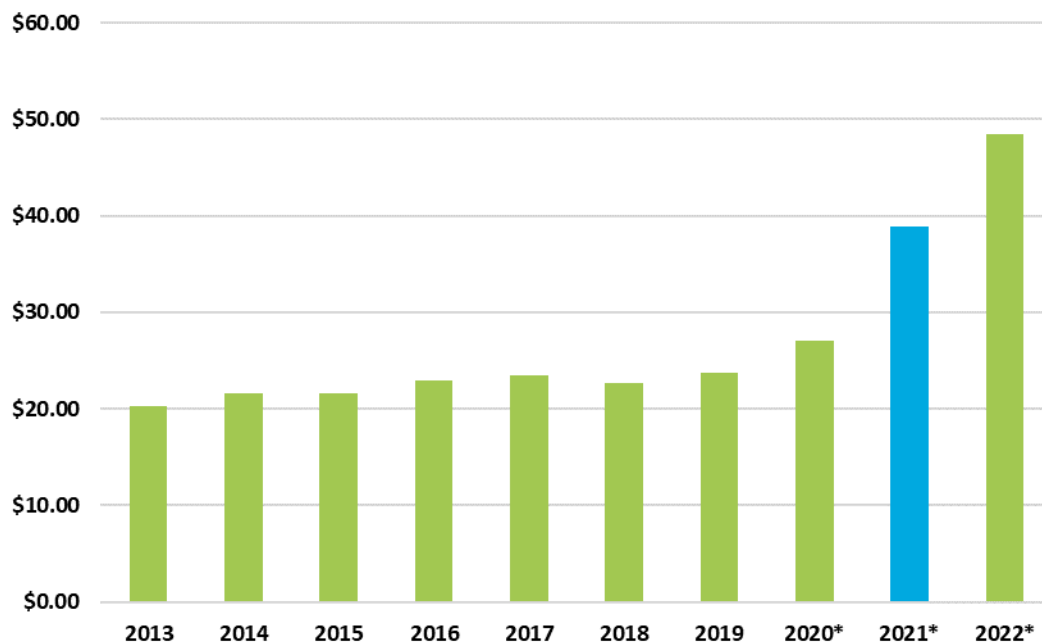
### Operating Revenue per Enplanement

This is a measure of operating revenues per enplaned passenger.

#### Fiscal Years ended June 30, 2013 to 2022

Fiscal Year	Operating Revenue (\$) <sup>1</sup>	Enplaned Passengers <sup>1</sup>	Operating Revenue per Enplanement	% Change
2013	177,498	8,738	20.31	13.5%
2014	195,737	9,082	21.55	6.1%
2015	210,505	9,713	21.67	0.6%
2016	233,994	10,206	22.93	5.8%
2017	248,847	10,596	23.48	2.4%
2018	266,079	11,732	22.68	-3.4%
2019	293,679	12,356	23.77	4.8%
2020*	340,527	12,557	27.12	14.1%
2021*	246,105	6,329	38.89	43.4%
2022*	312,570	6,455	48.42	24.5%

<sup>1</sup> in thousands



\* Budgeted FY 2020, FY 2021, & FY 2022

**Figure 42 – Operating Revenue per Enplaned Passenger**

Source: San Diego County Regional Airport Authority

## Performance Indicators

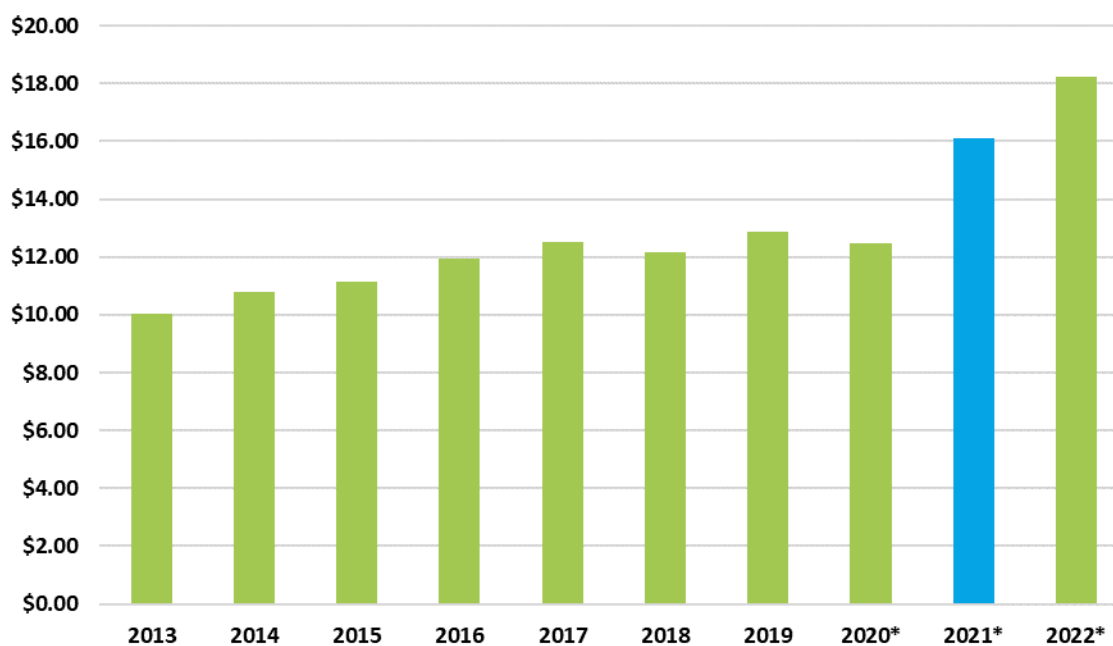
### Non-Airline Revenue per Enplanement

This is a measure of non-airline derived operating revenues per enplaned passenger. This includes terminal concessions, parking, and rental car and ground rental revenues divided by enplanement.

#### Fiscal Years ended June 30, 2013 to 2022

Fiscal Year	Non-Airline Revenue (\$) <sup>1</sup>	Enplaned Passengers <sup>1</sup>	Operating Revenue per Enplanement	% Change
2013	87,858	8,738	10.06	6.3%
2014	97,861	9,082	10.77	7.2%
2015	108,174	9,713	11.14	3.4%
2016	121,789	10,206	11.93	7.1%
2017	132,465	10,596	12.50	4.8%
2018	142,922	11,732	12.18	-2.5%
2019	159,325	12,356	12.89	5.8%
2020*	156,588	12,557	12.47	-3.3%
2021*	101,836	6,329	16.09	29.0%
2022*	117,716	6,455	18.24	13.3%

<sup>1</sup> in thousands



\* Budgeted FY 2020, FY 2021, & FY 2022

**Figure 43 – Non-Airline Revenue per Enplaned Passenger**

Source: San Diego County Regional Airport Authority



## Performance Indicators

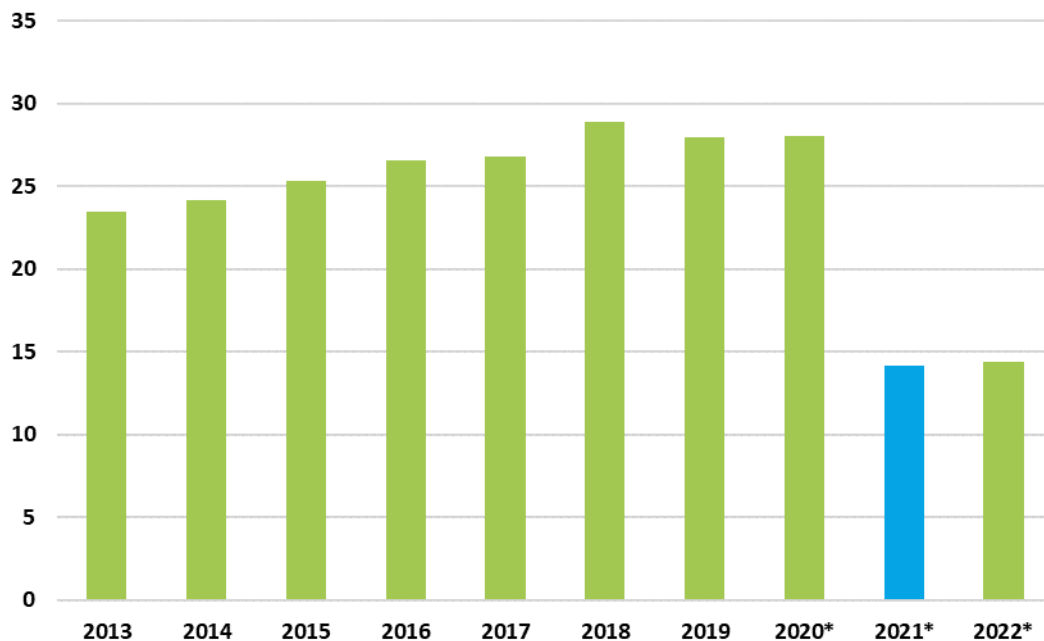
### Enplaned Passengers per FTEs

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

#### Fiscal Years ended June 30, 2013 to 2022

Fiscal Year	FTEs	Enplaned Passengers <sup>1</sup>	Enplaned Passengers per Employee
2013	372	8,738	23
2014	376	9,082	24
2015	384	9,713	25
2016	384	10,206	27
2017	395	10,596	27
2018	406	11,732	29
2019	442	12,356	28
2020*	448	12,557	28
2021*	448	6,329	14
2022*	448	6,455	14

<sup>1</sup> in thousands



\* Budgeted FY 2020, FY 2021, & FY 2022

**Figure 44 – Enplaned Passenger per FTE**

Source: San Diego County Regional Airport Authority

## Performance Indicators

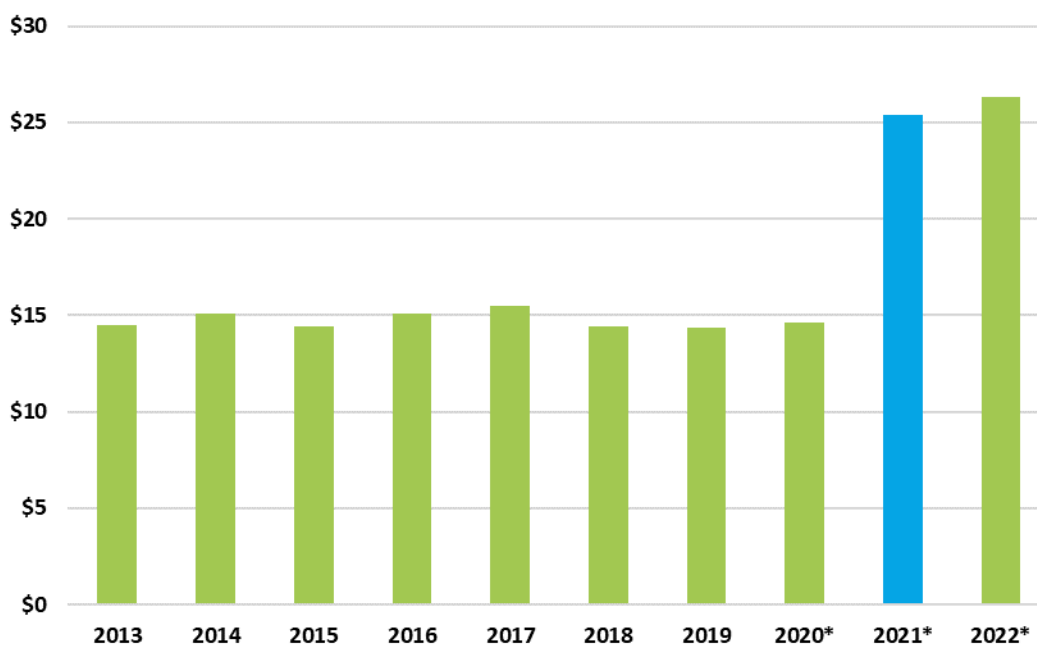
### Operating Expenses per Enplanement

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

#### Fiscal Years ended June 30, 2013 to 2022

Fiscal Year	Operating Expenses (\$) <sup>1</sup>	Enplaned Passengers <sup>1</sup>	Operating Expenses per Enplanement (\$) <sup>1</sup>	% Change
2013	126,846	8,738	14.52	4.5%
2014	136,833	9,082	15.07	3.8%
2015	140,310	9,713	14.45	-4.1%
2016	153,698	10,206	15.06	4.2%
2017	163,726	10,596	15.45	2.6%
2018	169,120	11,732	14.42	-6.7%
2019	177,219	12,356	14.34	-0.5%
2020*	183,790	12,557	14.64	2.0%
2021*	160,465	6,329	25.36	73.2%
2022*	169,992	6,455	26.33	3.9%

<sup>1</sup> in thousands



\* Budgeted FY 2020, FY 2021, & FY 2022

**Figure 45 – Operating Expense per Enplaned Passenger**

Source: San Diego County Regional Airport Authority

## Performance Indicators

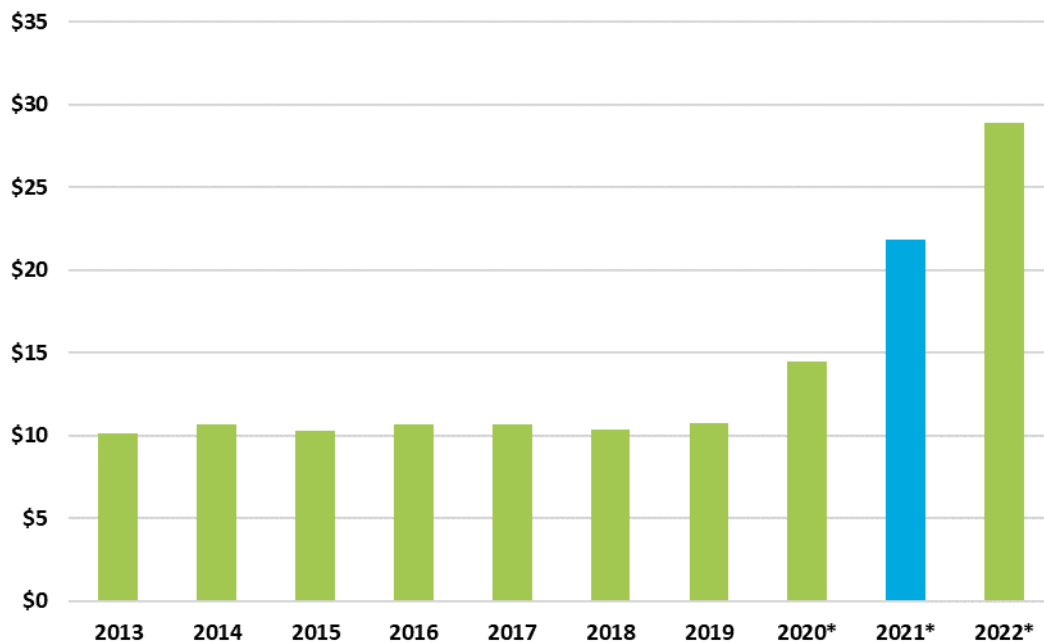
### Airline Cost per Enplaned Passenger

Airline cost per enplaned passenger (CPE) is the total annual cost of fees and charges paid by the airlines divided by the total fiscal year enplanements.

#### Fiscal Years ended June 30, 2013 to 2022

Fiscal Year	Enplaned Passengers <sup>1</sup>	Cost per Enplanement (\$)
2013	8,738	10.16
2014	9,082	10.64
2015	9,713	10.26
2016	10,206	10.71
2017	10,596	10.71
2018	11,732	10.35
2019	12,356	10.74
2020*	12,557	14.47
2021*	6,329	21.92
2022*	6,455	28.97

<sup>1</sup> in thousands



\* Budgeted FY 2020, FY 2021, & FY 2022

**Figure 46 – Airline Cost per Enplaned Passenger**

Source: San Diego County Regional Airport Authority

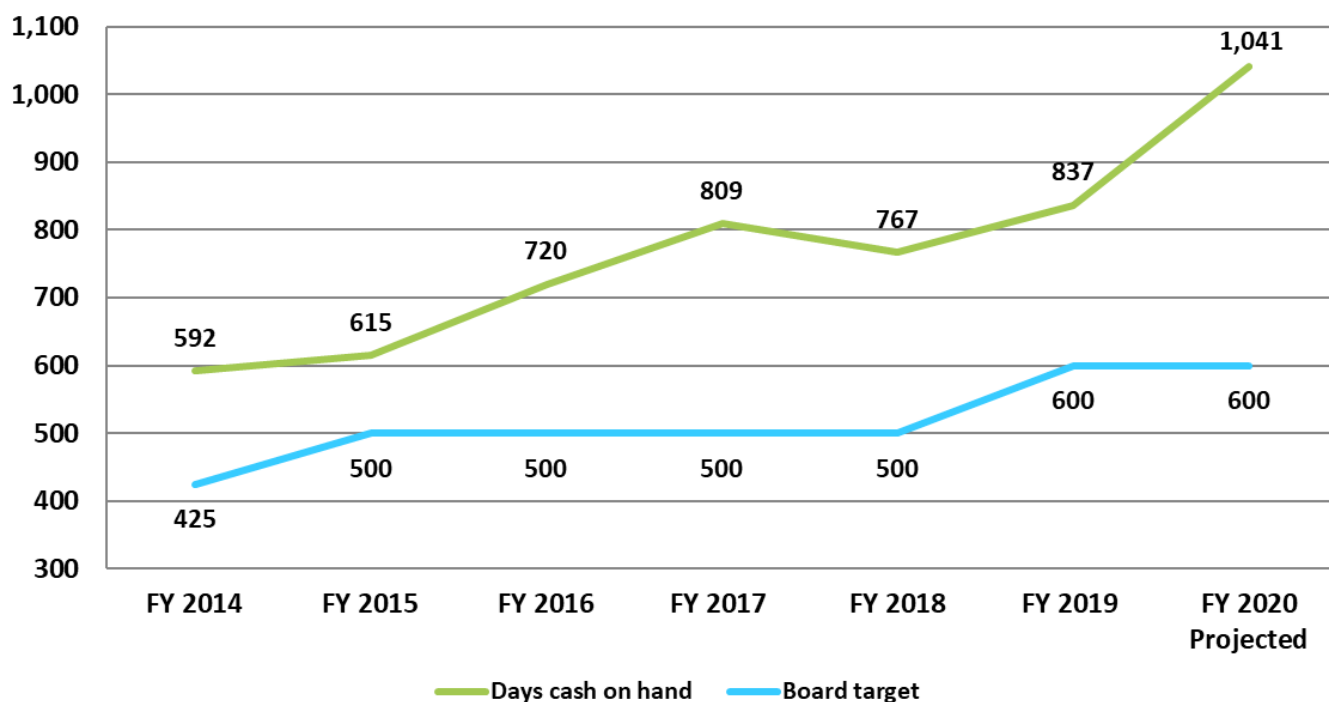


## Performance Indicators

### Days Cash on Hand

Recognizing the inherently volatile nature of the aviation industry, the Airport Authority will maintain prudent unrestricted reserves as a backstop to be able to fund its obligations if unforeseen events occur. The Airport Authority's unrestricted reserves target (defined as the sum of unrestricted cash and investments, unrestricted cash designated for capital projects, unrestricted long-term investments, the O&M Reserve, the O&M Subaccount Reserve and the Renewal and Replacement Reserve) shall be at least 600 days of budgeted operating and maintenance expenses for the current fiscal year.

**Days Cash on Hand Compared to Board-Approved Target**



**Figure 47 – Days Cash on Hand**

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# Supplemental Data



## Supplemental Data

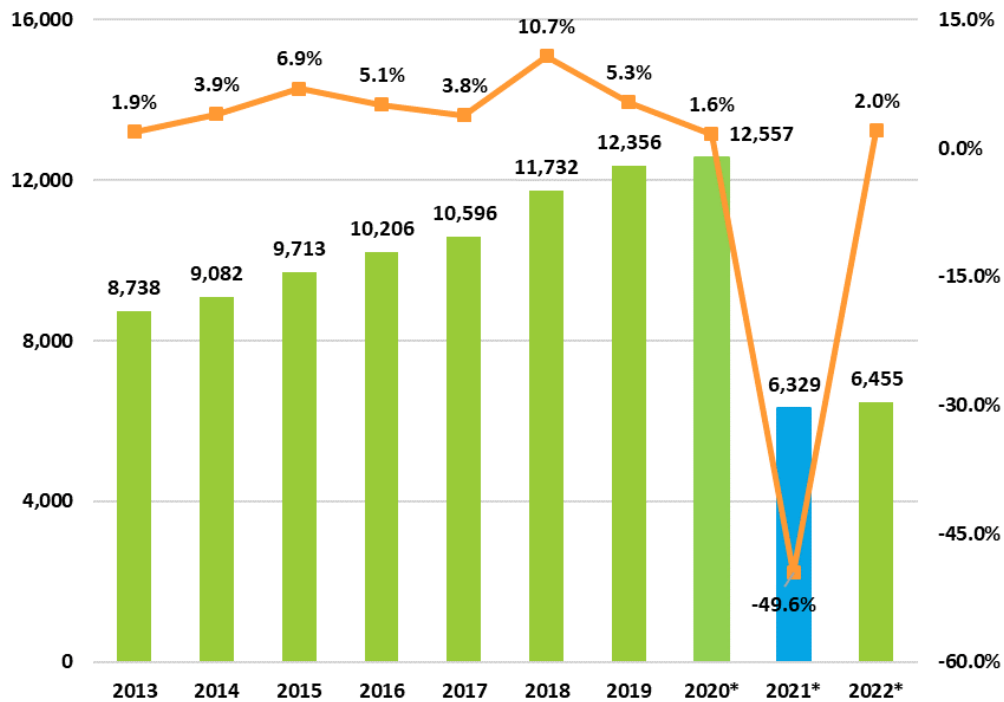
### Annual Enplaned Passengers

In FY 2021, enplaned passenger traffic at SAN is projected to reach 6.3M, which represents a decrease of 49.6% from the 12.6M enplanements used in the FY 2020 Budget. Enplaned passengers are projected to increase by 2.0% to 6.5M in the FY 2022 Conceptual Budget.

### Fiscal Years ended June 30, 2013 to 2022

Fiscal Year	Enplaned Passengers	% Change
2013	8,738	1.9%
2014	9,082	3.9%
2015	9,713	6.9%
2016	10,206	5.1%
2017	10,596	3.8%
2018	11,732	10.7%
2019	12,356	5.3%
2020*	12,557	1.6%
2021*	6,329	-49.6%
2022*	6,455	2.0%

<sup>1</sup> in thousands



\* Budgeted FY 2020, FY 2021, & FY 2022

Figure 48 – Annual Enplaned Passengers



## Supplemental Data

### Airline Market Share FY 2011 – FY 2019

The more diverse an airport's airline market share, the less susceptible it is to the effects of an airline's financial position or changing service levels. Seven carriers accounted for approximately 85% of the enplaned passengers.

Air Carrier	Enplanements (in thousands)							Market Share						
	2013	2014	2015	2016	2017	2018	2019	2013	2014	2015	2016	2017	2018	2019
Southwest Airlines	3,253	3,353	3,737	3,840	3,967	4,458	4,656	3.0%	36.9%	38.5%	37.6%	37.4%	38.0%	37.7%
United Airlines	1,176	1,168	1,114	1,166	1,266	1,406	1,481	13.5%	12.9%	11.5%	11.4%	11.9%	12.0%	12.0%
American Airlines <sup>1</sup>	651	694	747	1,369	1,339	1,367	1,339	7.4%	7.6%	7.7%	13.4%	12.6%	11.7%	10.8%
Delta Airlines	905	916	992	1,062	1,089	1,127	1,337	10.4%	10.1%	10.2%	10.4%	10.3%	9.6%	10.8%
Alaska Airlines <sup>2</sup>	674	830	872	903	919	1,031	1,253	7.7%	9.1%	9.0%	8.8%	8.7%	8.8%	10.1%
Spirit	164	201	252	327	287	317	324	1.9%	2.2%	2.6%	3.2%	2.7%	2.7%	2.6%
Frontier Airlines	184	185	151	119	180	255	277	2.1%	2.0%	1.6%	1.2%	1.7%	2.2%	2.2%
JetBlue Airlines	153	173	179	183	225	248	231	1.7%	1.9%	1.8%	1.8%	2.1%	2.1%	1.9%
Hawaiian Airlines	94	99	97	102	108	109	150	1.1%	1.1%	1.0%	1.0%	1.0%	0.9%	1.2%
British Airways	82	85	84	90	90	83	83	0.9%	0.9%	0.9%	0.9%	0.9%	0.7%	0.7%
Japan Airlines	18	54	59	60	60	62	67	0.2%	0.6%	0.6%	0.6%	0.6%	0.5%	0.5%
Air Canada	45	37	41	49	93	111	63	0.5%	0.4%	0.4%	0.5%	0.9%	0.9%	0.5%
Lufthansa	-	-	-	-	-	13	50	-	-	-	-	-	0.1%	0.4%
Westjet	28	32	34	35	41	39	43	0.3%	0.4%	0.3%	0.3%	0.4%	0.3%	0.3%
Sun Country Airlines	24	27	29	35	40	42	40	0.3%	0.3%	0.3%	0.3%	0.4%	0.4%	0.3%
Allegiant	15	8	7	17	49	45	31	0.2%	0.1%	0.1%	0.2%	0.5%	0.4%	0.2%
Edelweiss	-	-	-	-	1	7	6	-	-	-	-	0.0%	0.1%	0.1%
Virgin America <sup>2</sup>	168	157	176	211	212	184	-	1.9%	1.7%	1.8%	2.1%	2.0%	1.6%	-
Condor	-	-	-	-	4	8	-	-	-	-	-	0.0%	0.1%	-
Volaris	31	23	20	21	4	-	-	0.4%	0.3%	0.2%	0.2%	0.0%	-	-
US Airways <sup>1</sup>	561	554	523	-	-	-	-	6.4%	6.1%	5.4%	-	-	-	-
<b>Total Air Carrier</b>	<b>8,225</b>	<b>8,596</b>	<b>9,114</b>	<b>9,588</b>	<b>9,976</b>	<b>10,911</b>	<b>11,432</b>	<b>95.1%</b>	<b>94.1%</b>	<b>94.6%</b>	<b>93.8%</b>	<b>93.9%</b>	<b>94.1%</b>	<b>92.5%</b>
<b>Regional</b>														
Skywest Airlines	352	341	372	302	372	485	497	4.0%	3.8%	3.8%	3.0%	3.5%	4.1%	4.0%
Compass	-	9	140	250	195	251	296	-	0.1%	1.4%	2.4%	1.8%	2.1%	2.4%
Jazz Aviation	0	-	-	-	-	-	67	0.0%	-	-	-	-	-	0.5%
Horizon	77	84	84	65	54	82	64	0.9%	0.9%	0.9%	0.6%	0.5%	0.7%	0.5%
American Eagle (Envoy)	82	51	-	-	-	-	-	0.9%	0.6%	-	-	-	-	-
Seaport Airlines	0	1	3	2	-	-	-	0.0%	0.0%	0.0%	0.0%	-	-	-
<b>Total Regional</b>	<b>512</b>	<b>486</b>	<b>599</b>	<b>618</b>	<b>621</b>	<b>818</b>	<b>924</b>	<b>4.1%</b>	<b>5.0%</b>	<b>4.8%</b>	<b>5.9%</b>	<b>6.1%</b>	<b>5.9%</b>	<b>7.5%</b>
<b>Total Passengers</b>	<b>8,738</b>	<b>9,082</b>	<b>9,713</b>	<b>10,206</b>	<b>10,596</b>	<b>11,729</b>	<b>12,356</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<sup>1</sup> US Airways merged with American Airlines on December 9, 2013. A single operating certificate was issued by the FAA and operational integration was on April 7, 2015

<sup>2</sup> Alaska Airlines and Virgin America received their single operating certificate from the FAA on January 11, 2018 and began operating as Alaska Airlines on April 25, 2018

Figure 49 – Airline Market Share

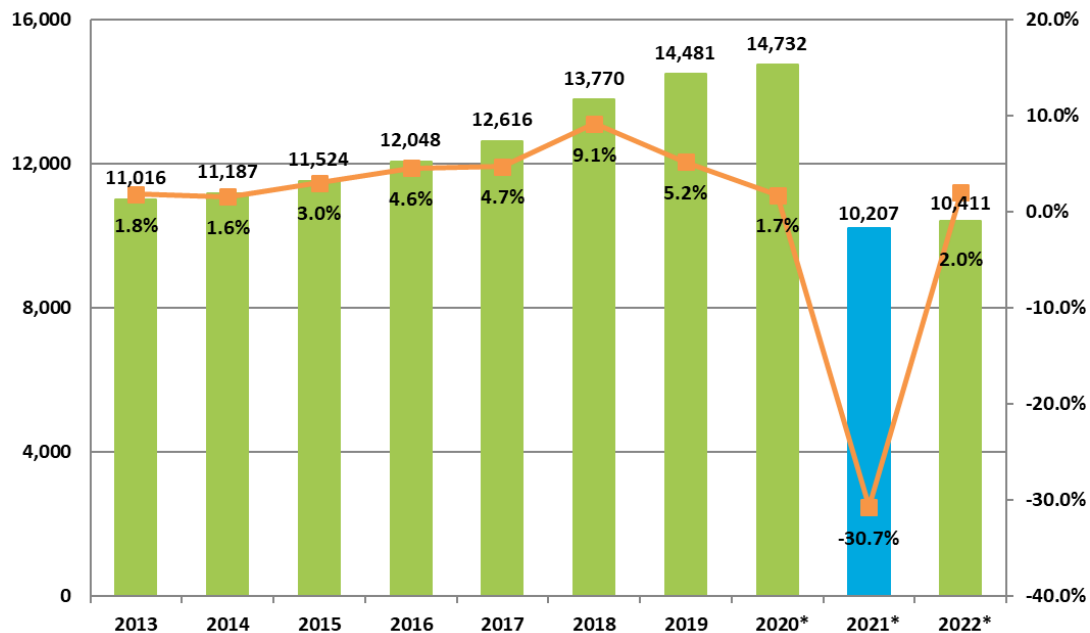
## Supplemental Data

### Aircraft Landed Weight

Landed weight refers to the maximum gross certificated landed weight in one thousand pound units, as stated in the airline flight operations manual. Landed weight is used to calculate landing fees for both airline and general aviation aircraft operated at the Airport. In FY 2021, landed weight is estimated to decrease by 15.1% over FY 2020 year-end projections.

#### Fiscal Years ended June 30, 2013 to 2022

Fiscal Year	Landed Weight In million lbs.	% Change
2013	11,016	1.8%
2014	11,187	1.6%
2015	11,524	3.0%
2016	12,048	4.6%
2017	12,616	4.7%
2018	13,770	9.1%
2019	14,481	5.2%
2020*	14,732	1.7%
2021*	10,207	-30.7%
2022*	10,411	2.0%



\* Budgeted FY 2020, FY 2021, & FY 2022

Figure 50 – Aircraft Landed Weight

## Supplemental Data

### Airline Landed Weight FY 2012 – FY 2019

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						
	2013	2014	2015	2016	2017	2018	2019	2013	2014	2015	2016	2017	2018	2019
Southwest Airlines	3,907,554	3,925,362	4,214,314	4,257,162	4,470,104	4,924,451	5,180,064	35.5%	35.1%	36.6%	35.3%	35.4%	35.8%	35.8%
United Airlines	1,387,854	1,340,736	1,227,974	1,250,500	1,355,185	1,492,873	1,566,148	12.6%	12.0%	10.7%	10.4%	10.7%	10.8%	10.8%
American Airlines <sup>1</sup>	1,339,751	1,349,554	1,359,911	1,467,922	1,428,538	1,471,318	1,415,134	12.2%	12.1%	11.8%	12.2%	11.3%	10.7%	9.8%
Alaska Airlines <sup>2</sup>	750,000	884,727	888,065	924,310	999,875	1,131,807	1,411,255	6.8%	7.9%	7.7%	7.7%	7.9%	8.2%	9.7%
Delta Airlines	1,023,608	1,016,878	1,077,103	1,153,074	1,175,285	1,183,702	1,389,312	9.3%	9.1%	9.3%	9.6%	9.3%	8.6%	9.6%
Skywest Airlines	428,595	396,054	408,608	359,197	465,023	627,038	637,117	3.9%	3.5%	3.5%	3.0%	3.7%	4.6%	4.4%
Compass Airlines	-	10,979	172,754	307,793	296,581	312,883	377,941	0.0%	0.1%	1.5%	2.6%	2.4%	2.3%	2.6%
Federal Express	451,797	419,127	384,686	444,038	390,716	388,782	375,807	4.1%	3.7%	3.3%	3.7%	3.1%	2.8%	2.6%
Spirit Airlines	208,200	245,669	296,925	351,977	286,162	328,424	331,366	1.9%	2.2%	2.6%	2.9%	2.3%	2.4%	2.3%
JetBlue Airlines	168,080	189,979	193,848	199,232	244,364	293,160	281,715	1.5%	1.7%	1.7%	1.7%	1.9%	2.1%	1.9%
Frontier Airlines	196,614	192,493	153,880	115,238	167,590	232,794	247,145	1.8%	1.7%	1.3%	1.0%	1.3%	1.7%	1.7%
Hawaiian Airlines	140,637	147,325	146,284	147,406	147,568	161,486	237,560	1.3%	1.3%	1.3%	1.2%	1.2%	1.2%	1.6%
British Airways	163,760	166,980	166,980	183,760	217,360	208,926	210,432	1.5%	1.5%	1.4%	1.5%	1.7%	1.5%	1.5%
United Parcel	118,180	121,742	127,660	135,318	146,778	143,678	138,860	1.1%	1.1%	1.1%	1.1%	1.2%	1.0%	1.0%
Japan Airlines	47,125	138,700	138,700	139,080	139,626	138,745	138,700	0.4%	1.2%	1.2%	1.2%	1.1%	1.0%	1.0%
Virgin America <sup>2</sup>	235,934	232,136	240,781	281,411	278,741	231,087	-	2.1%	2.1%	2.1%	2.3%	2.2%	1.7%	0.0%
<b>Subtotal</b>	<b>10,284,631</b>	<b>10,407,605</b>	<b>10,818,992</b>	<b>11,296,925</b>	<b>11,791,128</b>	<b>12,901,322</b>	<b>13,938,555</b>	<b>93.4%</b>	<b>93.0%</b>	<b>93.9%</b>	<b>93.8%</b>	<b>93.5%</b>	<b>93.7%</b>	<b>96.3%</b>
All Others	731,084	779,160	704,728	751,217	824,940	868,624	542,674	6.6%	7.0%	6.1%	6.2%	6.5%	6.3%	3.7%
<b>Total</b>	<b>11,015,716</b>	<b>11,186,766</b>	<b>11,523,720</b>	<b>12,048,142</b>	<b>12,616,068</b>	<b>13,769,945</b>	<b>14,481,229</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

<sup>1</sup> US Airways merged with American Airlines on December 9, 2013. A single operating certificate was issued by the FAA and operational integration was on April 7, 2015

<sup>2</sup> Alaska Airlines and Virgin America received their single operating certificate from the FAA on January 11, 2018 and began operating as Alaska Airlines on April 25, 2018

**Figure 51 – Top 15 Airlines Ranked by Landed Weight**

## Supplemental Data

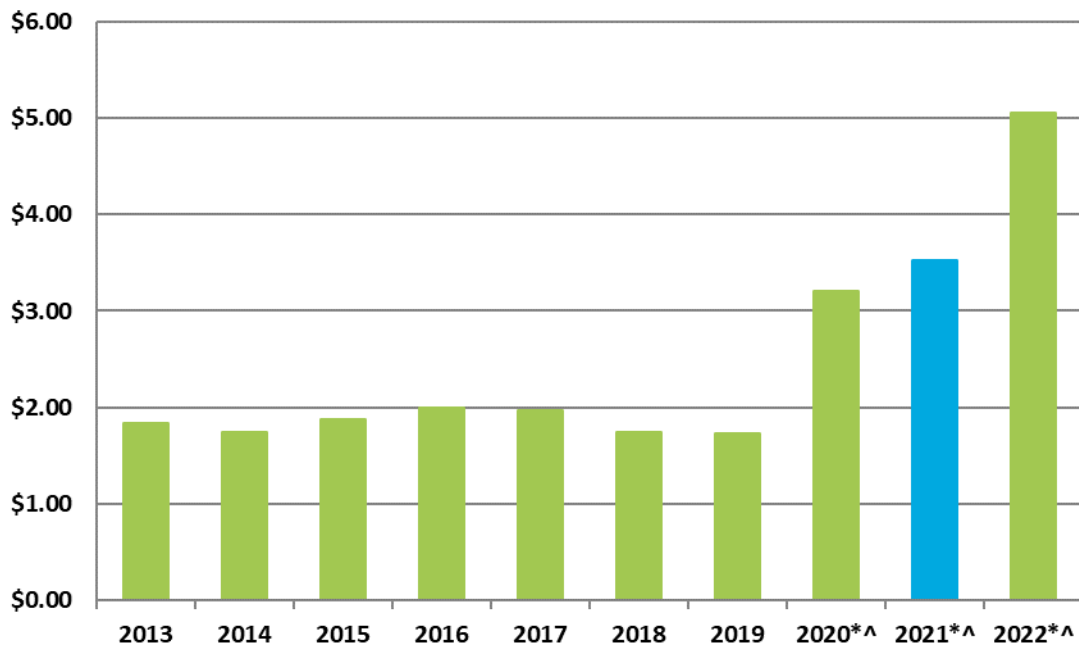
### Landing Fees

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

#### Fiscal Years ended June 30, 2013 to 2022

Fiscal Year	Landing Fees (\$) per 1,000 lbs	% Change
2013	1.83	4.7%
2014	1.74	-5.0%
2015	1.88	7.9%
2016	2.00	6.5%
2017	1.97	-1.4%
2018	1.74	-11.5%
2019	1.73	-1.0%
2020*^	3.21	85.8%
2021*^	3.52	9.8%
2022*^	5.05	43.5%

^ Signatory Rate



\* Budgeted FY 2020, FY 2021, & FY 2022

^ Signatory Rate

Figure 52 – Landing Fees



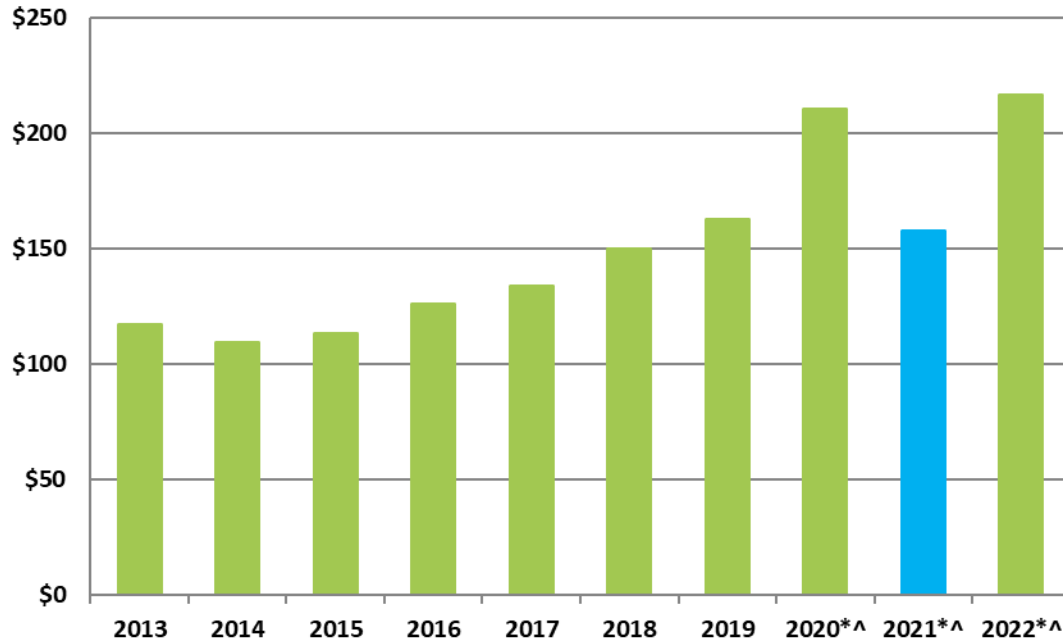
## Supplemental Data

### Terminal Rates Billed to Airlines

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

#### Fiscal Years ended June 30, 2013 to 2022

Fiscal Year	Terminal Rates Per Sq. Ft. (\$) <sup>1</sup>	% Change
2013	117.00	40.4%
2014	109.61	31.6%
2015	113.01	3.1%
2016	126.21	11.7%
2017	133.95	6.1%
2018	150.19	12.1%
2019	162.82	8.4%
2020*^	210.57	29.3%
2021*^	157.92	-3.0%
2022*^	216.78	3.0%



<sup>1</sup> Net of Janitorial Credit

\* Budgeted FY 2020, FY 2021, & FY 2022

^ Signatory Rate

Figure 53 – Terminal Rates

## Supplemental Data

### Aircraft Operations (Takeoffs and Landings)

Aircraft operations are the takeoffs and landings at SAN. They represent the level of demand for air service by the airlines operating at SAN.

Fiscal Year	Air Carriers	Air Taxi	Total	General Aviation	Military	Total
2012	149,104	26,398	175,502	12,120	658	188,280
2013	154,781	23,370	178,151	9,586	567	188,304
2014	155,310	22,953	178,263	8,930	597	187,790
2015	160,726	24,336	185,062	9,534	669	195,265
2016	169,365	13,741	183,106	9,439	906	193,451
2017	178,579	11,899	190,478	9,719	814	201,011
2018	196,253	11,903	208,156	9,816	699	218,671
2019	204,627	12,539	217,166	10,167	759	228,092

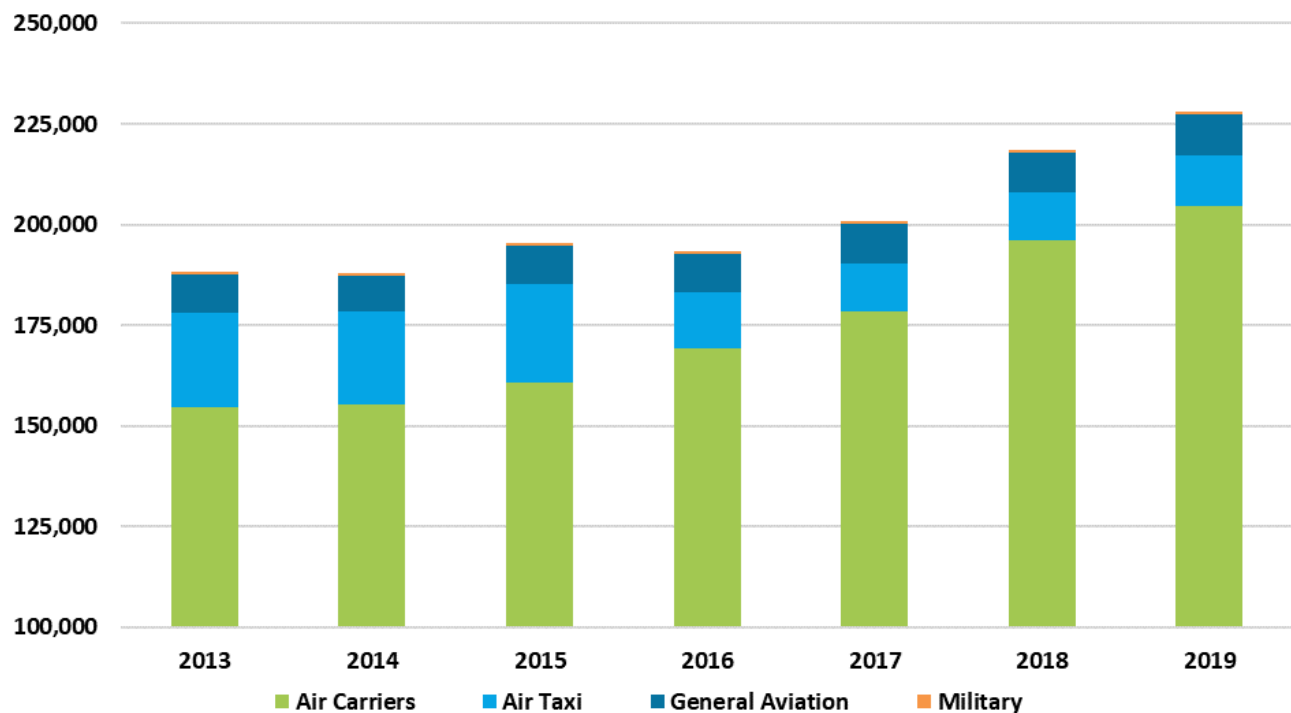


Figure 54 – Aircraft Operations

Source: San Diego County Regional Airport Authority

## Supplemental Data

### Historical Revenue by Source

Revenue by Major Sources	FY 2013 Actuals	FY 2014 Actuals	FY 2015 Actuals	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Actuals	FY 2020 Budget	FY 2021 Budget	FY 2022 Conceptual Budget
Airline Revenue	\$ 89,640	\$ 97,876	\$ 102,331	\$ 112,205	\$ 116,381	\$ 123,157	\$ 134,354	\$ 183,939	\$ 144,269	\$ 194,854
CARES Act Grant	-	-	-	-	-	-	-	-	54,326	-
Parking and Ground Transportation	39,239	43,030	45,958	52,546	54,355	53,254	62,818	63,322	32,116	33,193
Rental Car License Fees and License Fees - Other	24,401	24,901	26,210	27,816	30,162	37,247	41,155	42,207	26,253	32,843
Passenger Facility Charges	35,437	35,770	38,517	40,258	42,200	46,953	49,198	49,629	24,170	24,654
QHP & CIP Grants	29,319	16,298	22,839	19,050	3,318	21,468	19,763	22,624	23,094	30,320
Terminal Concessions	14,151	18,799	21,962	24,018	26,146	28,363	30,102	30,211	21,237	27,155
Customer Facility Charges	19,117	27,545	32,465	33,208	36,528	41,037	41,919	41,509	20,739	21,153
Ground Rentals	8,190	8,445	11,568	15,194	18,497	20,073	20,647	17,328	18,350	20,628
Interest Income	4,140	5,211	5,747	5,999	8,134	13,374	16,812	17,835	7,590	11,525
Non-Airline Revenue - Other <sup>1</sup>	(2,355)	3,146	3,850	4,840	(13,581)	(9,227)	12,815	3,510	3,870	3,886
BAB Interest Rebate	4,779	4,636	4,631	4,656	4,651	4,666	4,686	4,686	-	-
<b>Total Revenue</b>	<b>\$ 266,058</b>	<b>\$ 285,656</b>	<b>\$ 316,077</b>	<b>\$ 339,790</b>	<b>\$ 326,790</b>	<b>\$ 380,365</b>	<b>\$ 434,268</b>	<b>\$ 476,801</b>	<b>\$ 376,014</b>	<b>\$ 400,212</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 55 – Historical Revenue by Source**

## Supplemental Data

### Airport Authority's Largest Sources of Revenues

Tenant	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	% of Total Operating Revenue
Southwest Airlines	\$ 27,599	\$ 29,549	\$ 33,107	\$ 33,839	\$ 35,961	\$ 38,404	\$ 42,359	14.4%
Delta Airlines	10,899	12,005	13,561	14,418	16,123	17,007	18,368	6.3%
United Airlines	15,818	15,364	15,687	14,518	16,227	17,520	18,335	6.2%
Alaska Airlines <sup>2</sup>	6,167	8,008	9,713	10,612	11,705	16,353	17,436	5.9%
American Airlines <sup>1</sup>	15,173	15,785	15,888	15,322	17,075	16,581	17,073	5.8%
Enterprise Rent-A-Car	6,935	7,162	7,998	9,451	11,188	12,286	12,780	4.4%
Hertz Rent-A-Car	5,962	6,150	6,236	8,225	11,143	11,017	11,539	3.9%
Uber Technologies, Inc	-	-	-	-	-	-	8,619	2.9%
SSP America	-	-	-	4,477	5,004	5,869	6,798	2.3%
High Flying Foods	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,373	2.2%

<sup>1</sup> US Airways merged with American Airlines on December 9, 2013. A single operating certificate was issued by the FAA and operational integration was on April 7, 2015

<sup>2</sup> Alaska Airlines and Virgin America received their single operating certificate from the FAA on January 11, 2018 and began operating as Alaska Airlines on April 25, 2018

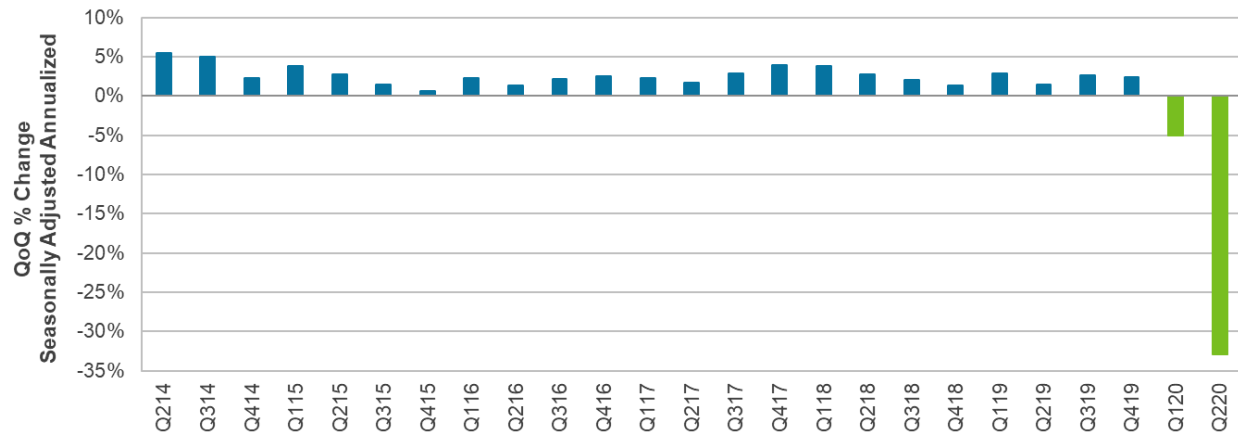
**Figure 56 – Airport Authority's Largest Sources of Revenues**

Source: San Diego County Regional Airport Authority

## Supplemental Data

### Economic and Operational Trends

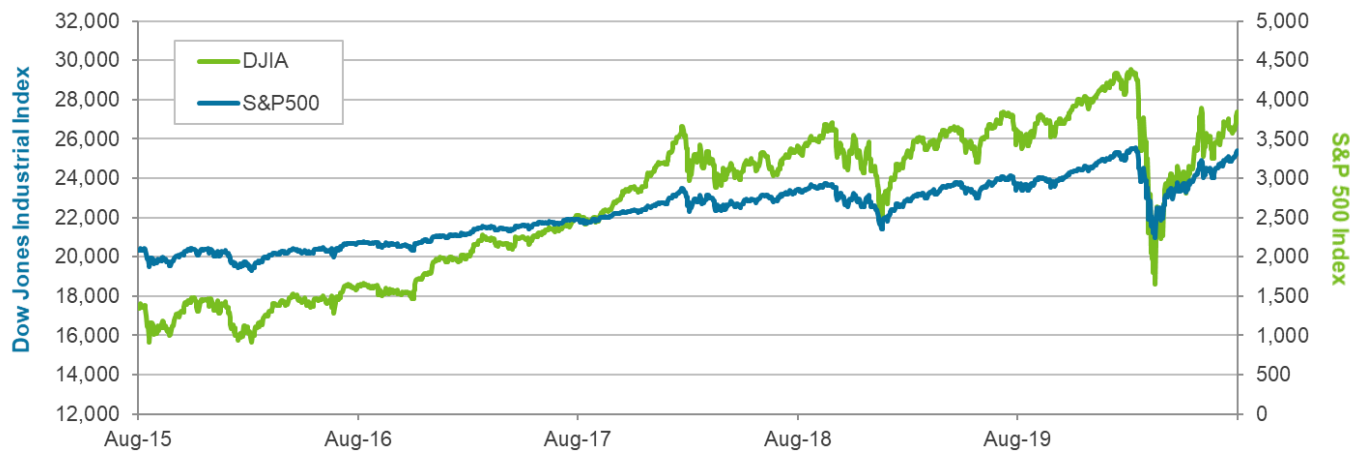
**U.S. Gross Domestic Product**  
Second Quarter 2014 – Second Quarter 2020



**Figure 57 – U.S. Gross Domestic Product**

Source: Bloomberg

**Dow Jones Industrial Average and S&P 500 Indices**  
August 7, 2015 – August 6, 2020



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

Source: Bloomberg

## Supplemental Data

### San Diego County Principal Employers

June 2019				August 2010			
Employer	Local Employees	Rank	Percentage of Total Industry Employment	Employer	Local Employees	Rank	Percentage of Total Industry Employment
State of California	53,600	1	3.4%	U.S. Federal Government	44,000	1	3.1%
U.S. Federal Government	47,000	2	3.0%	State of California	42,300	2	3.0%
Qualcomm Inc.	37,000	3	2.3%	University of California, San Diego	26,823	3	1.9%
Sharp Health Care	18,770	4	1.2%	County of San Diego	15,391	4	1.1%
Kaiser Permanente	9,630	5	0.6%	Sharp Health Care	14,832	5	1.1%
San Diego Community College District	6,805	6	0.4%	San Diego Unified School District	14,485	6	1.0%
General Atomics Aeronautical	6,777	7	0.4%	Scripps Health	13,823	7	1.0%
San Diego State University	6,635	8	0.4%	Qualcomm Inc.	11,847	8	0.8%
Rady's Children Hospital	5,541	9	0.4%	City of San Diego	10,470	9	0.7%
YMCA of San Diego	5,517	10	0.3%	Kaiser Permanente	7,404	10	0.5%

**Figure 59 – Principal Employers**

Sources: Employers - San Diego Journal Book of Lists: 2020 & 2011;

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

## Supplemental Data

### San Diego County Employment by Industry Sectors

Industry Sectors	June 2020	
	Industry Employment	% of Total
Professional and Business Services	249,500	18.3%
Government	233,900	17.1%
Trade, Transportation and Utilities	199,700	14.6%
Education and Health Services	198,800	14.6%
Leisure and Hospitality	149,300	10.9%
Manufacturing	108,300	7.9%
Construction and Mining	81,800	6.0%
Financial Activities	73,500	5.4%
Other Services	41,200	3.0%
Information	19,700	1.4%
Agriculture	9,500	0.7%
<b>Total</b>	<b>1,365,200</b>	

**Figure 60 – San Diego County Employment by Industry Sectors**

Source: California Employment Development Department, Labor Market Information Division Employment & Labor Force

## Supplemental Data

### Labor Force, Employment and Unemployment Rate

Calendar Year	Labor Force	Employment	Unemployment	Unemployment Rate	
				SD County	State
2010	1,513,100	1,350,500	162,600	10.7%	12.0%
2011	1,523,000	1,360,000	163,000	10.7%	12.0%
2012	1,544,200	1,397,600	146,600	9.5%	10.6%
2013	1,548,000	1,421,000	126,900	8.2%	9.2%
2014	1,544,600	1,444,000	100,600	6.5%	7.4%
2015	1,555,900	1,473,500	82,400	5.3%	6.3%
2016	1,569,000	1,491,700	77,300	4.9%	5.6%
2017	1,584,500	1,518,100	66,300	4.2%	6.3%
2018	1,584,000	1,525,500	58,400	3.7%	4.5%
2019	1,582,300	1,529,500	52,900	3.3%	4.2%

**Figure 61 – Labor Force, Employment and Unemployment Rate**

Source: California Employment Development Department, Labor Market Information Division



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# Glossary





## Glossary

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

**AIRCRAFT OPERATIONS** – The landing or takeoff of an aircraft.

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

**AIRLINE OPERATING AND LEASE AGREEMENT** – 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.

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

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

**AIRPORT DEVELOPMENT PLAN** – A plan that defines phases of airport growth and improvement.

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

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

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

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

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

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

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

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

**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.

## Glossary

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

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

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

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

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

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

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

**DEBT SERVICE** – Principal and interest payments on bonds.

**DEBT SERVICE COVERAGE** – An amount equal to 125% of the portion of Debt Service attributable to bonds, plus other such amounts as may be established by any financial agreement.

**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

## Glossary

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 1<sup>st</sup> and ending June 30<sup>th</sup>.

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

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

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

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

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

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

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

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

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

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



## Glossary

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

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

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

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

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

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

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

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

**PROCUREMENT CARD (P-CARD) PROGRAM** – A procurement card program assists in making payments to suppliers or merchants.

**PASSENGER FACILITY CHARGES (PFC)** – A charge attached to each ticketed passenger that boards an airplane at the Airport. Certain types of passengers, including military, are excluded from the Passenger Facility Charge.

**QUIETER HOME PROGRAM (QHP)** – See *Residential Sound Attenuation Program*.

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

**RENTAL CAR CENTER (RCC)** – A facility to house all rental car companies in a single building.

**RESIDENTIAL SOUND ATTENUATION PROGRAM** – Includes sound attenuation construction at all eligible single-family and multi-family dwellings, with six or fewer units, located in the Year 2000 70 decibels Community Noise Equivalent Contour.

**SDCRAA** – *San Diego County Regional Airport Authority*.

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

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

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

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

## Glossary

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

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

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

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**SAN DIEGO**  
INTERNATIONAL AIRPORT

LET'S **GO.**