

## Board Communication

**Date:** April 29, 2022  
**To:** Board Members  
**From:** Scott M. Brickner, Vice President/Chief Financial Officer   
**Via:** Kimberly Becker, President/CEO   
**Subject:** FY 2023 Proposed & FY 2024 Proposed Conceptual Budgets

In accordance with Authority Policy 4.01, enclosed are the FY 2023 Proposed Budget and FY 2024 Proposed Conceptual Budget.

As presented, the Operating and Capital Budgets, are consistent with Board policy. They were developed under the guidance of the Authority's President/Chief Executive Officer and the Chief Financial Officer. The budgets reflect a forecast of 10.1 million enplanements for FY 2023, a 61.6% increase over the FY 2022 Budget of 6.3 million; and a forecast of 11.1 million for FY 2024, a 9.6% increase over the proposed FY 2023 Budget.

The proposed FY 2023 Expense Budget total is \$383.3 million. This reflects an increase of \$87.4 million, or 29.5%, over the FY 2022 Budget. The increase is primarily attributed to \$57.7 million in debt service costs from the 2021 Bond Issuance, \$5.4 million in personnel costs, \$7.3 million in Shuttle Operations, \$3.7 million in Quieter Home Program (QHP), \$3.3 million in Parking and Valet Operations, \$1.9 million in Utilities, and \$1.7 million in New T1 related operating expenses.

The proposed FY 2024 Conceptual Expense Budget total is \$399.2 million. This reflects a total increase of \$15.9 million, or 4.1%, above the proposed FY 2023 Budget. This increase is mainly attributed to \$7.0 million in non-personnel operating expenses, \$4.8 million in personnel costs, and \$3.9 million in debt service costs. The conceptually approved FY 2024 Budget will be brought before the Board next year for review, revisions, and adoption in June 2023.

Please contact me at (619) 400-2838 if you have questions. We look forward to the Budget Workshop discussion May 12<sup>th</sup> and Budget Adoption on June 2<sup>nd</sup>.

SAN DIEGO  
COUNTY  
REGIONAL  
AIRPORT  
AUTHORITY

**FY 2023 Proposed Budget &  
FY 2024 Proposed Conceptual Budget**

---

# Table of Contents

**Revenue Budget Overview**

**Expense Budget Overview**

**Executive Division**

**Development Division**

**Finance Division**

**Operations Division**

**Revenue Management & Innovation Division**

**Capital Program Budget FY 2023 – FY 2027**

**Plan of Finance FY 2023 – FY 2027**

**Appendix**

---

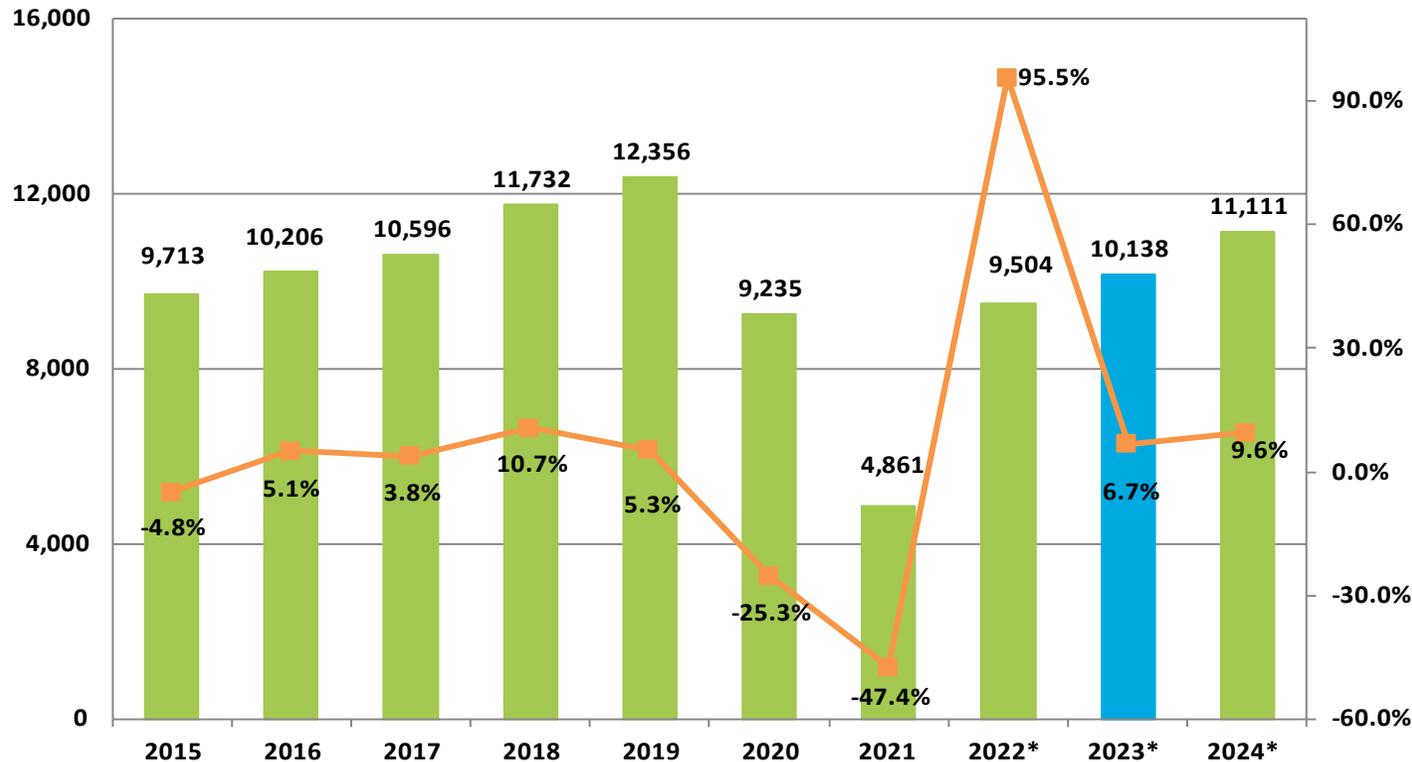


# Revenue Budget Overview

# Annual Enplaned Passenger Traffic

- FY 2023 Proposed Budget of 10.1M, 6.7% increase vs. FY 2022 Forecast of 9.5M and 61.6% increase vs. FY 22 budget of 6.28M
- FY 2024 Proposed Conceptual Budget of 11.1M, 9.6% increase vs. FY 2023 Budget of 10.1M

(in thousands)

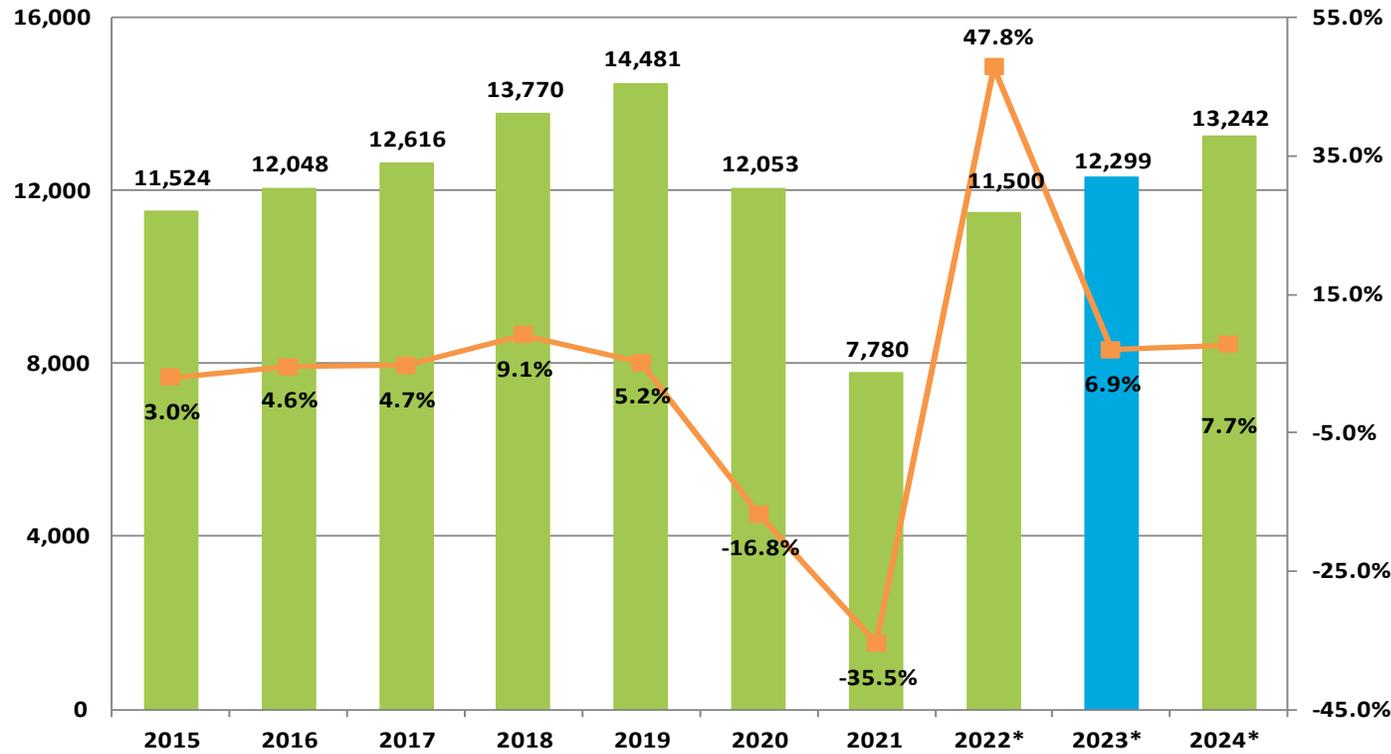


Fiscal Year	Enplaned Passengers	% Change
2015	9,713	-4.8%
2016	10,206	5.1%
2017	10,596	3.8%
2018	11,732	10.7%
2019	12,356	5.3%
2020	9,235	-25.3%
2021	4,861	-47.4%
2022*	9,504	95.5%
2023*	10,138	6.7%
2024*	11,111	9.6%

# Landed Weight

- FY 2023 Proposed Budget of 12.3M, 6.9% increase vs. FY 2022 Forecast of 11.5M and 29.5% increase vs. FY 22 budget of 9.49M
- FY 2024 Proposed Conceptual Budget of 13.2M, 7.7% increase vs. FY 2023 Budget of 12.3M

(in millions)



Fiscal Year	Landed Weight	% Change
2015	11,524	3.0%
2016	12,048	4.6%
2017	12,616	4.7%
2018	13,770	9.1%
2019	14,481	5.2%
2020	12,053	-16.8%
2021	7,780	-35.5%
2022*	11,500	47.8%
2023*	12,299	6.9%
2024*	13,242	7.7%

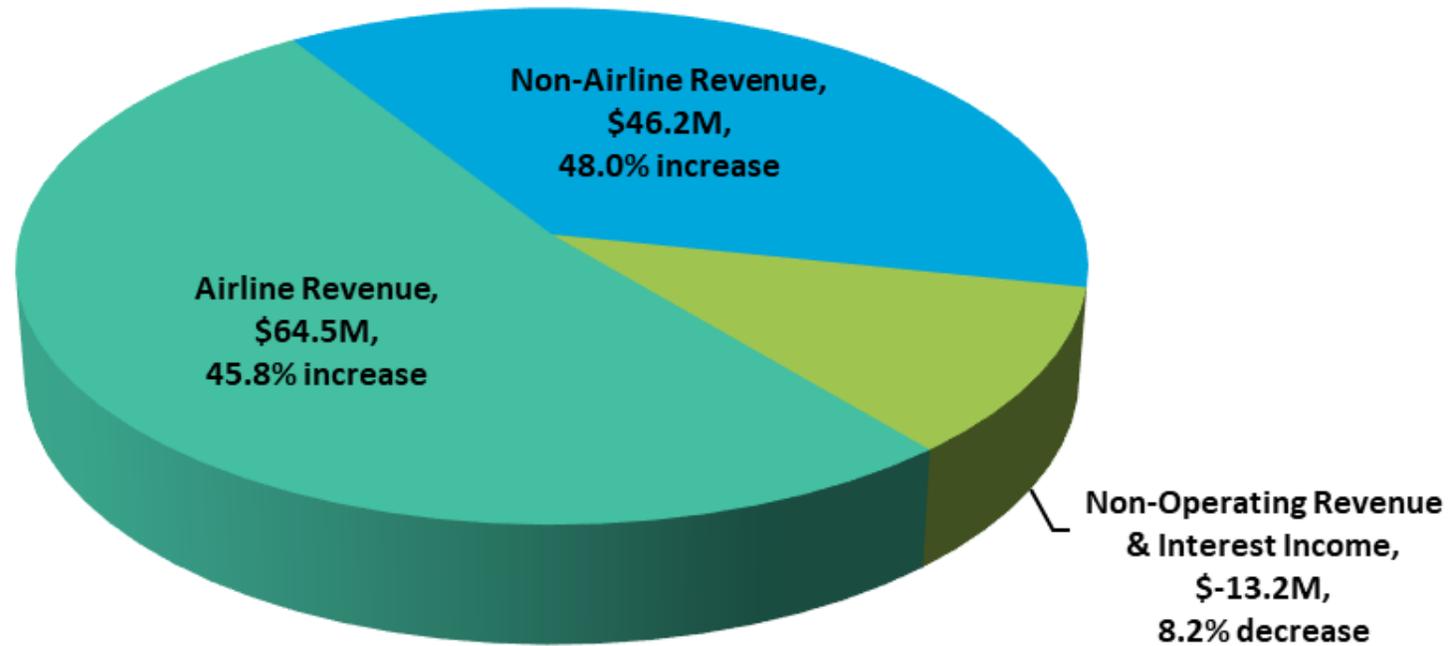
# FY 2023 – FY 2024 Proposed Revenue Budget Summary

(in thousands)

	FY2020 Actuals	FY2021 Actuals	FY2022 Budget	FY2023 Proposed Budget	Inc / (Dec) FY23 vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
<b>Operating Revenue</b>									
<b>Airline Revenue</b>									
Landing Fees	\$ 33,241	\$ 32,285	\$ 33,619	\$ 49,640	\$ 16,020	47.7%	\$ 55,200	\$ 5,560	11.2%
Aircraft Parking Fees	8,354	7,509	8,466	12,410	3,944	46.6%	13,800	1,390	11.2%
Building Rentals	82,453	77,751	93,420	137,250	43,830	46.9%	148,045	10,795	7.9%
Common Use Fees	7,628	6,859	7,927	11,358	3,430	43.3%	10,004	(1,353)	-11.9%
Other Aviation Revenue	161	809	(2,500)	(5,186)	(2,686)	107.4%	(4,457)	730	-14.1%
<b>Total Airline Revenue</b>	<b>131,838</b>	<b>125,213</b>	<b>140,932</b>	<b>205,471</b>	<b>64,539</b>	<b>45.8%</b>	<b>222,592</b>	<b>17,122</b>	<b>8.3%</b>
<b>Non-Airline Revenue</b>									
Terminal Rent Non-Airline	2,461	2,373	2,608	2,592	(16)	-0.6%	2,594	2	0.1%
Terminal Concessions	24,999	10,109	13,236	24,358	11,122	84.0%	27,226	2,868	11.8%
Rental Car License Fees	26,070	16,143	18,711	33,616	14,905	79.7%	35,443	1,827	5.4%
License Fees - Other	6,175	3,054	4,235	6,275	2,040	48.2%	6,939	664	10.6%
Parking Revenue	36,440	20,917	26,061	35,349	9,288	35.6%	38,477	3,129	8.9%
Ground Transportation Permits and Citations	14,311	4,913	7,197	14,335	7,138	99.2%	17,571	3,236	22.6%
Ground Rentals	18,925	17,554	22,616	23,776	1,160	5.1%	24,001	225	0.9%
Grant Reimbursements	301	315	386	296	(90)	-23.4%	296	-	0.0%
Other Operating Revenue	1,517	1,263	1,059	1,691	633	59.8%	1,758	67	4.0%
<b>Total Non-Airline Revenue</b>	<b>131,198</b>	<b>76,641</b>	<b>96,108</b>	<b>142,288</b>	<b>46,180</b>	<b>48.0%</b>	<b>154,305</b>	<b>12,018</b>	<b>8.4%</b>
<b>Total Operating Revenue</b>	<b>263,036</b>	<b>201,855</b>	<b>237,040</b>	<b>347,758</b>	<b>110,718</b>	<b>46.7%</b>	<b>376,897</b>	<b>29,139</b>	<b>8.4%</b>
<b>Interest Income</b>	<b>19,690</b>	<b>12,494</b>	<b>10,388</b>	<b>24,002</b>	<b>13,614</b>	<b>131.1%</b>	<b>25,871</b>	<b>1,869</b>	<b>7.8%</b>
<b>Non-Operating Revenue</b>									
Passenger Facility Charges	34,393	20,113	23,962	40,078	16,116	67.3%	43,863	3,785	9.4%
Customer Facility Charges	30,240	15,020	20,609	31,284	10,674	51.8%	34,293	3,010	9.6%
Quieter Home Program	12,156	11,595	15,347	19,065	3,718	24.2%	19,665	600	3.1%
Federal Relief	36,895	77,219	80,000	-	(80,000)	-100.0%	-	-	0.0%
Capital Grant Contributions	4,072	12,979	9,912	32,592	22,680	228.8%	68,672	36,080	110.7%
<b>Total Non-Operating Revenue</b>	<b>134,037</b>	<b>129,122</b>	<b>149,831</b>	<b>123,019</b>	<b>(26,812)</b>	<b>-17.9%</b>	<b>166,494</b>	<b>43,475</b>	<b>35.3%</b>
<b>Total Revenue</b>	<b>\$ 416,763</b>	<b>\$ 343,471</b>	<b>\$ 397,258</b>	<b>\$ 494,779</b>	<b>\$ 97,521</b>	<b>24.5%</b>	<b>\$ 569,263</b>	<b>\$ 74,484</b>	<b>15.1%</b>

# FY 2023 Budget Revenue Increase vs. FY 2022 Budget

**\$97.5M (24.5%)**



**Total FY 2023 Budget is \$494.8M**

# FY 2023 Airline Revenue Increase

(in thousands)

	FY2022 Budget	FY2023 Proposed Budget	Inc / (Dec) FY23 vs FY22 Budget	% Change
<b>Operating Revenue</b>				
<b>Airline Revenue</b>				
Landing Fees	\$ 33,619	\$ 49,640	\$ 16,020	47.7%
Aircraft Parking Fees	8,466	12,410	3,944	46.6%
Building Rentals	93,420	137,250	43,830	46.9%
Common Use Fees	7,927	11,358	3,430	43.3%
Other Aviation Revenue	(2,500)	(5,186)	(2,686)	107.4%
<b>Total Airline Revenue</b>	<b>140,932</b>	<b>205,471</b>	<b>64,539</b>	<b>45.8%</b>

- Restart of Major Maintenance Fund (MMF) contribution (\$40M)
- PFC accumulation to smooth Airline Rents, Fees and Charges after New T1 opening according to Airline Operating and Lease Agreement (\$30M)
- Increase in airfield and terminal operations expenses (\$17M)
- Those increases are partially offset by federal relief funds applied to reduce Airline Rents, Fees and Charges (\$21M)

# FY 2023 Non-Airline Revenue Increase

(in thousands)

	FY2022 Budget	FY2023 Proposed Budget	Inc / (Dec) FY23 vs FY22 Budget	% Change
<b>Non-Airline Revenue</b>				
Terminal Rent Non-Airline	2,608	2,592	(16)	-0.6%
Terminal Concessions	13,236	24,358	11,122	84.0%
Rental Car License Fees	18,711	33,616	14,905	79.7%
License Fees - Other	4,235	6,275	2,040	48.2%
Parking Revenue	26,061	35,349	9,288	35.6%
Ground Transportation Permits and Citations	7,197	14,335	7,138	99.2%
Ground Rentals	22,616	23,776	1,160	5.1%
Grant Reimbursements	386	296	(90)	-23.4%
Other Operating Revenue	1,059	1,691	633	59.8%
<b>Total Non-Airline Revenue</b>	<b>96,108</b>	<b>142,288</b>	<b>46,180</b>	<b>48.0%</b>

- **Terminal Concessions:** increase of \$11.1M reflecting enplanements growth and Sales per Enplaned Passenger (SEP) adjustment based on current trends
- **Rental Car License Fees:** increase of \$14.9M reflecting enplanements growth
- **License Fees -Inflight & Ground Handling :** increase of \$2.0M due to increase in enplanements
- **Parking Revenue:** increase of \$9.3M due to increase in enplanements and higher transactions per originating passenger (OP) based on current trends
- **Ground Transportation Revenue:** increase of \$7.1M due to higher enplanement and fees adjustment
- **Ground Rentals:** increase of \$1.2M due to CPI increase

# FY 2023 Interest Income & Non-Operating Revenue Increase

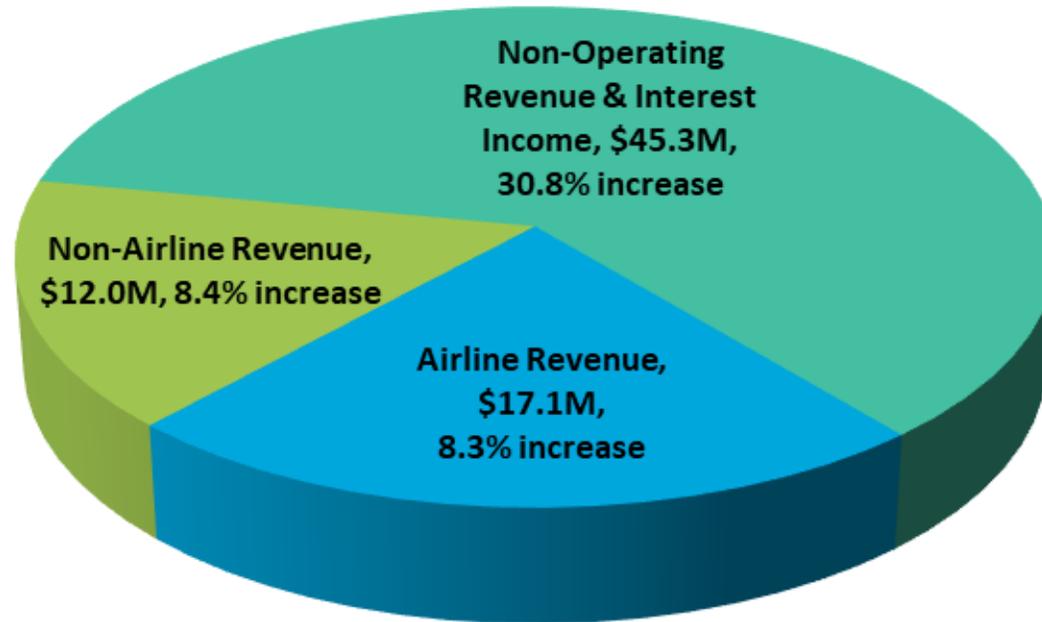
(in thousands)

	FY2022 Budget	FY2023 Proposed Budget	Inc / (Dec) FY23 vs FY22 Budget	% Change
<b>Interest Income</b>	<b>10,388</b>	<b>24,002</b>	<b>13,614</b>	<b>131.1%</b>
<b>Non-Operating Revenue</b>				
Passenger Facility Charges	23,962	40,078	16,116	67.3%
Customer Facility Charges	20,609	31,284	10,674	51.8%
Quieter Home Program	15,347	19,065	3,718	24.2%
Federal Relief	80,000		(80,000)	-100.0%
Capital Grant Contributions	9,912	32,592	22,680	228.8%
<b>Total Non-Operating Revenue</b>	<b>149,831</b>	<b>123,019</b>	<b>(26,812)</b>	<b>-17.9%</b>
<b>Total Revenue</b>	<b>\$ 397,258</b>	<b>\$ 494,779</b>	<b>\$ 97,521</b>	<b>24.5%</b>

- **Interest Income:** net increase of \$13.6M due to higher bond fund balance and increasing yields
- **Passenger Facility Charges :** increase of \$16.1M due to higher enplanements
- **Customer Facility Charges :** increase of \$10.7M due to higher enplanements
- **Quieter Home Program (QHP):** increase of \$3.7M reflecting utilization of received grant funding
- **Federal Relief:** decrease of \$80M reflecting the completion of American Rescue Plan Act of 2021 grant
- **Capital Grant Contributions:** increase of \$22.7M due to the higher expenditures on the New T1 grant eligible projects

# FY 2024 Budget Revenue Increase vs. FY 2023 Budget

**\$74.5M (15.1%)**



**Total FY 2024 Budget is \$569.3M**

# FY 2024 Airline Revenue Increase

(in thousands)

	FY2023 Proposed Budget	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
<b>Operating Revenue</b>				
<b>Airline Revenue</b>				
Landing Fees	\$ 49,640	\$ 55,200	\$ 5,560	11.2%
Aircraft Parking Fees	12,410	13,800	1,390	11.2%
Building Rentals	137,250	148,045	10,795	7.9%
Common Use Fees	11,358	10,004	(1,353)	-11.9%
Other Aviation Revenue	(5,186)	(4,457)	730	-14.1%
<b>Total Airline Revenue</b>	<b>205,471</b>	<b>222,592</b>	<b>17,122</b>	<b>8.3%</b>

- **Landing Fees:** increase of \$5.6M due to increases in airfield operations expenses and debt service
- **Aircraft Parking Fees:** increase of \$1.4M due to increase in airfield costs
- **Building Rentals:** increase of \$10.7M due to increases in terminal operations expenses and debt service
- **Common Use Fees:** decrease of \$1.2M due to decrease in amortization of cash funded projects

# FY 2024 Non-Airline Revenue Increase

(in thousands)

	FY2023 Proposed Budget	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
<b>Non-Airline Revenue</b>				
Terminal Rent Non-Airline	2,592	2,594	2	0.1%
Terminal Concessions	24,358	27,226	2,868	11.8%
Rental Car License Fees	33,616	35,443	1,827	5.4%
License Fees - Other	6,275	6,939	664	10.6%
Parking Revenue	35,349	38,477	3,129	8.9%
Ground Transportation Permits and Citations	14,335	17,571	3,236	22.6%
Ground Rentals	23,776	24,001	225	0.9%
Grant Reimbursements	296	296	-	0.0%
Other Operating Revenue	1,691	1,758	67	4.0%
<b>Total Non-Airline Revenue</b>	<b>142,288</b>	<b>154,305</b>	<b>12,018</b>	<b>8.4%</b>

- **Terminal Concessions:** increase of \$2.9M reflects increase in enplanements
- **Rental Car License Fees:** increase of \$1.8M reflects increase in enplanement partially offset by decrease in sales per enplanement (SEP)
- **License Fees- Inflight & Ground Handling :** increase of \$0.7M due to increase in enplanements
- **Parking Revenue:** increase of \$3.1M due to increase in enplanements
- **Ground Transportation Revenue:** increase of \$3.2M due to increase in enplanements and fees adjustment

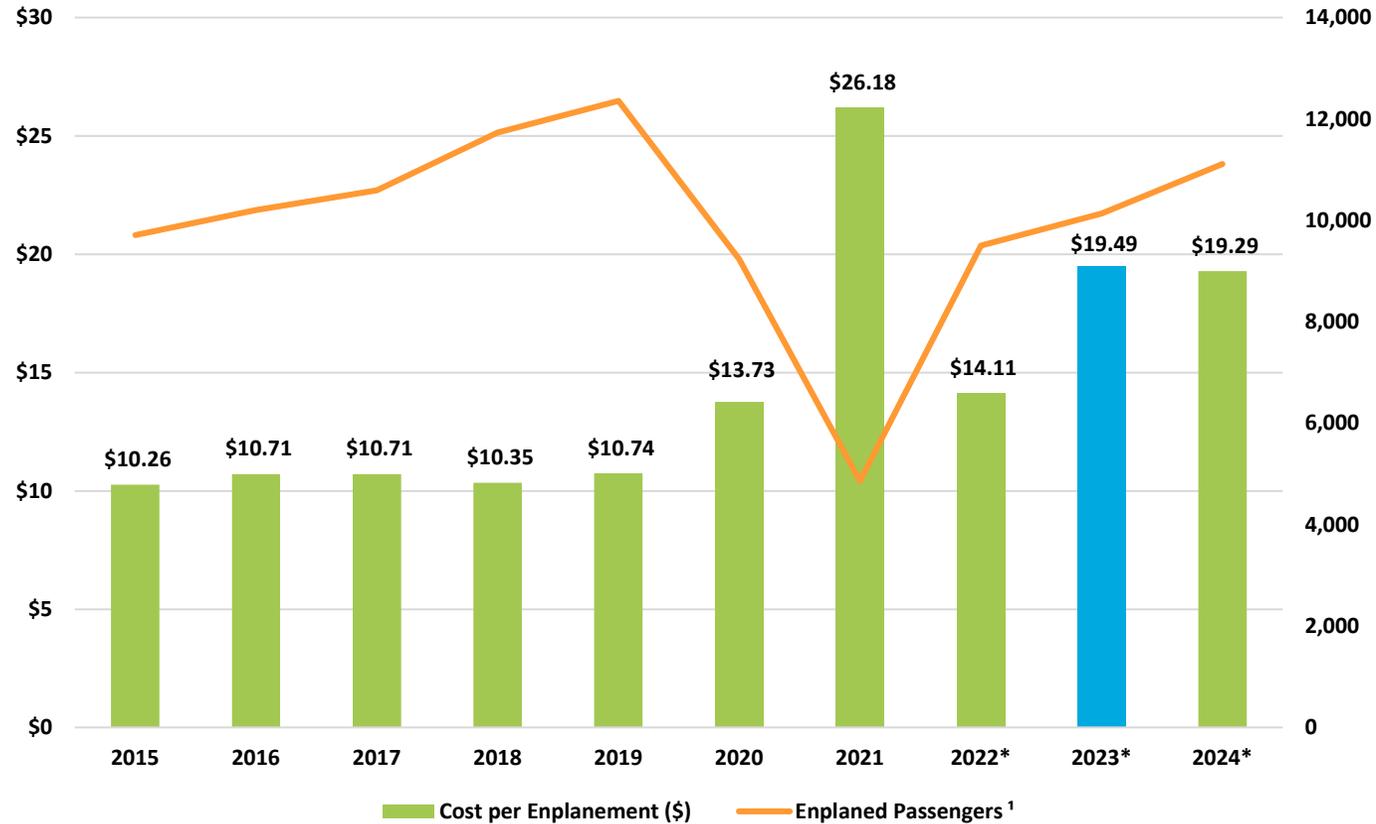
# FY 2024 Interest Income & Non-Operating Revenue Increase

(in thousands)

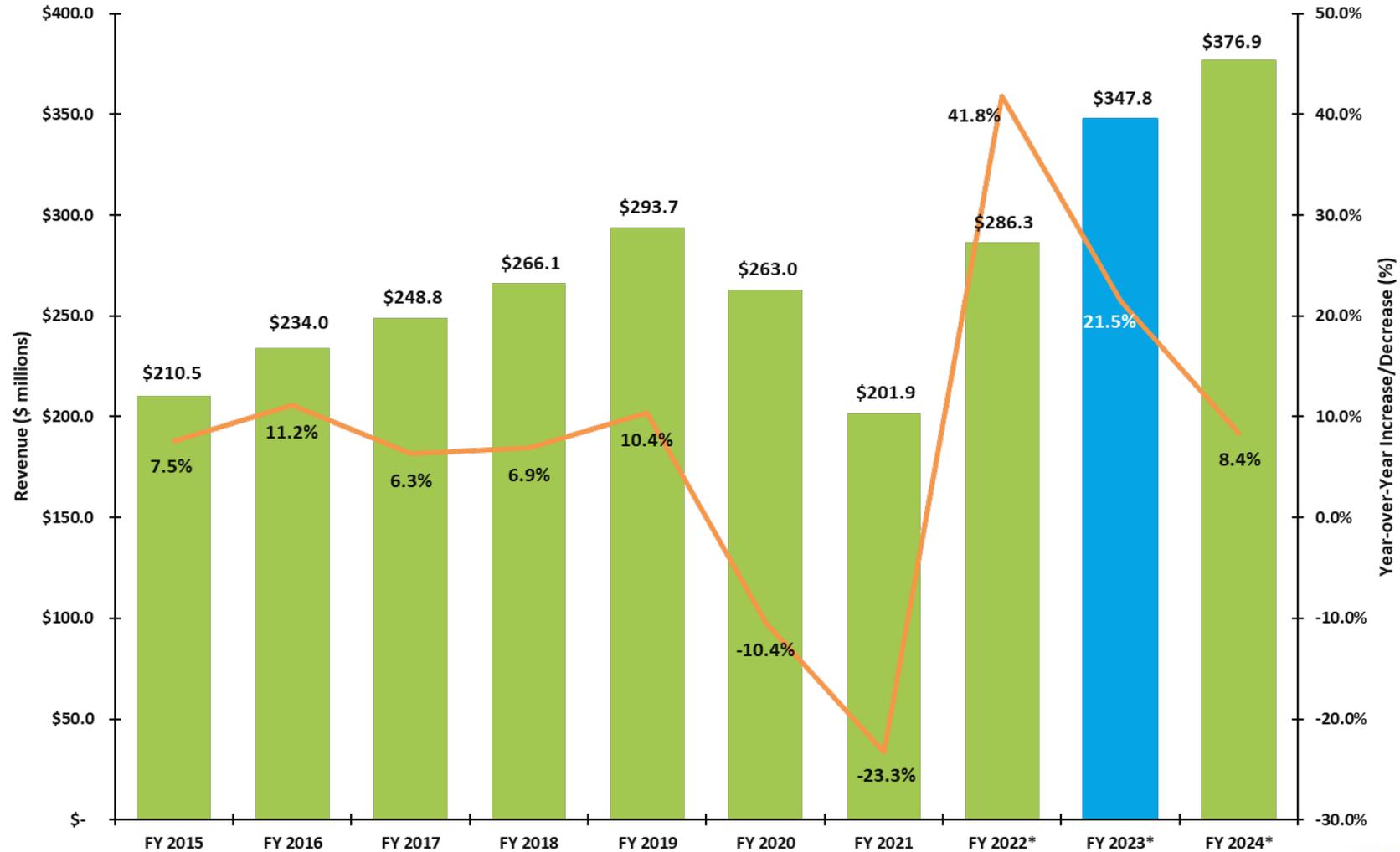
	FY2023 Proposed Budget	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
<b>Interest Income</b>	<b>24,002</b>	<b>25,871</b>	<b>1,869</b>	<b>7.8%</b>
<b>Non-Operating Revenue</b>				
Passenger Facility Charges	40,078	43,863	3,785	9.4%
Customer Facility Charges	31,284	34,293	3,010	9.6%
Quieter Home Program	19,065	19,665	600	3.1%
Federal Relief			-	0.0%
Capital Grant Contributions	32,592	68,672	36,080	110.7%
<b>Total Non-Operating Revenue</b>	<b>123,019</b>	<b>166,494</b>	<b>43,475</b>	<b>35.3%</b>
<b>Total Revenue</b>	<b>\$ 494,779</b>	<b>\$ 569,263</b>	<b>\$ 74,484</b>	<b>15.1%</b>

- **Interest Income:** increase of \$1.9M due to higher yields
- **Passenger Facility Charges (PFCs):** increase of \$3.8M due to higher enplanements
- **Customer Facility Charges (CFCs):** increase of \$3.0M due to higher enplanements
- **Quieter Home Program (QHP):** increase of \$0.6M reflecting utilization of received grant funding
- **Capital Grant Contributions:** increase of \$36.1M reflects the grant funding for New T1 projects

# Airline Cost Per Enplaned Passenger



# Operating Revenue FY 2015 – FY 2024



## Connecting the world safely

We're raising the bar to bring you a safe and clean travel experience. Here's how you can join us:



**Practice social distancing:**  
Help out by spreading out



**Wear face coverings:**  
See a United representative if you need one



**Use the United app:**  
For a more touchless airport experience and up-to-date information

Learn more about our  
United CleanPlus commitment at  
[united.com/cleanplus](https://www.united.com/cleanplus)

Cleveland Clinic

A STAR ALLIANCE MEMBER

# Expense Budget Overview

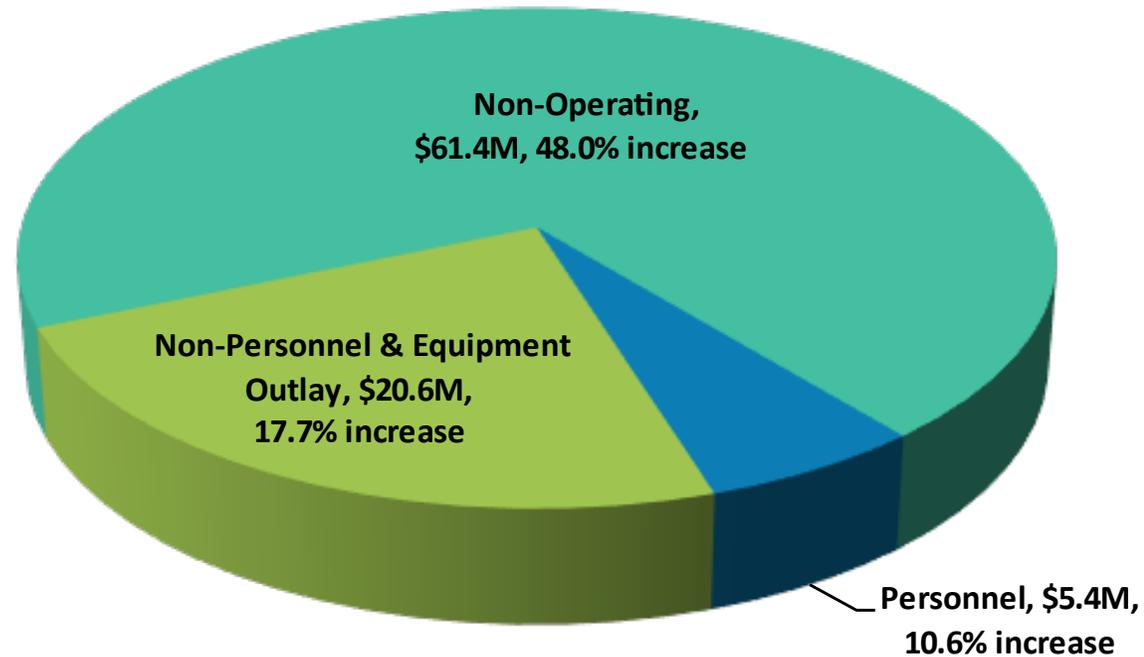
# FY 2023 - FY 2024 Proposed Budget Expense Summary

*(In Thousands)*

	FY2020 Actuals	FY2021 Actuals	FY2022 Budget	FY2023 Proposed Budget	Inc / (Dec) FY23 Budget vs FY23 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Proposed	% Change
<b>Operating Expenses</b>									
Salaries	\$ 37,159	\$ 32,983	\$ 37,099	\$ 42,535	\$ 5,437	14.7%	\$ 45,926	\$ 3,390	8.0%
Benefits	19,533	21,383	20,023	21,827	1,804	9.0%	23,755	1,928	8.8%
<b>Subtotal</b>	<b>56,692</b>	<b>54,367</b>	<b>57,121</b>	<b>64,363</b>	<b>7,241</b>	<b>12.7%</b>	<b>69,681</b>	<b>5,318</b>	<b>8.3%</b>
Less: Capitalized Labor Recharge	(4,445)	(4,710)	(5,125)	(6,893)	(1,767)	34.5%	(7,404)	(511)	7.4%
Less: QHP Labor Recharge	(580)	(545)	(641)	(695)	(54)	8.5%	(741)	(46)	6.7%
<b>Total Personnel Costs</b>	<b>51,667</b>	<b>49,112</b>	<b>51,355</b>	<b>56,775</b>	<b>5,420</b>	<b>10.6%</b>	<b>61,536</b>	<b>4,761</b>	<b>8.4%</b>
Contractual Services	37,694	23,069	33,128	46,720	13,592	41.0%	49,532	2,812	6.0%
Safety and Security	29,457	32,446	36,385	38,064	1,679	4.6%	39,873	1,809	4.8%
Space Rental	10,207	9,419	10,652	10,501	(151)	-1.4%	10,506	5	0.1%
Utilities	12,748	10,948	14,693	16,556	1,862	12.7%	18,067	1,512	9.1%
Maintenance	11,584	8,488	11,342	12,170	828	7.3%	12,584	414	3.4%
Operating Equipment & Systems	336	128	302	1,045	743	245.9%	399	(646)	-61.8%
Operating Supplies	651	419	618	706	88	14.3%	739	33	4.7%
Insurance	1,308	1,404	1,813	2,005	192	10.6%	2,324	319	15.9%
Employee Development	967	382	803	854	52	6.4%	891	37	4.3%
Business Development	2,033	122	1,849	2,953	1,103	59.7%	3,422	469	15.9%
Equipment Rentals and Repairs	2,801	2,862	3,952	3,910	(41)	-1.0%	4,098	188	4.8%
Tenant Improvements	797	246	336	692	356	106.1%	725	33	4.8%
<b>Total Non-Personnel Costs</b>	<b>110,584</b>	<b>89,934</b>	<b>115,873</b>	<b>136,177</b>	<b>20,304</b>	<b>17.5%</b>	<b>143,161</b>	<b>6,984</b>	<b>5.1%</b>
<b>Total Operating Expenses</b>	<b>162,251</b>	<b>139,046</b>	<b>167,228</b>	<b>192,952</b>	<b>25,723</b>	<b>15.4%</b>	<b>204,696</b>	<b>11,745</b>	<b>6.1%</b>
Joint Studies / Sound Attenuation	15,451	14,641	17,504	21,166	3,662	20.9%	21,767	601	2.8%
Debt Service	107,530	104,943	110,473	168,221	57,748	52.3%	172,092	3,871	2.3%
Legal Settlement Expense	10	101	10	10	-	0.0%	-	(10)	-100.0%
Other Non-Operating Expenses	0	430	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>122,991</b>	<b>120,116</b>	<b>127,987</b>	<b>189,397</b>	<b>61,411</b>	<b>48.0%</b>	<b>193,859</b>	<b>4,462</b>	<b>2.4%</b>
<b>Total Expenses</b>	<b>285,242</b>	<b>259,162</b>	<b>295,215</b>	<b>382,349</b>	<b>87,134</b>	<b>29.5%</b>	<b>398,556</b>	<b>16,207</b>	<b>4.2%</b>
<b>Equipment Outlay Expenditures</b>	<b>1,098</b>	<b>475</b>	<b>686</b>	<b>988</b>	<b>303</b>	<b>44.2%</b>	<b>667</b>	<b>(321)</b>	<b>-32.5%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 286,340</b>	<b>\$ 259,637</b>	<b>\$ 295,901</b>	<b>\$ 383,337</b>	<b>\$ 87,436</b>	<b>29.5%</b>	<b>\$ 399,223</b>	<b>\$ 15,886</b>	<b>4.1%</b>

# FY 2023 Budget Expense Increase vs. FY 2022 Budget

## \$87.4M (29.5%)



Total FY 2023 Budget is \$383.3M

# Major Drivers of FY 2023 Budget

(in thousands)

	Total Inc / (Dec) FY23 Budget vs FY22 Budget	Expense Category
<b>Total Increase in Expenses</b>	<b>\$87,436</b>	
<b>Personnel:</b>		
Pay-for-Performance, Contracted Wage Increases and Salary Adjustments	4,228	Salaries & Wages, Employee Benefits
Vacancy Recruitment	1,406	Salaries & Wages, Employee Benefits
Retirement	687	Employee Benefits
Health Insurance	338	Employee Benefits
Capitalized Labor increase	(1,822)	Capitalization
Other	581	Salaries & Wages, Employee Benefits
<b>Total Increase / (Decrease) in Personnel</b>	<b>5,420</b>	
<b>Debt Service:</b>		
Debt Service 2021 Bonds	73,682	Debt Service
Amortization on 2021 Bond Premiums	(13,057)	Debt Service
Cost Issuance	(3,000)	Debt Service
Net, other	123	Debt Service
<b>Total Increase / (Decrease) in Debt Service</b>	<b>57,748</b>	
<b>Non Personnel:</b>		
<b>New T1 related expenses</b>		
Marketing and Community Outreach Combine	633	Contractual Services, Business Development
New Admin Building IT Equipment	619	Operating Systems and Equipment
Ground Transportation Impacts	250	Contractual Services
Other	216	Contractual Services, Safety and Security, Operating Supplies, Business Development

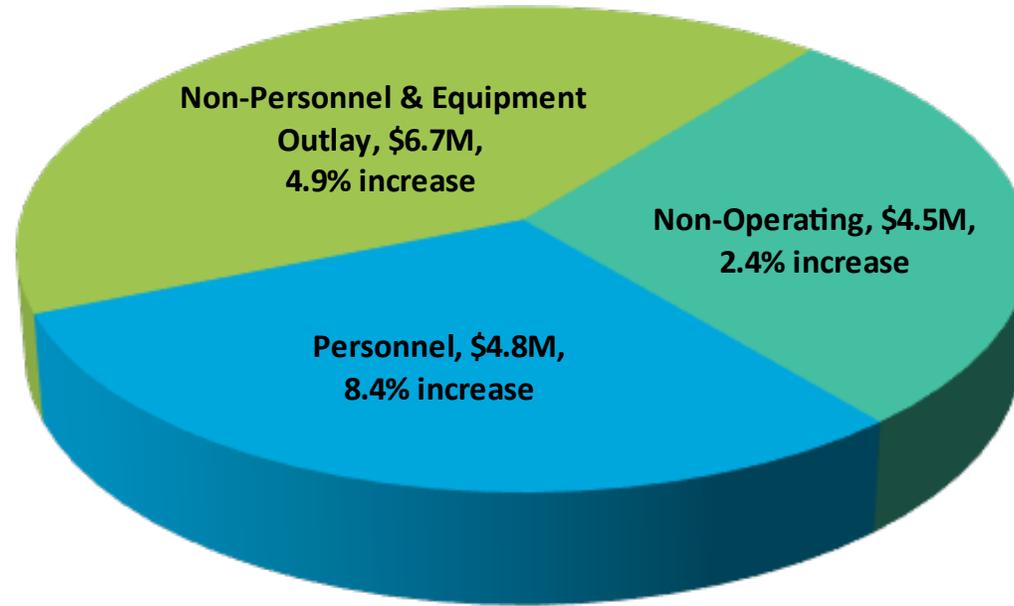
# Major Drivers of FY 2023 Budget

(in thousands)

	Total Inc / (Dec) FY23 Budget vs FY22 Budget	Expense Category
<b>Safety and Security</b>		
Port District Law Enforcement - Harbor Police Department	936	Safety and Security
Guard Services	421	Safety and Security
Aircraft Rescue and Fire Fighting	313	Safety and Security
<b>Terminal and Airside, Landside Operations and Maintenance</b>		
Shuttle Operations	4,082	Contractual Services
Parking and Valet Operations	3,292	Contractual Services, Equipment Rentals and Repair
Rental Car Center (RCC) Shuttles	3,211	Contractual Services
Utilities	1,862	Utilities
Annual and Major Maintenance	982	Maintenance
Terminal Operations	751	Contractual Services
Concessions Management	485	Contractual Services
Maintenance Equipment and Vehicles	410	Equipment Outlay
FIS Facial Biometric	270	Equipment Outlay, Contractual Services, Equipment Rentals and Repairs
Credential Services	231	Contractual Services, Operating Equipment & Systems, Operating Supplies, Equipment Rentals and Repairs
Credit Card Fees	213	Contractual Services
Customer Experience Design & Innovation	178	Contractual Services
Green Oval Painting	(404)	Equipment Outlay, Maintenance Supply
<b>Other Operating and Non-Operating Expenses</b>		
Quieter Home Program (QHP)	3,662	QHP Expenses
Air Service Development Incentives, Advertising and Business Development	773	Business Development
License Fees, Systems and Operating Supplies	418	Operating Equipment & Systems, Operating Supplies, Equipment Rentals and Repairs
Tenant Improvements	356	Tenant Improvements
Insurance	192	Insurance
Space Rental	(151)	Space Rent
<b>Other, net</b>	<b>66</b>	
<b>Total Increase / (Decrease)</b>	<b>\$87,436</b>	

# FY 2024 Budget Expense Increase vs. FY 2023 Budget

**\$15.9M (4.1%)**



**Total FY 2024 Budget is \$399.2M**

# Major Drivers of FY 2024 Budget

(in thousands)

	Total Inc / (Dec) FY24 Budget vs FY23 Budget	Expense Category
<b>Total Increase in Expenses</b>	<b>\$15,886</b>	
<b>Personnel:</b>		
Pay-for-Performance and contracted wage increases	1,828	Salaries & Wages, Employee Benefits
Vacancies recruitment, net of capitalized labor and vacancy	1,083	Salaries & Wages, Employee Benefits, Capitalization
Retirement	969	Employee Benefits
Health Insurance	881	Employee Benefits
<b>Total Increase / (Decrease) in Personnel</b>	<b>4,761</b>	
<b>Debt Service:</b>		
Cost of Issuance and Other fees	3,250	Debt Service
Amortization on Bond Premiums	618	Debt Service
Other, net	3	Debt Service
<b>Total Increase / (Decrease) in Debt Service</b>	<b>3,871</b>	
<b>Non Personnel:</b>		
<b>New T1 related expenses</b>		
Contractual Services	168	Contractual Services
Other	(50)	Contractual Services
New Admin Building IT equipment	(650)	Operating Systems and Equipment

# Major Drivers of FY 2024 Budget

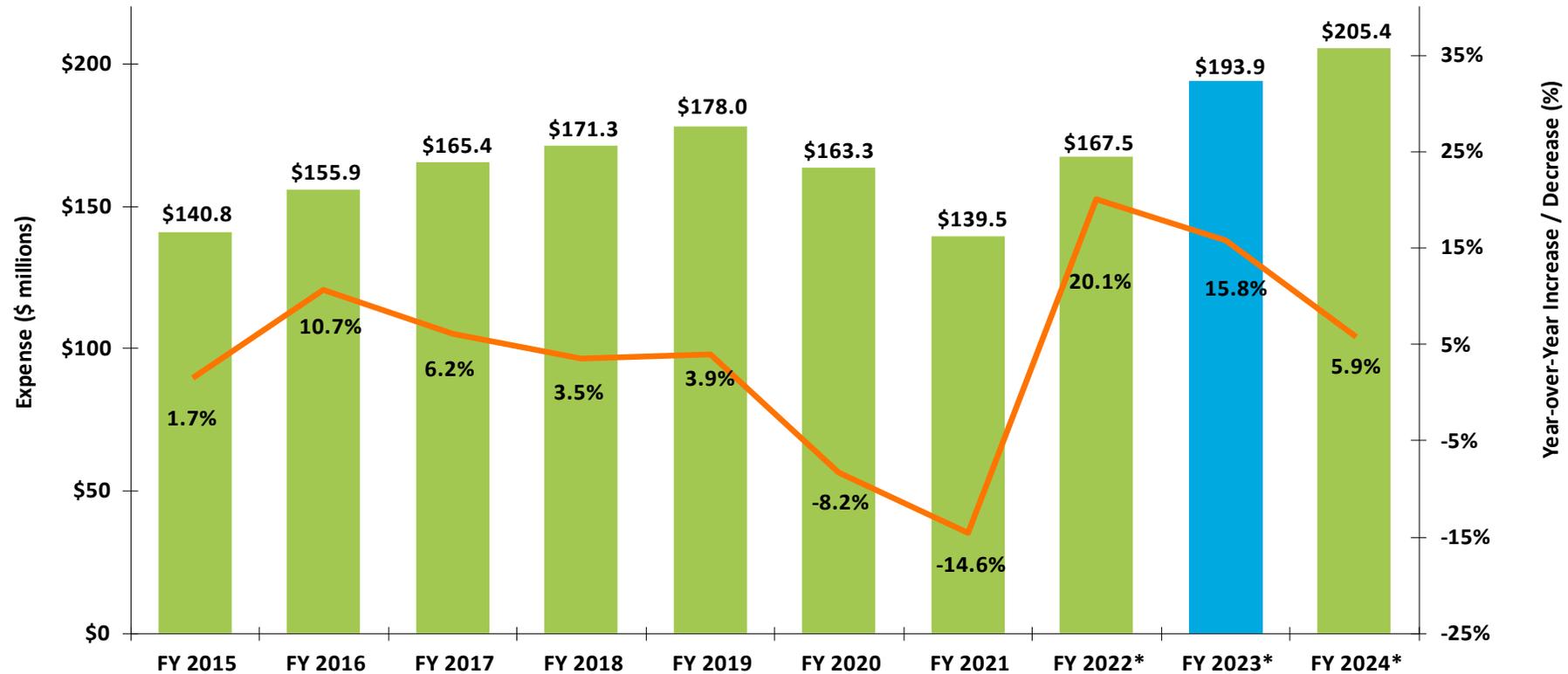
(in thousands)

	Total Inc / (Dec) FY24 Budget vs FY23	
	Budget	Expense Category
<b>Safety and Security</b>		
Port District law enforcement - Harbor Police Department	1,501	Safety and Security
Aircraft Rescue and Fire Fight (ARFF)	269	Safety and Security
Guard Services	90	Safety and Security
<b>Terminal and Landside Operations</b>		
Utilities - gas, electric, and water	1,512	Utilities
Rental Car Center (RCC) buses	1,125	Contractual Services
Shuttle Operations	551	Contractual Services
Terminal Operations	352	Contractual Services
Parking Operations	279	Contractual Services
Annual and major maintenance and supplies	260	Maintenance
Green Oval Painting	154	Maintenance
Maintenance equipment and vehicles	(321)	Equipment Outlay
<b>Other Operating and Non-Operating Expenses</b>		
Quieter Home Program (QHP)	601	QHP Expenses
Marketing, Media Advertising, Sponsorships	593	Business Development, Contractual Services
Insurance	319	Insurance
Computer licenses and software	188	Equipment Rentals and Repairs
Air Service Development Incentives	161	Business Development
Credit Card Fees	97	Contractual Services
<b>Other, net</b>	<b>54</b>	
<b>Total Increase / (Decrease)</b>	<b>\$15,886</b>	

# Total Operating Expenses

(incl. Equipment Outlay)

FY 2015 – FY 2024



\* Projected FY 2022, Budgeted FY 2023 & FY 2024  
FY23 Budget is 13% higher than FY22 Budget

# Executive Division



## Overview

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

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

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

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

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

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

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

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

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

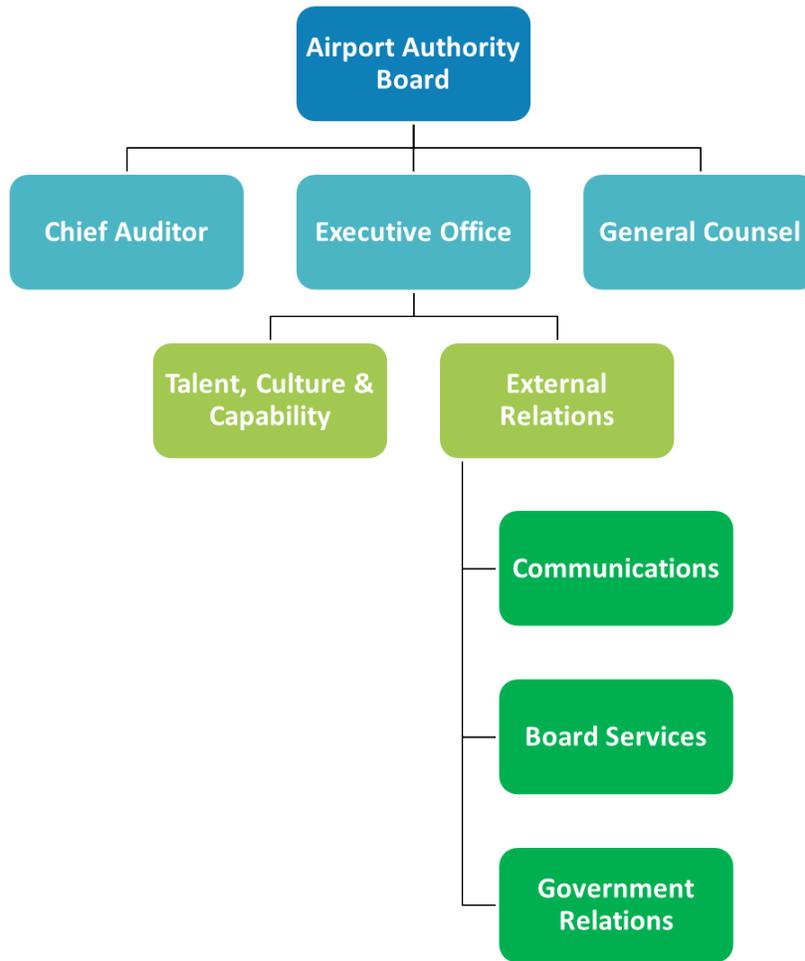
The **Talent, Culture & Capability (TCC)** department provides talent and workforce strategic planning that guides and supports effective business decisions, enhances organizational capabilities, and creates a culture of inclusion. The department manages talent acquisition while advancing employee diversity,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

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

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

The **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.

## FY 2023 – FY 2024 Organizational Structure



## Division Personnel Summary

	FY 2021 Budget	FY 2022 Budget	FY 2023 Budget Transfers	FY 2023 Budget New/ (Eliminated)	FY 2023 Budget	FY 2024 Budget New/ (Eliminated)	FY 2024 Conceptual Budget
<b>Executive Division</b>							
Board Services	5	7	-	(1)	6	-	6
Chief Auditor	7	7	-	-	7	-	7
Communications <sup>1</sup>	10	7	(1)	-	6	-	7
Executive Office	2	2	-	-	2	-	2
General Counsel	6	6	-	-	6	-	6
Government Relations <sup>2</sup>	2	3	1	-	4	-	3
Talent, Culture & Capability	18	18	-	(1)	17	-	18
<b>Total</b>	<b>50</b>	<b>50</b>	<b>-</b>	<b>(2)</b>	<b>48</b>	<b>-</b>	<b>49</b>

<sup>1</sup> 1 position transferred to Government Relations

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

## FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

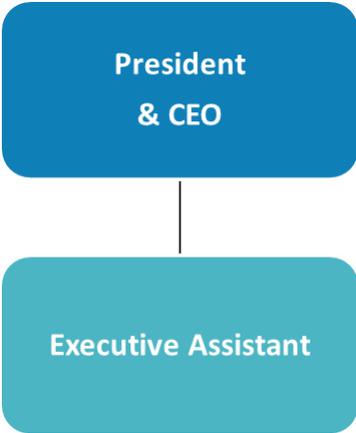
<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 M2 Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	%
<b>Operating Expenses</b>								
Salaries	\$ 4,332	\$ 4,969	\$ 5,579	\$ 609	12.3%	\$ 5,853	\$ 275	4.9%
Benefits	2,313	2,438	2,582	144	5.9%	2,780	198	7.7%
<b>Subtotal</b>	<b>6,646</b>	<b>7,407</b>	<b>8,161</b>	<b>754</b>	<b>10.2%</b>	<b>8,633</b>	<b>472</b>	<b>5.8%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>6,646</b>	<b>7,407</b>	<b>8,161</b>	<b>754</b>	<b>10.2%</b>	<b>8,633</b>	<b>472</b>	<b>5.8%</b>
Contractual Services	1,486	1,533	1,633	100	6.5%	1,617	(15)	-0.9%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	0	0	0	-	0.0%	0	0	5.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	(122)	32	42	10	32.0%	47	5	11.4%
Operating Supplies	34	23	23	0	1.1%	23	(0)	-0.4%
Insurance	1	1	1	-	0.0%	1	-	0.0%
Employee Development	140	269	363	94	34.8%	373	10	2.7%
Business Development	270	504	663	159	31.6%	663	(1)	-0.1%
Equipment Rentals and Repairs	77	238	294	57	23.8%	255	(39)	-13.4%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>1,886</b>	<b>2,600</b>	<b>3,020</b>	<b>420</b>	<b>16.2%</b>	<b>2,979</b>	<b>(41)</b>	<b>-1.3%</b>
<b>Total Operating Expenses</b>	<b>8,532</b>	<b>10,007</b>	<b>11,181</b>	<b>1,174</b>	<b>11.7%</b>	<b>11,612</b>	<b>432</b>	<b>3.9%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	1	10	10	-	0.0%	-	(10)	-100.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>1</b>	<b>10</b>	<b>10</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>(10)</b>	<b>-100.0%</b>
<b>Total Expenses</b>	<b>8,533</b>	<b>10,017</b>	<b>11,191</b>	<b>1,174</b>	<b>11.7%</b>	<b>11,612</b>	<b>422</b>	<b>3.8%</b>
<b>Equipment Outlay Expenditures</b>	<b>199</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>\$ 8,731</b>	<b>\$ 10,017</b>	<b>\$ 11,191</b>	<b>\$ 1,174</b>	<b>11.7%</b>	<b>\$ 11,612</b>	<b>\$ 422</b>	<b>3.8%</b>

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

<i>(in thousands)</i>	<b>Inc/(Dec) FY23 vs FY22</b>	<b>Inc/(Dec) FY24 Conceptual vs FY23</b>
<b>FY 2022 Budget / FY 2023 Budget</b>	<b>\$10,017</b>	<b>\$11,191</b>
<b>Personnel Costs</b>		
Salary Adjustments and Pay for Performance	697	275
Burden (Benefits & Employer Taxes) for Current Staff	192	198
2 positions eliminated	(135)	-
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>754</b>	<b>472</b>
<b>Non-Personnel Costs</b>		
Leadership & Management Training	150	20
Business Development	109	25
Employee Development	94	10
Talent Management Software	45	(38)
Webcasts for Board Meetings	-	(12)
Government Relations and Public Relations Consultants	(16)	5
Legal Services	(93)	-
Other, net	131	(61)
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>420</b>	<b>(51)</b>
<b>Total Increase / (Decrease)</b>	<b>1,174</b>	<b>422</b>
<b>FY 2023 Budget / FY 2024 Conceptual Budget</b>	<b>\$11,191</b>	<b>\$11,612</b>

**Executive Division – Executive Office**

**FY 2023 – FY 2024 Organizational Structure**



*No personnel changes in FY 2024.*

## FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

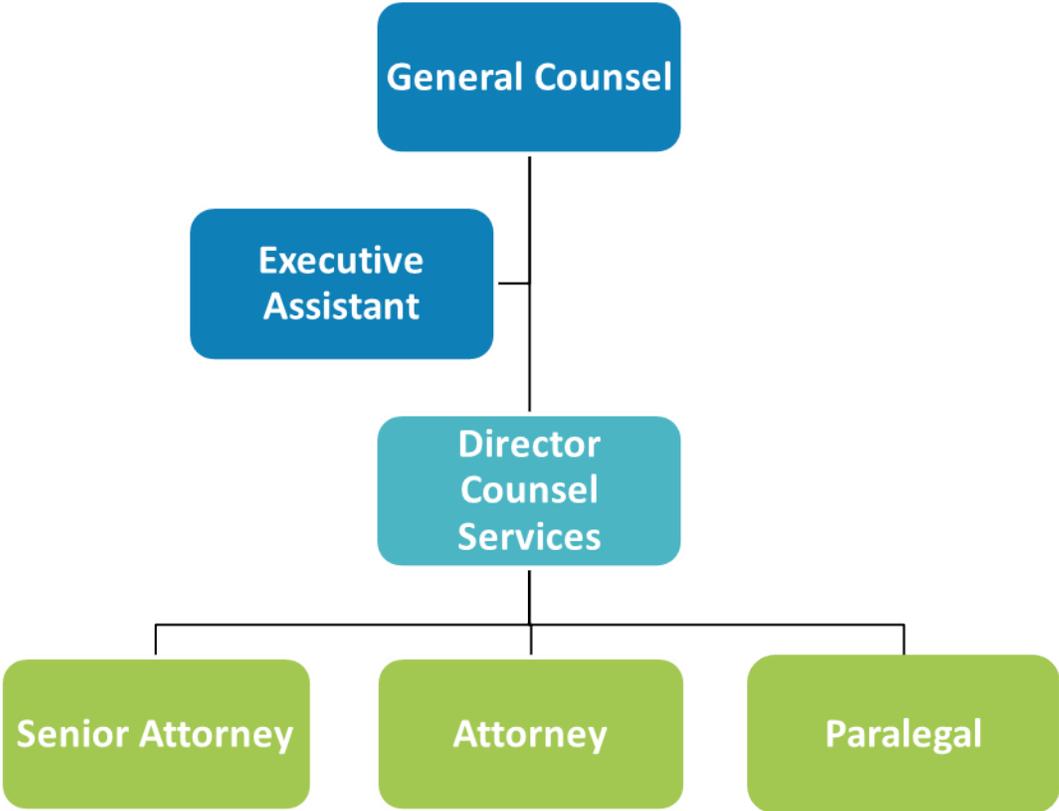
<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
<b>Operating Expenses</b>								
Salaries	\$ 397	\$ 468	\$ 514	\$ 46	9.8%	\$ 540	\$ 26	5.0%
Benefits	188	185	191	5	2.9%	196	6	2.9%
<b>Subtotal</b>	<b>585</b>	<b>653</b>	<b>705</b>	<b>51</b>	<b>7.9%</b>	<b>736</b>	<b>31</b>	<b>4.4%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>585</b>	<b>653</b>	<b>705</b>	<b>51</b>	<b>7.9%</b>	<b>736</b>	<b>31</b>	<b>4.4%</b>
Contractual Services	23	20	20	-	0.0%	20	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	1	2	3	1	25.0%	3	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	9	21	25	3	14.4%	25	1	2.1%
Business Development	105	188	206	18	9.6%	206	-	0.0%
Equipment Rentals and Repairs	0	0	0	-	0.0%	0	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>139</b>	<b>232</b>	<b>253</b>	<b>22</b>	<b>9.4%</b>	<b>254</b>	<b>1</b>	<b>0.2%</b>
<b>Total Operating Expenses</b>	<b>723</b>	<b>885</b>	<b>958</b>	<b>73</b>	<b>8.3%</b>	<b>990</b>	<b>32</b>	<b>3.3%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>723</b>	<b>885</b>	<b>958</b>	<b>73</b>	<b>8.3%</b>	<b>990</b>	<b>32</b>	<b>3.3%</b>
<b>Equipment Outlay Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 723</b>	<b>\$ 885</b>	<b>\$ 958</b>	<b>\$ 73</b>	<b>8.3%</b>	<b>\$ 990</b>	<b>\$ 32</b>	<b>3.3%</b>

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

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
<b>FY 2022 Budget / FY 2023 Budget</b>	<b>\$885</b>	<b>\$958</b>
<b>Personnel Costs</b>		
Salary Adjustments and Pay for Performance	46	26
Burden (Benefits & Employer Taxes) for Current Staff	5	6
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>51</b>	<b>31</b>
<b>Non-Personnel Costs</b>		
Business Development	18	-
Other, net	4	1
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>22</b>	<b>1</b>
<b>Total Increase / (Decrease)</b>	<b>73</b>	<b>32</b>
<b>FY 2023 Budget / FY 2024 Conceptual Budget</b>	<b>\$958</b>	<b>\$990</b>

**Executive Division – General Counsel**

**FY 2023 – FY 2024 Organizational Structure**



*No personnel changes in FY 2024.*

## FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
<b>Operating Expenses</b>								
Salaries	\$ 829	\$ 923	\$ 1,012	\$ 89	9.7%	\$ 1,062	\$ 50	4.9%
Benefits	436	409	455	46	11.2%	490	36	7.9%
<b>Subtotal</b>	<b>1,265</b>	<b>1,332</b>	<b>1,467</b>	<b>135</b>	<b>10.1%</b>	<b>1,552</b>	<b>85</b>	<b>5.8%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,265</b>	<b>1,332</b>	<b>1,467</b>	<b>135</b>	<b>10.1%</b>	<b>1,552</b>	<b>85</b>	<b>5.8%</b>
Contractual Services	532	575	512	(63)	-11.0%	482	(30)	-5.9%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	(125)	29	29	-	0.0%	29	-	0.0%
Operating Supplies	1	2	2	-	0.0%	2	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	17	34	48	14	40.9%	48	-	0.0%
Business Development	3	6	6	-	0.0%	6	-	0.0%
Equipment Rentals and Repairs	-	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>428</b>	<b>645</b>	<b>596</b>	<b>(49)</b>	<b>-7.6%</b>	<b>566</b>	<b>(30)</b>	<b>-5.0%</b>
<b>Total Operating Expenses</b>	<b>1,693</b>	<b>1,977</b>	<b>2,063</b>	<b>86</b>	<b>4.4%</b>	<b>2,118</b>	<b>55</b>	<b>2.7%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	1	10	10	-	0.0%	-	(10)	-100.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>1</b>	<b>10</b>	<b>10</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>(10)</b>	<b>-100.0%</b>
<b>Total Expenses</b>	<b>1,694</b>	<b>1,987</b>	<b>2,073</b>	<b>86</b>	<b>4.3%</b>	<b>2,118</b>	<b>45</b>	<b>2.2%</b>
<b>Equipment Outlay Expenditures</b>	<b>125</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>\$ 1,819</b>	<b>\$ 1,987</b>	<b>\$ 2,073</b>	<b>\$ 86</b>	<b>4.3%</b>	<b>\$ 2,118</b>	<b>\$ 45</b>	<b>2.2%</b>

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

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
<b>FY 2022 Budget / FY 2023 Budget</b>	<b>\$1,987</b>	<b>\$2,073</b>
<b>Personnel Costs</b>		
Salary Adjustments and Pay for Performance	89	50
Burden (Benefits & Employer Taxes) for Current Staff	46	36
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>135</b>	<b>85</b>
<b>Non-Personnel Costs</b>		
Legal Services	(93)	-
Other, net	44	(40)
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(49)</b>	<b>(40)</b>
<b>Total Increase / (Decrease)</b>	<b>86</b>	<b>45</b>
<b>FY 2023 Budget / FY 2024 Conceptual Budget</b>	<b>\$2,073</b>	<b>\$2,118</b>

1. Defend the ADP EIR.

**Progress:** Complete. Successfully defended the Airport Authority in CEQA litigation and prevented additional litigation under NEPA and the Coastal Act. Also successfully obtained all environmental entitlements to allow the ADP to move forward.

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

**Progress:** Complete. No challenge to Part 150.

**Strategic Goal:**

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

**Strategic Initiative:**

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

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

**Progress:** Ongoing. Continue to provide timely advice and counsel on all aspects of airport business.

**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

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

**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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2D. Implement a sustainable 20 year capital plan

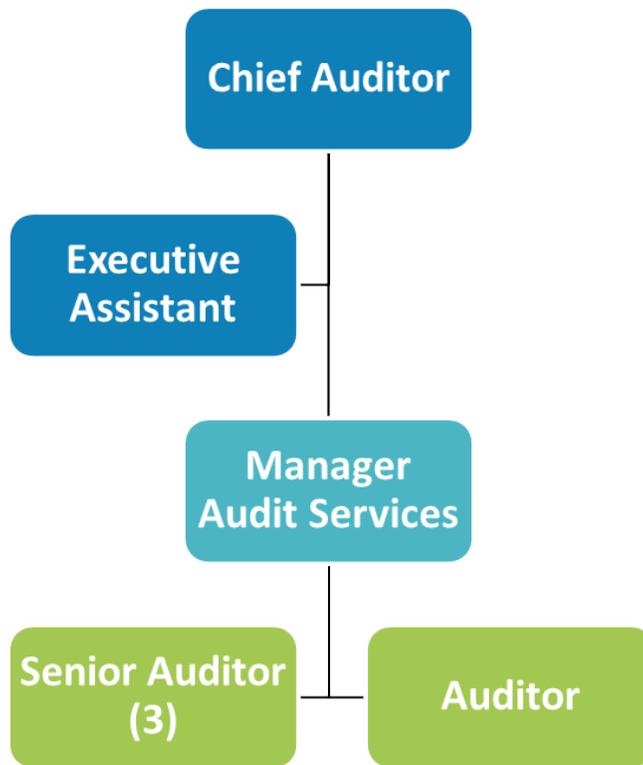
3. Ensure construction of NT1 complies with all applicable legal and contractual requirements.

**Strategic Plan Focus Area:**

- Advance the ADP

**Strategic Initiative:**

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



*No personnel changes in FY 2024.*

## FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
<b>Operating Expenses</b>								
Salaries	\$ 725	\$ 794	\$ 879	\$ 85	10.7%	\$ 923	\$ 44	5.0%
Benefits	351	394	399	5	1.2%	431	32	8.0%
<b>Subtotal</b>	<b>1,076</b>	<b>1,188</b>	<b>1,278</b>	<b>90</b>	<b>7.6%</b>	<b>1,354</b>	<b>76</b>	<b>5.9%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,076</b>	<b>1,188</b>	<b>1,278</b>	<b>90</b>	<b>7.6%</b>	<b>1,354</b>	<b>76</b>	<b>5.9%</b>
Contractual Services	0	20	25	5	25.0%	25	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	0	0	0	-	0.0%	0	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	0	0	1	0	25.0%	1	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	7	14	16	3	20.4%	18	2	10.7%
Business Development	4	4	5	1	13.0%	5	-	0.0%
Equipment Rentals and Repairs	7	17	15	(2)	-11.6%	16	1	4.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>18</b>	<b>56</b>	<b>62</b>	<b>6</b>	<b>11.5%</b>	<b>65</b>	<b>3</b>	<b>4.2%</b>
<b>Total Operating Expenses</b>	<b>1,093</b>	<b>1,244</b>	<b>1,340</b>	<b>96</b>	<b>7.7%</b>	<b>1,418</b>	<b>79</b>	<b>5.9%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,093</b>	<b>1,244</b>	<b>1,340</b>	<b>96</b>	<b>7.7%</b>	<b>1,418</b>	<b>79</b>	<b>5.9%</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>\$ 1,093</b>	<b>\$ 1,244</b>	<b>\$ 1,340</b>	<b>\$ 96</b>	<b>7.7%</b>	<b>\$ 1,418</b>	<b>\$ 79</b>	<b>5.9%</b>

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

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
<b>FY 2022 Budget / FY 2023 Budget</b>	<b>\$1,244</b>	<b>\$1,340</b>
<b>Personnel Costs</b>		
Salary Adjustments and Pay for Performance	85	44
Burden (Benefits & Employer Taxes) for Current Staff	5	32
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>90</b>	<b>76</b>
<b>Non-Personnel Costs</b>		
3rd Party Audit Assurances	5	-
Other, net	1	3
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>6</b>	<b>3</b>
<b>Total Increase / (Decrease)</b>	<b>96</b>	<b>79</b>
<b>FY 2023 Budget / FY 2024 Conceptual Budget</b>	<b>\$1,340</b>	<b>\$1,418</b>

## FY 2022 Progress Report

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Progress:** As of March 31, 2022, the department had a utilization rate of 65%.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Progress:** As of March 31, 2022, management has agreed to 100% of the recommendations.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Progress:** As of March 31, 2022, 100% of audit engagements have been completed within budgeted time.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

5. Conduct 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, 2022, we have achieved an internal customer satisfaction rating of 4.3.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

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

**Progress:** As of December 31, 2021, 100% of staff met their calendar year -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

## FY 2023 – FY 2024 Goals

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

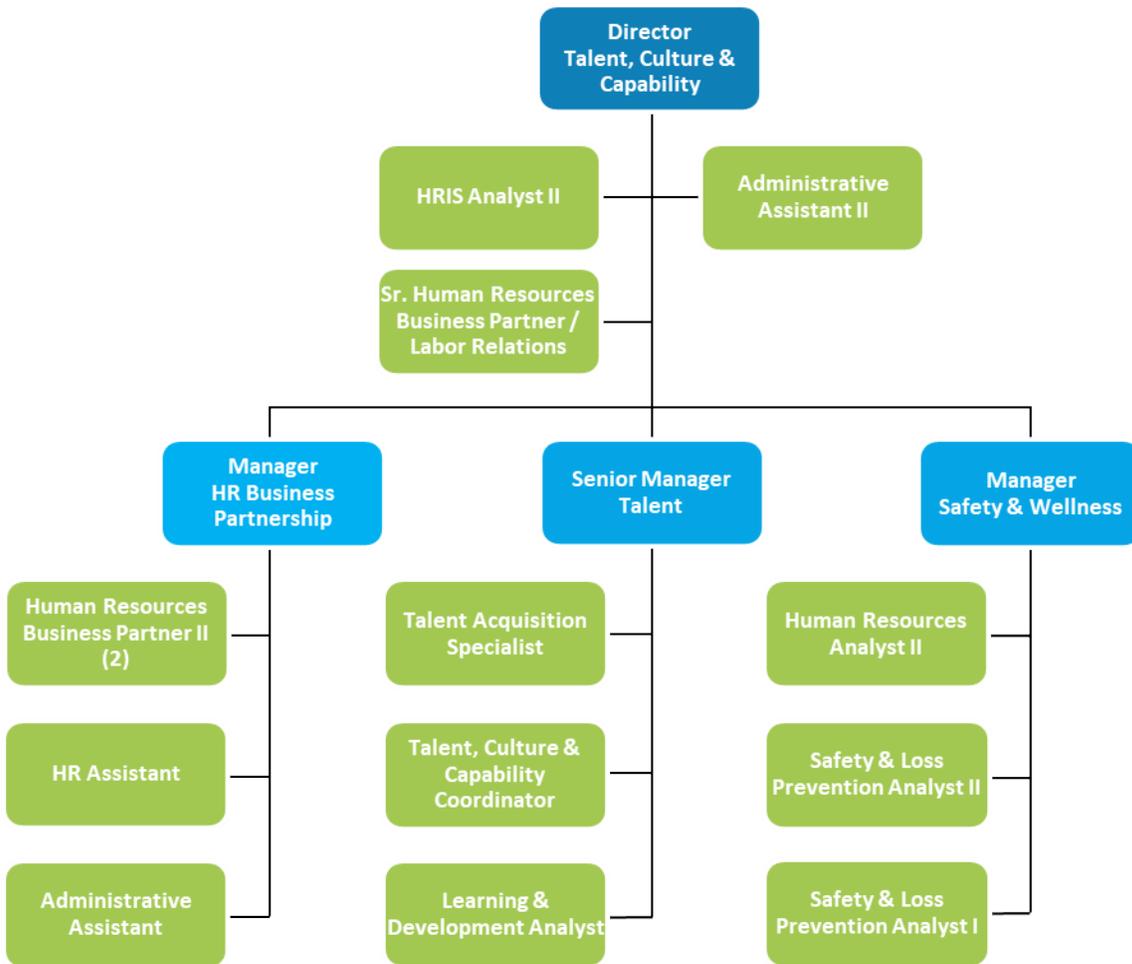
**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

## FY 2023 – FY 2024 Organizational Structure



*No personnel changes in FY 2024.*

## FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	\$ 1,220	\$ 1,422	\$ 1,594	\$ 172	12.1%	\$ 1,666	\$ 72	4.5%
Benefits	680	737	770	32	4.4%	833	63	8.2%
<b>Subtotal</b>	<b>1,900</b>	<b>2,159</b>	<b>2,364</b>	<b>204</b>	<b>9.5%</b>	<b>2,498</b>	<b>134</b>	<b>5.7%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,900</b>	<b>2,159</b>	<b>2,364</b>	<b>204</b>	<b>9.5%</b>	<b>2,498</b>	<b>134</b>	<b>5.7%</b>
Contractual Services	425	340	480	141	41.4%	502	22	4.5%
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	3	3	-	0.0%	3	-	0.0%
Operating Supplies	29	13	12	(1)	-7.7%	12	-	0.0%
Insurance	1	1	1	-	0.0%	1	-	0.0%
Employee Development	82	147	213	66	45.2%	218	5	2.3%
Business Development	21	21	56	35	167.3%	56	-	0.0%
Equipment Rentals and Repairs	57	205	264	59	28.5%	221	(43)	-16.3%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>617</b>	<b>730</b>	<b>1,029</b>	<b>299</b>	<b>41.1%</b>	<b>1,013</b>	<b>(16)</b>	<b>-1.5%</b>
<b>Total Operating Expenses</b>	<b>2,518</b>	<b>2,889</b>	<b>3,393</b>	<b>504</b>	<b>17.4%</b>	<b>3,511</b>	<b>119</b>	<b>3.5%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>2,518</b>	<b>2,889</b>	<b>3,393</b>	<b>504</b>	<b>17.4%</b>	<b>3,511</b>	<b>119</b>	<b>3.5%</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>\$ 2,518</b>	<b>\$ 2,889</b>	<b>\$ 3,393</b>	<b>\$ 504</b>	<b>17.4%</b>	<b>\$ 3,511</b>	<b>\$ 119</b>	<b>3.5%</b>

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

<i>(in thousands)</i>	<b>Inc/(Dec) FY23 vs FY22</b>	<b>Inc/(Dec) FY24 Conceptual vs FY23</b>
<b>FY 2022 Budget / FY 2023 Budget</b>	<b>\$2,889</b>	<b>\$3,393</b>
<b>Personnel Costs</b>		
Salary Adjustments and Pay for Performance	172	72
Burden (Benefits & Employer Taxes) for Current Staff	32	63
1 eliminated position (salary and burden)	-	-
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>204</b>	<b>134</b>
<b>Non-Personnel Costs</b>		
Leadership & Management Training	150	20
Talent Management Software	45	(38)
Authority Talent Activities	35	-
Recruiting	30	-
Other, net	39	2
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>299</b>	<b>(16)</b>
<b>Total Increase / (Decrease)</b>	<b>504</b>	<b>119</b>
<b>FY 2023 Budget / FY 2024 Conceptual Budget</b>	<b>\$3,393</b>	<b>\$3,511</b>

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

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

**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 competitive market based practices in compensation and total rewards to assure the Authority remains competitive externally and internally equitable.

**Progress:** We are in our compensation evaluation final stages based on competitive market data. Recommendations regarding implementation and future evaluation strategy along with a pay equity analysis will follow next.

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

**Progress:** The Diversity, Equity, and Inclusion Employee Committee have been established. The committee has performed a SWOT Analysis, reviewed Key Performance Indicators, developed a Short-Term Goal aligned with the 2017-2022 Operational Strategic Plan. They will review existing Policies, Codes, Standards & Procedures, Rules & Regulations, and Forms through a DEI lense. Begin developing Longer-Term Goal-Setting, for inclusion in the next Operational Strategic Plan and Outcome Tracking.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

- 4D. Develop compensation and benefits programs for a multi-generational workforce that recognize individual strategic contributions
2. Develop, refine and exercise employment practices that attract and retain a highly engaged, highly productive, diverse workforce, and strive for diversity at all levels in the organization that furthers innovation and problem-solving.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

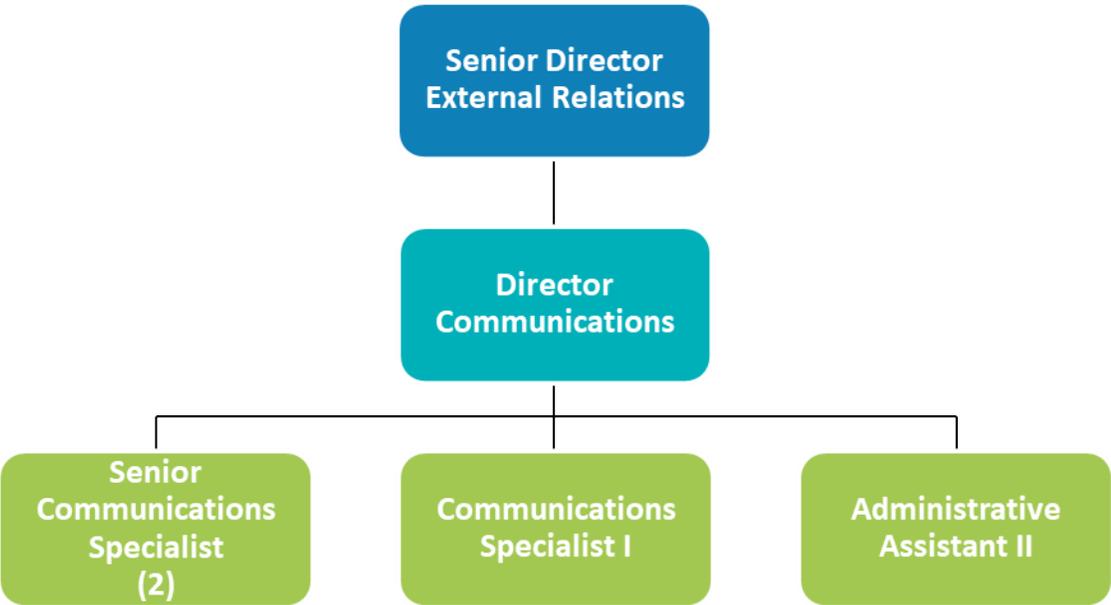
- 4C. Attract a new generation of diverse employees and leaders
3. Develop and align training with management's goals and objectives. Identifying knowledge gaps and ensuring our employees possess the necessary skills to help future-proof the organization while changing and improving individual performance.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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



*No personnel changes in FY 2024.*

## FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Proposed	%
<b>Operating Expenses</b>								
Salaries	\$ 623	\$ 582	\$ 652	\$ 70	12.0%	\$ 685	\$ 33	5.0%
Benefits	357	284	309	25	8.8%	333	24	7.9%
<b>Subtotal</b>	<b>980</b>	<b>866</b>	<b>961</b>	<b>95</b>	<b>11.0%</b>	<b>1,018</b>	<b>57</b>	<b>5.9%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>980</b>	<b>866</b>	<b>961</b>	<b>95</b>	<b>11.0%</b>	<b>1,018</b>	<b>57</b>	<b>5.9%</b>
Contractual Services	66	25	50	25	100.0%	50	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	1	1	0	60.0%	1	(0)	-37.5%
Operating Supplies	1	3	3	0	15.8%	3	(0)	-6.1%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	11	19	19	0	0.8%	19	(1)	-2.6%
Business Development	44	82	171	89	108.2%	162	(9)	-5.0%
Equipment Rentals and Repairs	-	0	0	-	0.0%	0	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>123</b>	<b>130</b>	<b>244</b>	<b>115</b>	<b>88.5%</b>	<b>235</b>	<b>(10)</b>	<b>-3.9%</b>
<b>Total Operating Expenses</b>	<b>1,102</b>	<b>996</b>	<b>1,206</b>	<b>210</b>	<b>21.1%</b>	<b>1,253</b>	<b>47</b>	<b>3.9%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,102</b>	<b>996</b>	<b>1,206</b>	<b>210</b>	<b>21.1%</b>	<b>1,253</b>	<b>47</b>	<b>3.9%</b>
<b>Equipment Outlay Expenditures</b>	<b>74</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>\$ 1,176</b>	<b>\$ 996</b>	<b>\$ 1,206</b>	<b>\$ 210</b>	<b>21.1%</b>	<b>\$ 1,253</b>	<b>\$ 47</b>	<b>3.9%</b>

## Executive Division – Communications

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

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
<b>FY 2022 Budget / FY 2023 Budget</b>	<b>\$996</b>	<b>\$1,206</b>
<b>Personnel Costs</b>		
Salary Adjustments and Pay for Performance	70	33
Burden (Benefits & Employer Taxes) for Current Staff	25	24
<b>Total Increase / (Decrease) in Personnel Costs *</b>	<b>95</b>	<b>57</b>
<b>Non-Personnel Costs</b>		
Authority Sponsorships	34	15
Other, net	81	(25)
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>115</b>	<b>(10)</b>
<b>Total Increase / (Decrease)</b>	<b>210</b>	<b>47</b>
<b>FY 2023 Budget / FY 2024 Conceptual Budget</b>	<b>\$1,206</b>	<b>\$1,253</b>

## Executive Division – Communications

### FY 2022 Progress Report

1. Refine and execute the New T1 outreach plan to communicate the economic, customer, and environmental benefits of a new Terminal 1.

**Progress:** Significant progress has been made toward this goal. The New T1 project was publicly launched with a groundbreaking event in mid-December, which garnered significant media attention. We have developed and launched two newsletters, New T1 Navigator Quarterly Update and New T1 Navigator Construction Alerts, designed to keep passengers and stakeholders updated on the latest benefits – and impacts – of the New T1 project. Additionally, a new website focused on the project, newT1.com, has been launched. These efforts have been closely aligned with a social media campaign and new paid media campaigns.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

2. Provide support to regional economic development partners and critical industry stakeholders. Build upon the previous successes with unpaid and social media to work with these partners to share the contributions of the airport to the economy through their channels.

**Progress:** Substantial progress was made toward this goal. Numerous partner agencies, including SANDAG, MTS, NCTD and others have shared news of the New T1 project and other Authority programs with their audiences through their customer-facing newsletters and on their social media platforms. New relationships have been formed and existing relationships strengthened to elevate the profile of the San Diego Flyer shuttle service and enhance its convenience for customers.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

3. Provide presentations to regional partners to keep them updated and engaged on the airport’s latest news, accomplishments and endeavors.

**Progress:** Presentations to regional partners are ongoing. Authority executives have made more than 30 presentations to community groups, civic organizations, airport neighbors, and industry groups regarding the New T1 and other Authority programs in FY22 so far.

**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

## FY 2023 – FY 2024 Goals

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

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

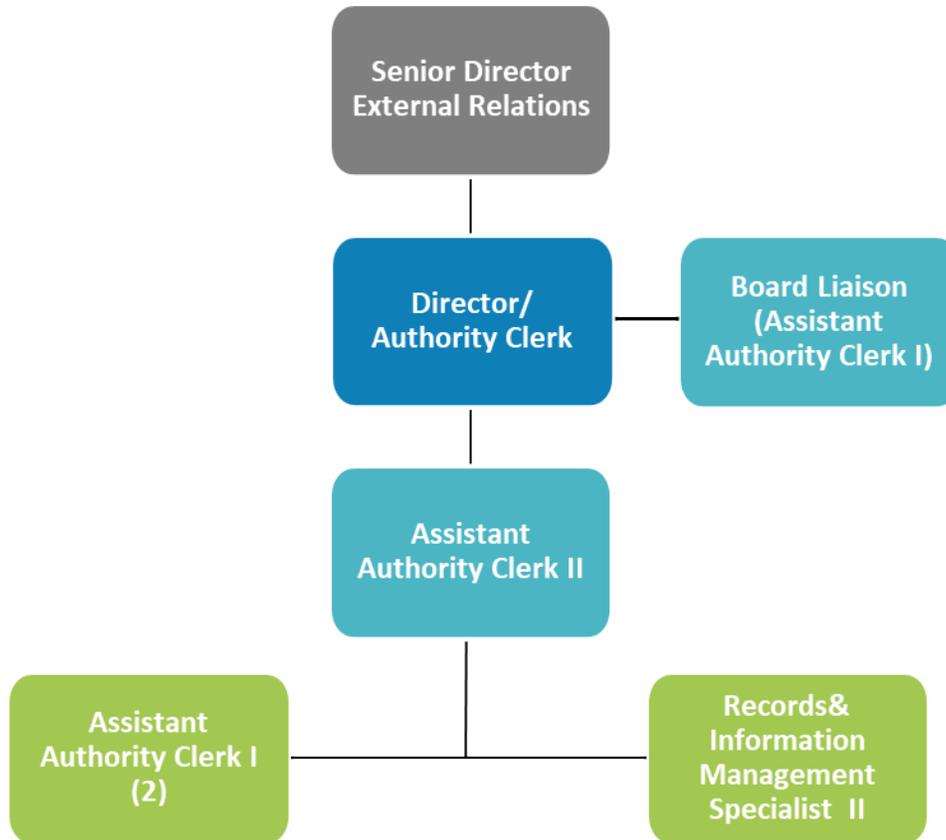
**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

## FY 2023 – 2024 Organizational Structure



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

*No personnel changes in FY 2024.*

## FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	%
<b>Operating Expenses</b>								
Salaries	\$ 300	\$ 458	\$ 505	\$ 47	10.4%	\$ 535	\$ 30	5.9%
Benefits	161	246	251	5	2.1%	273	22	8.6%
<b>Subtotal</b>	<b>461</b>	<b>704</b>	<b>756</b>	<b>52</b>	<b>7.4%</b>	<b>808</b>	<b>52</b>	<b>6.8%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>461</b>	<b>704</b>	<b>756</b>	<b>52</b>	<b>7.4%</b>	<b>808</b>	<b>52</b>	<b>6.8%</b>
Contractual Services	116	146	155	8	5.5%	143	(12)	-7.8%
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	-	10	10	0.0%	15	5	50.0%
Operating Supplies	1	2	2	-	0.0%	2	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	6	22	25	3	16.1%	28	3	11.9%
Business Development	5	32	42	10	31.6%	42	-	0.0%
Equipment Rentals and Repairs	13	15	15	-	0.0%	18	3	20.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>141</b>	<b>217</b>	<b>248</b>	<b>32</b>	<b>14.5%</b>	<b>247</b>	<b>(1)</b>	<b>-0.4%</b>
<b>Total Operating Expenses</b>	<b>602</b>	<b>921</b>	<b>1,005</b>	<b>84</b>	<b>9.1%</b>	<b>1,055</b>	<b>51</b>	<b>5.0%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>602</b>	<b>921</b>	<b>1,005</b>	<b>84</b>	<b>9.1%</b>	<b>1,055</b>	<b>51</b>	<b>5.0%</b>
<b>Equipment Outlay Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 602</b>	<b>\$ 921</b>	<b>\$ 1,005</b>	<b>\$ 84</b>	<b>9.1%</b>	<b>\$ 1,055</b>	<b>\$ 51</b>	<b>5.0%</b>

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

<i>(in thousands)</i>	<b>Inc/(Dec) FY23 vs FY22</b>	<b>Inc/(Dec) FY24 Conceptual vs FY23</b>
<b>FY 2022 Budget / FY 2023 Budget</b>	<b>\$921</b>	<b>\$1,005</b>
<b>Personnel Costs</b>		
Salary Adjustments and Pay for Performance	135	30
Burden (Benefits & Employer Taxes) for Current Staff	52	22
1 eliminated position (salary and burden)	(135)	-
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>52</b>	<b>52</b>
<b>Non-Personnel Costs</b>		
Form 700 Automation	10	5
Electronic Content Management System (ECMS) Consultant*	5	-
Webcasts for Board Meetings	-	(12)
Other, net	17	6
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>32</b>	<b>(1)</b>
<b>Total Increase / (Decrease)</b>	<b>84</b>	<b>51</b>
<b>FY 2023 Budget / FY 2024 Conceptual Budget</b>	<b>\$1,005</b>	<b>\$1,055</b>

\* transferred from Communications department

## Executive Division – Board Services

### FY 2022 Progress Report

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

**Progress:** 50% completed due to staff shortage

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

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

**Progress:** Incomplete due to budget constraints

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

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

**Progress: Complete**

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

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

**Progress: In process**

**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 2023 – FY 2024 Goals

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

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

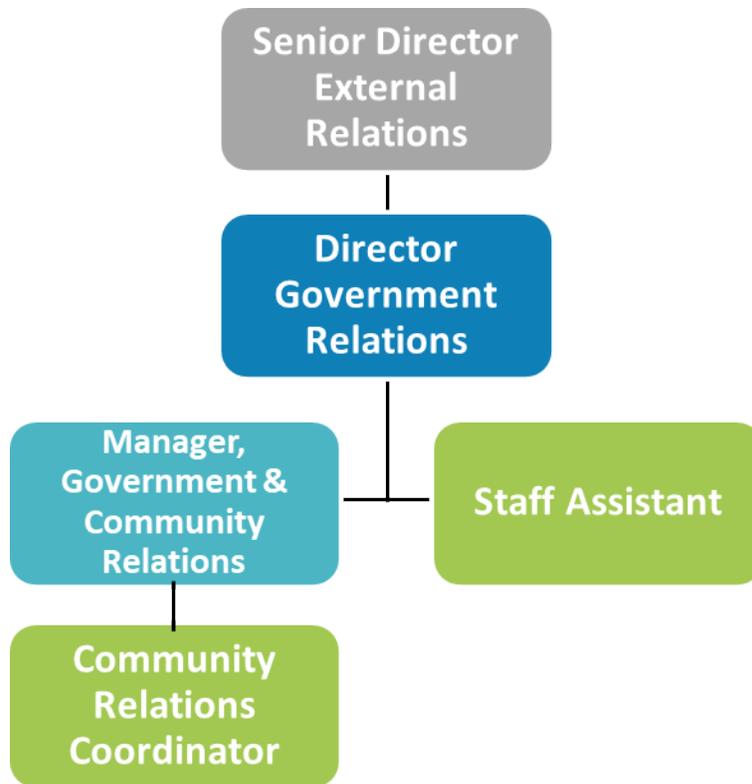
- Transform the Customer Experience

**Strategic Initiative:**

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

**Executive Division – Government Relations**

**FY 2023 – FY 2024 Organizational Structure**



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

*No personnel changes in FY 2024.*

## FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
<b>Operating Expenses</b>								
Salaries	\$ 238	\$ 323	\$ 422	\$ 100	31.0%	\$ 444	\$ 21	5.0%
Benefits	141	182	208	26	14.1%	224	16	7.6%
<b>Subtotal</b>	<b>379</b>	<b>505</b>	<b>630</b>	<b>126</b>	<b>24.9%</b>	<b>667</b>	<b>37</b>	<b>5.8%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>379</b>	<b>505</b>	<b>630</b>	<b>126</b>	<b>24.9%</b>	<b>667</b>	<b>37</b>	<b>5.8%</b>
Contractual Services	324	406	390	(16)	-3.9%	395	5	1.3%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	0	1	1	0	20.0%	1	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	9	12	16	4	32.4%	16	-	0.0%
Business Development	89	172	179	7	4.0%	187	8	4.2%
Equipment Rentals and Repairs	-	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>421</b>	<b>591</b>	<b>587</b>	<b>(5)</b>	<b>-0.8%</b>	<b>599</b>	<b>13</b>	<b>2.1%</b>
<b>Total Operating Expenses</b>	<b>800</b>	<b>1,096</b>	<b>1,217</b>	<b>121</b>	<b>11.0%</b>	<b>1,266</b>	<b>49</b>	<b>4.1%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>800</b>	<b>1,096</b>	<b>1,217</b>	<b>121</b>	<b>11.0%</b>	<b>1,266</b>	<b>49</b>	<b>4.1%</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>\$ 800</b>	<b>\$ 1,096</b>	<b>\$ 1,217</b>	<b>\$ 121</b>	<b>11.0%</b>	<b>\$ 1,266</b>	<b>\$ 49</b>	<b>4.1%</b>

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

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
<b>FY 2022 Budget / FY 2023 Budget</b>	<b>\$1,096</b>	<b>\$1,217</b>
<b>Personnel Costs</b>		
Salary Adjustments and Pay for Performance	100	21
Burden (Benefits & Employer Taxes) for Current Staff	26	16
<b>Total Increase / (Decrease) in Personnel Costs *</b>	<b>126</b>	<b>37</b>
<b>Non-Personnel Costs</b>		
Authority Memberships	4	5
Government Relations and Public Relations Consultants	(16)	5
Other, net	7	3
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(5)</b>	<b>13</b>
<b>Total Increase / (Decrease)</b>	<b>121</b>	<b>49</b>
<b>FY 2023 Budget / FY 2024 Conceptual Budget</b>	<b>\$1,217</b>	<b>\$1,266</b>

\* 1 position transferred from Communications department

## FY 2022 Progress Report

1. Communicate with and obtain support from the region’s elected officials and community leaders for the Airport Authority, San Diego International Airport, the 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.

**Progress:** Work on this task was performed consistently throughout FY22. Particular focus was placed on the Airport Development Plan (now known as “The New T1”) as its final environmental approvals were sought and obtained. Outreach efforts in the months leading up to the California Coastal Commission’s consideration of the project resulted in the Commission receiving letters of support from many elected officials, industry, and community leaders. The Coastal Commission granted the necessary Coastal Development Permit. The NEPA process concluded in late October, with construction commencing on The New T1 project on November 1<sup>st</sup>. This goal then shifted toward a groundbreaking event to celebrate the commencement of the project. Elected and appointed officials representing Congress, the Federal Aviation Administration, State Legislature, California State Transportation Agency, and the City and County of San Diego spoke at the event, which was held in mid-December and attended by hundreds of leaders and key stakeholders. The second half of the fiscal year is focused on outreach during the initial phase of construction and other activities and interests of the Airport Authority.

### **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.

**Progress:** Significant progress was made on this goal with the passage and signing into law of the Infrastructure Investment and Jobs Act in November 2021. The law included formula funding for San Diego International Airport totaling approximately \$130 million over five years. The law also created an Airport Terminal Program, which will provide \$5 billion in grants over five years. The New T1 project is well positioned to compete for funding under that program and outreach will be conducted in the later part of FY22 as that project’s details are announced. Additionally, work is underway to seek funding from State of California sources for Authority projects due to the State’s surplus and various new spending programs.

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

- Optimize Ongoing Business

**Strategic Initiative:**

- 2D. Implement a sustainable 20 year capital plan

## FY 2023 – FY 2024 Goals

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2D. Implement a sustainable 20 year capital plan

# Development Division



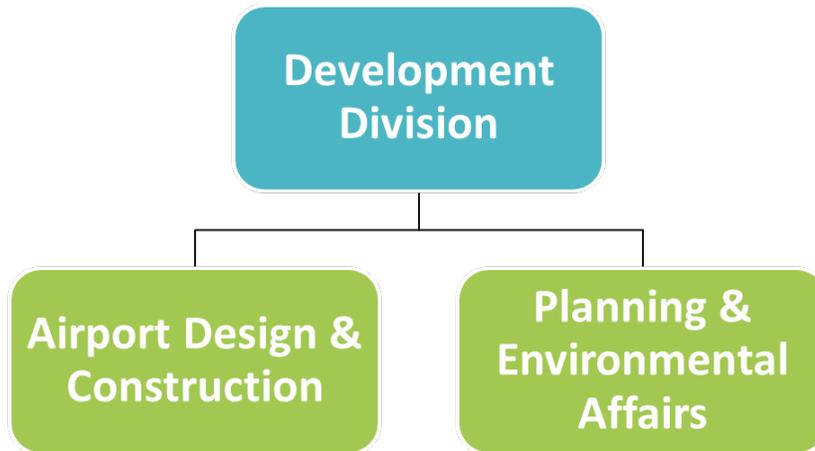
## Overview

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

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

The **Planning & Environmental Affairs** department manages airport land use compatibility and master planning, environmental compliance, sustainability initiatives, and noise mitigation programs for the Airport Authority. The department conducts all short and long-range planning, including preparing and maintaining the airport layout plan for San Diego International Airport. The department ensures compliance with a variety of state and federal environmental laws, related to development project review, air and water quality, waste reduction, and endangered species management. It also administers all noise-related policies and programs, including the airport's departure curfew and community sound insulation efforts. 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.

## FY 2023 – FY 2024 Organizational Structure



## Division Personnel Summary

	FY 2021 Budget	FY 2022 Budget	FY 2023 Budget Transfers	FY 2023 Budget New/ (Eliminated)	FY 2023 Budget	FY 2024 Budget New/ (Eliminated)	FY 2024 Conceptual Budget
<b>Development Division</b>							
Airport Design & Construction	48	48	-	-	48	-	48
Planning and Environmental Affairs	29	29	-	-	29	-	29
QHP & Noise Mitigation					0		0
<b>Total</b>	<b>77</b>	<b>77</b>	<b>-</b>	<b>-</b>	<b>77</b>	<b>-</b>	<b>77</b>

## FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

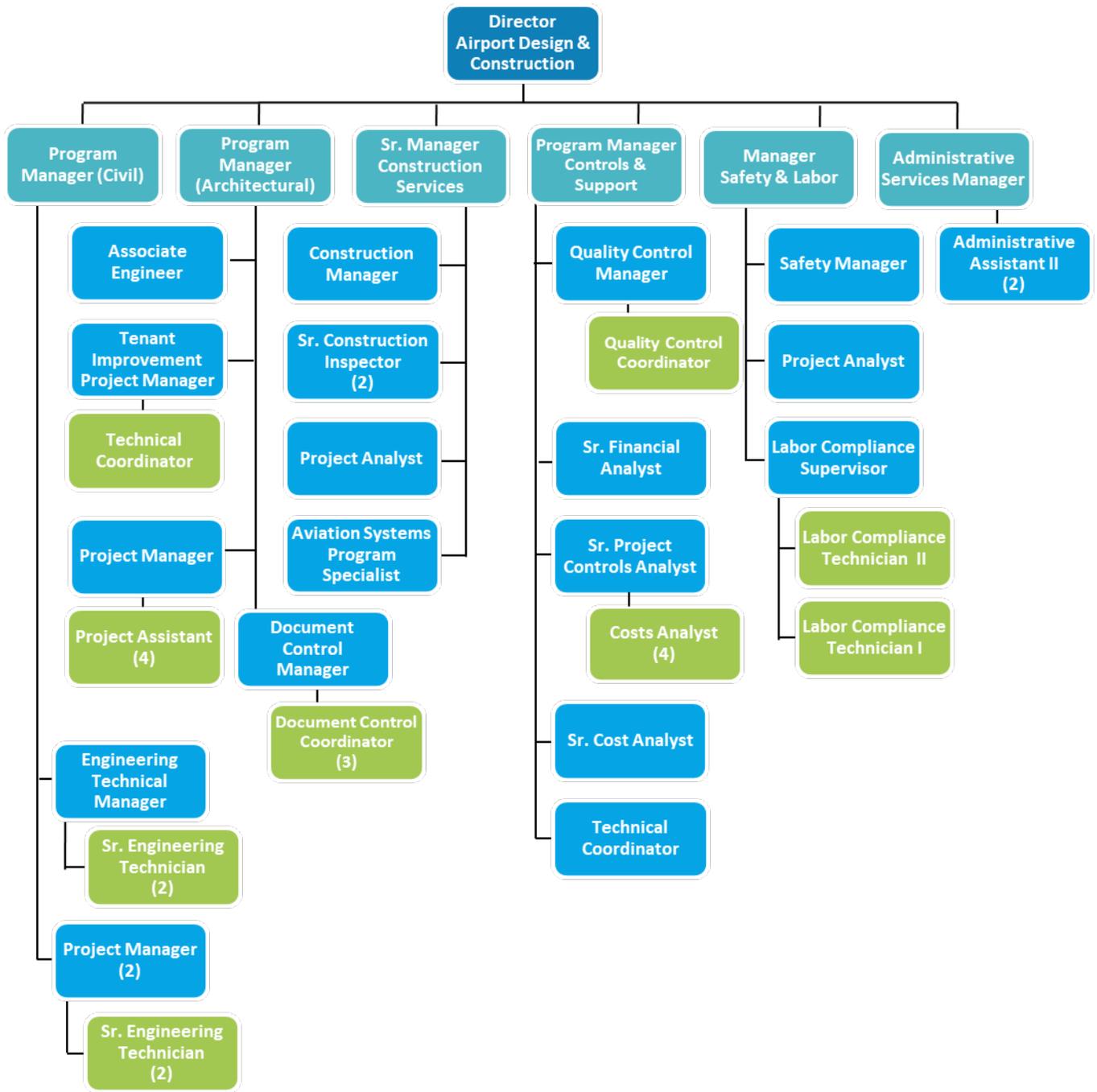
<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	%
<b>Operating Expenses</b>								
Salaries	\$ 5,964	\$ 6,764	\$ 7,981	\$ 1,218	18.0%	\$ 8,399	\$ 418	5.2%
Benefits	3,026	3,576	3,841	264	7.4%	4,167	326	8.5%
<b>Subtotal</b>	<b>8,990</b>	<b>10,340</b>	<b>11,822</b>	<b>1,482</b>	<b>14.3%</b>	<b>12,566</b>	<b>744</b>	<b>6.3%</b>
Less: Capitalized Labor Recharge	(4,693)	(5,125)	(5,843)	(718)	14.0%	(6,207)	(364)	6.2%
Less: QHP Labor Recharge	(545)	(641)	(695)	(54)	8.5%	(741)	(46)	6.7%
<b>Total Personnel Costs</b>	<b>3,752</b>	<b>4,574</b>	<b>5,284</b>	<b>710</b>	<b>15.5%</b>	<b>5,618</b>	<b>334</b>	<b>6.3%</b>
Contractual Services	2,542	3,201	3,306	106	3.3%	3,327	20	0.6%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	14	10	10	-	0.0%	15	5	56.3%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	1,126	1,450	1,450	-	0.0%	1,453	3	0.2%
Operating Equipment & Systems	1	7	7	-	0.0%	7	0	3.1%
Operating Supplies	26	64	81	17	25.6%	83	2	2.5%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	53	192	84	(108)	-56.1%	93	9	10.2%
Business Development	19	112	192	80	72.0%	194	2	0.8%
Equipment Rentals and Repairs	246	254	254	0	0.1%	282	28	10.9%
Tenant Improvements	246	336	692	356	106.1%	725	33	4.8%
<b>Total Non-Personnel Costs</b>	<b>4,273</b>	<b>5,625</b>	<b>6,077</b>	<b>451</b>	<b>8.0%</b>	<b>6,179</b>	<b>102</b>	<b>1.7%</b>
<b>Total Operating Expenses</b>	<b>8,025</b>	<b>10,199</b>	<b>11,360</b>	<b>1,161</b>	<b>11.4%</b>	<b>11,797</b>	<b>437</b>	<b>3.8%</b>
Joint Studies / Sound Attenuation	14,641	17,504	21,166	3,662	20.9%	21,767	601	2.8%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	430	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>15,071</b>	<b>17,504</b>	<b>21,166</b>	<b>3,662</b>	<b>20.9%</b>	<b>21,767</b>	<b>601</b>	<b>2.8%</b>
<b>Total Expenses</b>	<b>23,096</b>	<b>27,703</b>	<b>32,526</b>	<b>4,823</b>	<b>17.4%</b>	<b>33,564</b>	<b>1,038</b>	<b>3.2%</b>
<b>Equipment Outlay Expenditures</b>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 23,096</b>	<b>\$ 27,703</b>	<b>\$ 32,526</b>	<b>\$ 4,823</b>	<b>17.4%</b>	<b>\$ 33,564</b>	<b>\$ 1,038</b>	<b>3.2%</b>

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

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
<b>FY 2022 Budget / FY 2023 Budget</b>	<b>\$27,703</b>	<b>\$32,526</b>
<b>Personnel Costs</b>		
Salary Adjustments and Pay for Performance	1,218	418
Burden (Benefits & Employer Taxes) for Current Staff	264	326
Capitalization	(772)	(410)
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>710</b>	<b>334</b>
<b>Non-Personnel Costs</b>		
Quieter Home Program	3,662	597
Tenant Improvement Projects	356	33
Airport Land Use Compatibility Plans	150	(235)
Professional Services	(5)	217
Other, net	(50)	91
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>4,113</b>	<b>703</b>
<b>Total Increase / (Decrease)</b>	<b>4,823</b>	<b>1,038</b>
<b>FY 2023 Budget / FY 2024 Conceptual Budget</b>	<b>\$32,526</b>	<b>\$33,564</b>

# Development Division – Airport Design & Construction

## FY 2023 – FY 2024 Organizational Structure



*No personnel changes in FY 2024.*

## FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	%
<b>Operating Expenses</b>								
Salaries	\$ 3,525	\$ 4,026	\$ 4,907	\$ 881	21.9%	\$ 5,157	\$ 250	5.1%
Benefits	1,766	2,187	2,416	229	10.5%	2,621	205	8.5%
<b>Subtotal</b>	<b>5,292</b>	<b>6,213</b>	<b>7,322</b>	<b>1,110</b>	<b>17.9%</b>	<b>7,778</b>	<b>456</b>	<b>6.2%</b>
Less: Capitalized Labor Recharge	(4,673)	(5,125)	(5,843)	(718)	14.0%	(6,207)	(364)	6.2%
Less: QHP Labor Recharge	(31)	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>588</b>	<b>1,087</b>	<b>1,479</b>	<b>392</b>	<b>36.0%</b>	<b>1,571</b>	<b>92</b>	<b>6.2%</b>
Contractual Services	397	483	534	51	10.6%	594	59	11.1%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	(4)	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	5	5	-	0.0%	5	0	4.0%
Operating Supplies	14	35	51	17	47.8%	53	2	4.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	7	31	40	9	28.9%	42	2	6.1%
Business Development	3	17	30	13	76.6%	32	1	4.0%
Equipment Rentals and Repairs	99	96	96	0	0.1%	100	4	4.0%
Tenant Improvements	246	336	692	356	106.1%	725	33	4.8%
<b>Total Non-Personnel Costs</b>	<b>763</b>	<b>1,002</b>	<b>1,449</b>	<b>446</b>	<b>44.5%</b>	<b>1,551</b>	<b>102</b>	<b>7.1%</b>
<b>Total Operating Expenses</b>	<b>1,351</b>	<b>2,090</b>	<b>2,928</b>	<b>838</b>	<b>40.1%</b>	<b>3,122</b>	<b>194</b>	<b>6.6%</b>
Joint Studies / Sound Attenuation	-	100	100	-	0.0%	104	4	4.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>0.0%</b>	<b>104</b>	<b>4</b>	<b>4.0%</b>
<b>Total Expenses</b>	<b>1,351</b>	<b>2,190</b>	<b>3,028</b>	<b>838</b>	<b>38.3%</b>	<b>3,226</b>	<b>198</b>	<b>6.6%</b>
<b>Equipment Outlay Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 1,351</b>	<b>\$ 2,190</b>	<b>\$ 3,028</b>	<b>\$ 838</b>	<b>38.3%</b>	<b>\$ 3,226</b>	<b>\$ 198</b>	<b>6.6%</b>

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

<i>(in thousands)</i>	<b>Inc/(Dec) FY23 vs FY22</b>	<b>Inc/(Dec) FY24 Conceptual vs FY23</b>
<b>FY 2022 Budget / FY 2023 Budget</b>	<b>\$2,190</b>	<b>\$3,028</b>
<b>Personnel Costs</b>		
Salary Adjustments and Pay for Performance	881	250
Burden (Benefits & Employer Taxes) for Current Staff	229	205
Capitalization	(718)	(364)
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>392</b>	<b>92</b>
<b>Non-Personnel Costs</b>		
Tenant Improvement Projects	356	33
Professional Services	95	24
Other, net	(5)	49
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>446</b>	<b>106</b>
<b>Total Increase / (Decrease)</b>	<b>838</b>	<b>198</b>
<b>FY 2023 Budget / FY 2024 Conceptual Budget</b>	<b>\$3,028</b>	<b>\$3,226</b>

## FY 2022 Progress Report

1. Based on the Board Approval of the Terminal and Roadways Contract (September 2020) for the New T1 Program (NT1 Phase 1) and the approved program budget of \$3B, ADC will complete the Validation Phase for Board approval of the Maximum Contract Price (MCP) to deliver the ADP Phase 1 (Terminal 1 Replacement) on the schedule approved by the Board.

### Measures of success:

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

### Progress:

The New T1 schedule was proactively managed, ensuring that the Program Validation Phase was completed as scheduled. The Board approved the Maximum Contract Price on October 7, 2021. The design of the New T1 is tracking to a completion date that is set for the second half of 2022. The GMP is tracking as scheduled, expected to be submitted to the Authority in 2023.

### Strategic Plan Focus Area:

- Advance the ADP

### Strategic Initiative:

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

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

### Measures of success:

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

### Progress:

The Authority Administration Building project is now in construction and all milestone dates have been met for this reporting period. The project budget is tracking according to plan and a MCP for the design-build contract is now in place.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

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

Measures of success:

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

**Progress:**

The Authority's portion of building the Hydrant Fueling System (phase 1 through phase 3) is on schedule for completion this reporting period and project budget is tracking as previously estimated.

**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)
- Provide Hybrid office/telecommuting work culture that leverages experience from COVID-19

**Progress:**

The ADC Team has successfully progressed both the ADP (New Terminal 1) and the CIP throughout past year, while managing the challenges brought-on by COVID-19. All project updates are being made as required and communications to external community groups have been well received. A new monthly report was created for the New Terminal 1 (NT1) program, which is used by Authority's Executive Team to monitor the development of the program during the next seven years.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

## FY 2023 – FY 2024 Goals

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

Measures of success:

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

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

- Advance the ADP

### **Strategic Initiative:**

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

2. ADC will progress the construction of the New Authority Administration Building project resulting in project execution that is on time and within the Board approved budget/schedule while achieving project milestones necessary to complete construction by end of Summer 2023.

Measures of success:

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

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

- Transform the Customer Experience

### **Strategic Initiative:**

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

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

Measures of success:

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

**Strategic Plan Focus Area:**

- Advance the 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)
- Provide Hybrid office/telecommuting work culture that leverages experience from COVID-19

**Progress:**

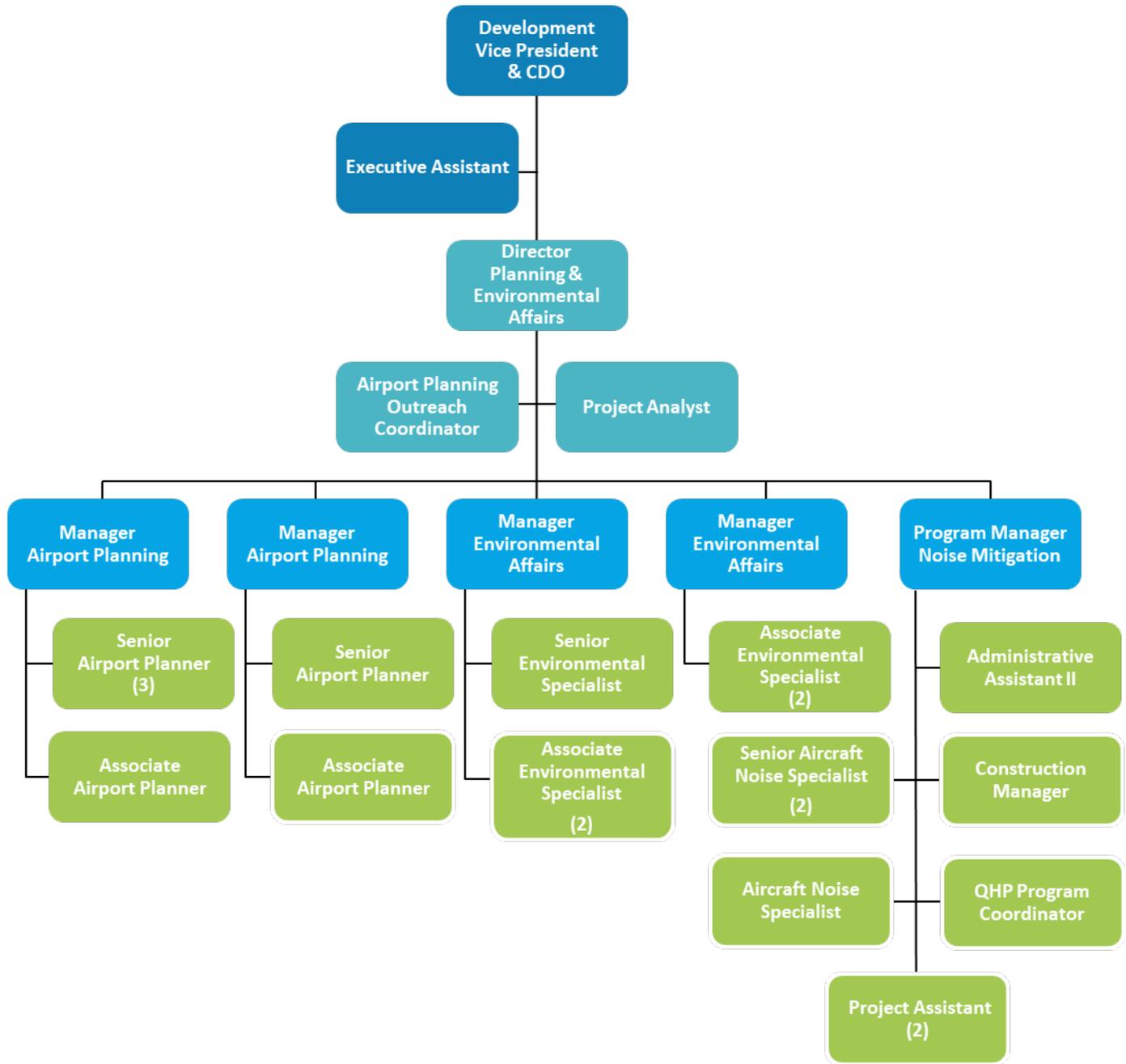
**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

## FY 2023 – FY 2024 Organizational Structure



*No personnel changes in FY 2024.*

<i>(In Thousands)</i>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>Inc / (Dec)</b>	<b>%</b>	<b>FY2024</b>	<b>Inc / (Dec)</b>	<b>%</b>
	<b>Actuals</b>	<b>Budget</b>	<b>Budget</b>	<b>FY23 Budget</b>	<b>Change</b>	<b>Conceptual</b>	<b>FY24 Conceptual</b>	<b>Change</b>
				<b>vs FY22 Budget</b>		<b>Budget</b>	<b>vs FY23 Budget</b>	
<b>Operating Expenses</b>								
Salaries	\$ 2,439	\$ 2,738	\$ 3,074	\$ 336	12.3%	\$ 3,242	\$ 168	5.5%
Benefits	1,259	1,389	1,425	36	2.6%	1,546	121	8.5%
<b>Subtotal</b>	<b>3,698</b>	<b>4,127</b>	<b>4,499</b>	<b>372</b>	<b>9.0%</b>	<b>4,788</b>	<b>289</b>	<b>6.4%</b>
Less: Capitalized Labor Recharge	(20)	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	(514)	(641)	(695)	(54)	8.5%	(741)	(46)	6.7%
<b>Total Personnel Costs</b>	<b>3,164</b>	<b>3,487</b>	<b>3,804</b>	<b>318</b>	<b>9.1%</b>	<b>4,047</b>	<b>242</b>	<b>6.4%</b>
Contractual Services	2,145	2,718	2,772	55	2.0%	2,733	(39)	-1.4%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	14	10	10	-	0.0%	15	5	56.3%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	1,129	1,450	1,450	-	0.0%	1,453	3	0.2%
Operating Equipment & Systems	1	2	2	-	0.0%	2	-	0.0%
Operating Supplies	11	30	30	-	0.0%	30	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	46	161	45	(117)	-72.4%	51	6	13.9%
Business Development	16	95	162	67	71.1%	162	0	0.2%
Equipment Rentals and Repairs	147	158	158	0	0.1%	182	24	15.2%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>3,510</b>	<b>4,623</b>	<b>4,628</b>	<b>5</b>	<b>0.1%</b>	<b>4,628</b>	<b>(0)</b>	<b>0.0%</b>
<b>Total Operating Expenses</b>	<b>6,674</b>	<b>8,110</b>	<b>8,433</b>	<b>323</b>	<b>4.0%</b>	<b>8,675</b>	<b>242</b>	<b>2.9%</b>
Joint Studies / Sound Attenuation	14,641	17,404	21,066	3,662	21.0%	21,663	597	2.8%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	430	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>15,071</b>	<b>17,404</b>	<b>21,066</b>	<b>3,662</b>	<b>21.0%</b>	<b>21,663</b>	<b>597</b>	<b>2.8%</b>
<b>Total Expenses</b>	<b>21,746</b>	<b>25,513</b>	<b>29,498</b>	<b>3,985</b>	<b>15.6%</b>	<b>30,338</b>	<b>839</b>	<b>2.8%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 21,746</b>	<b>\$ 25,513</b>	<b>\$ 29,498</b>	<b>\$ 3,985</b>	<b>15.6%</b>	<b>\$ 30,338</b>	<b>\$ 839</b>	<b>2.8%</b>

<i>(in thousands)</i>	<b>Inc/(Dec) FY23 vs FY22</b>	<b>Inc/(Dec) FY24 Conceptual vs FY23</b>
<b>FY 2022 Budget / FY 2023 Budget</b>	<b>\$25,513</b>	<b>\$29,498</b>
<b>Personnel Costs</b>		
Salary Adjustments and Pay for Performance	336	168
Burden (Benefits & Employer Taxes) for Current Staff	36	121
Capitalization	(54)	(46)
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>318</b>	<b>242</b>
<b>Non-Personnel Costs</b>		
Quieter Home Program	3,662	597
Airport Land Use Compatibility Plans	150	(235)
Professional Services	(101)	193
Other, net	(44)	42
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>3,667</b>	<b>597</b>
<b>Total Increase / (Decrease)</b>	<b>3,985</b>	<b>839</b>
<b>FY 2022 Budget / FY 2023 Conceptual Budget</b>	<b>\$29,498</b>	<b>\$30,338</b>

## FY 2022 Progress Report

1. Complete the federal environmental and state coastal review processes for the Airport Development Plan during FY 2022.

**Progress:** The Planning & Environmental Affairs Department successfully completed the environmental entitlements process for the Airport Development Plan (ADP) during Fiscal Year 2022. The final Coastal Development Permit for the ADP, specifically for the new Terminal 1, T1 Parking Plaza, and Roadway Improvement components, was issued on September 30<sup>th</sup> and all related “special conditions” have since been satisfied to enable the start of the project’s construction. In addition, the Federal Aviation Administration (FAA) published a “Finding of No Significant Impact” for the ADP on October 22<sup>nd</sup>, thus concluding the federal agency’s project review under the National Environmental Policy Act (NEPA).

**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 SDIA Airport Land use Compatibility Plan update during FY 2022.

**Progress:** 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. In particular, the Airport Authority collaborated with the City of San Diego during Fiscal Year 2022 on Land Development Code modifications, which have since enabled the City to formally implement the ALUCP. While the comprehensive update to the SAN ALUCP has been delayed due to the COVID pandemic, Authority staff expects to initiate the process in late Fiscal Year 2022 by notifying key stakeholders of important upcoming milestones and engagement opportunities.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Progress:** During Fiscal Year 2022, the Planning & Environmental Affairs Department led implementation of the Authority's comprehensive Water Stewardship Plan, which seeks to

conserve water, improve local water quality, and increase resilience to flooding. In addition, the Authority expanded its weekly sweeping of key airfield and parking lot “hot spots” and its inspection of airport tenant and construction areas. These efforts contributed to the Airport Authority successfully meeting and surpassing its Water Quality Improvement Plan interim goals for reducing dissolved copper and zinc concentration exceedances in collected storm water samples from SAN.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2B. Complete and begin implementation of the Sustainability Management Plan
4. Facilitate Ground Support Equipment (GSE) emission reductions by supporting the procurement of renewable diesel and installation of airside charging infrastructure during FY 2022.

**Progress:** As part of its implementation of the SAN Carbon Neutrality Plan and SAN Clean Transportation Plan, the Planning & Environmental Affairs Department pursued numerous initiatives related to low carbon, zero-emission vehicles. The Department successfully secured funding through the FAA’s Voluntary Airport Low Emissions (VALE) grant program to install 78 airside charging ports around Terminal 2, which will result in airlines transitioning 74 GSE to all-electric technologies. In addition, the Airport Authority continued to support the SAN Fuel Consortium’s planned replacement of onsite traditional diesel with “renewable” diesel, which is expected to occur by the end of Fiscal Year 2022.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2B. Complete and begin implementation of the Sustainability Management Plan
5. Continue the increased pace of annual residential sound insulation (400 dwelling units) through the “Quieter Home Program” and start the non-residential program by completing one property during FY 2022.

**Progress:** During Fiscal Year 2022, the Planning & Environmental Affairs Department is expected to complete improvements in approximately 300 dwelling units through the SAN Quieter Home Program. In addition, the new Quieter Non-Residential Program was launched, with its first project - a Point Loma church with an attached school - entering into construction phase. Finally, the Airport Authority successfully submitted an updated Part 150 Noise Exposure Map and Noise Compatibility Program to the FAA, which will help ensure continued federal funding eligibility for SAN’s sound insulation programs.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

## FY 2023 – FY 2024 Goals

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

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

- Advance the ADP

### **Strategic Initiative:**

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

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

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

- Optimize Ongoing Business

### **Strategic Initiative:**

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

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

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

- Optimize Ongoing Business

### **Strategic Initiative:**

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

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

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

- Optimize Ongoing Business

### **Strategic Initiative:**

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

5. Continue the increased pace of annual residential (400 dwelling units) and non-residential (complete construction on one property and design on a second property) sound insulation,

as well as launch a portable noise monitoring pilot program in the community in Fiscal Year 2023.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

# Finance Division



## Overview

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

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

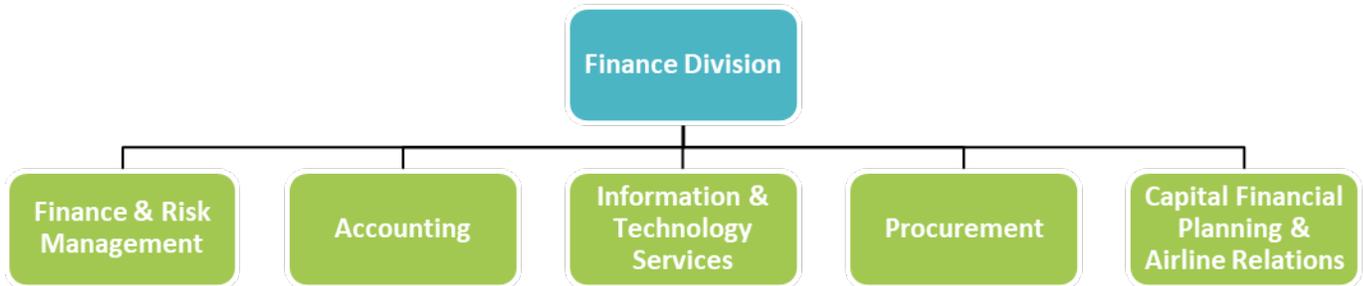
The **Capital Financial Planning & Airline Relations** department negotiates and manages airline and airfield lease and operating agreements to assure effective utilization and management of Authority resources, as well as partnering with Airport Design and Construction department to optimize capital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

The **Finance & Risk Management** department develops and administers the Operating Budget and strives to maintain a fiscally sound and sustainable organization that conforms to financial management best practices. It provides for beneficial treasury management; forecasts revenue and expenditures; maintains the Authority's insurance programs; manages Authority investments and cash; administers PFCs and 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 internet services, desktop computing, websites, telephone connection and hosted system services to all Authority departments. ITS also provides the airlines with Flight Information Display System (FIDS), Wi- Fi, paging, common use services (CUSS kiosks, CUPPS workstations) at the elevated departure roadway, gates and ticket counters.

The **Procurement** department provides a competitive contracting process that promotes innovation and industry best practices while ensuring its contracting actions adhere to published Authority policies and the highest standards of integrity and ethical conduct. The department analyzes product and services, provides business outreach and education to diverse suppliers; 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.

## FY 2023 – FY 2024 Organizational Structure



## Division Personnel Summary

	FY 2021 Budget	FY 2022 Budget	FY 2023 Budget Transfers	FY 2023 Budget New/ (Eliminated)	FY 2023 Budget	FY 2024 Budget New/ (Eliminated)	FY 2024 Conceptual Budget
<b>Finance Division</b>							
Capital Financial Planning & Airline Relations <sup>1</sup>	4	4	3	-	7	-	7
Accounting	12	12	-	-	12	-	12
Information & Technology Services	29	29	-	-	29	-	29
Procurement	12	12	-	-	12	-	12
Finance & Risk Management <sup>2</sup>	19	19	(3)	-	16	-	16
<b>Total</b>	<b>76</b>	<b>76</b>	<b>-</b>	<b>-</b>	<b>76</b>	<b>-</b>	<b>76</b>

<sup>1</sup> 3 positions transferred from Finance & Risk Management

<sup>2</sup> 3 positions transferred to Capital Financial Planning & Airline Relations

## FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
<b>Operating Expenses</b>								
Salaries	\$ 5,837	\$ 6,098	\$ 5,595	\$ (503)	-8.3%	\$ 6,925	\$ 1,330	23.8%
Benefits	7,097	3,748	4,005	257	6.9%	4,364	359	9.0%
<b>Subtotal</b>	<b>12,934</b>	<b>9,846</b>	<b>9,600</b>	<b>(246)</b>	<b>-2.5%</b>	<b>11,289</b>	<b>1,689</b>	<b>17.6%</b>
Less: Capitalized Labor Recharge	-	-	(253)	(253)	0.0%	(272)	(19)	7.4%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs *</b>	<b>12,934</b>	<b>9,846</b>	<b>9,347</b>	<b>(499)</b>	<b>-5.1%</b>	<b>11,017</b>	<b>1,670</b>	<b>17.9%</b>
Contractual Services	2,234	3,418	4,267	848	24.8%	4,595	328	7.7%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	431	634	653	19	2.9%	653	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	190	124	833	709	574.1%	183	(650)	-78.1%
Operating Supplies	92	119	176	58	48.6%	179	3	1.5%
Insurance	1,403	1,812	2,004	192	10.6%	2,323	319	15.9%
Employee Development	50	78	109	30	38.7%	117	8	7.8%
Business Development	(310)	81	577	496	609.7%	577	(0)	0.0%
Equipment Rentals and Repairs	1,779	2,315	2,361	46	2.0%	2,466	105	4.4%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>5,869</b>	<b>8,581</b>	<b>10,979</b>	<b>2,398</b>	<b>27.9%</b>	<b>11,092</b>	<b>113</b>	<b>1.0%</b>
<b>Total Operating Expenses</b>	<b>18,803</b>	<b>18,427</b>	<b>20,326</b>	<b>1,899</b>	<b>10.3%</b>	<b>22,109</b>	<b>1,783</b>	<b>8.8%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	0	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>18,803</b>	<b>18,427</b>	<b>20,326</b>	<b>1,899</b>	<b>10.3%</b>	<b>22,109</b>	<b>1,783</b>	<b>8.8%</b>
<b>Equipment Outlay Expenditures</b>	<b>53</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>0.0%</b>	<b>-</b>	<b>(100)</b>	<b>-100.0%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 18,856</b>	<b>\$ 18,427</b>	<b>\$ 20,426</b>	<b>\$ 1,999</b>	<b>10.8%</b>	<b>\$ 22,109</b>	<b>\$ 1,683</b>	<b>8.2%</b>

\* Personnel costs include vacancy savings for the Authority

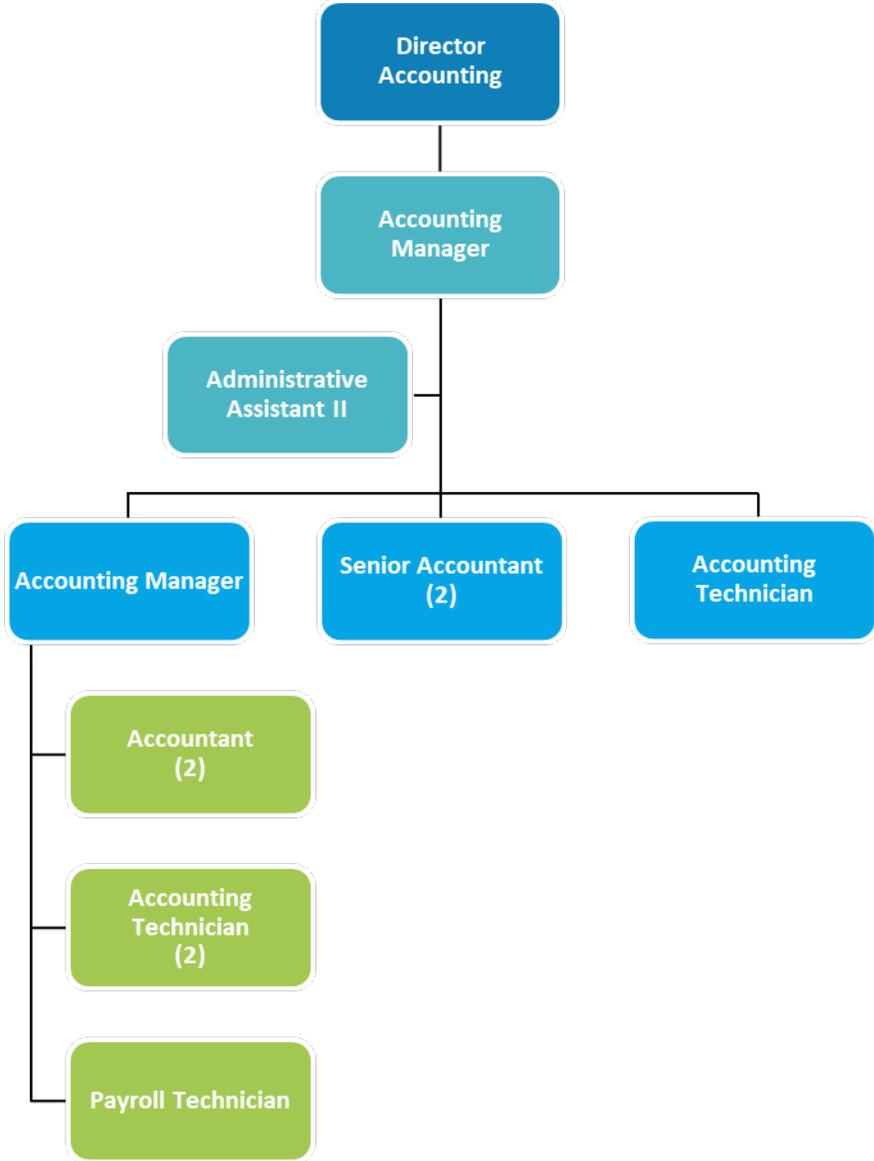
## Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
<b>FY 2022 Budget / FY 2023 Budget</b>	<b>\$18,427</b>	<b>\$20,426</b>
<b>Personnel Costs</b>		
Burden (Benefits & Employer Taxes) for Current Staff	257	359
Salary Adjustments and Pay for Performance	(503)	1,330
Capitalization	(253)	(19)
<b>Total Increase / (Decrease) in Personnel Costs *</b>	<b>(499)</b>	<b>1,670</b>
<b>Non-Personnel Costs</b>		
New Terminal 1 (NT1) Operating Expenses	1,503	(481)
Credit Card Fees	213	97
Insurance Premiums	192	319
Accounts Payable (AP) Automation and Optimization	149	(99)
Enterprise Resource Planning Software Hosting	85	50
Authority Equipment Needs	60	-
Investment & Financial Advisor	51	-
Grants Consultant	50	-
Other, net	195	127
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>2,498</b>	<b>13</b>
<b>Total Increase / (Decrease)</b>	<b>1,999</b>	<b>1,683</b>
<b>FY 2023 Budget / FY 2024 Conceptual Budget</b>	<b>\$20,426</b>	<b>\$22,109</b>

\* Personnel costs include vacancy savings for the Authority

Finance Division – Accounting

FY 2023 – FY 2024 Organizational Structure



*No personnel changes in FY 2024.*

## FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
<b>Operating Expenses</b>								
Salaries	\$ 762	\$ 971	\$ 1,019	\$ 47	4.9%	\$ 1,069	\$ 51	5.0%
Benefits	463	511	532	21	4.1%	578	45	8.5%
<b>Subtotal</b>	<b>1,226</b>	<b>1,482</b>	<b>1,551</b>	<b>69</b>	<b>4.6%</b>	<b>1,647</b>	<b>96</b>	<b>6.2%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,226</b>	<b>1,482</b>	<b>1,551</b>	<b>69</b>	<b>4.6%</b>	<b>1,647</b>	<b>96</b>	<b>6.2%</b>
Contractual Services	140	177	206	29	16.4%	173	(33)	-16.0%
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	-	3	2	(1)	-33.3%	2	-	0.0%
Operating Supplies	2	4	2	(2)	-52.9%	3	1	60.6%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	2	8	12	4	42.7%	14	2	17.1%
Business Development	(320)	56	36	(20)	-36.0%	36	-	0.0%
Equipment Rentals and Repairs	-	-	18	18	0.0%	19	1	3.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>(176)</b>	<b>248</b>	<b>275</b>	<b>28</b>	<b>11.1%</b>	<b>246</b>	<b>(30)</b>	<b>-10.7%</b>
<b>Total Operating Expenses</b>	<b>1,050</b>	<b>1,730</b>	<b>1,826</b>	<b>96</b>	<b>5.6%</b>	<b>1,893</b>	<b>67</b>	<b>3.6%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	0	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,050</b>	<b>1,730</b>	<b>1,826</b>	<b>96</b>	<b>5.6%</b>	<b>1,893</b>	<b>67</b>	<b>3.6%</b>
<b>Equipment Outlay Expenditures</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>0.0%</b>	<b>-</b>	<b>(100)</b>	<b>-100.0%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 1,050</b>	<b>\$ 1,730</b>	<b>\$ 1,926</b>	<b>\$ 196</b>	<b>11.3%</b>	<b>\$ 1,893</b>	<b>\$ (33)</b>	<b>-1.7%</b>

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

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
<b>FY 2022 Budget / FY 2023 Budget</b>	<b>\$1,730</b>	<b>\$1,926</b>
<b>Personnel Costs</b>		
Salary Adjustments and Pay for Performance	47	51
Burden (Benefits & Employer Taxes) for Current Staff	21	45
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>69</b>	<b>96</b>
<b>Non-Personnel Costs</b>		
Accounts Payable (AP) Automation	118	(99)
Auditing & Actuarial Services	28	(33)
Other, net	(18)	3
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>128</b>	<b>(130)</b>
<b>Total Increase / (Decrease)</b>	<b>196</b>	<b>(33)</b>
<b>FY 2023 Budget / FY 2024 Conceptual Budget</b>	<b>\$1,926</b>	<b>\$1,893</b>

## FY 2022 Progress Report

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

**Progress:** The FY 2021 audit was completed on time and with no findings

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2D. Implement a sustainable 20 year capital plan

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

**Progress:** Automation of the A/P payments process is scheduled to be completed prior to the end of fiscal year 2022. In addition, the RFP for services to automate the A/P invoice processing is being prepared and will be the next step to complete the automation of A/P processes in fiscal year 2023.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

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

**Progress:** The Accounting department has completed a thorough evaluation of its leases and is prepared to record and report all Authority leases following GASB 87 for the fiscal year ended June 30, 2022.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

## FY 2023 – FY 2024 Goals

1. Research, evaluate and when appropriate, implement innovative approaches to accounting processes that will improve efficiency and enhance data integrity. This will include the automation of AP invoice processing in fiscal year 2023.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2D. Implement a sustainable 20 year capital plan

3. Stay abreast of GASB developments, specifically the current “Big 3” GASB projects that include Financial Reporting Model, Revenue and Expense Recognition and Disclosure Framework. In addition, we will finalize our implementation of GASB 87, Leases for the June 30, 2022 audited financial report, and continue to monitor any subsequent guidance issued related to leases.

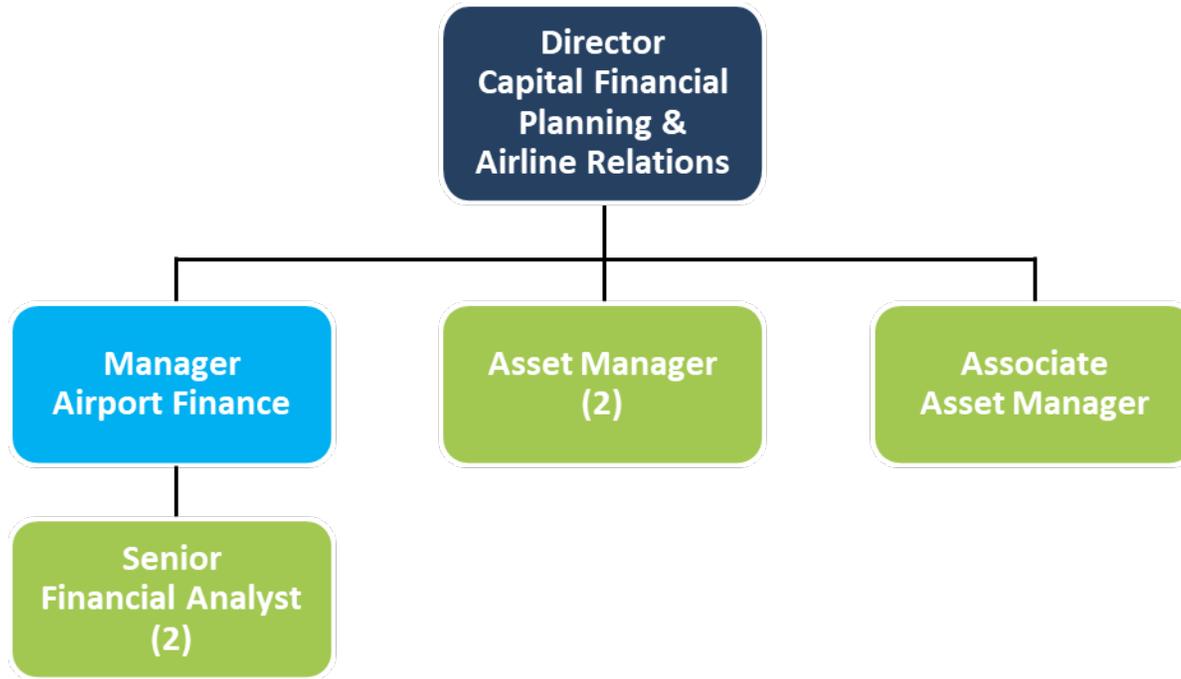
**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2D. Implement a sustainable 20 year capital plan

**FY 2023 - FY 2024 Organizational Structure**



*No personnel changes in FY 2024.*

## FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	%
<b>Operating Expenses</b>								
Salaries	\$ 299	\$ 322	\$ 757	\$ 435	135.1%	\$ 897	\$ 140	18.4%
Benefits	150	146	335	189	129.2%	408	73	21.9%
<b>Subtotal</b>	<b>449</b>	<b>468</b>	<b>1,092</b>	<b>624</b>	<b>133.2%</b>	<b>1,305</b>	<b>213</b>	<b>19.5%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>449</b>	<b>468</b>	<b>1,092</b>	<b>624</b>	<b>133.2%</b>	<b>1,305</b>	<b>213</b>	<b>19.5%</b>
Contractual Services	1	-	50	50	0.0%	50	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	-	1	1	-	0.0%	1	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	-	1	10	9	655.6%	10	-	0.0%
Business Development	0	4	8	4	94.1%	8	-	0.0%
Equipment Rentals and Repairs	1	0	0	-	0.0%	0	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>2</b>	<b>7</b>	<b>69</b>	<b>63</b>	<b>952.2%</b>	<b>69</b>	<b>-</b>	<b>0.0%</b>
<b>Total Operating Expenses</b>	<b>451</b>	<b>475</b>	<b>1,162</b>	<b>687</b>	<b>144.6%</b>	<b>1,374</b>	<b>213</b>	<b>18.3%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>451</b>	<b>475</b>	<b>1,162</b>	<b>687</b>	<b>144.6%</b>	<b>1,374</b>	<b>213</b>	<b>18.3%</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>\$ 451</b>	<b>\$ 475</b>	<b>\$ 1,162</b>	<b>\$ 687</b>	<b>144.6%</b>	<b>\$ 1,374</b>	<b>\$ 213</b>	<b>18.3%</b>

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

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
<b>FY 2022 Budget / FY 2023 Budget</b>	<b>\$475</b>	<b>\$1,162</b>
<b>Personnel Costs</b>		
Salary Adjustments and Pay for Performance *	435	140
Burden (Benefits & Employer Taxes) for Current Staff	189	73
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>624</b>	<b>213</b>
<b>Non-Personnel Costs</b>		
Grants Consultant	50	-
Other, net	13	-
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>63</b>	<b>-</b>
<b>Total Increase / (Decrease)</b>	<b>687</b>	<b>213</b>
<b>FY 2023 Budget / FY 2024 Conceptual Budget</b>	<b>\$1,162</b>	<b>\$1,374</b>

\* 3 positions transferred from Finance & Risk Management

## FY 2022 Progress Report

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

**Progress:** This project was delayed due to the Pandemic.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

2. Work with ADC and Airline Partners assigned to the new Terminal One with spaces requirements.

**Progress:** The process started in November and the team has been engaged with the development. This process will span over a few years.

**Strategic Plan Focus Area:**

- Advance the ADP

**Strategic Initiative:**

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

## FY 2023 – FY 2024 Goals

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

**Strategic Plan Focus Area:**

- Advance the ADP

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

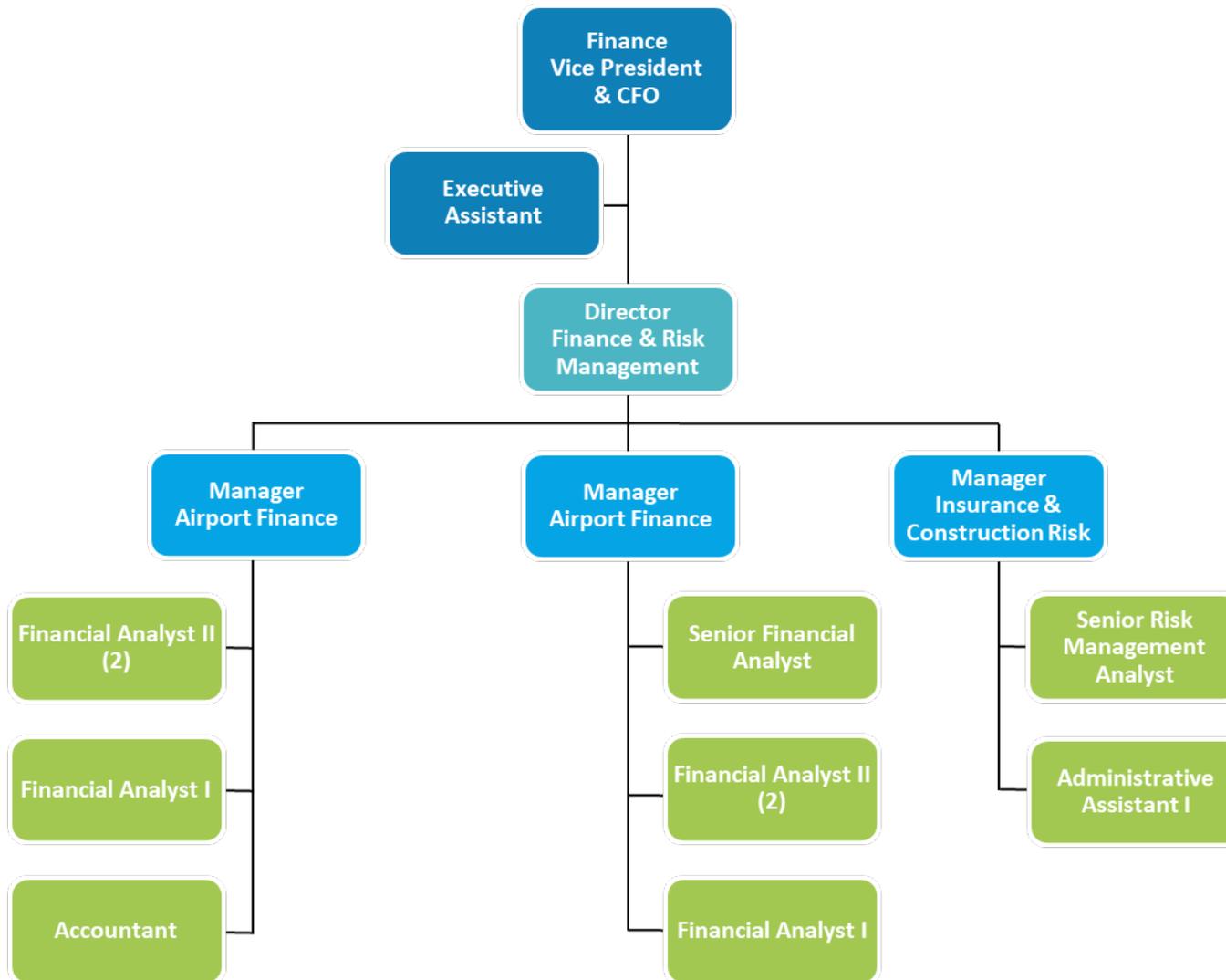
**Strategic Plan Focus Area:**

- Advance the ADP

**Strategic Initiative:**

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

## FY 2023 – FY 2024 Organizational Structure



*No personnel changes in FY 2024.*

## FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
<b>Operating Expenses</b>								
Salaries	\$ 1,539	\$ 1,611	\$ 1,784	\$ 173	10.7%	\$ 1,878	\$ 94	5.3%
Benefits	713	844	875	31	3.7%	948	72	8.3%
<b>Subtotal</b>	<b>2,252</b>	<b>2,456</b>	<b>2,659</b>	<b>204</b>	<b>8.3%</b>	<b>2,826</b>	<b>166</b>	<b>6.2%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>2,252</b>	<b>2,456</b>	<b>2,659</b>	<b>204</b>	<b>8.3%</b>	<b>2,826</b>	<b>166</b>	<b>6.2%</b>
Contractual Services	1,039	1,266	1,672	406	32.1%	1,766	94	5.6%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	3	7	8	1	7.1%	8	-	0.0%
Insurance	1,403	1,812	2,004	192	10.6%	2,323	319	15.9%
Employee Development	10	22	34	12	52.1%	37	3	7.3%
Business Development	4	10	18	9	88.2%	18	(0)	-0.4%
Equipment Rentals and Repairs	109	119	119	-	0.0%	119	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>2,567</b>	<b>3,235</b>	<b>3,854</b>	<b>619</b>	<b>19.1%</b>	<b>4,270</b>	<b>416</b>	<b>10.8%</b>
<b>Total Operating Expenses</b>	<b>4,819</b>	<b>5,691</b>	<b>6,513</b>	<b>823</b>	<b>14.5%</b>	<b>7,095</b>	<b>582</b>	<b>8.9%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>4,819</b>	<b>5,691</b>	<b>6,513</b>	<b>823</b>	<b>14.5%</b>	<b>7,095</b>	<b>582</b>	<b>8.9%</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>\$ 4,819</b>	<b>\$ 5,691</b>	<b>\$ 6,513</b>	<b>\$ 823</b>	<b>14.5%</b>	<b>\$ 7,095</b>	<b>\$ 582</b>	<b>8.9%</b>

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

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
<b>FY 2022 Budget / FY 2023 Budget</b>	<b>\$5,691</b>	<b>\$6,513</b>
<b>Personnel Costs</b>		
Salary Adjustments and Pay for Performance *	173	94
Burden (Benefits & Employer Taxes) for Current Staff	31	72
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>204</b>	<b>166</b>
<b>Non-Personnel Costs</b>		
Credit Card Fees	213	97
Insurance Premiums	192	319
Investment & Financial Advisor	51	-
Accounts Payable Optimization	31	-
Other, net	132	(0)
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>619</b>	<b>416</b>
<b>Total Increase / (Decrease)</b>	<b>823</b>	<b>582</b>
<b>FY 2023 Budget / FY 2024 Conceptual Budget</b>	<b>\$6,513</b>	<b>\$7,095</b>

\* 3 positions transferred to Capital Financial Planning and Airline Relations

## FY 2022 Progress Report

1. Establish a new Underwriter Pool and issue the first tranche of Bonds to fund the Airport Development Program.

**Progress:** The underwriter pool was selected in September and the Authority priced bonds in November 2021 closing the deal in December 2021. High demand and good market conditions for the bonds allowed the Authority to issue \$600 million more than planned with a significant savings due to low interest rates.

**Strategic Plan Focus Area:**

- Advance the ADP

**Strategic Initiative:**

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

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

**Progress:** The Finance team created and communicated a process to track expenses related to the New T1 program with in the operating and non-operating expenses.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

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

**Progress:** This still in process. The Parking Strategy Consultant was recently selected.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

## FY 2023 – FY 2024 Goals

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Advance the ADP

**Strategic Initiative:**

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

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

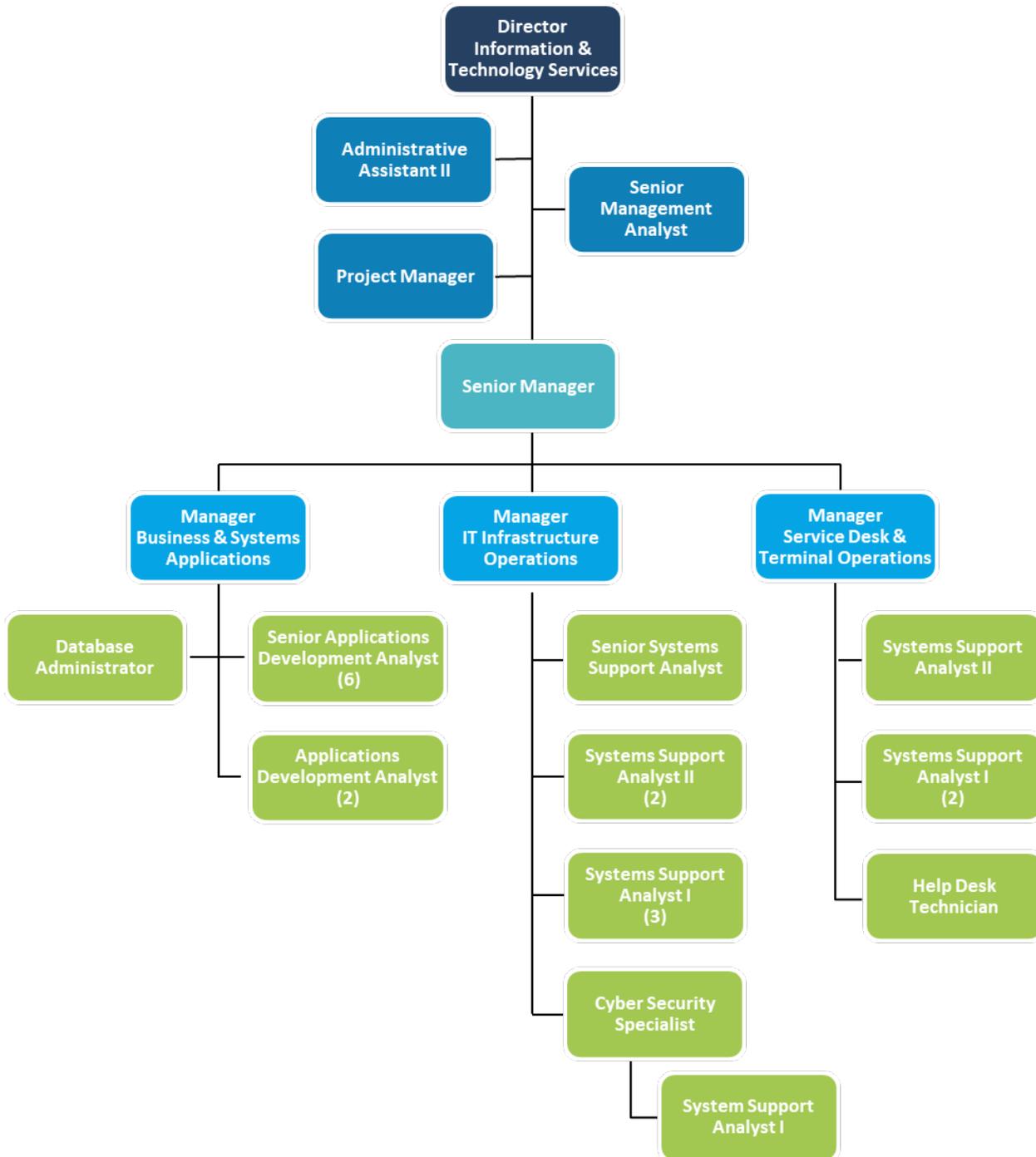
**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

## FY 2023 – FY 2024 Organizational Structure



*No personnel changes in FY 2024.*

## FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	%
<b>Operating Expenses</b>								
Salaries	\$ 2,300	\$ 2,376	\$ 3,131	\$ 755	31.8%	\$ 3,321	\$ 189	6.1%
Benefits	1,161	1,245	1,477	232	18.6%	1,628	151	10.2%
<b>Subtotal</b>	<b>3,461</b>	<b>3,622</b>	<b>4,608</b>	<b>987</b>	<b>27.2%</b>	<b>4,948</b>	<b>340</b>	<b>7.4%</b>
Less: Capitalized Labor Recharge	-	-	(253)	(253)	0.0%	(272)	(19)	7.4%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>3,461</b>	<b>3,622</b>	<b>4,355</b>	<b>733</b>	<b>20.2%</b>	<b>4,676</b>	<b>322</b>	<b>7.4%</b>
Contractual Services	1,030	1,343	1,368	25	1.9%	1,468	100	7.3%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	431	634	653	19	2.9%	653	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	191	120	180	60	50.0%	180	-	0.0%
Operating Supplies	76	67	126	59	88.1%	126	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	33	37	40	4	9.8%	42	2	5.0%
Business Development	2	3	6	3	96.8%	6	-	0.0%
Equipment Rentals and Repairs	1,667	2,155	2,180	26	1.2%	2,284	104	4.8%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>3,429</b>	<b>4,359</b>	<b>4,554</b>	<b>195</b>	<b>4.5%</b>	<b>4,760</b>	<b>206</b>	<b>4.5%</b>
<b>Total Operating Expenses</b>	<b>6,890</b>	<b>7,981</b>	<b>8,909</b>	<b>928</b>	<b>11.6%</b>	<b>9,436</b>	<b>528</b>	<b>5.9%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>6,890</b>	<b>7,981</b>	<b>8,909</b>	<b>928</b>	<b>11.6%</b>	<b>9,436</b>	<b>528</b>	<b>5.9%</b>
<b>Equipment Outlay Expenditures</b>	<b>53</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>\$ 6,943</b>	<b>\$ 7,981</b>	<b>\$ 8,909</b>	<b>\$ 928</b>	<b>11.6%</b>	<b>\$ 9,436</b>	<b>\$ 528</b>	<b>5.9%</b>

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

<i>(in thousands)</i>	<b>Inc/(Dec) FY23 vs FY22</b>	<b>Inc/(Dec) FY24 Conceptual vs FY23</b>
<b>FY 2022 Budget / FY 2023 Budget</b>	<b>\$7,981</b>	<b>\$8,909</b>
<b>Personnel Costs</b>		
Salary Adjustments and Pay for Performance	755	189
Burden (Benefits & Employer Taxes) for Current Staff	232	151
Capitalization	(253)	(19)
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>733</b>	<b>322</b>
<b>Non-Personnel Costs</b>		
Enterprise Resource Planning Software Hosting	85	50
Authority Equipment Needs	60	-
IT Licenses, Maintenance and Support	41	104
Other, net	9	52
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>195</b>	<b>206</b>
<b>Total Increase / (Decrease)</b>	<b>928</b>	<b>528</b>
<b>FY 2023 Budget / FY 2024 Conceptual Budget</b>	<b>\$8,909</b>	<b>\$9,436</b>

## FY 2022 Progress Report

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

**Progress:** The AVSEC Network Redesign CIP was approved by the Board in July of 2020. I&TS has received the network equipment and is in the process of configuring the core infrastructure. Training for PMWeb has been conducted to increase staff adoption, reports and workflows have been enhanced and integrations with E1 have been refined. Documentation of the E1 to PMWeb integrations and their associated dependencies have been completed.

**Strategic Plan Focus Area:**

- Advance the ADP

**Strategic Initiative:**

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

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

**Progress:** I&TS has optimized the telecommuting experience for staff by implementing MS Teams to enhance collaboration, Adobe eSign to efficiently route documents for signature and deployed VPNs (Virtual Private Networks) with two-factor authentication to ensure cybersecurity for staff working remotely. We have collaborated with stakeholders on the design of innovative technology solutions for the new admin building including enhanced audio and video solutions for the conference rooms, and more robust Wi-Fi design. On the Terminal 1 replacement, we have partnered with the Arrive joint venture to design innovative passenger processing systems including biometric boarding at the gates and passenger queue measuring at the checkpoints. We have selected Verizon as the lead mobile network operator and are in the process of designing the cellular infrastructure of the Airport campus.

**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 and Technology) audit of the AVSEC network, baggage handling system, and building

automation systems (HVAC) and maintain PCI compliance ensuring all credit card data is properly secured.

**Progress:** We have collaborated with internal and external stakeholders to remediate the findings from the DHS NIST audit. We are 100% complete on the Wi-Fi, 90% complete on the HVAC, 90% complete on the baggage handling system, 95% complete on the AVSEC network NIST findings, and 25% complete on the 12 KV electrical system. We have submitted the necessary evidence to renew PCI compliance for our credit card processing systems.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

## FY 2023 – FY 2024 Goals

1. In support of the New T1, replace our aging network infrastructure with optimal technology to provide additional growth capacity, redundancy and security. Enhance the construction program management tool PMWeb by improving operational efficiency through process standardization, program consultant cost accounting, timekeeping, reporting and visibility by integrating these processes into PMWeb.

**Strategic Plan Focus Area:**

- Advance the ADP

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

3. Continue prioritizing cybersecurity initiatives including remediating findings from the NIST (National Institute of Standards and Technology) audit of the AVSEC network, baggage handling system, 12kV electrical system and building automation systems (HVAC). Conduct a white box penetration test of all Internet facing systems including san.org and go.san.org. Maintain PCI compliance ensuring all credit card data is properly secured.

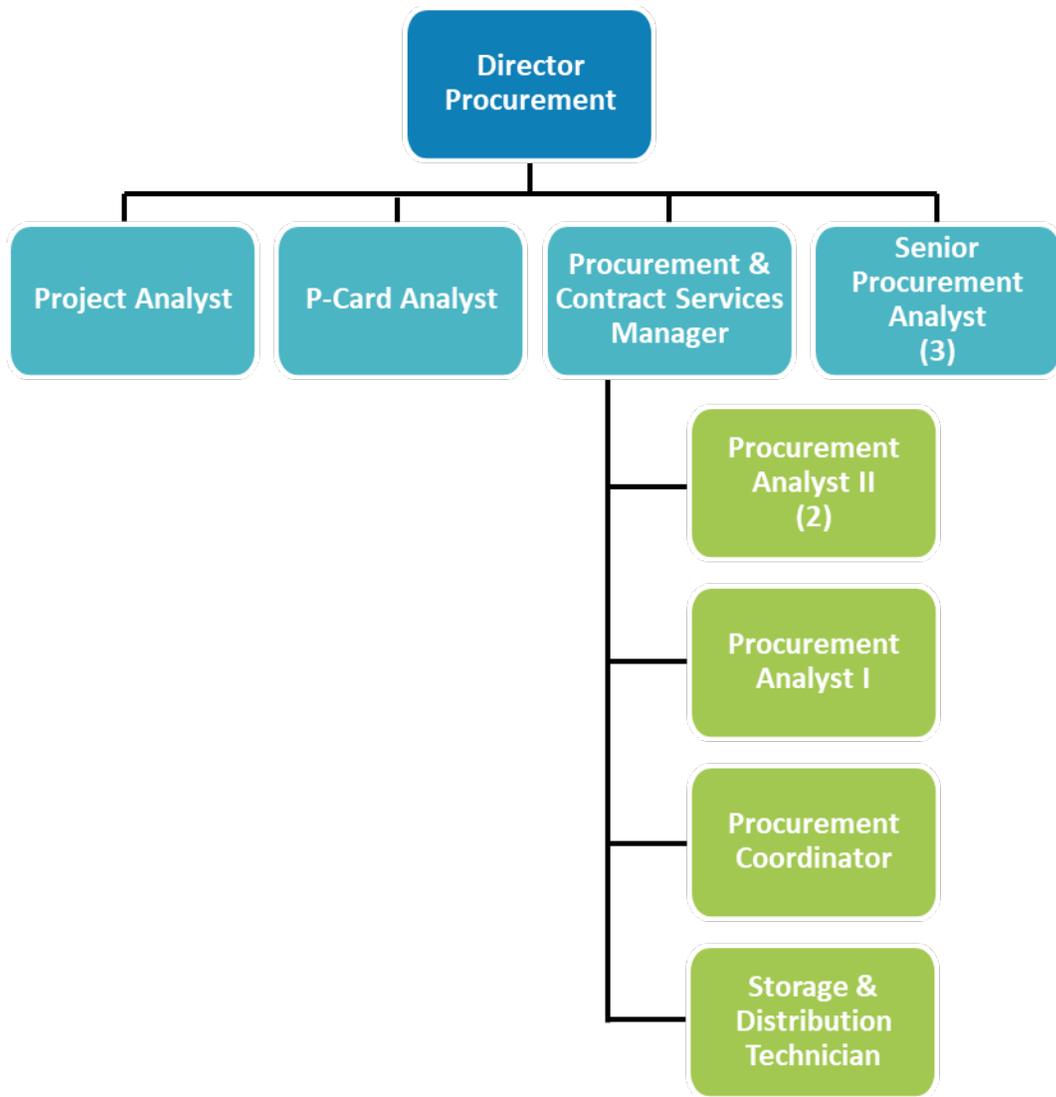
**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

## FY 2023 – FY 2024 Organizational Structure



*No personnel changes in FY 2024.*

## FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
<b>Operating Expenses</b>								
Salaries	\$ 936	\$ 983	\$ 1,055	\$ 72	7.3%	\$ 1,108	\$ 53	5.0%
Benefits	499	549	521	(27)	-5.0%	564	43	8.2%
<b>Subtotal</b>	<b>1,435</b>	<b>1,532</b>	<b>1,577</b>	<b>45</b>	<b>2.9%</b>	<b>1,672</b>	<b>96</b>	<b>6.1%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,435</b>	<b>1,532</b>	<b>1,577</b>	<b>45</b>	<b>2.9%</b>	<b>1,672</b>	<b>96</b>	<b>6.1%</b>
Contractual Services	24	32	17	(15)	-46.8%	16	(2)	-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	(0)	1	1	0	10.0%	1	-	0.0%
Operating Supplies	11	40	40	-	0.0%	42	2	3.9%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	5	10	13	3	27.8%	15	2	15.4%
Business Development	4	9	9	0	5.8%	9	0	0.5%
Equipment Rentals and Repairs	2	42	44	2	6.0%	45	1	1.1%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>46</b>	<b>133</b>	<b>124</b>	<b>(9)</b>	<b>-6.9%</b>	<b>126</b>	<b>3</b>	<b>2.1%</b>
<b>Total Operating Expenses</b>	<b>1,481</b>	<b>1,665</b>	<b>1,700</b>	<b>35</b>	<b>2.1%</b>	<b>1,798</b>	<b>98</b>	<b>5.8%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,481</b>	<b>1,665</b>	<b>1,700</b>	<b>35</b>	<b>2.1%</b>	<b>1,798</b>	<b>98</b>	<b>5.8%</b>
<b>Equipment Outlay Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 1,481</b>	<b>\$ 1,665</b>	<b>\$ 1,700</b>	<b>\$ 35</b>	<b>2.1%</b>	<b>\$ 1,798</b>	<b>\$ 98</b>	<b>5.8%</b>

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

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
<b>FY 2022 Budget / FY 2023 Budget</b>	<b>\$1,665</b>	<b>\$1,700</b>
<b>Personnel Costs</b>		
Salary Adjustments and Pay for Performance	72	53
Burden (Benefits & Employer Taxes) for Current Staff	(27)	43
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>45</b>	<b>96</b>
<b>Non-Personnel Costs</b>		
Temp Staffing	(16)	-
Other, net	7	3
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>(9)</b>	<b>3</b>
<b>Total Increase / (Decrease)</b>	<b>35</b>	<b>98</b>
<b>FY 2023 Budget / FY 2024 Conceptual Budget</b>	<b>\$1,700</b>	<b>\$1,798</b>

## FY 2022 Progress Report

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.

**Progress:** Procurement serves as a centralized resource to manage and facilitate the selection and contract award process in accordance with Authority policies, innovative industry trends and sound contracting practices. The Procurement team was one of 36 special districts and 182 public agencies in the United States and Canada to receive the 2021 Achievement of Excellence in Procurement Award recognizing innovation, leadership, efficiency, and best practices. A substantial number of large construction procurements in support of the ADP are complete with fully executed contracts in place. Additional construction, maintenance, concession, equipment, furnishings, and services are on-going and will continue to support operations and enabling projects throughout construction.

**Strategic Plan Focus Area:**

- Advance the ADP

**Strategic Initiative:**

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

**Progress:** Significant efforts were made in response to the Covid 19 pandemic to reduce non-essential spending and further negotiate existing contracts prior to executing renewal options. Contractors that may regularly service non-public space at the Authority have been notified of the Authority's Vaccination Protocol and a master list of Contractor Acknowledgements is maintained on the Authority's public drive. The department continues to achieve cost savings on new contracts through competition and negotiations. Contract negotiations also result in value added services, operational efficiencies, and cost containment for the Authority. An average savings of 15% has been achieved through competition and an average savings of 4% has been achieved through additional contract negotiations.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 5D. Evaluate contracts and partnerships for opportunities to improve revenue and expense profile
3. Promote the Authority's Brand Promise to the local business community and support the inclusion and utilization of diverse suppliers to fairly compete and participate in the performance of all Authority Contracts through outreach, engagement, and transparency. Continue to maintain project specific outreach plans, tracking small and local business participation and contract awards on

solicitations facilitated by Procurement; and participating in various contractor outreach and supplier training events.

**Progress:** In alignment with the Authority's Diversity, Equity and Inclusion Policy, Procurement and Small Business Development collaborated to establish a Business Engagement and Supplier Diversity Workstream.

All the solicitations facilitated by Procurement in FY22 document small, local, veteran and disadvantaged business participation. Outreach plans include preferences under policy 5.12 or inclusionary methods. As of February, 425 new vendors have registered in the Authority's vendor database since 7/1/2021 as a result of outreach by Procurement and Small Business Development. Of the 38 projects solicited since 7/1/2021, 1,362 vendors have actively participated by downloading an opportunity; 10% are certified Small Business Enterprises (SBEs), 40% are self-claimed Local Business Enterprises (LBEs), 15% are certified Local Businesses (LBC), 10% are certified Disadvantaged Business Enterprises (DBEs) and 4% are Veteran owned (VOSB) or Service-Disabled Veteran Small Business (SDVSB) certified.

The following summary reflects 21 executed contract awards for a total of \$283,808,313 resulting from competitive solicitations that closed since 7/1/2021.

- Certified Local Businesses received 10 awards (48%) for a total of \$269,333,196 (95%)
- Local Business Enterprises received 4 awards (19%) for a total of \$5,037,500 (2%)
- Certified SBE's received 6 awards (29%) for a total of \$5,528,000 (2%)
- Certified DBE's received 0 awards
- VOSB/SDVSB's received 0 awards

\*this information reflects awards to prime contractors only and does not include subcontractor awards or inclusionary commitments

**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

## FY 2023 – FY 2024 Goals

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

**Strategic Plan Focus Area:**

- Advance the ADP

**Strategic Initiative:**

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

2. Foster a Procurement team that is inclusive, supportive, and mindful of the culture of all Authority departments and its teammates. Continue to navigate through the significant impacts that COVID 19 has had on our business and operation by collaborating with key stakeholders to determine appropriate procurement methods for contracting opportunities that reduce non-essential spending, optimize business efficiencies, improve services, and that support financial, social, environmental and safety, obligations.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

# Operations Division



## Overview

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

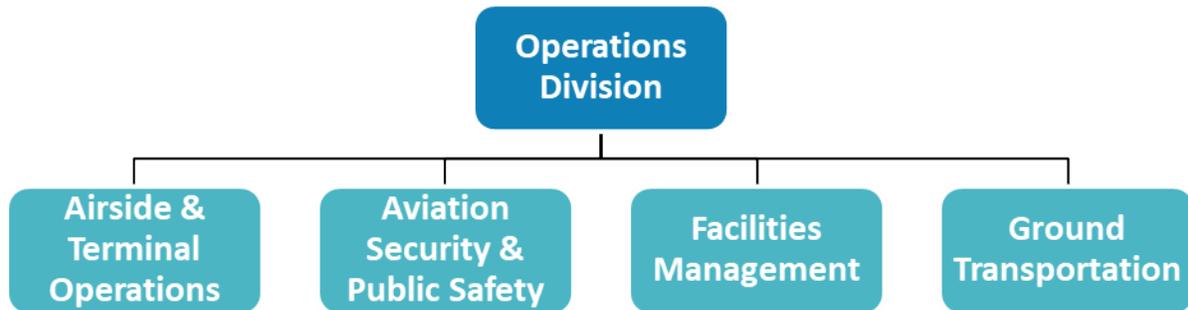
The **Airside & Terminal Operations** department oversees the myriad of daily activities occurring on the airfield, terminal, and landside with responsibility for maintaining a safe, secure environment in which the airport's tenants can operate. The department manages these activities in accordance with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

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

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

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

## FY 2023 – FY 2024 Organizational Structure



## Division Personnel Summary

	FY 2021 Budget	FY 2022 Budget	FY 2023 Budget Transfers	FY 2023 Budget New/ (Eliminated)	FY 2023 Budget	FY 2024 Budget New/ (Eliminated)	FY 2024 Conceptual Budget
<b>Operations Division</b>							
Aviation Security & Public Safety	18	20	-	1	21	-	21
Airside & Terminal Operations	25	26	-	1	27	-	26
Ground Transportation	71	71	-	-	71	-	71
Facilities Management	88	86	-	-	86	-	86
<b>Total</b>	<b>202</b>	<b>203</b>	<b>-</b>	<b>2</b>	<b>205</b>	<b>-</b>	<b>204</b>

## FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

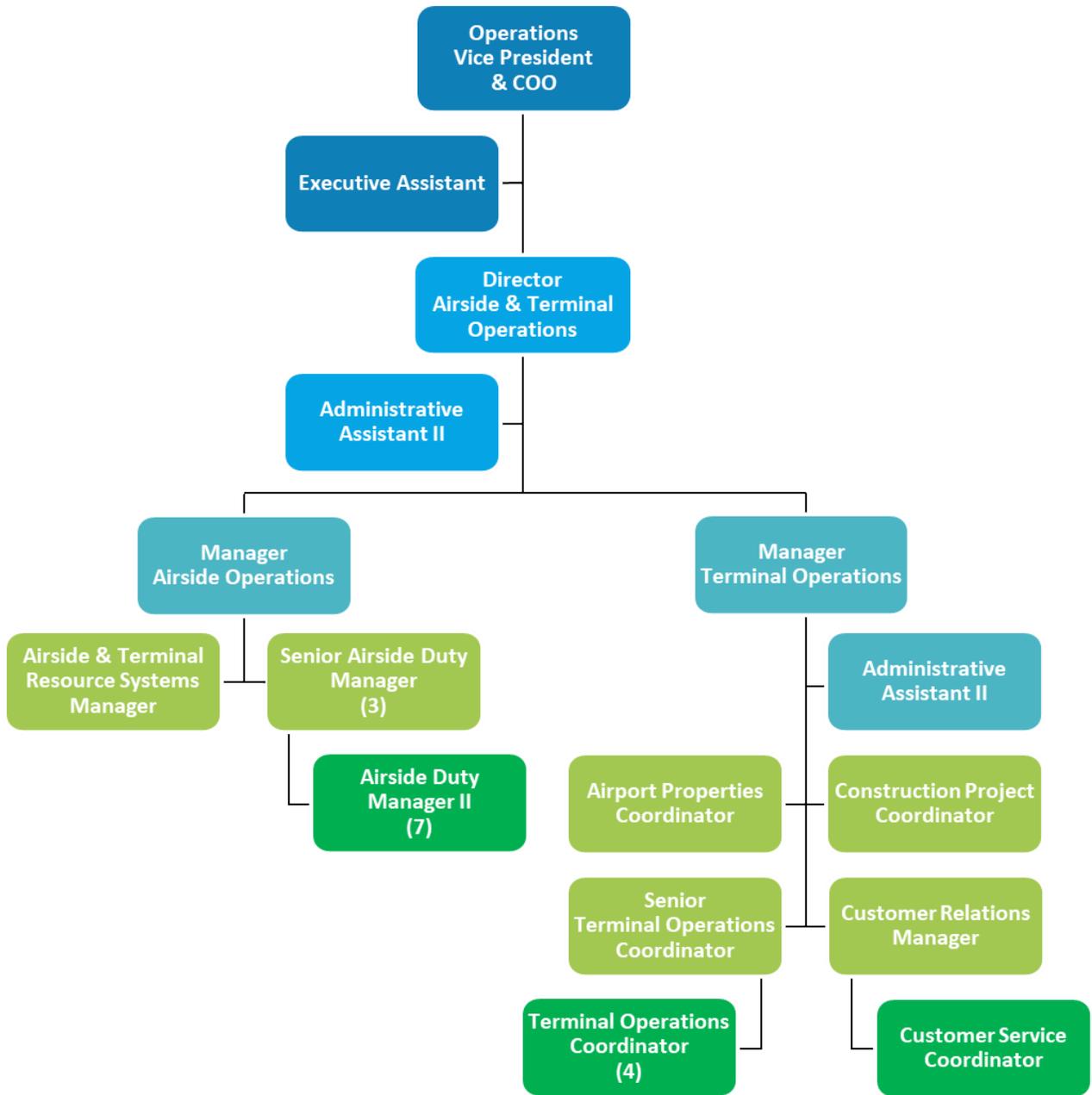
<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
<b>Operating Expenses</b>								
Salaries	\$ 13,753	\$ 15,666	\$ 18,524	\$ 2,858	18.2%	\$ 19,561	\$ 1,037	5.6%
Benefits	7,337	8,499	9,236	737	8.7%	10,059	823	8.9%
<b>Subtotal</b>	<b>21,090</b>	<b>24,166</b>	<b>27,761</b>	<b>3,595</b>	<b>14.9%</b>	<b>29,620</b>	<b>1,860</b>	<b>6.7%</b>
Less: Capitalized Labor Recharge	(17)	-	(97)	(97)	0.0%	(103)	(5)	5.5%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>21,073</b>	<b>24,166</b>	<b>27,663</b>	<b>3,498</b>	<b>14.5%</b>	<b>29,518</b>	<b>1,854</b>	<b>6.7%</b>
Contractual Services	15,228	22,627	34,552	11,924	52.7%	36,667	2,115	6.1%
Safety and Security	32,446	36,385	38,064	1,679	4.6%	39,873	1,809	4.8%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	10,517	14,059	15,902	1,844	13.1%	17,414	1,512	9.5%
Maintenance	7,363	9,892	10,720	828	8.4%	11,131	411	3.8%
Operating Equipment & Systems	32	102	125	23	22.8%	121	(4)	-3.1%
Operating Supplies	264	403	417	14	3.5%	445	28	6.8%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	123	196	216	19	9.8%	219	4	1.7%
Business Development	19	117	144	27	22.8%	158	14	9.6%
Equipment Rentals and Repairs	732	949	693	(256)	-27.0%	775	83	11.9%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>66,724</b>	<b>84,731</b>	<b>100,833</b>	<b>16,102</b>	<b>19.0%</b>	<b>106,804</b>	<b>5,970</b>	<b>5.9%</b>
<b>Total Operating Expenses</b>	<b>87,797</b>	<b>108,897</b>	<b>128,497</b>	<b>19,600</b>	<b>18.0%</b>	<b>136,322</b>	<b>7,825</b>	<b>6.1%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>87,797</b>	<b>108,897</b>	<b>128,497</b>	<b>19,600</b>	<b>18.0%</b>	<b>136,322</b>	<b>7,825</b>	<b>6.1%</b>
<b>Equipment Outlay Expenditures</b>	<b>224</b>	<b>686</b>	<b>888</b>	<b>203</b>	<b>29.6%</b>	<b>667</b>	<b>(221)</b>	<b>-24.9%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 88,020</b>	<b>\$ 109,582</b>	<b>\$ 129,385</b>	<b>\$ 19,803</b>	<b>18.1%</b>	<b>\$ 136,989</b>	<b>\$ 7,604</b>	<b>5.9%</b>

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

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
<b>FY 2022 Budget / FY 2023 Budget</b>	<b>\$109,582</b>	<b>\$129,385</b>
<b>Personnel Costs</b>		
Salary Adjustments, Pay for Performance and Contracted Wage Increases	2,742	1,037
Burden (Benefits & Employer Taxes) for Current Staff	682	823
2 New Positions (Salary & Benefits)	171	0
Capitalization	(97)	(5)
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>3,498</b>	<b>1,854</b>
<b>Non-Personnel Costs</b>		
Shuttle Operations	4,082	551
Parking and Valet Operations	3,292	147
Rental Car Center (RCC) Shuttles	3,211	1,125
Utilities	1,830	1,512
Major, Annual Maintenance and Supplies	982	257
Port District Law Enforcement - Harbor Police Department	936	1,501
Terminal Operations	751	352
Guard Services	421	90
Aircraft Rescue and Fire Fight (ARFF)	313	269
FIS Facial Biometric	270	(207)
Maintenance Equipment and Vehicles	265	85
Security & Credentialing Cost	231	1
Green Oval Painting	(404)	154
Other, net	125	(89)
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>16,305</b>	<b>5,749</b>
<b>Total Increase / (Decrease)</b>	<b>19,803</b>	<b>7,604</b>
<b>FY 2023 Budget / FY 2024 Conceptual Budget</b>	<b>\$129,385</b>	<b>\$136,989</b>

# Operations Division – Airside & Terminal Operations

## FY 2023 – FY 2024 Organizational Structure



*No personnel changes in FY 2024.*

## FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	%
<b>Operating Expenses</b>								
Salaries	\$ 2,472	\$ 2,595	\$ 3,153	\$ 558	21.5%	\$ 3,303	\$ 150	4.8%
Benefits	1,234	1,337	1,480	143	10.7%	1,597	117	7.9%
<b>Subtotal</b>	<b>3,706</b>	<b>3,932</b>	<b>4,633</b>	<b>701</b>	<b>17.8%</b>	<b>4,900</b>	<b>267</b>	<b>5.8%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>3,706</b>	<b>3,932</b>	<b>4,633</b>	<b>701</b>	<b>17.8%</b>	<b>4,900</b>	<b>267</b>	<b>5.8%</b>
Contractual Services	3,620	4,274	5,125	852	19.9%	5,413	288	5.6%
Safety and Security	5,888	6,547	6,860	313	4.8%	7,129	269	3.9%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	1	11	11	0	3.0%	12	1	5.0%
Operating Supplies	31	30	33	3	10.4%	34	2	5.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	19	41	40	(2)	-4.6%	42	2	5.0%
Business Development	8	78	87	9	11.4%	91	4	5.0%
Equipment Rentals and Repairs	237	293	328	35	12.0%	343	15	4.6%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>9,805</b>	<b>11,273</b>	<b>12,484</b>	<b>1,210</b>	<b>10.7%</b>	<b>13,064</b>	<b>580</b>	<b>4.6%</b>
<b>Total Operating Expenses</b>	<b>13,511</b>	<b>15,205</b>	<b>17,117</b>	<b>1,911</b>	<b>12.6%</b>	<b>17,964</b>	<b>847</b>	<b>4.9%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>13,511</b>	<b>15,205</b>	<b>17,117</b>	<b>1,911</b>	<b>12.6%</b>	<b>17,964</b>	<b>847</b>	<b>4.9%</b>
Equipment Outlay Expenditures	-	-	143	143	0.0%	-	(143)	-100.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 13,511</b>	<b>\$ 15,205</b>	<b>\$ 17,259</b>	<b>\$ 2,054</b>	<b>13.5%</b>	<b>\$ 17,964</b>	<b>\$ 705</b>	<b>4.1%</b>

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

<i>(in thousands)</i>	<b>Inc/(Dec) FY23 vs FY22</b>	<b>Inc/(Dec) FY24 Conceptual vs FY23</b>
<b>FY 2022 Budget / FY 2023 Budget</b>	<b>\$15,205</b>	<b>\$17,259</b>
<b>Personnel Costs</b>		
Salary Adjustments, Pay for Performance and Contracted Wage Increases	514	150
Burden (Benefits & Employer Taxes) for Current Staff	123	117
1 New Position (Salary & Burden)	64	-
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>701</b>	<b>267</b>
<b>Non-Personnel Costs</b>		
Terminal Operations	751	352
Aircraft Rescue and Fire Fight (ARFF)	313	269
FIS Facial Biometric	270	(207)
Other, net	19	24
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>1,353</b>	<b>438</b>
<b>Total Increase / (Decrease)</b>	<b>2,054</b>	<b>705</b>
<b>FY 2023 Budget / FY 2024 Conceptual Budget</b>	<b>\$17,259</b>	<b>\$17,964</b>

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

**Progress:** Delivered operational subject matter experts for the administration building and ADP's airside, terminal, landside and roadway projects through 60% design.

**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.

**Progress:** The international gate outbound passenger biometric technology project has been placed on hold by the ELT. SITA has been selected to install this technology and remains under contract until such time the project is taken off hold.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

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

**Progress:** During FY22 SDIA has operated in compliance with FAA Part 139 requirements. The FAA Certification inspection did not identify any Part 139 violations and there were no SDIA airfield incidents/accidents attributed to Part 139 compliance.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Progress:** The EMAS was successfully removed and replaced in FY22.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

1. Provide operational subject matter expert analysis and support for the ADP's airside, terminal, landside, roadways and new administrative building projects

**Strategic Plan Focus Area:**

- Advance the ADP

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

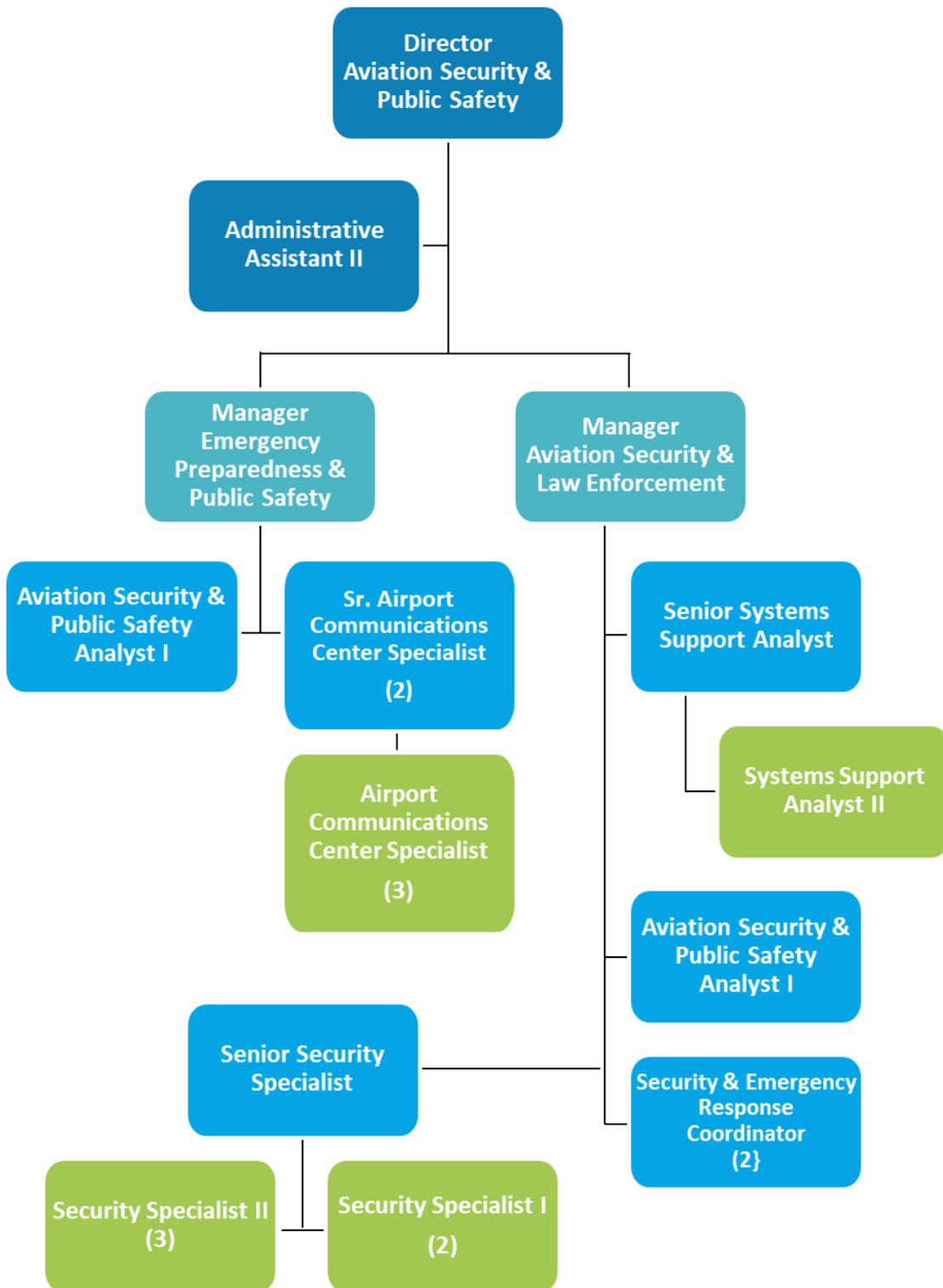
**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 1A. Attract domestic and international airlines and passengers

**FY 2023 – FY 2024 Organizational Structure**



*No personnel changes in FY 2024.*

## FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
<b>Operating Expenses</b>								
Salaries	\$ 1,399	\$ 1,545	\$ 1,996	\$ 451	29.2%	\$ 2,084	\$ 87	4.4%
Benefits	661	839	951	111	13.2%	1,025	74	7.8%
<b>Subtotal</b>	<b>2,061</b>	<b>2,385</b>	<b>2,947</b>	<b>562</b>	<b>23.6%</b>	<b>3,108</b>	<b>162</b>	<b>5.5%</b>
Less: Capitalized Labor Recharge	-	-	(97)	(97)	0.0%	(103)	(5)	5.5%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>2,061</b>	<b>2,385</b>	<b>2,850</b>	<b>465</b>	<b>19.5%</b>	<b>3,006</b>	<b>156</b>	<b>5.5%</b>
Contractual Services	364	530	692	162	30.5%	696	4	0.6%
Safety and Security	26,558	29,839	31,205	1,366	4.6%	32,744	1,540	4.9%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	1	-	1	1	0.0%	-	(1)	-100.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	21	44	66	23	52.4%	67	0	0.1%
Operating Supplies	144	199	218	19	9.4%	245	27	12.3%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	7	25	28	4	14.8%	31	3	9.5%
Business Development	1	6	7	1	17.7%	17	9	134.4%
Equipment Rentals and Repairs	181	173	197	23	13.4%	264	67	34.3%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>27,276</b>	<b>30,816</b>	<b>32,413</b>	<b>1,598</b>	<b>5.2%</b>	<b>34,063</b>	<b>1,650</b>	<b>5.1%</b>
<b>Total Operating Expenses</b>	<b>29,337</b>	<b>33,200</b>	<b>35,263</b>	<b>2,063</b>	<b>6.2%</b>	<b>37,069</b>	<b>1,806</b>	<b>5.1%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>29,337</b>	<b>33,200</b>	<b>35,263</b>	<b>2,063</b>	<b>6.2%</b>	<b>37,069</b>	<b>1,806</b>	<b>5.1%</b>
<b>Equipment Outlay Expenditures</b>	<b>224</b>	<b>276</b>	<b>319</b>	<b>44</b>	<b>15.9%</b>	<b>156</b>	<b>(164)</b>	<b>-51.2%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 29,560</b>	<b>\$ 33,476</b>	<b>\$ 35,582</b>	<b>\$ 2,107</b>	<b>6.3%</b>	<b>\$ 37,225</b>	<b>\$ 1,643</b>	<b>4.6%</b>

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

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
<b>FY 2022 Budget / FY 2023 Budget</b>	<b>\$33,476</b>	<b>\$35,582</b>
<b>Personnel Costs</b>		
Salary Adjustments, Pay for Performance and Contracted Wage Increases	379	87
1 New Position (Salary & Burden)	106	-
Burden (Benefits & Employer Taxes) for Current Staff	77	74
Capitalization	(97)	(5)
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>465</b>	<b>156</b>
<b>Non-Personnel Costs</b>		
Port District Law Enforcement - Harbor Police Department	936	1,501
Guard Services	421	90
Security & Credentialing Cost	231	1
Other, net	53	(107)
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>1,642</b>	<b>1,486</b>
<b>Total Increase / (Decrease)</b>	<b>2,107</b>	<b>1,643</b>
<b>FY 2023 Budget / FY 2024 Conceptual Budget</b>	<b>\$35,582</b>	<b>\$37,225</b>

## Operations Division – Aviation Security & Public Safety

### FY 2022 Progress Report

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

**Progress:** The FAR 139 Emergency Tabletop Exercise was conducted on January 26, 2022, for FY22, and the Exercise for FY23 will take place in January 2023.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Progress:** The Authority has identified a replacement Video Management System (VMS), Velocity Vision. The first installment of the new VMS was purchased and utilized in a limited capacity for the recent access control installation at the Truxtun Facility at Liberty Station. Now that a replacement VMS has been identified, AVSEC is actively working with Finance to purchase the solution for airport-wide implementation. It is estimated that the complete purchase will be made in FY23.

**Strategic Plan Focus Area:**

- Advance the ADP

**Strategic Initiative:**

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

## Operations Division – Aviation Security & Public Safety

### FY 2023 – FY 2024 Goals

1. Ensure that SAN continues to comply with all applicable federal, state and local regulations and achieves excellence in the areas of Public Safety, Emergency/Disaster Preparedness and Airport Certification by planning and conducting an annual tabletop exercise and a full-scale field exercise in compliance with FAR Part 139.325(g)(4) for FY 2023 (January 2023) and FY 2024 (January 2024).

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

2. Ensure that SDIA’s Aviation Security Department develops and executes strategies to ensure departmental ADP readiness pertaining to staffing levels, airport badging, contracts, construction activities, regulatory compliance, and maintaining operational excellence. Additionally, ensure that FY 23 and FY 24 CIP approved processes are closely managed to keep ADP/CIP costs at originally approved budgetary levels.

**Strategic Plan Focus Area:**

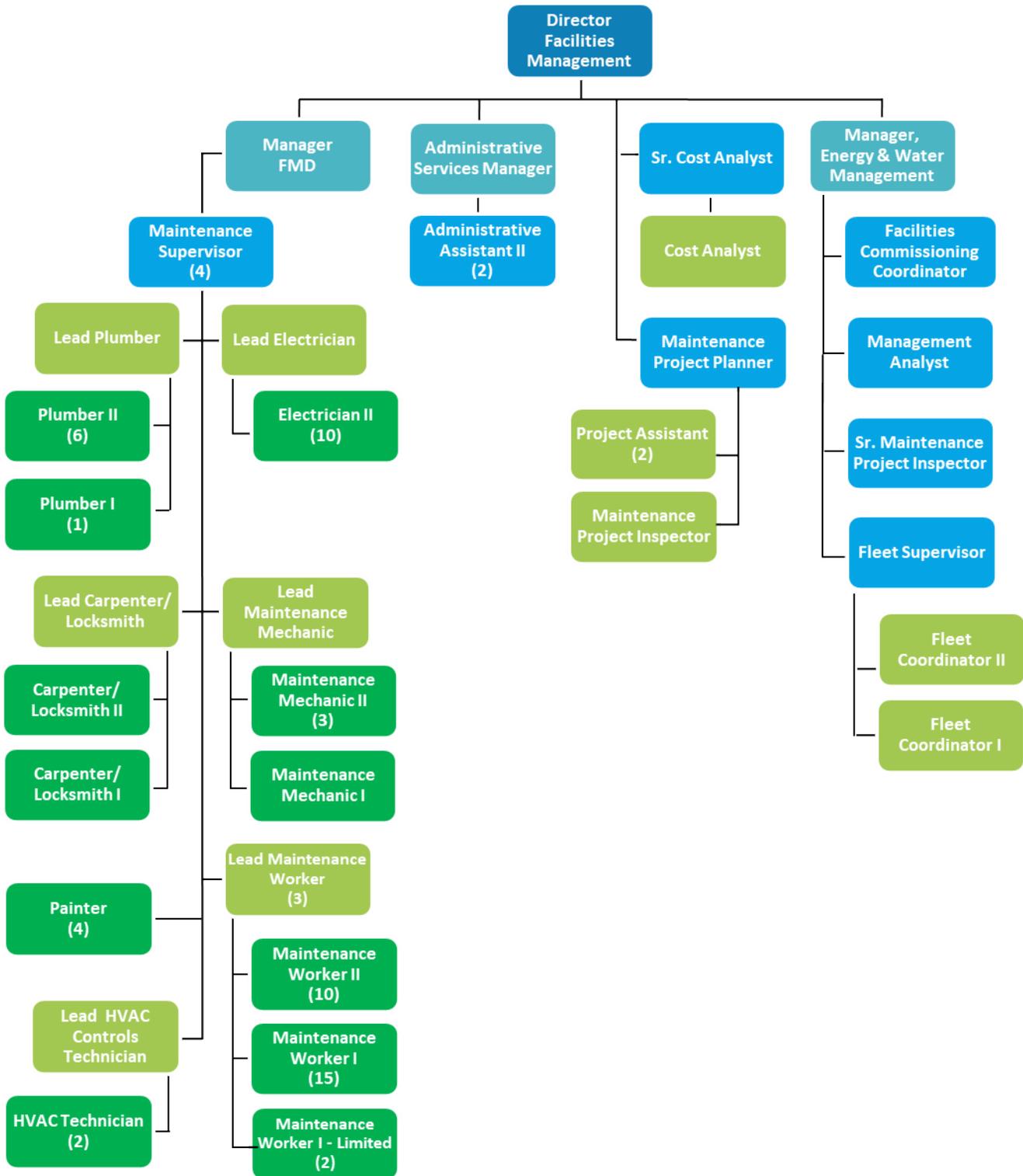
- Advance the ADP

**Strategic Initiative:**

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

# Operations Division – Facilities Management

## FY 2023 – FY 2024 Organizational Structure



*No personnel changes in FY 2024.*

## FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	%
<b>Operating Expenses</b>								
Salaries	\$ 6,168	\$ 7,086	\$ 8,071	\$ 986	13.9%	\$ 8,550	\$ 478	5.9%
Benefits	3,329	3,787	3,980	192	5.1%	4,345	366	9.2%
<b>Subtotal</b>	<b>9,497</b>	<b>10,873</b>	<b>12,051</b>	<b>1,178</b>	<b>10.8%</b>	<b>12,895</b>	<b>844</b>	<b>7.0%</b>
Less: Capitalized Labor Recharge	(17)	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>9,480</b>	<b>10,873</b>	<b>12,051</b>	<b>1,178</b>	<b>10.8%</b>	<b>12,895</b>	<b>844</b>	<b>7.0%</b>
Contractual Services	133	204	228	23	11.4%	208	(20)	-8.8%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	10,513	14,056	15,886	1,830	13.0%	17,398	1,512	9.5%
Maintenance	7,363	9,892	10,720	828	8.4%	11,131	411	3.8%
Operating Equipment & Systems	1	45	45	-	0.0%	40	(5)	-10.2%
Operating Supplies	56	109	94	(15)	-13.8%	94	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	53	69	75	6	8.6%	74	(1)	-1.3%
Business Development	1	7	23	16	237.0%	23	-	0.0%
Equipment Rentals and Repairs	18	58	45	(13)	-22.4%	45	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>18,137</b>	<b>24,439</b>	<b>27,115</b>	<b>2,675</b>	<b>10.9%</b>	<b>29,012</b>	<b>1,897</b>	<b>7.0%</b>
<b>Total Operating Expenses</b>	<b>27,617</b>	<b>35,313</b>	<b>39,166</b>	<b>3,853</b>	<b>10.9%</b>	<b>41,907</b>	<b>2,741</b>	<b>7.0%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>27,617</b>	<b>35,313</b>	<b>39,166</b>	<b>3,853</b>	<b>10.9%</b>	<b>41,907</b>	<b>2,741</b>	<b>7.0%</b>
<b>Equipment Outlay Expenditures</b>	<b>-</b>	<b>360</b>	<b>375</b>	<b>15</b>	<b>4.2%</b>	<b>460</b>	<b>85</b>	<b>22.7%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 27,617</b>	<b>\$ 35,673</b>	<b>\$ 39,541</b>	<b>\$ 3,868</b>	<b>10.8%</b>	<b>\$ 42,367</b>	<b>\$ 2,826</b>	<b>7.1%</b>

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

<i>(in thousands)</i>	<b>Inc/(Dec) FY23 vs FY22</b>	<b>Inc/(Dec) FY24 Conceptual vs FY23</b>
<b>FY 2022 Budget / FY 2023 Budget</b>	<b>\$35,673</b>	<b>\$39,541</b>
<b>Personnel Costs</b>		
Salary Adjustments, Pay for Performance and Contracted Wage Increases	986	478
Burden (Benefits & Employer Taxes) for Current Staff	192	366
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>1,178</b>	<b>844</b>
<b>Non-Personnel Costs</b>		
Utilities	1,830	1,512
Major, Annual Maintenance and Supplies	982	257
Maintenance Equipment and Vehicles	265	85
Green Oval Painting	(404)	154
Other, net	17	(26)
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>2,690</b>	<b>1,982</b>
<b>Total Increase / (Decrease)</b>	<b>3,868</b>	<b>2,826</b>
<b>FY 2023 Budget / FY 2024 Conceptual Budget</b>	<b>\$39,541</b>	<b>\$42,367</b>

## FY 2022 Progress Report

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

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

**Strategic Plan Focus Area:**

- Advance the 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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

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

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

## FY 2023 – FY 2024 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.

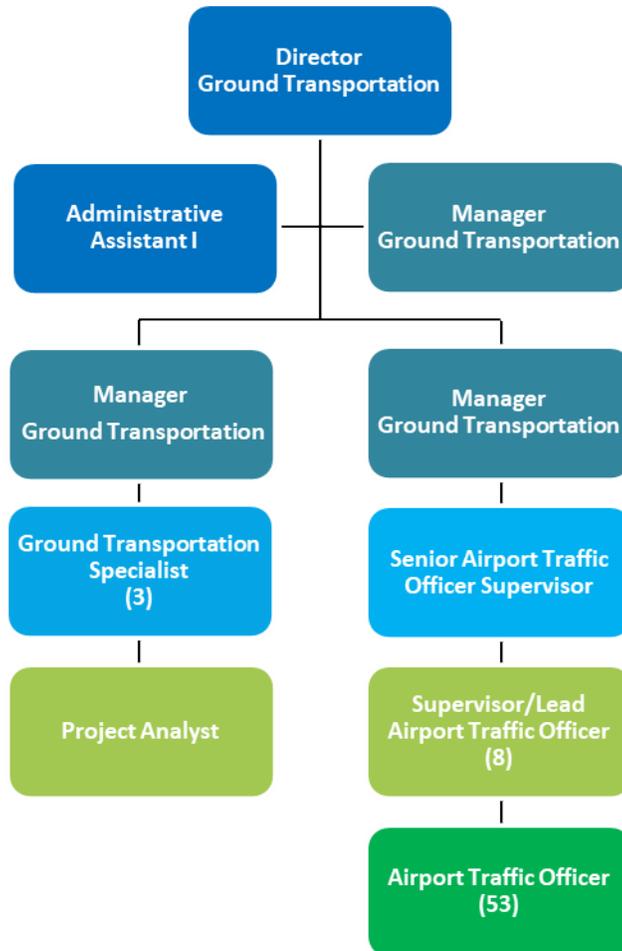
**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

## FY 2023 – FY 2024 Organizational Structure



*No personnel changes in FY 2024.*

## FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
<b>Operating Expenses</b>								
Salaries	\$ 3,714	\$ 4,441	\$ 5,304	\$ 863	19.4%	\$ 5,625	\$ 321	6.1%
Benefits	2,112	2,535	2,826	291	11.5%	3,092	266	9.4%
<b>Subtotal</b>	<b>5,826</b>	<b>6,976</b>	<b>8,130</b>	<b>1,154</b>	<b>16.5%</b>	<b>8,717</b>	<b>588</b>	<b>7.2%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>5,826</b>	<b>6,976</b>	<b>8,130</b>	<b>1,154</b>	<b>16.5%</b>	<b>8,717</b>	<b>588</b>	<b>7.2%</b>
Contractual Services	11,111	17,619	28,507	10,888	61.8%	30,350	1,843	6.5%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	3	3	16	13	390.9%	16	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	9	3	3	0	3.0%	3	-	0.0%
Operating Supplies	33	65	72	7	11.0%	72	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	44	61	72	11	18.9%	72	-	0.0%
Business Development	9	26	27	1	3.0%	27	-	0.0%
Equipment Rentals and Repairs	296	425	123	(302)	-71.0%	123	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>11,506</b>	<b>18,203</b>	<b>28,822</b>	<b>10,619</b>	<b>58.3%</b>	<b>30,664</b>	<b>1,843</b>	<b>6.4%</b>
<b>Total Operating Expenses</b>	<b>17,332</b>	<b>25,179</b>	<b>36,951</b>	<b>11,773</b>	<b>46.8%</b>	<b>39,382</b>	<b>2,430</b>	<b>6.6%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>17,332</b>	<b>25,179</b>	<b>36,951</b>	<b>11,773</b>	<b>46.8%</b>	<b>39,382</b>	<b>2,430</b>	<b>6.6%</b>
<b>Equipment Outlay Expenditures</b>	<b>-</b>	<b>50</b>	<b>52</b>	<b>1</b>	<b>3.0%</b>	<b>52</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 17,332</b>	<b>\$ 25,229</b>	<b>\$ 37,003</b>	<b>\$ 11,774</b>	<b>46.7%</b>	<b>\$ 39,433</b>	<b>\$ 2,430</b>	<b>6.6%</b>

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

<i>(in thousands)</i>	<b>Inc/(Dec) FY23 vs FY22</b>	<b>Inc/(Dec) FY24 Conceptual vs FY23</b>
<b>FY 2022 Budget / FY 2023 Budget</b>	<u>\$25,229</u>	<u>\$37,003</u>
<b>Personnel Costs</b>		
Salary Adjustments, Pay for Performance and Contracted Wage Increases	863	321
Burden (Benefits & Employer Taxes) for Current Staff	291	266
<b>Total Increase / (Decrease) in Personnel Costs</b>	<u>1,154</u>	<u>588</u>
<b>Non-Personnel Costs</b>		
Employee & Inter Terminal Shuttle	3,363	361
Rental Car Center (RCC) Shuttles	3,211	1,125
Parking Operations	1,661	185
Valet Operations	1,630	(38)
San Diego Flyer Shuttle	719	190
Other, net	35	20
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<u>10,620</u>	<u>1,843</u>
<b>Total Increase / (Decrease)</b>	<u>11,774</u>	<u>2,430</u>
<b>FY 2023 Budget / FY 2024 Conceptual Budget</b>	<u>\$37,003</u>	<u>\$39,433</u>

## FY 2022 Progress Report

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

**Progress:** Ground Transportation (GT) has continued to develop and implement strategies that accommodate the changing requirements of the transportation industry and technology. Some of the developments in the past year include – responding proactively to the changing needs of the transportation industry during the COVID-19 pandemic, implementing a virtual hold lot for the taxi industry, upgrading our Commercial Mode Vehicle Management System and automated payment processing systems for trip fees, implementing a completely online services model for permit application and processing, streamlining airport Codes and Rules and Regulations to align with other regulatory agencies, implementing pilot program request proposals, enabling cashier-less parking operations, expanding online parking product and reservation capabilities, and enabling online visibility of all airport shuttles for passengers. GT re-started airport shuttle services and valet parking services which were closed during the pandemic.

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

- Transform the Customer Experience

### **Strategic Initiative:**

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

**Progress:** GT preserved robust access and ongoing operations during construction of the Airport (Belly Cargo) Support Facility, the New Terminal 1, the on-airport roadway, the Authority Administration Building, the New T1 Parking Plaza, the East Solid Waste Facility, improvements to the Terminal Link Road Security Gates, and ongoing construction to existing airport roadways, parking lots, and terminals. GT staff responded proactively and comprehensively to significant ongoing operational changes due to the COVID-19 pandemic. GT has facilitated the relocation of the taxi hold lot, TNC hold lot, cell phone waiting lot, Rental Car Center Bus yard, valet parking operations, shuttle hold lot, and Lost and Found – some more than once. GT facilitated several operational improvements to online services and remote staff and stakeholder training, service and product offerings, time entry and workforce tracking, website integration, and online services.

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

- Advance the ADP

### **Strategic Initiative:**

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

**Progress:** GT moved to a fully online service model for applications, permitting, CVMS, and automated payment processing for commercial modes. GT expanded the use of our website for stakeholder resources, training, documents, and communication. GT facilitated improvements to the Authority website parking product offerings for parking reservations and valet services. GT started the new San Diego Flyer shuttle service which provides free transportation for employees, visitors, and passengers from both terminals to the Old Town Transit Center. GT re-started the Employee Shuttle, San Diego Flyer, and Inter-terminal shuttle with fully Electric Vehicle (EV) cut-away shuttles and transit buses for the first time. GT also facilitated the construction of the shuttle hold lot EV charging facility and is in-process with a completely new, expanded off-airport shuttle hold lot with EV charging stations that will house all Authority-controlled shuttle and bus fleets and enable the complete conversion of these fleets to EV in coming years.

**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

## FY 2023 – FY 2024 Goals

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

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Advance the ADP

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

# Revenue Management & Innovation Division



## Overview

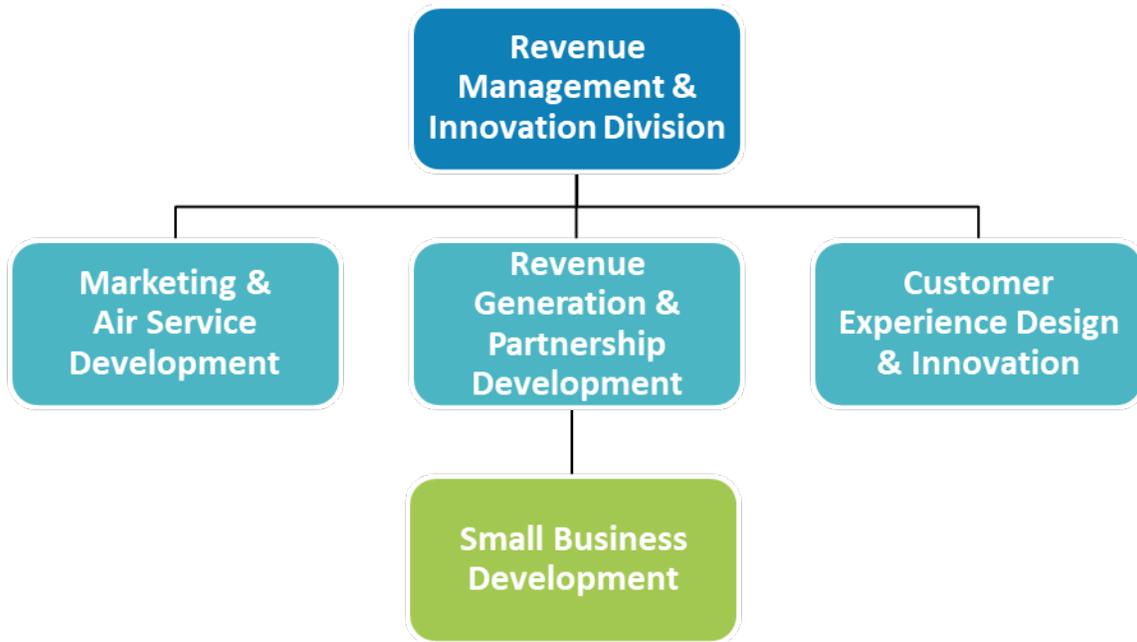
The **Revenue Management & Innovation Division** defines and delivers a seamless customer experience for the traveling public and implements revenue management strategies and processes, in order to optimize and maximize resulting airport revenues. The division integrates air service development, business 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.

## FY 2023 – FY 2024 Organizational Structure



## Division Personnel Summary

	FY 2021 Budget	FY 2022 Budget	FY 2023 Budget Transfers	FY 2023 Budget New/ (Eliminated)	FY 2023 Budget	FY 2024 Budget New/ (Eliminated)	FY 2024 Conceptual Budget
<b>Revenue Management &amp; Innovation Division</b>							
Customer Experience Design & Innovation	13	13	-	-	13	-	13
Marketing & Air Service Development	11	11	-	-	11	-	11
Revenue Generation & Partnership Development	15	15	-	-	15	-	15
Small Business Development	3	3	-	-	3	-	3
<b>Total</b>	<b>42</b>	<b>42</b>	<b>-</b>	<b>-</b>	<b>42</b>	<b>-</b>	<b>42</b>

## FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

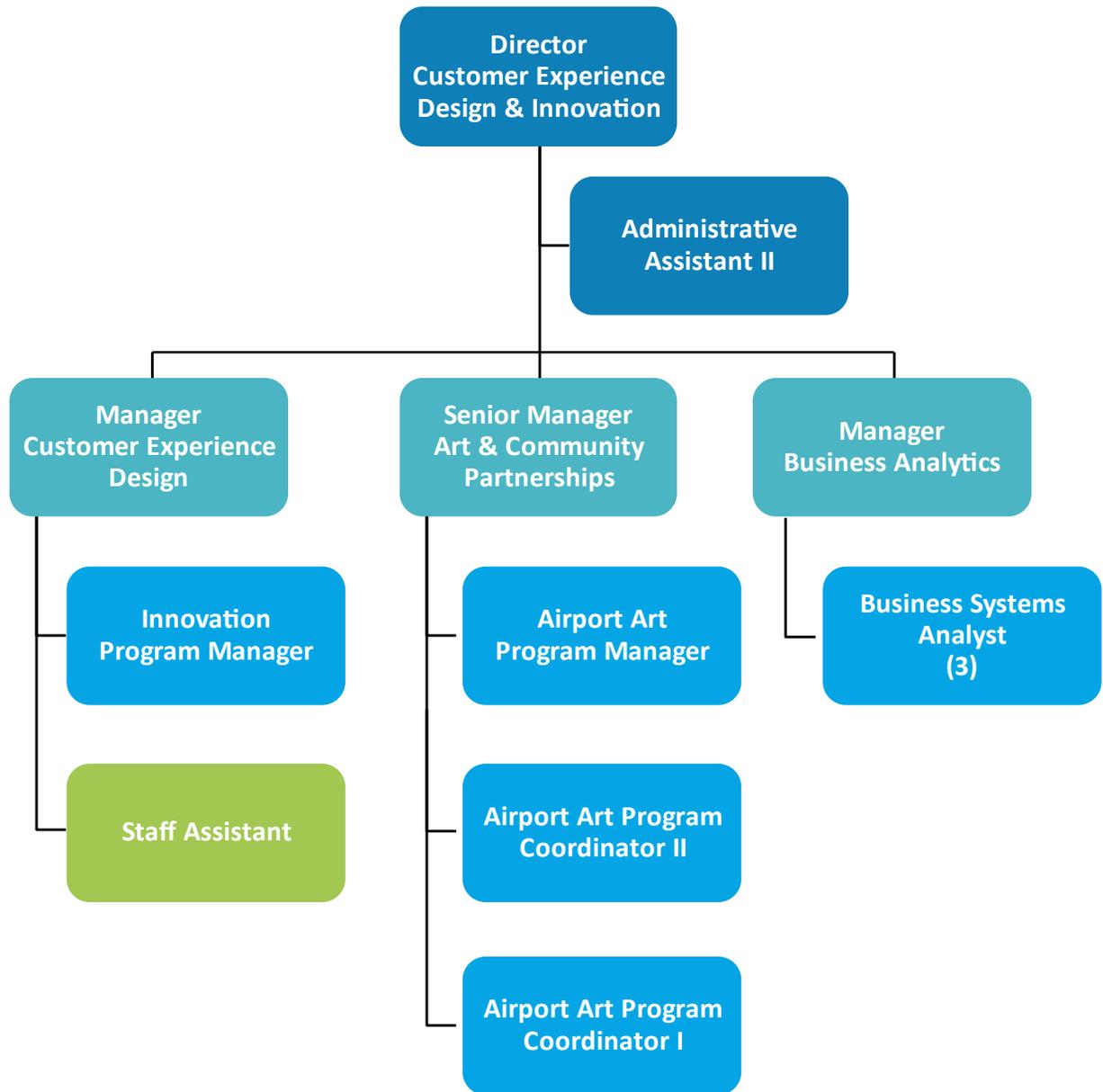
<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
<b>Operating Expenses</b>								
Salaries	\$ 3,097	\$ 3,601	\$ 4,856	\$ 1,255	34.9%	\$ 5,187	\$ 330	6.8%
Benefits	1,610	1,762	2,163	401	22.8%	2,385	222	10.3%
<b>Subtotal</b>	<b>4,708</b>	<b>5,363</b>	<b>7,019</b>	<b>1,657</b>	<b>30.9%</b>	<b>7,572</b>	<b>552</b>	<b>7.9%</b>
Less: Capitalized Labor Recharge	-	-	(699)	(699)	0.0%	(822)	(123)	17.7%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>4,708</b>	<b>5,363</b>	<b>6,321</b>	<b>958</b>	<b>17.9%</b>	<b>6,750</b>	<b>429</b>	<b>6.8%</b>
Contractual Services	1,580	2,349	2,963	614	26.1%	3,326	364	12.3%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	9,405	10,642	10,491	(151)	-1.4%	10,491	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	27	38	38	-	0.0%	41	3	7.9%
Operating Supplies	3	9	9	-	0.0%	9	0	3.9%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	15	67	83	16	24.1%	89	6	7.3%
Business Development	124	1,035	1,376	341	33.0%	1,830	455	33.0%
Equipment Rentals and Repairs	29	196	308	112	57.2%	320	12	3.8%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>11,182</b>	<b>14,336</b>	<b>15,267</b>	<b>932</b>	<b>6.5%</b>	<b>16,106</b>	<b>839</b>	<b>5.5%</b>
<b>Total Operating Expenses</b>	<b>15,890</b>	<b>19,698</b>	<b>21,588</b>	<b>1,889</b>	<b>9.6%</b>	<b>22,856</b>	<b>1,268</b>	<b>5.9%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>15,890</b>	<b>19,698</b>	<b>21,588</b>	<b>1,889</b>	<b>9.6%</b>	<b>22,856</b>	<b>1,268</b>	<b>5.9%</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>\$ 15,890</b>	<b>\$ 19,698</b>	<b>\$ 21,588</b>	<b>\$ 1,889</b>	<b>9.6%</b>	<b>\$ 22,856</b>	<b>\$ 1,268</b>	<b>5.9%</b>

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

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
<b>FY 2022 Budget / FY 2023 Budget</b>	<b>\$19,698</b>	<b>\$21,588</b>
<b>Personnel Costs</b>		
Salary Adjustments and Pay for Performance	1,255	330
Burden (Benefits & Employer Taxes) for Current Staff	401	222
Capitalization	(699)	(123)
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>958</b>	<b>429</b>
<b>Non-Personnel Costs</b>		
Concession Manangement	260	83
Marketing, Media Advertising, Sponsorships	247	211
Concession Consultant	150	(25)
Art Performances, Conservation, Installation, and Handling	108	21
Property Management Software	100	10
CDP Hood/Vent Cleaning	75	80
ASQ Departure Survey	65	-
Core Concessions Events (In-terminal)	60	50
Marketing and Customer Data Reporting Service	44	-
Air Service Development Incentive	42	161
Website Redesign	-	150
Other, net	(218)	99
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>932</b>	<b>839</b>
<b>Total Increase / (Decrease)</b>	<b>1,889</b>	<b>1,268</b>
<b>FY 2023 Budget / FY 2024 Conceptual Budget</b>	<b>\$21,588</b>	<b>\$22,856</b>

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

## FY 2023 – FY 2024 Organizational Structure



*No personnel changes in FY 2024.*

## FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
<b>Operating Expenses</b>								
Salaries	\$ 957	\$ 1,017	\$ 1,208	\$ 191	18.8%	\$ 1,376	\$ 168	13.9%
Benefits	471	493	551	59	11.9%	647	96	17.4%
<b>Subtotal</b>	<b>1,429</b>	<b>1,510</b>	<b>1,760</b>	<b>250</b>	<b>16.5%</b>	<b>2,024</b>	<b>264</b>	<b>15.0%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	(91)	(91)	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,429</b>	<b>1,510</b>	<b>1,760</b>	<b>250</b>	<b>16.5%</b>	<b>1,932</b>	<b>173</b>	<b>9.8%</b>
Contractual Services	78	87	265	178	204.9%	295	30	11.3%
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	26	38	38	-	0.0%	41	3	7.9%
Operating Supplies	0	2	2	-	0.0%	2	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	5	25	22	(3)	-12.0%	26	4	18.0%
Business Development	0	25	41	16	62.5%	46	5	12.6%
Equipment Rentals and Repairs	0	2	2	0	0.0%	2	(0)	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>110</b>	<b>179</b>	<b>370</b>	<b>191</b>	<b>106.6%</b>	<b>412</b>	<b>42</b>	<b>11.4%</b>
<b>Total Operating Expenses</b>	<b>1,538</b>	<b>1,689</b>	<b>2,130</b>	<b>441</b>	<b>26.1%</b>	<b>2,345</b>	<b>215</b>	<b>10.1%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,538</b>	<b>1,689</b>	<b>2,130</b>	<b>441</b>	<b>26.1%</b>	<b>2,345</b>	<b>215</b>	<b>10.1%</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>\$ 1,538</b>	<b>\$ 1,689</b>	<b>\$ 2,130</b>	<b>\$ 441</b>	<b>26.1%</b>	<b>\$ 2,345</b>	<b>\$ 215</b>	<b>10.1%</b>

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

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
<b>FY 2022 Budget / FY 2023 Budget</b>	<b>\$1,689</b>	<b>\$2,130</b>
<b>Personnel Costs</b>		
Salary Adjustments and Pay for Performance	191	168
Burden (Benefits & Employer Taxes) for Current Staff	59	96
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>250</b>	<b>173</b>
<b>Non-Personnel Costs</b>		
Art Performances, Conservation, Installation, and Handling	108	21
ASQ Departure Survey	65	-
Mapping Software	32	-
Other, net	(14)	21
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>191</b>	<b>42</b>
<b>Total Increase / (Decrease)</b>	<b>441</b>	<b>215</b>
<b>FY 2023 Budget / FY 2024 Conceptual Budget</b>	<b>\$2,130</b>	<b>\$2,345</b>

## FY 2022 Progress Report

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

### **Progress:**

- Six high-caliber artists are in process of completing the conceptual design proposal phases of their contracts. The concepts will be reviewed by the Arts Advisory Committee on March 2.
- Under the Wing Mentorship program successfully underway.
- Performing Arts Concert Series resumed after pandemic related hiatus.
- Temporary Exhibitions - "Make Yourself at Home" exhibition successfully installed and on full display through June 2022.
- Film Programming - content active online and in-terminal, including Reach TV monitors. Ongoing partnerships with local film organizations and makers.

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

- Transform the Customer Experience

### **Strategic Initiative:**

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

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

### **Progress:**

- Collaborative, customer-experience focused workshops have been implemented through passenger journey mapping efforts. Recent launch of the Authority-wide Airport Ideas Repository to identify and prioritize customer experience enhancing opportunities. Successful launch of the test-case program for first horizon opportunities through the Airport Innovation Lab. Team is rethinking the one-year program, as feedback indicated this is too long of a program for an Innovation Lab.

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

- Transform the Customer Experience

### **Strategic Initiative:**

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

3. Refine the customer-centric Business Intelligence & Analytics Program that enables data driven, customer experience-centric decision-making capabilities. Work with business units to identify data

quality issues and liaise with stakeholders, subject matter experts and information technology group in finding robust and scalable data driven solutions.

**Progress:** The BI Platform design and build in Amazon Web Services (AWS) is close to completion. This phase includes:

- Single source of truth for parking transactions
- Enterprise Data Warehouse Repository for:
  - Concessionaire Sales Revenue
  - Airport Gate Management
  - Passenger Enplanement (PAX)
  - Customer Wi-Fi Registration Information

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

## FY 2023 – FY 2024 Goals

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

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

- Transform the Customer Experience

### **Strategic Initiative:**

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

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

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

- Transform the Customer Experience

### **Strategic Initiative:**

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

3. Define and deliver a centralized Enterprise Data Management to improve data integrity, reduce data redundancy, reduce cost, valuable insights and centralized reporting.

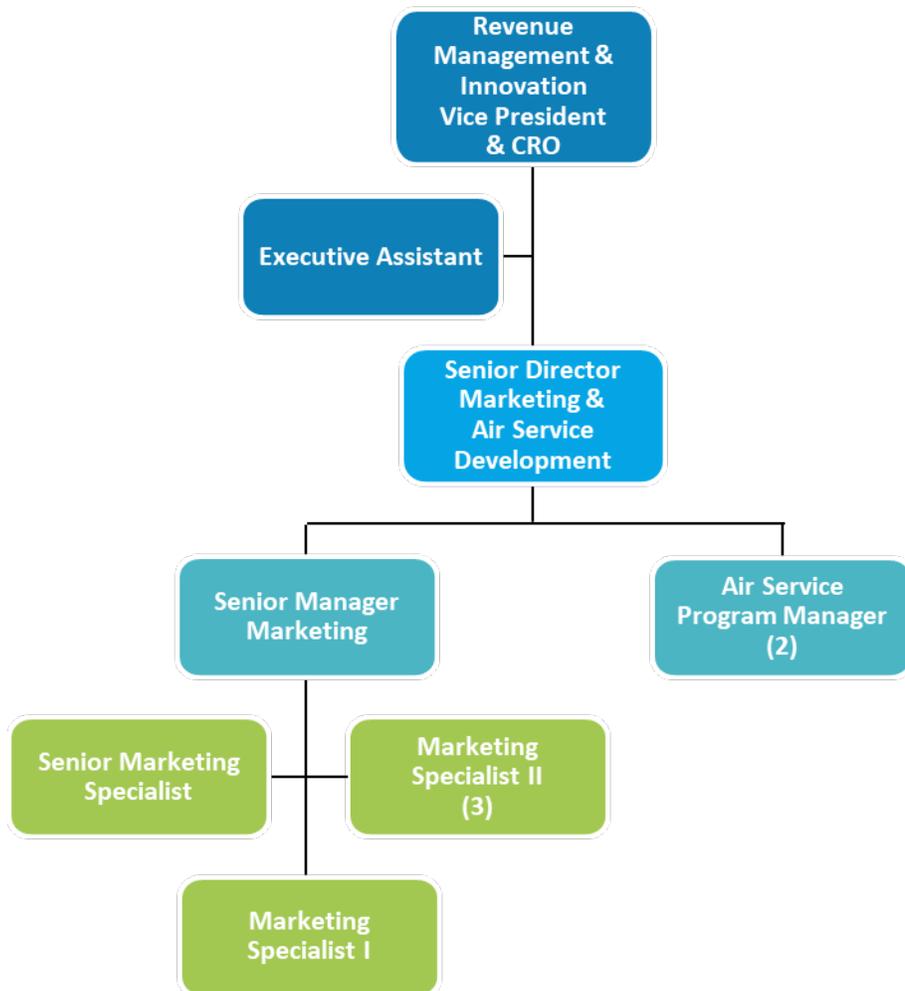
### **Strategic Plan Focus Area:**

- Optimize Ongoing Business

### **Strategic Initiative:**

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

## FY 2023 – FY 2024 Organizational Structure



*No personnel changes in FY 2024.*

## FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	%
<b>Operating Expenses</b>								
Salaries	\$ 811	\$ 1,021	\$ 1,206	\$ 185	18.1%	\$ 1,266	\$ 60	5.0%
Benefits	480	481	560	78	16.2%	605	45	8.0%
<b>Subtotal</b>	<b>1,290</b>	<b>1,502</b>	<b>1,765</b>	<b>263</b>	<b>17.5%</b>	<b>1,871</b>	<b>105</b>	<b>6.0%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,290</b>	<b>1,502</b>	<b>1,765</b>	<b>263</b>	<b>17.5%</b>	<b>1,871</b>	<b>105</b>	<b>6.0%</b>
Contractual Services	298	350	349	(1)	-0.3%	531	183	52.3%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	0	-	-	-	0.0%	-	-	0.0%
Operating Supplies	0	3	3	-	0.0%	3	0	3.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	6	21	21	-	0.0%	21	0	1.2%
Business Development	97	853	1,088	235	27.6%	1,499	411	37.8%
Equipment Rentals and Repairs	1	11	11	-	0.0%	11	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>402</b>	<b>1,238</b>	<b>1,472</b>	<b>234</b>	<b>18.9%</b>	<b>2,066</b>	<b>594</b>	<b>40.3%</b>
<b>Total Operating Expenses</b>	<b>1,692</b>	<b>2,740</b>	<b>3,237</b>	<b>497</b>	<b>18.2%</b>	<b>3,936</b>	<b>699</b>	<b>21.6%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,692</b>	<b>2,740</b>	<b>3,237</b>	<b>497</b>	<b>18.2%</b>	<b>3,936</b>	<b>699</b>	<b>21.6%</b>
<b>Equipment Outlay Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 1,692</b>	<b>\$ 2,740</b>	<b>\$ 3,237</b>	<b>\$ 497</b>	<b>18.2%</b>	<b>\$ 3,936</b>	<b>\$ 699</b>	<b>21.6%</b>

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

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
<b>FY 2022 Budget / FY 2023 Budget</b>	<b>\$2,740</b>	<b>\$3,237</b>
<b>Personnel Costs</b>		
Salary Adjustments and Pay for Performance	185	60
Burden (Benefits & Employer Taxes) for Current Staff	78	45
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>263</b>	<b>105</b>
<b>Non-Personnel Costs</b>		
Core Concessions Events (In-terminal)	60	50
Marketing and Customer Data Reporting Service	44	-
Air Service Development Incentive	42	161
Marketing, Media Advertising, Sponsorships	27	151
Bus Development Travel	25	-
Digital Directories (CDP)	-	50
Website Redesign	-	150
Other, net	37	31
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>234</b>	<b>594</b>
<b>Total Increase / (Decrease)</b>	<b>497</b>	<b>699</b>
<b>FY 2023 Budget / FY 2024 Conceptual Budget</b>	<b>\$3,237</b>	<b>\$3,936</b>

## FY 2022 Progress Report

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

**Progress:** Team created new Air Service Incentive Program (ASIP21). Board approved ASIP21. We have also seen new carrier SWOOP add service to Edmonton (Nov 2021) and the return of British Airways (Dec 2021) and Lufthansa (Mar 2022).

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 1A. Attract domestic and international airlines and passengers

2. Create customer-facing communication plan for ADP (New T1) including dedicated webpage. **ELT update alignment - ADP communication plan and budget.**

**Progress:** Team proposed media campaign plan and budget to ELT in November to make the community aware of New T1 project and related impacts to travel. Budget of \$250k was approved, with the caveat that the Team identify savings elsewhere in operating budget (done). Campaign hit the market 12/13 and will run through June 2022.

**Strategic Plan Focus Area:**

- Advance the ADP

**Strategic Initiative:**

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

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

**Progress:** Team delivered the brand toolkit and rolled it out to the organization. Strategic planning has begun to align marketing communications with the customer journey experience. Civilian (marketing agency of record) is updating the Strategic Marketing Plan now. Expect draft plan for review end of March.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

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

## FY 2023 – FY 2024 Goals

1. Stabilize international capacity to pre-pandemic levels.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 1A. Attract domestic and international airlines and passengers

2. Create customer-facing communication plan for The New T1.

**Strategic Plan Focus Area:**

- Advance the ADP

**Strategic Initiative:**

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

3. Make progress toward service from a Latin American Hub.

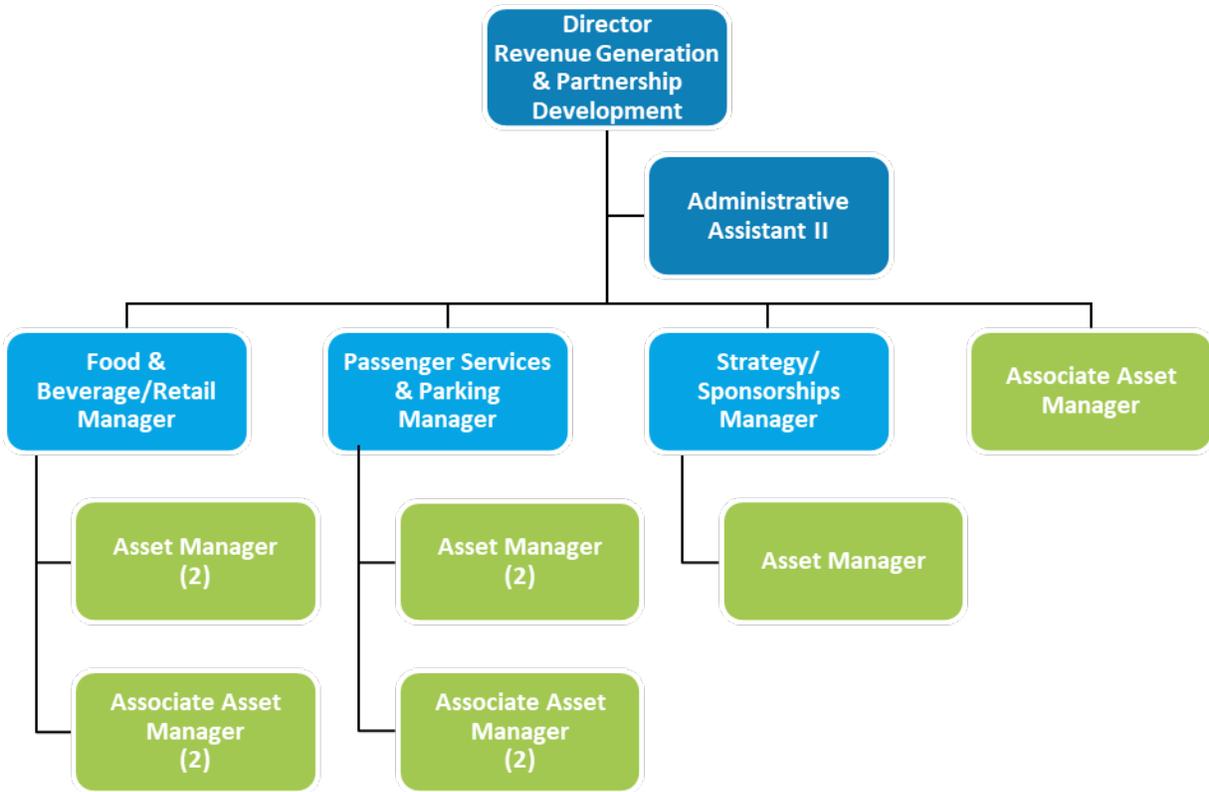
**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 1A. Attract domestic and international airlines and passengers

## FY 2023 – FY 2024 Organizational Structure



*No personnel changes in FY 2024.*

## FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
<b>Operating Expenses</b>								
Salaries	\$ 1,170	\$ 1,400	\$ 1,977	\$ 577	41.2%	\$ 2,065	\$ 88	4.4%
Benefits	584	710	867	157	22.1%	935	68	7.8%
<b>Subtotal</b>	<b>1,754</b>	<b>2,110</b>	<b>2,844</b>	<b>734</b>	<b>34.8%</b>	<b>3,000</b>	<b>156</b>	<b>5.5%</b>
Less: Capitalized Labor Recharge	-	-	(466)	(466)	0.0%	(489)	(23)	5.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,754</b>	<b>2,110</b>	<b>2,378</b>	<b>268</b>	<b>12.7%</b>	<b>2,511</b>	<b>132</b>	<b>5.6%</b>
Contractual Services	1,177	1,877	2,338	461	24.6%	2,489	151	6.5%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	9,405	10,642	10,491	(151)	-1.4%	10,491	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	0	-	-	-	0.0%	-	-	0.0%
Operating Supplies	2	3	3	-	0.0%	3	0	8.1%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	5	17	22	6	35.4%	24	1	5.2%
Business Development	9	114	189	75	65.7%	223	34	17.9%
Equipment Rentals and Repairs	1	155	255	100	64.5%	265	10	3.8%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>10,599</b>	<b>12,808</b>	<b>13,299</b>	<b>491</b>	<b>3.8%</b>	<b>13,495</b>	<b>196</b>	<b>1.5%</b>
<b>Total Operating Expenses</b>	<b>12,353</b>	<b>14,918</b>	<b>15,677</b>	<b>759</b>	<b>5.1%</b>	<b>16,006</b>	<b>328</b>	<b>2.1%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>12,353</b>	<b>14,918</b>	<b>15,677</b>	<b>759</b>	<b>5.1%</b>	<b>16,006</b>	<b>328</b>	<b>2.1%</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>\$ 12,353</b>	<b>\$ 14,918</b>	<b>\$ 15,677</b>	<b>\$ 759</b>	<b>5.1%</b>	<b>\$ 16,006</b>	<b>\$ 328</b>	<b>2.1%</b>

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

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
<b>FY 2022 Budget / FY 2023 Budget</b>	<b>\$14,918</b>	<b>\$15,677</b>
<b>Personnel Costs</b>		
Salary Adjustments and Pay for Performance	577	88
Burden (Benefits & Employer Taxes) for Current Staff	157	68
Capitalization	(466)	(23)
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>268</b>	<b>132</b>
<b>Non-Personnel Costs</b>		
Concession Management	260	83
Concession Consultant	150	(25)
Property Management Software	100	10
CDP Hood/Vent Cleaning	75	80
CA Street Property Rent	(151)	-
Other, net	57	49
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>491</b>	<b>196</b>
<b>Total Increase / (Decrease)</b>	<b>759</b>	<b>328</b>
<b>FY 2023 Budget / FY 2024 Conceptual Budget</b>	<b>\$15,677</b>	<b>\$16,006</b>

## FY 2022 Progress Report

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

**Progress:** In November 2021 a Request for Proposal was issued for Parking Revenue Strategy with a due date of January 2022. Six proposals were received for parking revenue strategy. A selection committee recommended one company to award a contract for parking revenue strategy. The protest period expires at the end of February 2022. After the protest period ends, a contract will be negotiated with the selected bidder. The selected bidder will begin working on the parking revenue strategy plan no later than April 2022 and the draft of the strategy plan should be complete in six months.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Progress:** March 2021, a Request for Proposal was issued for the Terminal 2 West airport lounge. Four proposals were received, and one proposal was selected by the selection committee. In February 2022, the Board approved staff's recommendation to award to Airport Dimensions as the developer and operator of the Terminal 2 West airport lounge. The lounge is scheduled to open in December 2023.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Progress:** A scope of work and strategy was finalized in April 2021 and a Request for Proposal was issued in May 2021. Verizon was chosen by the selection committee as the best proposal for the Airport and the recommendation of awarding a contract to Verizon as the Lead MNO was approved by the Board in November 2021. The contract with Verizon which includes improvements to the in-terminal Distributed Antenna System (DAS-4G) and installation of a 5G network across the entire airport campus including the RCC and New Terminal 1.

**Strategic Plan Focus Area:**

- Advance the ADP

**Strategic Initiative:**

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

## FY 2023 – FY 2024 Goals

1. Implementation of the Parking Revenue Strategy to maximize revenue and minimize impact of New T1 construction

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

2. Development and award of a Concession Request for Proposal for New T1 to include Food & Beverage, Retail, Passenger Services, and Common Lounge.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

3. Development and issuing of a Request for Proposal for Terminal 2 Food & Beverage and Retail concessions.

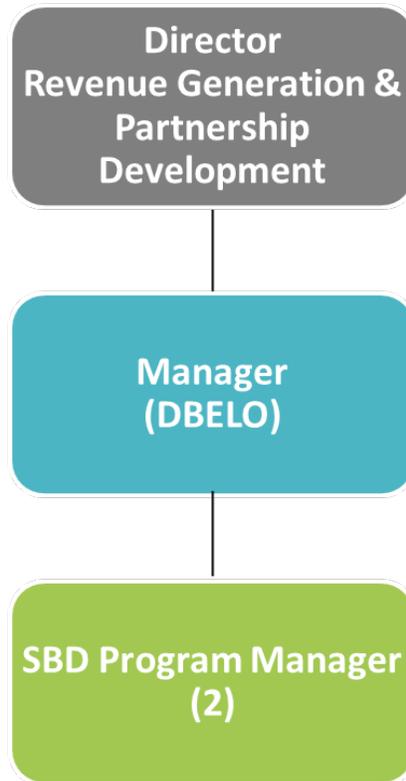
**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

## FY 2023 – FY 2024 Organizational Structure



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

*No personnel changes in FY 2024.*

## FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
<b>Operating Expenses</b>								
Salaries	\$ 159.17	\$ 163.37	\$ 465.30	\$ 301.93	184.8%	\$ 480	\$ 15	3.1%
Benefits	76	78	185	108	138.9%	198	13	7.1%
<b>Subtotal</b>	<b>235</b>	<b>241</b>	<b>650</b>	<b>410</b>	<b>170.0%</b>	<b>678</b>	<b>28</b>	<b>4.2%</b>
Less: Capitalized Labor Recharge	-	-	(233)	(233)	0.0%	(242)	(9)	3.8%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>235</b>	<b>241</b>	<b>417</b>	<b>176</b>	<b>73.2%</b>	<b>436</b>	<b>19</b>	<b>4.5%</b>
Contractual Services	27	35	10	(25)	-71.4%	10	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	1	1	1	-	0.0%	1	0	3.2%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	0	4	17	13	347.1%	18	1	3.5%
Business Development	17	43	58	15	35.8%	63	5	8.1%
Equipment Rentals and Repairs	27	28	40	12	42.6%	42	2	5.1%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>71</b>	<b>111</b>	<b>126</b>	<b>16</b>	<b>14.1%</b>	<b>134</b>	<b>7</b>	<b>5.9%</b>
<b>Total Operating Expenses</b>	<b>306</b>	<b>352</b>	<b>544</b>	<b>192</b>	<b>54.6%</b>	<b>570</b>	<b>26</b>	<b>4.8%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>306</b>	<b>352</b>	<b>544</b>	<b>192</b>	<b>54.6%</b>	<b>570</b>	<b>26</b>	<b>4.8%</b>
<b>Equipment Outlay Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>\$ 306</b>	<b>\$ 352</b>	<b>\$ 544</b>	<b>\$ 192</b>	<b>54.6%</b>	<b>\$ 570</b>	<b>\$ 26</b>	<b>4.8%</b>

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

<i>(in thousands)</i>	<b>Inc/(Dec) FY23 vs FY22</b>	<b>Inc/(Dec) FY24 Conceptual vs FY23</b>
<b>FY 2022 Budget / FY 2023 Budget</b>	<b>\$352</b>	<b>\$544</b>
<b>Personnel Costs</b>		
Salary Adjustments and Pay for Performance	302	15
Burden (Benefits & Employer Taxes) for Current Staff	108	13
Capitalization	(233)	(9)
<b>Total Increase / (Decrease) in Personnel Costs</b>	<b>176</b>	<b>19</b>
<b>Non-Personnel Costs</b>		
B2G Additional Module	10	-
Memberships	11	1
Other, net	5	6
<b>Total Increase / (Decrease) in Non-Personnel Costs</b>	<b>16</b>	<b>7</b>
<b>Total Increase / (Decrease)</b>	<b>192</b>	<b>26</b>
<b>FY 2023 Budget / FY 2024 Conceptual Budget</b>	<b>\$544</b>	<b>\$570</b>

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

**Progress:**

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Progress:**

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Progress:**

**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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

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

3. Work with stakeholders on the New T1 Concession Program and increase pool of qualifiable concessionaires and ACDBEs through opportunity awareness and education.

**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



# Capital Program Budget Fiscal Years 2023 - 2027

# Capital Program Budget Summary

(in thousands)

	NEW T1	CIP	Total
<b>Total FY 2022 - 2026 Beginning Capital Program Budget *</b>	<b>\$3,464,300</b>	<b>\$560,654</b>	<b>\$4,024,954</b>
FY 2022 - 2026 Project Closeouts	-	(257,743)	(257,743)
FY 2022 - 2026 Project Adjustments	-	(118)	(118)
<b>FY 2022 - 2026 Ending Capital Program Balance</b>	<b>\$3,464,300</b>	<b>\$302,792</b>	<b>\$3,767,092</b>
Proposed FY 2023 - 2027 New Capital Projects	-	66,202	66,202
Proposed FY 2023 - 2027 Project Adjustments	-	38,567	38,567
<b>Proposed FY 2023 - 2027 Capital Program Budget **</b>	<b>\$3,464,300</b>	<b>\$407,561</b>	<b>\$3,871,861</b>

\* FY2022-2026 budget as amended by Board in October 2021 meeting

\*\* Pending Board approval

# Current/Proposed Capital Program - Project Locations

Project Location	FY2022-2026	FY2023-2027
Airside	20	21
Terminal	22	21
Landside/Ancillary	23	22
Administrative	10	11
<b>Totals</b>	<b>75</b>	<b>75</b>

- FY2022 Closeouts - 15 projects
- FY2023 New Proposed - 15 projects

# Proposed New FY 2023 - 2027 CIP Projects

(in thousands)

	Description	Expected Start Date	Estimated Budget
1)	Expand/Remodel T2E Design	Early 2023	\$ 30,000
2)	Electric Vehicle Service Equipment at New T1 – Phase 1	Summer 2023	6,600
3)	Electric Vehicle Service Equipment at New T1 – Phase 2	Summer 2025	3,300
4)	T2 Roadway Wayfinding Signage Upgrades	Winter 2025	6,500
5)	IT Terminal Hardware at T2 (2 phases)	Summer 2023 / Summer 2025	\$ 6,300

# Proposed New FY 2023 - 2027 CIP Projects

(in thousands)

	Description	Expected Start Date	Estimated Budget
6)	Replace 2 ARFF Vehicles	Fall 2027	\$ 3,000
7)	Access Control System at Perimeter Fence	Winter 2023	3,000
8)	Upgrade Video Management System	Summer 2022	1,742
9)	Electric Vehicle Supply Equipment at Taxi/TNC Hold Lot	Summer 2022	1,500
10)	New T1 PV Panels & Battery Storage	Summer 2022	\$ 1,360

# Proposed New FY 2023 - 2027 CIP Projects

(in thousands)

	Description	Expected Start Date	Estimated Budget
11)	Taxi/TNC Break Room Interior Remodeling	Summer 2022	\$ 950
12)	Bird Deterrents at Solar Panels	Summer 2022	600
13)	Upgrade Aircraft Noise Monitoring System	Fall 2027	500
14)	Rehabilitate Taxiways	Summer 2022	400
15)	Admiral Boland Way Traffic Improvements	Summer 2022	\$ 400
<b>Total FY2023-2027 Proposed New Capital Projects</b>			<b><u>\$ 66,202</u></b>

# Proposed FY2023 - 2027 Capital Program - Remaining Budget by Phase

(in thousands)

Project Phase	Budget	Costs to Date *	Budget Remaining
FY 2022- 2026 CIP	\$ 341,359	\$ 61,668	\$ 279,691
New CIP	66,202	0	66,202
<b>Subtotal FY 2023-2027 CIP</b>	<b>\$ 407,561</b>	<b>\$ 61,669</b>	<b>\$ 345,893</b>
New T1	3,464,300	460,326	3,003,974
<b>Totals</b>	<b>\$ 3,871,861</b>	<b>\$ 521,994</b>	<b>\$ 3,349,867</b>

\* Estimated costs as of 6/30/22



# Plan of Finance Fiscal Years 2023 - 2027

# Uses of Funds by Location FY 2023 - FY 2027

*(in thousands)*

Location	New T1	CIP	Total
Terminal	\$ 2,654,962	\$ 126,194	\$ 2,781,156
Landside & Ancillary	401,338	156,889	558,227
Airside	306,000	76,141	382,141
Administrative	102,000	48,337	150,337
<b>Total</b>	<b>\$ 3,464,300</b>	<b>\$ 407,561</b>	<b>\$3,871,861</b>

# Uses of Funds

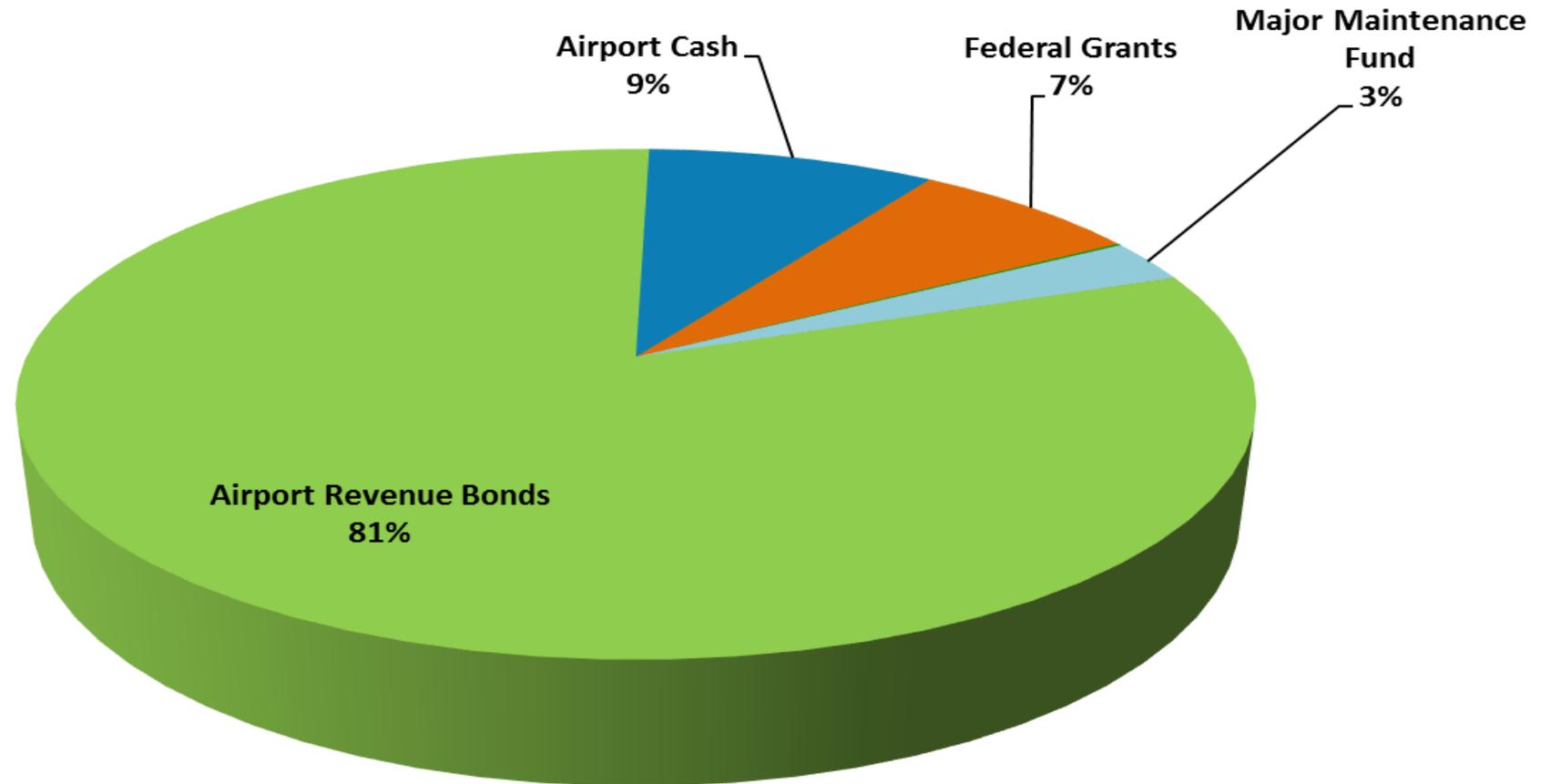
(in thousands)

	Total Use of Funds						
	Pre FY2023	FY2023	FY2024	FY2025	FY2026	FY2027	Total
The New T1	\$ 462,384	\$ 649,890	\$ 759,128	\$ 676,330	\$ 434,268	\$ 482,299	\$ 3,464,300
CIP Program	\$ 59,335	\$ 75,082	\$ 109,719	\$ 88,381	\$ 41,949	\$ 33,095	\$ 407,561
<b>Total</b>	<b>\$ 521,719</b>	<b>\$ 724,973</b>	<b>\$ 868,848</b>	<b>\$ 764,711</b>	<b>\$ 476,218</b>	<b>\$ 515,393</b>	<b>\$ 3,871,861</b>

# Sources of Funds

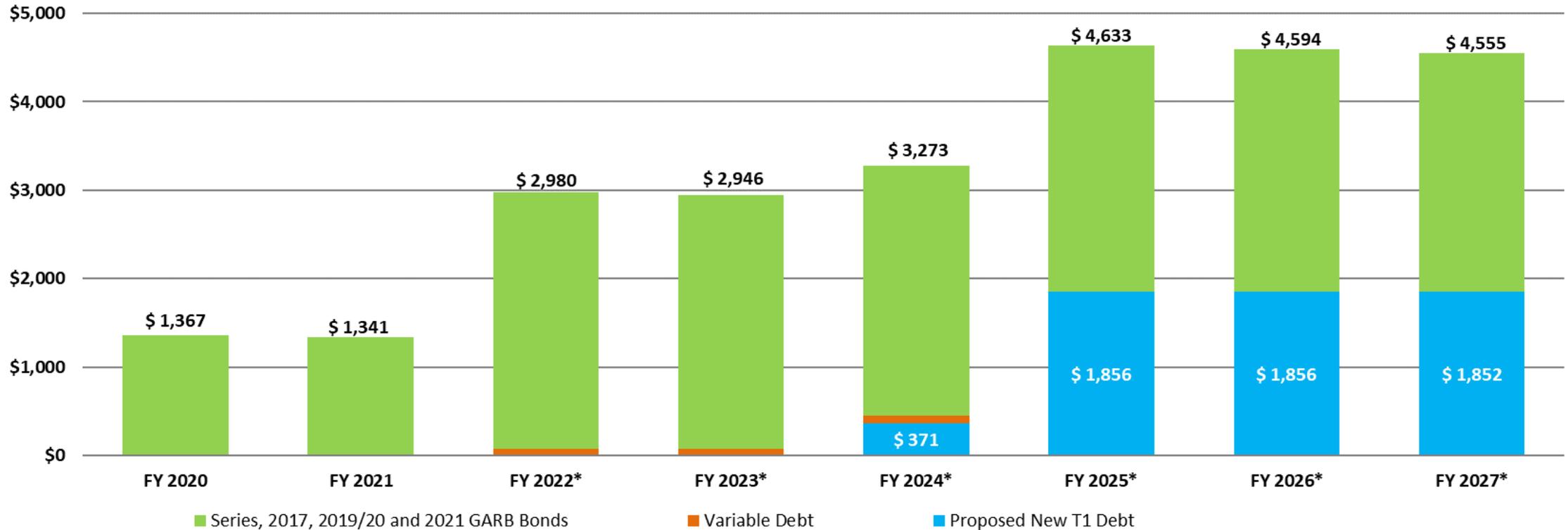
	Total Sources of Funds						
	Pre FY2023	FY2023	FY2024	FY2025	FY2026	FY2027	Total
Airport Revenue Bonds	\$ 466,266	\$ 596,466	\$ 640,357	\$ 627,638	\$ 398,520	\$ 405,775	\$ 3,135,023
Airport Cash	27,986	83,083	124,278	68,561	22,848	21,045	347,802
Federal Grants	21,082	32,592	68,672	31,527	43,933	82,899	280,706
Major Maintenance Fund	5,411	12,197	34,569	36,060	10,305	5,675	104,217
Other	867	634	971	924	611	-	4,007
Passenger Facility Charges	107	-	-	-	-	-	107
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$ 521,719</b>	<b>\$ 724,973</b>	<b>\$ 868,848</b>	<b>\$ 764,711</b>	<b>\$ 476,218</b>	<b>\$ 515,393</b>	<b>\$ 3,871,861</b>

# Total Sources of Funds Pre FY 2023 – FY 2027



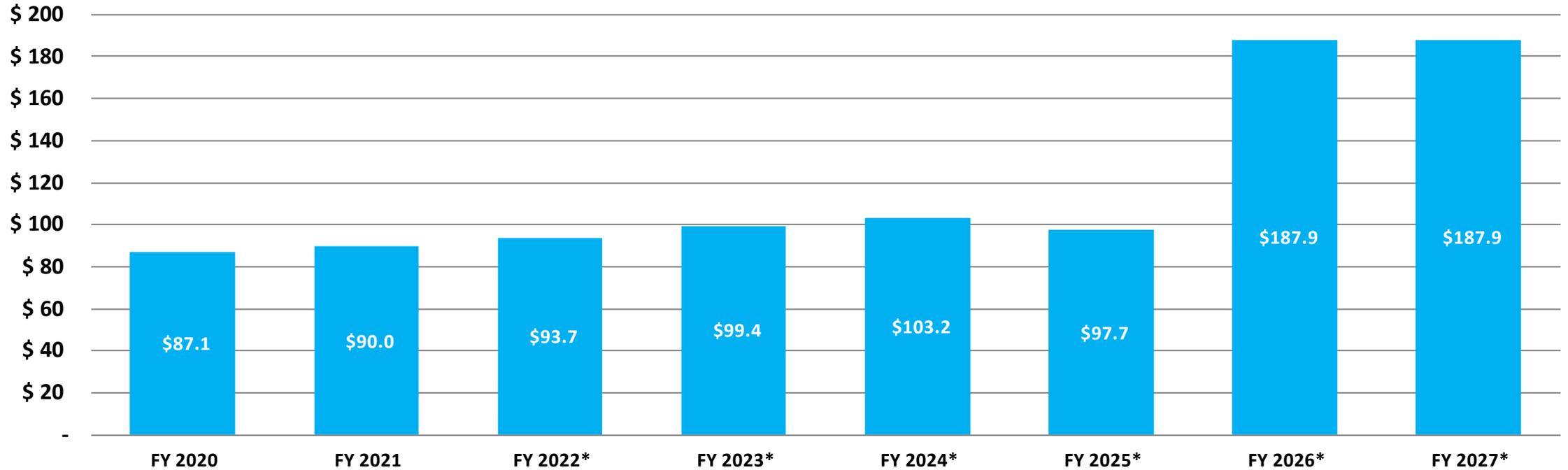
# Aggregate Debt FY 2020 – FY 2027

(in millions)

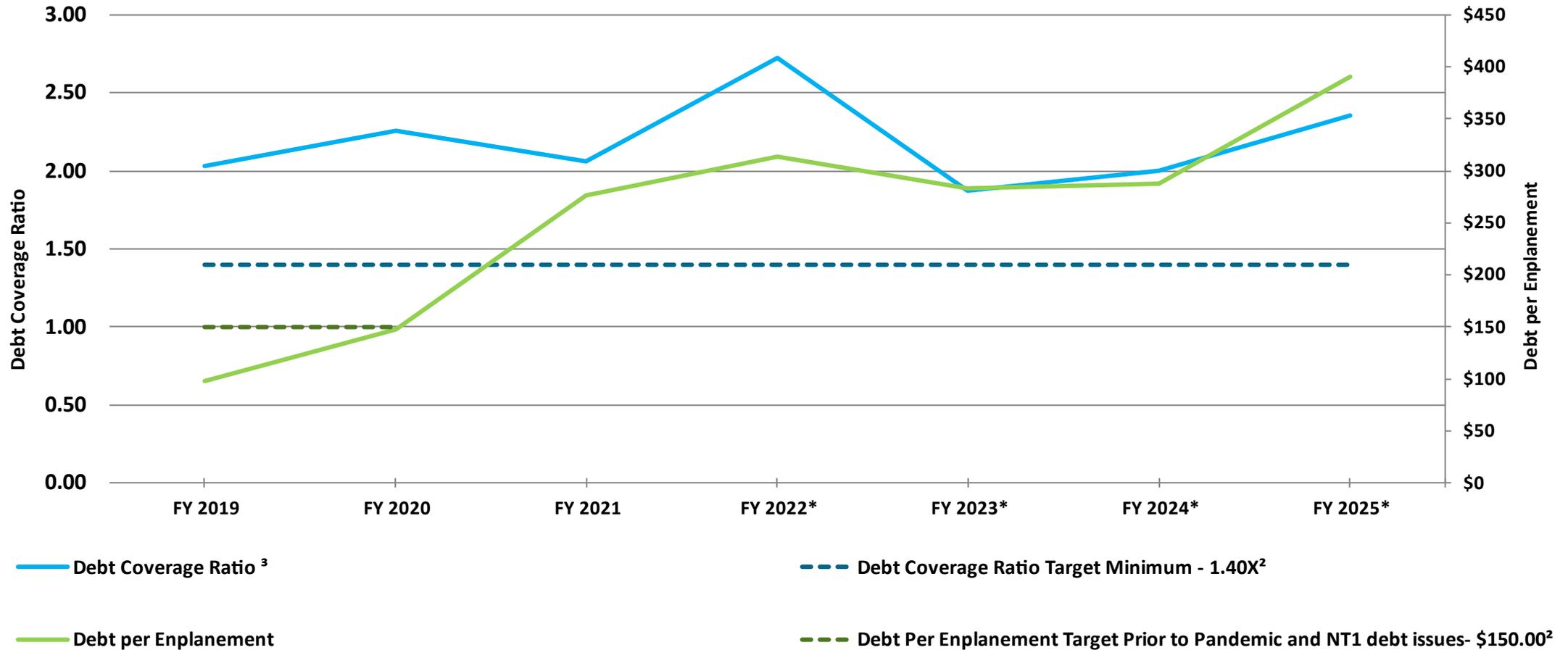


# General Airport Revenue Bond (GARB) and Variable Debt Service

(in millions)



# Coverage Ratio and Debt Per Enplanement <sup>1</sup>



<sup>1</sup> Debt excludes special facility bonds

<sup>2</sup> Debt per Enplanement target of \$150 was temporarily suspended.

\* Forecasted FY 2022- FY 2027

# Coverage Ratio and Debt Per Enplanement

Fiscal Year	Outstanding Debt <sup>1</sup> (in millions)	Debt per Enplanement	Debt Coverage Ratio <sup>3</sup>
<b>FY 2019</b>	\$1,198	\$97	2.03
<b>FY 2020</b>	\$1,367	\$148	2.26
<b>FY 2021</b>	\$1,341	\$276	2.06
<b>FY 2022*</b>	\$2,980	\$314	2.72
<b>FY 2023*</b>	\$2,946	\$283	1.87
<b>FY 2024*</b>	\$3,273	\$287	2.00
<b>FY 2025*</b>	\$4,633	\$391	2.36
<b>FY 2026*</b>	\$4,594	\$369	1.72
<b>FY 2027*</b>	\$4,555	\$361	1.76

<sup>1</sup> Debt excludes Special Facility Bonds

<sup>2</sup> Debt per Enplanement target of \$150 was temporarily suspended

<sup>3</sup> Target minimum Debt Policy Coverage Ratio 1.40x

\* Forecasted FY 2022 - FY 20267



# Appendix

## Appendix – Pay Schedule

Classification Title	Annual Salary Range	
	Salary Minimum	Annual Salary Maximum
President/CEO	Pay is Per Contract	
General Counsel		
Chief Auditor		
	Annual Salary Minimum	Annual Salary Maximum
Vice President, Treasurer & Chief Financial Officer	\$135,864	\$244,557
Vice President & Chief Development Officer		
Vice President, Marketing, Innovation Chief Revenue Officer		
Vice President & Chief Operating Officer		
	Annual Salary Minimum	Annual Salary Maximum
Senior Director, External Relations	\$115,156	\$201,523
Senior Director, Finance & Asset Management		
	Annual Salary Minimum	Annual Salary Maximum
Director, Airport Planning & Environmental Affairs	\$106,962	\$187,185
Director, Counsel Services		
Director, Airport Design & Construction		
Director, Information & Technology Services		
Director, Talent, Culture & Capability		
Director, Revenue Management		
	Annual Salary Minimum	Annual Salary Maximum
Director, Terminal & Airside Operations	\$101,984	\$173,373
Director, Aviation Security & Public Safety		
Director, Facilities Management		
Director, Financial Planning & Budget		
Director, Customer Experience & Innovation		
Director, Communications		
Senior Director, Marketing & Air Service Development		

## Appendix – Pay Schedule

Classification Title	Annual Salary Range	
	Annual Salary Minimum	Annual Salary Maximum
Director, Ground Transportation	\$96,427	\$163,925
Director, Procurement		
Senior Attorney		
Senior Program Manager		
Director, Government Relations		
	Annual Salary Minimum	Annual Salary Maximum
Director, Authority Clerk	\$90,869	\$155,249
Attorney		
Program Manager		
Senior Manager, Airport Finance		
Senior Manager, Construction Services		
Senior Manager, Information Technology		
Senior Manager, Talent & Organization Development		
	Annual Salary Minimum	Annual Salary Maximum
Manager, Business Analytics	\$85,178	\$140,544
Manager, Airport Finance		
Manager, Airport Planning		
Manager, Airside Operations		
Manager, Audit Services		
Manager, Aviation Security & Law Enforcement		
Manager, Business & Systems Applications		
Manager, Customer Experience Design		
Manager, Energy & Water Management		
Manager, ER Preparedness & Public Safety		
Manager, Facilities Management		
Manager, Ground Transportation		
Manager, Infrastructure Operations		
Manager, Insurance & Construction Risk		
Manager, Procurement & Contract Services		
Manager, Small Business Development		
Manager, Terminal Operations		
Manager, Safety & Wellness		
Manager, Service Desk & IT Terminal Operations		
Project Manager		
Senior Manager, Accounting		
Senior Manager, Arts Program		
Senior Manager, Marketing		
Manager, Safety & Labor Compliance		

## Appendix – Pay Schedule

Classification Title	Annual Salary Range	
	Annual Salary Minimum	Annual Salary Maximum
Accounting Manager	\$77,633	\$128,094
Innovation Program Manager		
Estimator		
Manager, Contracts		
Manager, Environmental Affairs		
Manager, Learning & Capability		
Manager, Terminal Concessions		
Asset Manager		
Senior Auditor		
Senior Financial Analyst		
Senior Project Management Systems Analyst		
Construction Manager	\$85,178	\$140,544
Quality Control Manager		
	Annual Salary Minimum	Annual Salary Maximum
Air Service Program Manager	\$77,633	\$128,094
Construction Safety Program Manager		
GIS/CAD Systems Manager		
Government Relations Manager		
Senior Human Resources Business Partner		
Airside & Terminal Resource Systems Manager		
	Annual Salary Minimum	Annual Salary Maximum
Aviation Systems Program Specialist	\$72,690	\$116,361
Cyber Security Specialist		
Construction Project Coordinator		
Database Administrator		
Maintenance Projects Planner		
Senior Airside Operations Duty Manager		
Senior Applications Development Analyst		
Senior Marketing Specialist		
Senior Risk Management Analyst		
Senior Systems Support Analyst		
Senior Terminal Operations Coordinator		
Technical Coordinator		

## Appendix – Pay Schedule

Classification Title	Annual Salary Range	
	Annual Salary Minimum	Annual Salary Maximum
Administrative Services Manager	\$67,570	\$108,164
Airport Art Program Manager		
Airport Properties Operations Coordinator		
Airside Operations Duty Manager II		
Applications Development Analyst		
Assistant Authority Clerk II		
Associate Asset Manager		
Customer Relations Manager		
Document Control Manager		
Financial Analyst II		
Fleet Supervisor		
Government Relations Specialist		
Human Resources Business Partner II		
Maintenance Supervisor		
Marketing Specialist II		
Project Management Systems Analyst		
Records & Information Manager		
Safety & Loss Prevention Analyst II		
Security & Public Safety Analyst II		
Senior Accountant		
Senior Aircraft Noise Specialist		
Senior Airport Planner		
Senior Airport Traffic Supervisor		
Senior Communication Specialist		
Senior Cost Analyst		
Senior Environmental Specialist		
Senior Human Resource Analyst		
Senior Management Analyst		
Senior Procurement Analyst		
Senior Security Specialist		
Senior Culture & OD Analyst		
Small Business Development Program Manager		

## Appendix – Pay Schedule

Classification Title	Annual Salary Range	
	Annual Salary Minimum	Annual Salary Maximum
Accountant	\$62,450	\$99,969
Airport Art Program Coordinator II		
Airport Operations Duty Manager I		
Associate Airport Planner		
Associate Engineer		
Associate Environmental Specialist		
Auditor		
Business Systems Analyst		
Communication Specialist II		
Cost Analyst		
Customer Relations Coordinator		
Culture & OD Analyst		
Facilities Commissioning Coordinator		
Human Resources Information Systems Analyst II		
Human Resources Analyst II		
Human Resources Business Partner I		
Management Analyst		
Marketing Specialist I		
Paralegal		
Quieter Home Program Coordinator		
Risk Management Analyst II		
Safety & Loss Prevention Analyst I		
Security & Public Safety Analyst I		
Senior Airport Communications Center Specialist		
Senior Engineering Technician II (BIM/CAD)		
Small Business Development Program Coordinator		
Systems Support Analyst II		
Terminal Operations Coordinator		
External Relations Specialist		
Labor Compliance Supervisor		
	Annual Salary Minimum	Annual Salary Maximum
Ground Transportation Specialist	\$60,234	\$90,352
Information Technology Services Project Coordinator		
Project Analyst		
Quality Control Coordinator		
Senior Engineering Technician		
Procurement Analyst II		

## Appendix – Pay Schedule

Classification Title	Annual Salary Range	
	Annual Salary Minimum	Annual Salary Maximum
Aircraft Noise Specialist	\$53,451	\$80,176
Assistant Environmental Specialist		
Communication Specialist I		
Financial Analyst I		
Human Resources Analyst I		
Procurement Analyst I		
Purchasing Card Program Analyst		
Risk Management Analyst I		
Systems Support Analyst I		
	Annual Salary Minimum	Annual Salary Maximum
Airport Art Program Coordinator I	\$53,451	\$80,176
Airport Communications Center Specialist		
Capital Project Assistant		
Credit & Collections Specialist		
Document Control Coordinator		
Executive Assistant		
Labor Compliance Technician II		
Records & Information Management Specialist II		
Security Specialist II		
Security & Emergency Response Coordinator		
Senior Construction Inspector		
Senior Maintenance Project Inspector		
Strategic Planning Outreach Coordinator		
Talent, Culture & Capability Coordinator		
	Annual Salary Minimum	Annual Salary Maximum
Assistant Airport Planner	\$46,068	\$64,539
Assistant Authority Clerk I		
Engineering Technician		
Help Desk Technician		
Labor Compliance Technician I		
Procurement Coordinator		
Senior Administrative Assistant		
Maintenance Project Inspector		

## Appendix – Pay Schedule

Classification Title	Annual Salary Range	
	Annual Salary Minimum	Annual Salary Maximum
Accounting Technician	\$42,031	\$58,887
Administrative Assistant II		
Payroll Technician		
Records & Information Management Specialist I		
Security Specialist I		
Staff Assistant		
	Annual Salary Minimum	Annual Salary Maximum
Administrative Assistant I	\$37,995	\$53,228
Corporate Information Assistant		
Storage & Distribution Technician		