

San Diego County Regional Airport Authority



FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget
Finance & Asset Management Division
Business & Financial Management



Revenue Budget Overview

FY 2015 Revenue Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY2015 Proposed Budget	Inc/(Dec) FY15 Proposed vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Proposed	% Change
Operating Revenue:											
Airline Revenue											
Landing Fees	\$ 19,658,173	\$ 21,814,724	\$ 24,055,014	\$ 23,704,477	\$ 1,889,753	8.7%	\$ (350,537)	-1.5%	\$ 24,403,943	\$ 699,466	3.0%
Aircraft Parking Fees	3,190,928	2,559,493	2,799,267	2,768,087	208,594	8.1%	(31,179)	-1.1%	2,830,215	62,128	2.2%
Building Rentals	41,839,619	45,869,700	47,237,652	49,969,936	4,100,236	8.9%	2,732,285	5.8%	52,306,370	2,336,433	4.7%
Common Use System Support Charges	-	1,116,900	1,116,900	1,124,994	8,094	0.7%	8,094	0.7%	1,145,548	20,554	1.8%
Other Aviation Revenue	1,591,266	1,592,288	1,595,586	1,589,711	(2,577)	-0.2%	(5,875)	-0.4%	1,592,957	3,246	0.2%
Security Surcharge	23,359,938	24,969,500	27,091,200	26,529,900	1,560,400	6.2%	(561,300)	-2.1%	27,632,400	1,102,500	4.2%
Total Airline Revenue	89,639,923	97,922,606	103,895,618	105,687,106	7,764,501	7.9%	1,791,488	1.7%	109,911,434	4,224,327	4.0%
Non-Airline Revenue											
Terminal rent non-Airline	971,790	1,024,234	1,069,154	1,500,586	476,352	46.5%	431,432	40.4%	1,569,133	68,547	4.6%
Terminal concessions	14,150,898	17,216,343	19,475,281	19,783,233	2,566,890	14.9%	307,952	1.6%	19,870,544	87,311	0.4%
Rental Car License Fees	24,401,371	25,061,200	26,073,700	24,576,100	(485,100)	-1.9%	(1,497,600)	-5.7%	24,993,700	417,600	1.7%
License Fees Other	3,488,472	3,277,200	3,299,800	4,146,700	869,500	26.5%	846,900	25.7%	4,217,100	70,400	1.7%
Parking Revenue	33,883,703	34,290,532	38,492,545	38,824,776	4,534,243	13.2%	332,230	0.9%	39,462,542	637,767	1.6%
Ground Transportation Permits and Citations	1,866,781	2,261,247	3,545,439	3,576,416	1,315,169	58.2%	30,978	0.9%	3,289,603	(286,813)	-8.0%
Ground Rentals	8,189,723	8,193,071	11,558,786	11,356,903	3,163,831	38.6%	(201,884)	-1.7%	14,139,787	2,782,884	24.5%
Grant Reimbursements	189,181	223,200	227,700	292,000	68,800	30.8%	64,300	28.2%	292,000	-	0.0%
Other Operating Revenue *	715,970	441,900	451,600	469,744	27,844	6.3%	18,144	4.0%	473,200	3,456	0.7%
Total Non-Airline Revenue	87,857,889	91,988,928	104,194,005	104,526,457	12,537,529	13.6%	332,452	0.3%	108,307,609	3,781,152	3.6%
Total Operating Revenue	177,497,812	189,911,534	208,089,623	210,213,564	20,302,030	10.7%	2,123,940	1.0%	218,219,043	8,005,479	3.8%
Interest Income	4,140,067	5,290,220	5,583,586	4,707,690	(582,530)	-11.0%	(875,896)	-15.7%	5,165,382	457,692	9.7%
Non-Operating Revenue											
Passenger facility charges	35,437,453	35,155,100	35,858,200	36,614,900	1,459,800	4.2%	756,700	2.1%	37,237,200	622,300	1.7%
Customer facility charges (Rental Car Center)	19,117,217	26,528,528	30,065,665	30,350,379	3,821,851	14.4%	284,714	0.9%	30,866,210	515,831	1.7%
Quieter Home Program	13,241,658	12,069,400	12,069,700	11,804,573	(264,827)	-2.2%	(265,127)	-2.2%	11,627,849	(176,724)	-1.5%
BAB Interest Rebate	4,778,599	4,741,129	4,741,129	4,636,215	(104,914)	-2.2%	(104,914)	-2.2%	4,636,215	-	0.0%
Capital grant contributions	16,077,280	20,108,089	10,615,097	9,786,680	(10,321,409)	-51.3%	(828,417)	-7.8%	7,201,101	(2,585,579)	-26.4%
Other Nonoperating Revenue (4,231,997)	-	-	-	-	-	0.0%	-	-	-	-	0.0%
Total Non-Operating Revenue	84,420,210	98,602,246	93,349,791	93,192,747	(5,409,500)	-5.5%	(157,044)	-0.2%	91,568,575	(1,624,172)	-1.7%
Total Revenue	\$ 266,058,089	\$ 293,804,000	\$ 307,023,000	\$ 308,114,000	\$ 14,310,000	4.9%	\$ 1,091,000	0.4%	\$ 314,953,000	\$ 6,839,000	2.2%

*Other Operating Revenue includes Finger Printing Fees, Utilities Reimbursements, Service Charges, Equipment Rental and Miscellaneous Revenues.

FY 2015 Proposed Budget vs. FY 2014 Budget

Airline Revenues

Net increase of \$7.7M in airline revenue primarily reflects:

- Increase of \$4.1M in building rentals reflecting:
 - Higher maintenance O&M for existing and new facilities, and increase in utilities
 - Increase in debt service due to completion of the projects and decrease in capitalized interest
- Increase of \$1.9M in landing fees reflecting:
 - Increase airfield maintenance and Airport Use Compatibility Plans (ALUCPs)
 - Increase in debt service due to completion of the projects and decrease in capitalized interest
- Increase of \$1.6M in security surcharge reflecting:
 - Increases in Harbor Police costs, airport security and access control maintenance costs
 - Increase in security checkpoints rent due to higher terminal rate
- Increase in aircraft parking fees of \$0.2M

FY 2015 Proposed Budget vs. FY 2014 Budget

Non-Airline Revenue

Net increase of \$12.5M in non-airline revenue primarily reflecting:

- Increase of \$4.5M in parking revenue due to rate increase, higher enplanements, and full year of newly opened Terminal 2 and Economy lots
- Increase of \$3.2M in ground rent revenue primarily due to \$2.9M of new Landmark Fixed Base Operator facility rent starting in summer 2014
- Increase of \$2.6M in concession revenue due to higher food and beverage and retail revenue from new concessions program
- Increase of \$1.3M in ground transportation cost recovery revenue
- Increase of \$0.9M in other license fees due to –
 - Increase of \$0.3M in inflight catering services revenue
 - Increase of \$0.6M in ground handling revenue due to new vendor contracts and services

FY 2015 Proposed Budget vs. FY 2014 Budget

Interest Income and Non-Operating Revenue

Net decrease of \$0.6M in interest revenue due to lower interest rate

Net decrease of \$5.4M in non-operating revenue primarily reflecting:

- Increase of \$3.8M in Customer Facility Charges (Rental Car Center fees) due to a full year at \$7.50 CFC rate and higher enplanements
- Increase of \$1.5M in Passenger Facility Charges due to higher enplanements and an increase in the PFC collection rate from 91% to 92%
- Decrease of \$0.1M in BAB interest rebate revenue due to carry forward of 2014 sequestration impact
- Decrease of \$0.3M in Quieter Home Program revenue due to a reduction in grant contributions
- Decrease of \$10.3M in capital grant contributions due to fewer grant eligible projects

FY 2016 Proposed Conceptual Budget vs. FY 2015 Proposed Budget

Airline Revenues

Net increase of \$4.2M in airline revenue primarily reflects:

- Increase of \$2.3M in building rentals reflecting:
 - Increase in utilities and personnel costs
 - Increase in debt service
 - Increase in amortization charges for new terminal projects
- Increase of \$1.1M in security surcharge reflecting:
 - Increases in Harbor Police costs, airport security and access control maintenance costs
 - Increase in security checkpoints rent due to higher terminal rate
- Increase of \$0.7M in landing fees reflecting increase in amortization charges for new airfield projects

FY 2016 Conceptual Budget vs. FY 2015 Proposed Budget

Non-Airline Revenue

Net increase of \$3.8M in non-airline revenue primarily reflecting:

- Increase of \$2.8M in ground rent revenue primarily due to an increase of \$2.6M in rent revenue for partial year of the Rental Car Center
- Increase of \$0.6M in parking revenue due to higher enplanements
- Increase of \$0.4M in car rental license fee revenue due to higher enplanements
- Decrease of \$0.3M in ground transportation cost recovery revenue

FY 2016 Conceptual Budget vs. FY 2015 Proposed Budget

Interest Income and Non-Operating Revenue

Net increase of \$0.5M in interest revenue due to an increase in the interest rate

Net decrease of \$1.6M in non-operating revenue primarily reflecting:

- Increase of \$0.6M in Passenger Facility Charges due to higher enplanements
- Increase of \$0.5M in Customer Facility Charges (Rental Car Center fees) due to higher enplanements.
- Decrease of \$0.2M in Quieter Home Program revenue due to a reduction in grant contributions
- Decrease of \$2.6M in Capital grant contributions due to fewer grant eligible projects

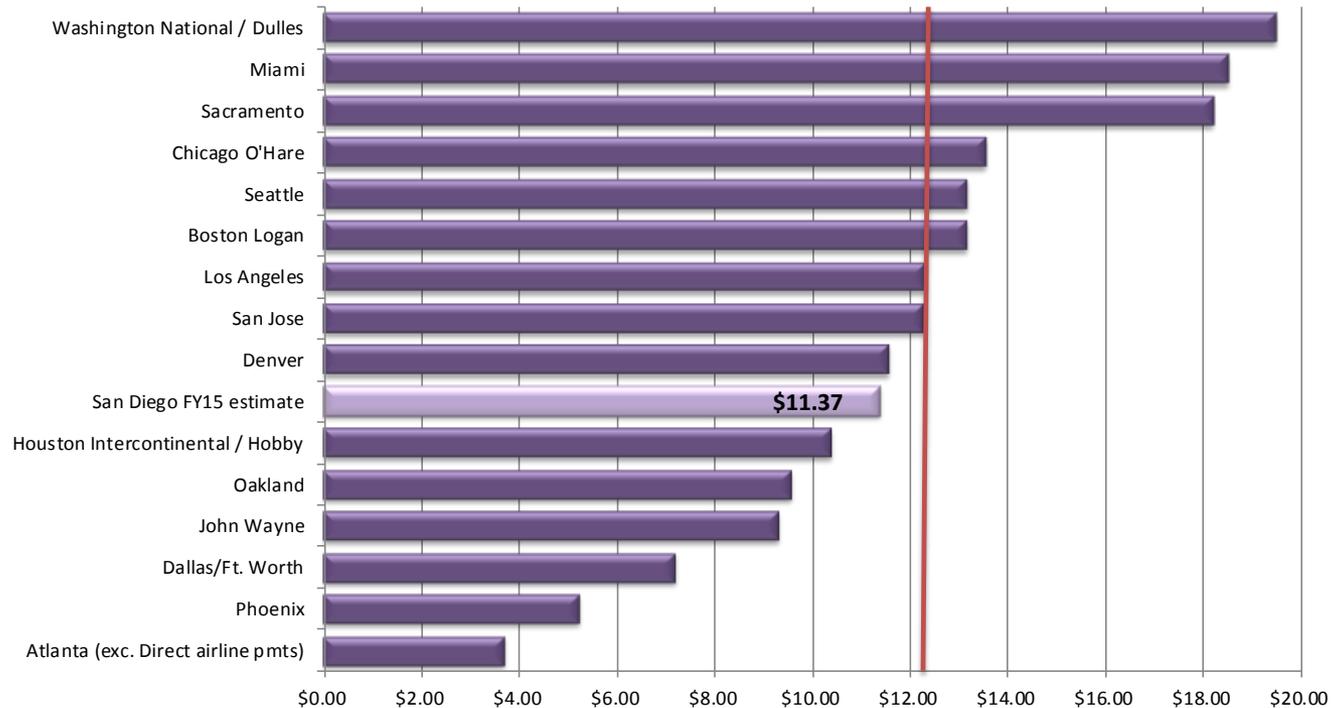
Airline Cost Per Enplaned Passenger

Airline derived costs per enplaned passengers includes landing fees, aircraft parking fees, terminal rents, Common Use System Support and security surcharge.



* Projected FY 2014 and Budgeted FY 2015 & 2016

Airline Cost Per Enplaned Passenger by Select Airports

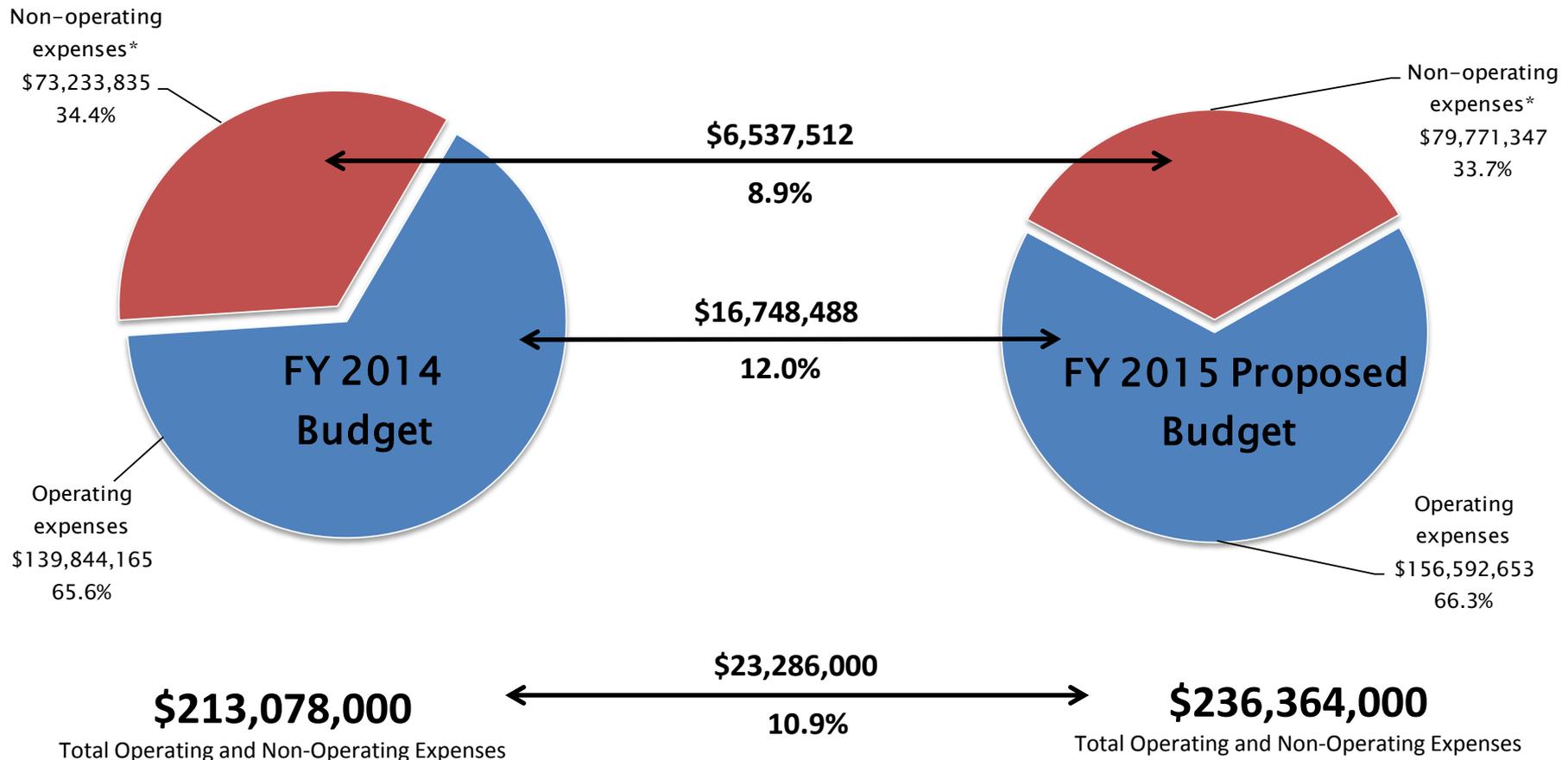


Median (\$12.29) for the above selected Moody's rated airports
Source: Moody's Investor Service, MFRA Database, as of April, 2014



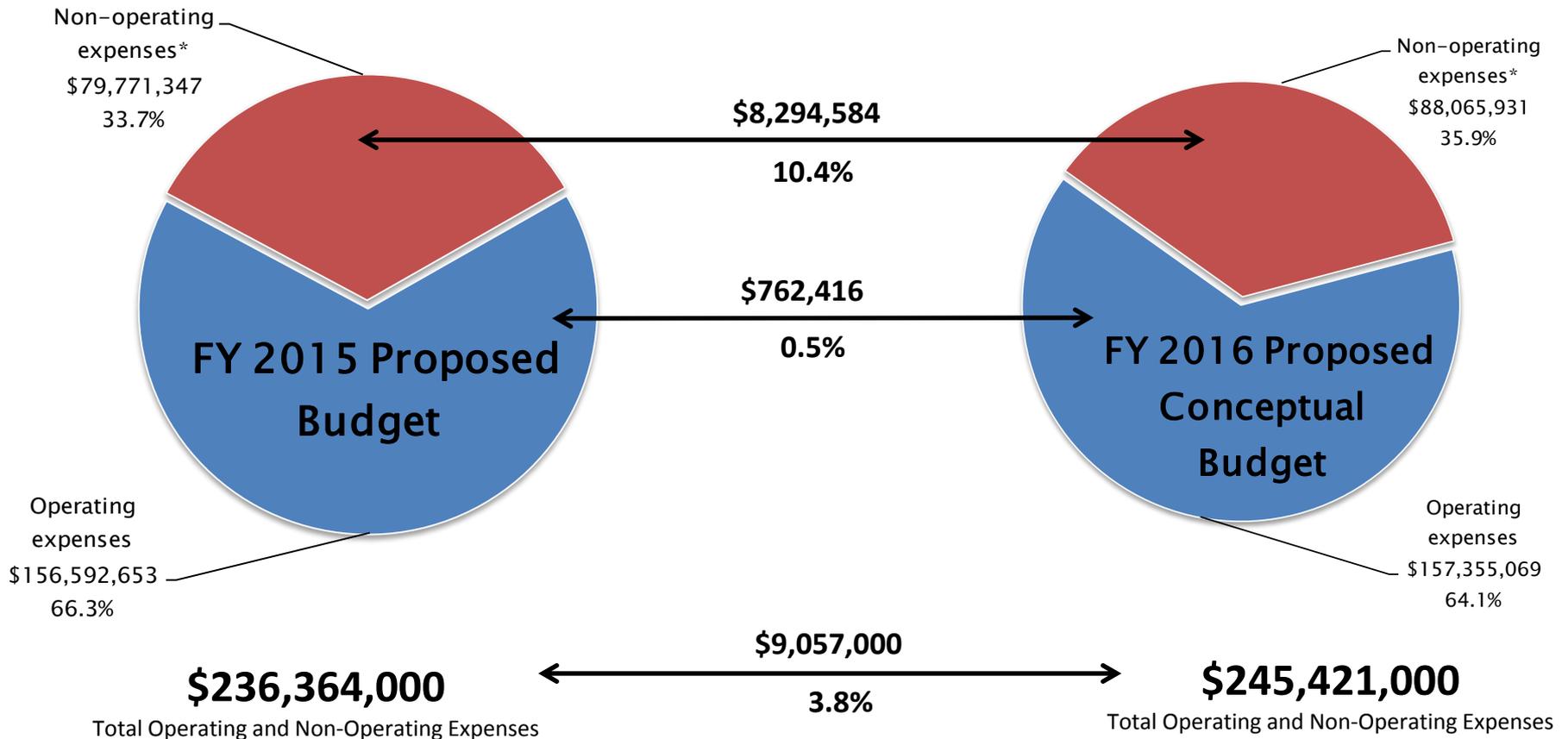
Expense Budget Overview

FY 2014 Budget vs. FY 2015 Proposed Budget Expense Comparison



* Non-Operating Expenses include Debt Service, Quieter Home Program, & Equipment Outlay

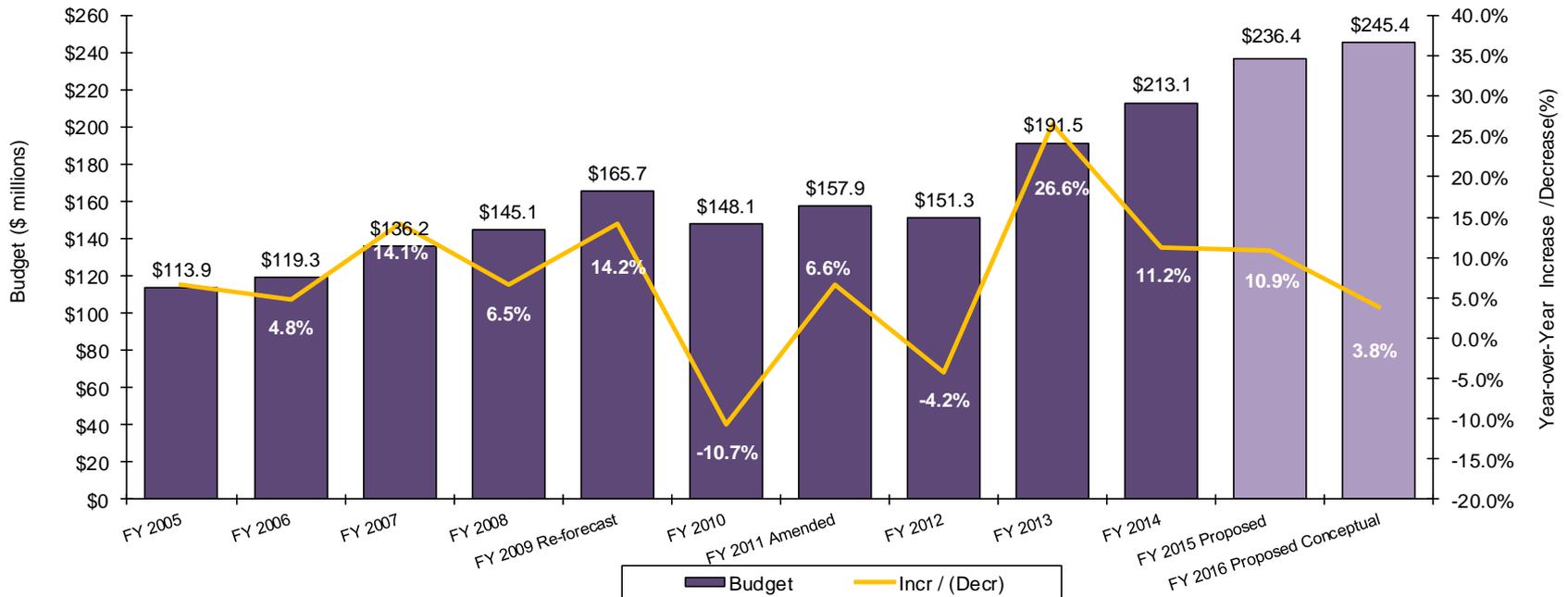
FY 2015 Proposed Budget vs. FY 2016 Proposed Conceptual Budget Expense Comparison



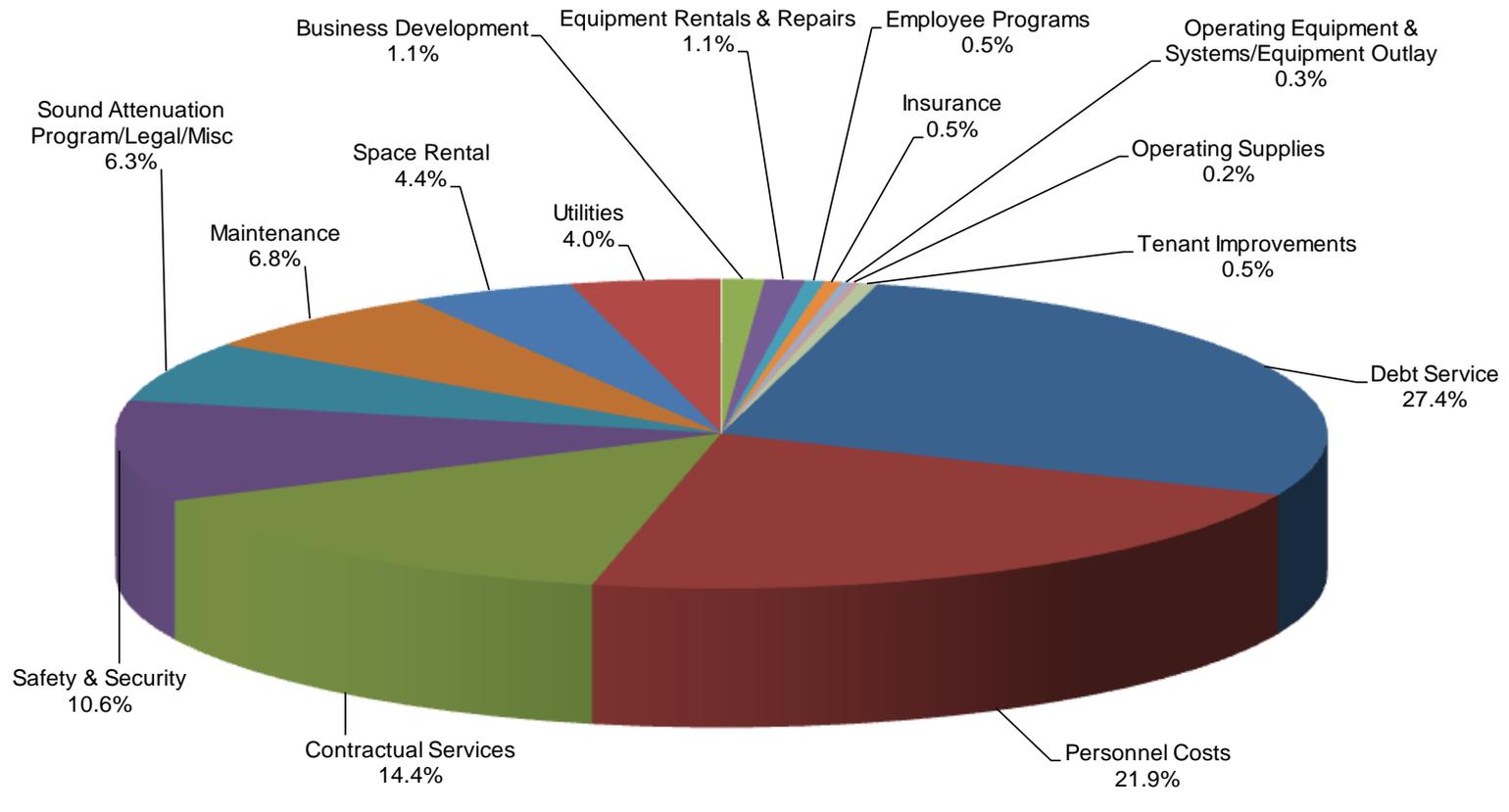
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Expense Budget FY 2005 – FY 2016

FY 2015 Proposed Budget is a 10.9% increase from FY 2014 Budget



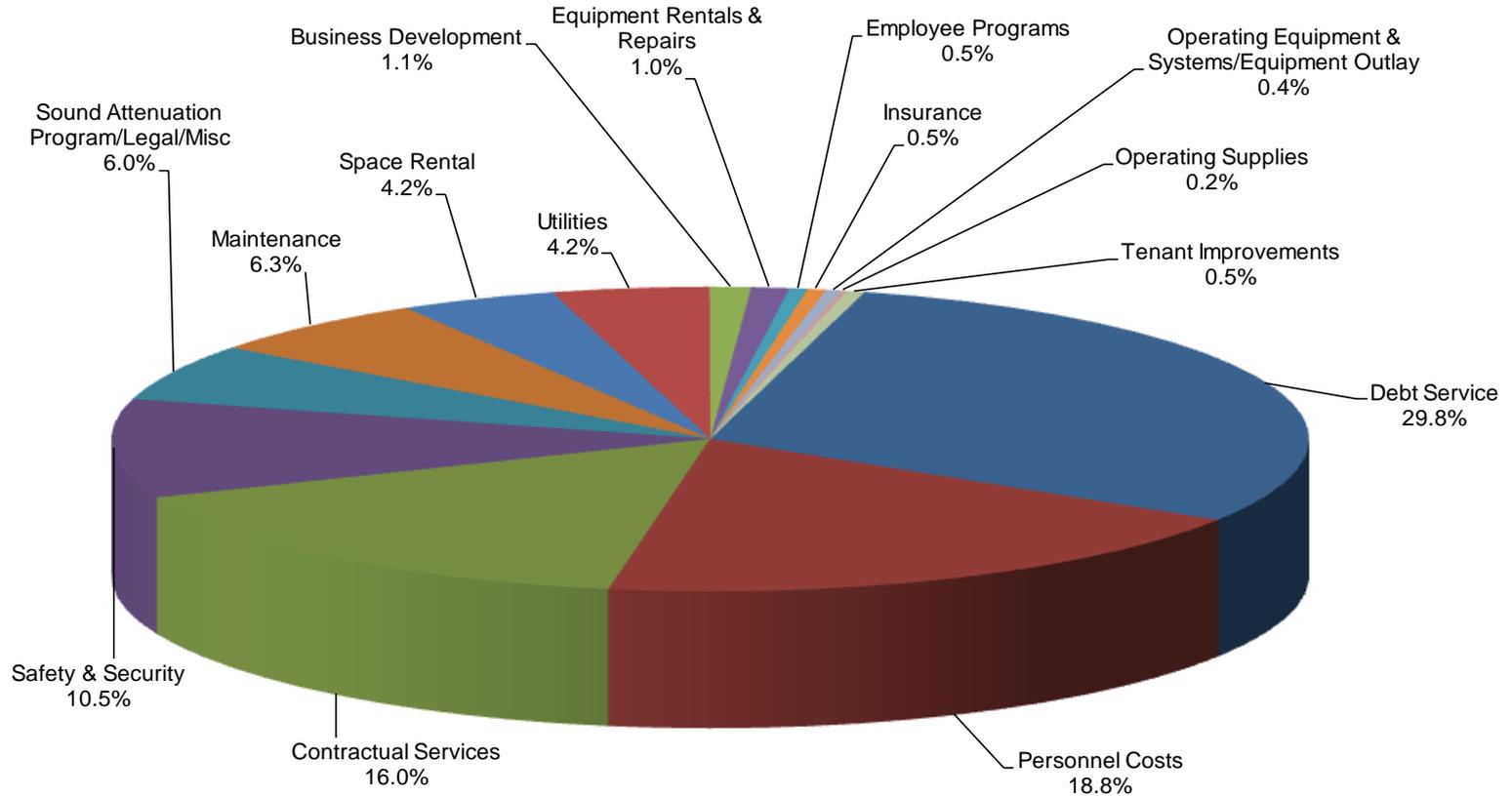
FY 2015 Proposed Expense Budget by Category



Total FY 2015 Proposed Budget is \$236.4 M



FY 2016 Proposed Expense Budget by Category



Total FY 2016 Proposed Budget is \$245.4 M

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 28,435,266	\$ 31,169,886	\$ 33,004,041	\$ 32,375,837	\$ 1,205,951	3.9%	\$ (628,204)	-1.9%	\$ 33,688,450	\$ 1,312,613	4.1%
Premium Overtime	1,063,025	867,400	865,700	841,000	(26,400)	-3.0%	(24,700)	-2.9%	841,000	-	0.0%
Employee Benefits	14,103,945	16,319,513	17,701,713	17,646,940	1,327,427	8.1%	(54,773)	-0.3%	18,649,795	1,002,855	5.7%
<i>Less: Capitalized Labor</i>	<i>(4,786,022)</i>	<i>(5,749,016)</i>	<i>(6,180,522)</i>	<i>(6,055,685)</i>	<i>(306,669)</i>	5.3%	<i>124,837</i>	-2.0%	<i>(6,362,450)</i>	<i>(306,765)</i>	5.1%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	<i>(723,749)</i>	<i>(703,804)</i>	<i>(732,944)</i>	<i>(663,928)</i>	<i>39,876</i>	-5.7%	<i>69,016</i>	-9.4%	<i>(688,119)</i>	<i>(24,191)</i>	3.6%
Subtotal Personnel Expenses	38,092,464	41,903,979	44,657,988	44,144,164	2,240,186	5.3%	(513,824)	-1.2%	46,128,675	1,984,511	4.5%
SDCERS Unfunded Actuarial Liability (GASB change)	-	-	-	7,600,000	7,600,000	0.0%	7,600,000	0.0%	-	(7,600,000)	-100.0%
Total Personnel Expenses	38,092,464	41,903,979	44,657,988	51,744,164	9,840,186	23.5%	7,086,176	15.9%	46,128,675	(5,615,489)	-10.9%
Non-Personnel Expenses											
Contractual Services	29,283,526	33,265,134	34,052,611	34,073,655	808,521	2.4%	21,044	0.1%	39,238,419	5,164,764	15.2%
Safety and Security	23,994,020	24,975,464	27,111,790	25,001,794	26,331	0.1%	(2,109,996)	-7.8%	25,794,332	792,537	3.2%
Space Rental	10,897,338	10,378,412	10,324,952	10,450,296	71,884	0.7%	125,344	1.2%	10,424,581	(25,715)	-0.2%
Utilities	6,659,333	8,566,650	8,943,750	9,557,536	990,886	11.6%	613,786	6.9%	10,414,599	857,064	9.0%
Maintenance	11,204,464	11,661,347	12,017,693	16,085,448	4,424,101	37.9%	4,067,755	33.8%	15,369,505	(715,943)	-4.5%
Operating Equipment & Systems	468,700	456,779	500,468	558,235	101,456	22.2%	57,767	11.5%	682,027	123,792	22.2%
Operating Supplies	405,863	374,352	431,444	409,508	35,156	9.4%	(21,936)	-5.1%	411,380	1,872	0.5%
Insurance	794,984	1,253,580	1,546,084	1,071,422	(182,158)	-14.5%	(474,662)	-30.7%	1,239,364	167,942	15.7%
Employee Programs	1,234,759	1,259,598	1,425,213	1,229,248	(30,350)	-2.4%	(195,965)	-13.7%	1,205,323	(23,925)	-1.9%
Business Development	2,444,407	2,943,753	2,860,045	2,685,228	(258,525)	-8.8%	(174,817)	-6.1%	2,726,335	41,107	1.5%
Equipment Rentals & Repairs	1,316,109	2,445,217	2,569,571	2,526,119	80,902	3.3%	(43,452)	-1.7%	2,520,528	(5,591)	-0.2%
Tenant Improvements	433	359,900	-	1,200,000	840,100	233.4%	1,200,000	0.0%	1,200,000	-	0.0%
Total Non-Personnel Expenses	88,703,936	97,940,186	101,783,621	104,848,489	6,908,303	7.1%	3,064,868	3.0%	111,226,393	6,377,904	6.1%
Total Operating Expenses	126,796,400	139,844,165	146,441,608	156,592,653	16,748,489	12.0%	10,151,045	6.9%	157,355,069	762,416	0.5%
Non-Operating Expenses:											
Joint Studies/Sound Attenuation	14,885,711	15,176,621	15,176,621	14,955,716	(220,905)	-1.5%	(220,905)	-1.5%	14,734,811	(220,905)	-1.5%
Debt Service	23,836,045	58,027,215	64,640,771	64,658,631	6,631,416	11.4%	17,860	0.0%	73,037,120	8,378,490	13.0%
Legal Settlements Expense	267	20,000	-	10,000	(10,000)	-50.0%	10,000	0.0%	10,000	-	0.0%
Other Non-Operating Expense	46,856	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	38,768,879	73,223,836	79,817,392	79,624,347	6,400,511	8.7%	(193,045)	-0.2%	87,781,931	8,157,584	10.2%
Total Expenses	165,565,279	213,068,000	226,259,000	236,217,000	23,149,000	10.9%	9,958,000	4.4%	245,137,000	8,920,000	3.8%
Equipment Outlay	1,157,996	10,000	170,000	147,000	137,000	1370.0%	(23,000)	-13.5%	284,000	137,000	93.2%
Total Authority Expenses incl Equip Outlay	\$ 166,723,275	\$ 213,078,000	\$ 226,429,000	\$ 236,364,000	\$ 23,286,000	10.9%	\$ 9,935,000	4.4%	\$ 245,421,000	\$ 9,057,000	3.8%

Major Drivers of FY 2015 Proposed Budget

	Total Inc/(Dec) FY2015 Budget vs. FY2014 Budget
FY 2014 Budget	\$ 213,078,000
SDCERS Unfunded Actuarial Liability (GASB change)	7,600,000
Retirement and other benefits	1,055,184
Contracted wage increases and pay-for-performance	872,098
Full year of FY2014 new hires and vacancy savings (salaries and burden)	670,274
Employer taxes	96,409
5 new, 1 funded and 4 eliminated position (salaries and burden)	(186,987)
Capitalized labor / QHP - labor, burden, labor overhead	(266,792)
Total Increase / (Decrease) in Salaries and Benefits, Net	9,840,186
Non Personnel:	
Terminal and Landside (Operations & Maintenance):	
Green Build:	
Annual maintenance contract costs	1,102,998
Airport custodial contract costs	395,306
Utilities (gas & electric and telephone services) costs	275,380
Public outreach, marketing, promotional activities and materials costs	(579,300)
Baggage Handling System (BHS) costs	(1,349,104)
Other (net)	(69,915)
Total Increase / (Decrease) Due to Green Build	(224,634)

Major Drivers of FY 2015 Proposed Budget

	Total Inc/(Dec) FY2015 Budget vs. FY2014 Budget
Concession Development Program:	
Airport custodial contract costs	\$ 158,731
Marketing fees	124,200
Construction maintenance remediation costs	(210,887)
Other (net)	75,688
Total Increase / (Decrease) Due to Concession Development Program	147,732
Northside Development:	
Public outreach, marketing, promotional activities and materials costs	305,000
Rental Car Center (RCC) Busing	244,800
Annual maintenance contract costs	92,000
Total Increase / (Decrease) Due to Northside Development	641,800
Other Terminal and Landside:	
Annual maintenance contract costs, major maintenance and supplies costs	4,764,094
Utilities (gas, electric, water and telephone services) costs	715,505
Other terminal and landside costs (custodial contract, tenant improvement and space rental)	233,240
Computer licenses & agreements and operating equipment costs	181,497
Ground transportation costs	(302,080)
Total Increase / (Decrease) Due to Other Terminal and Landside	5,592,256
Total Increase / (Decrease) in Terminal and Landside (Operations & Maintenance)	6,157,154

Major Drivers of FY 2015 Proposed Budget

	Total Inc/(Dec) FY2015 Budget vs. FY2014 Budget
Safety and Security:	
Law enforcement costs - Harbor Police and contract security services	\$ 473,633
Maintenance of access control system costs and credentialing asset management software	300,000
Aircraft Rescue Fire Fight (ARFF) and Emergency Medical Services (EMS)	(447,302)
Total Increase / (Decrease) in Safety and Security	326,331
Regional Aviation Planning Programs:	
Update Rural / USMC Airport Land Use Compatibility Plans (ALUCPs) and North Island/Imp. Beach ALUCPs costs	1,180,000
SDIA Airport Land Use Compatibility Plans (ALUCPs) costs	(500,000)
Total Increase / (Decrease) in Regional Aviation Planning Programs	680,000
Market research and implementation costs for Business Development	200,000
Public outreach, marketing, promotional activities and materials costs	(425,385)
Insurance	(140,190)
Domestic & international air service marketing costs	(275,000)
Other (net)	135,393
Total Increase / (Decrease) in Other Operating Expenses	(505,182)
Total Increase / (Decrease) in Non-Personnel Operating Expenses, Net	6,908,303
Total Increase / (Decrease) in Operating Expenses	16,748,489

Major Drivers of FY 2015 Proposed Budget

	Total Inc/(Dec) FY2015 Budget vs. FY2014 Budget
Debt Service:	
Debt service costs	\$ 6,631,416
Other Non-Operating Expenses:	
Decrease in Quieter Home Program	(220,905)
Other (net)	(10,000)
Total Increase / (Decrease) in Non-Operating Expenses	6,400,511
Equipment Outlay:	
Equipment outlay costs	137,000
Total Increase / (Decrease)	23,286,000
FY15 Proposed Budget	\$ 236,364,000

Major Drivers of FY 2016 Proposed Conceptual Budget

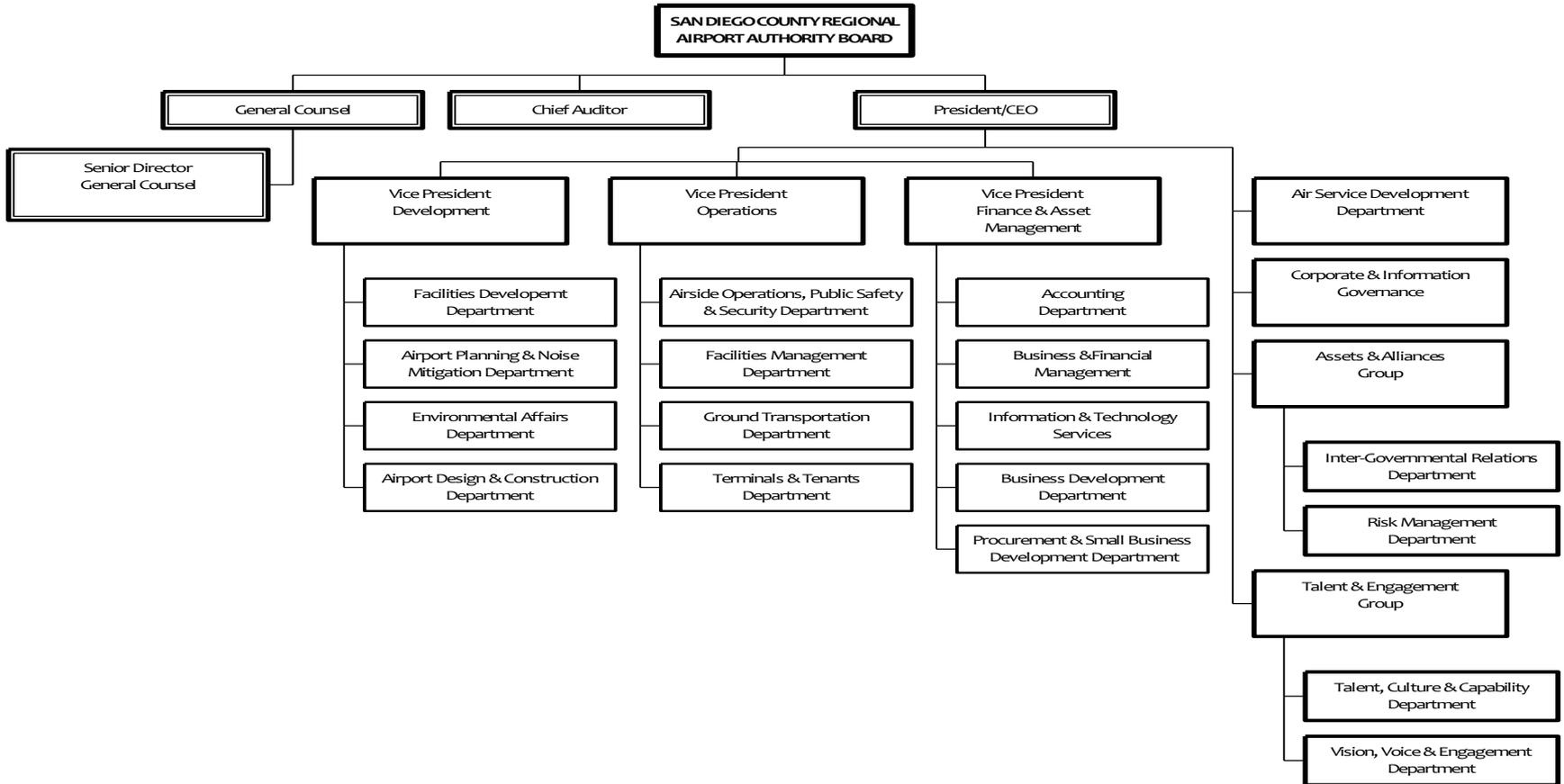
	Total Inc/(Dec) FY2016 Conceptual Budget vs. FY2015 Budget
FY 2015 Budget	\$ 236,364,000
Personnel:	
Contracted wage increases and pay-for-performance	1,019,614
Retirement and other benefits	920,266
Full year of FY2015 new hires and vacancy savings (salaries and burden)	287,959
Employer taxes	87,629
Capitalized labor / QHP - labor, burden, labor overhead	(330,956)
SDCERS Unfunded Actuarial Liability (GASB change)	(7,600,000)
Total Increase / (Decrease) in Salaries and Benefits, Net	(5,615,489)
Non Personnel:	
Terminal and Landside (Operations & Maintenance):	
Northside Development:	
Rental Car Center (RCC) Busing	4,441,911
Annual maintenance contract costs, insurance costs	146,069
Other (net)	65,000
Total Increase / (Decrease) Due to Northside Development	4,652,980

Major Drivers of FY 2016 Proposed Conceptual Budget

	Total Inc/(Dec) FY2016 Conceptual Budget vs. FY2015 Budget
Other Terminal and Landside:	
Utilities (gas, electric, water and telephone services) costs	\$ 757,064
Shuttles and parking operation costs	350,998
Other terminal and landside costs (custodial contract and space rental costs)	193,739
Annual maintenance contract costs, supplies and major maintenance costs	(1,087,393)
Total Increase / (Decrease) Due to Other Terminal and Landside	214,409
Total Increase / (Decrease) in Terminal and Landside (Operations and Maintenance)	4,867,388
 Safety and Security:	
Law enforcement costs - Harbor Police and contract security services	617,717
Maintenance of access control system	307,450
Aircraft Rescue Fire Fight (ARFF) and Emergency Medical Services (EMS)	174,820
Total Increase / (Decrease) in Safety and Security	1,099,987
 Regional Aviation Planning Programs:	
Update Rural / USMC Airport Land Use Compatibility Plans (ALUCPs) and North Island/Imp. Beach ALUCPs and miscellaneous airport planning projects costs	120,000
Total Increase / (Decrease) in Regional Aviation Planning Programs	120,000

Major Drivers of FY 2016 Proposed Conceptual Budget

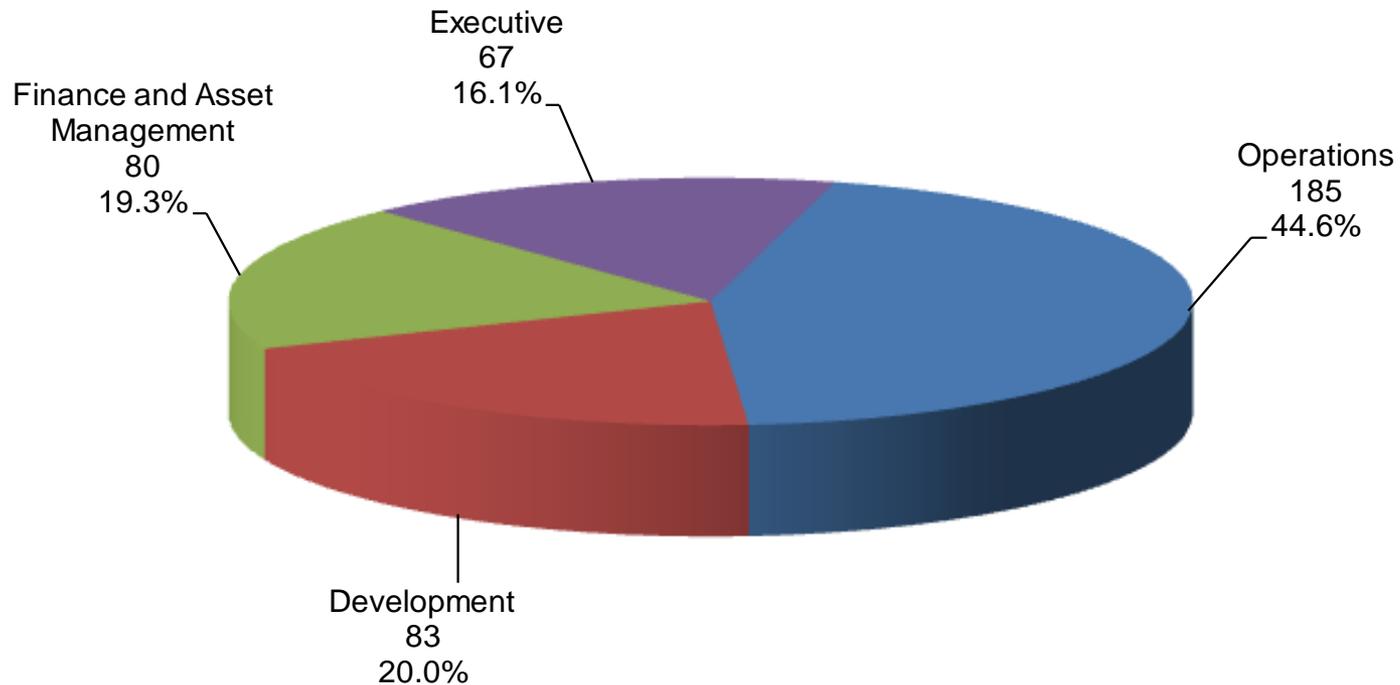
	Total Inc/(Dec) FY2016 Conceptual Budget vs. FY2015 Budget
Other Operating Expenses:	
Outside professional services	\$ 145,755
Other (net)	144,773
Total Increase / (Decrease) in Other Operating Expenses	290,529
Total Increase / (Decrease) in Non-Personnel Operating Expenses, Net	6,377,904
Total Increase / (Decrease) in Operating Expenses	762,416
Debt Service:	
Debt service costs	8,378,490
Other Non-Operating Expenses:	
Quieter Home Program	(220,905)
Total Increase / (Decrease) in Non-Operating Expenses	8,157,585
Equipment Outlay:	
Equipment outlay costs	137,000
Total Increase / (Decrease)	9,057,000
FY16 Proposed Conceptual Budget	\$ 245,421,000



FY 2015 Proposed & FY 2016 Personnel Summary by Division

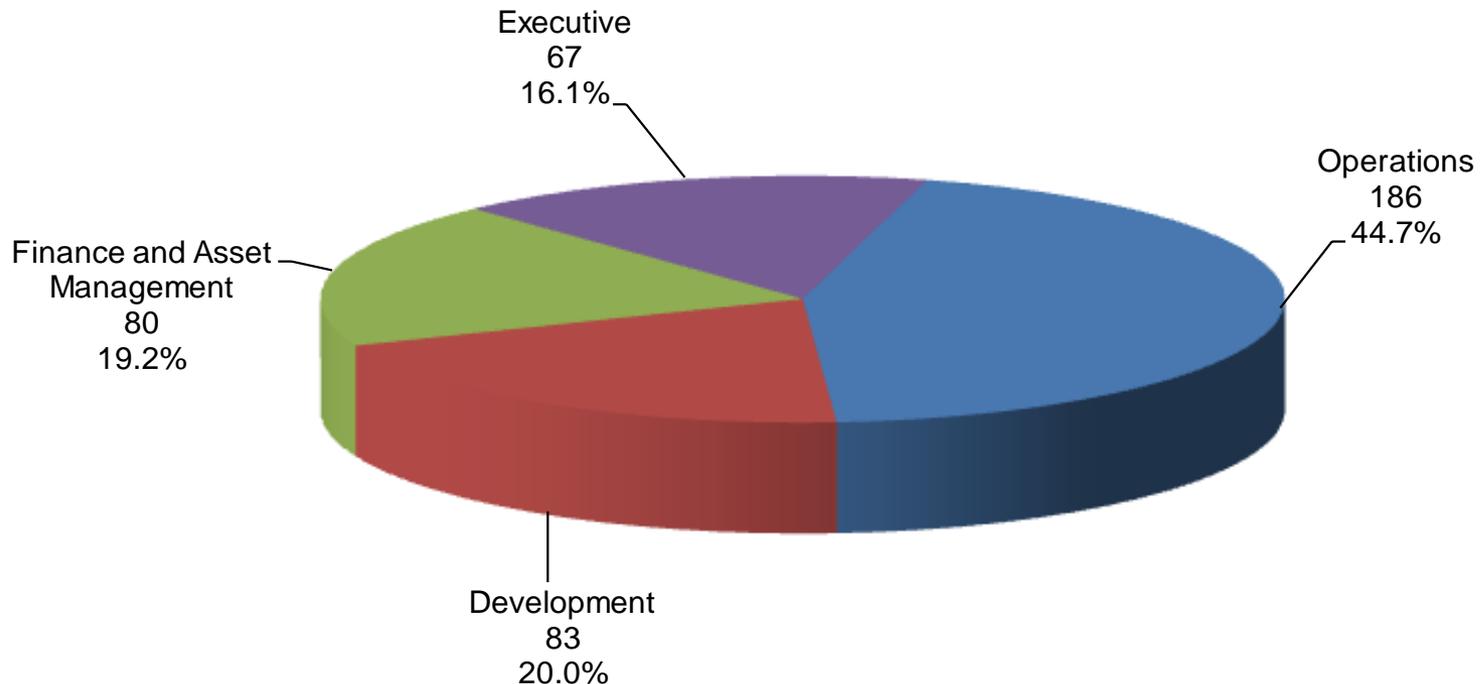
	<u>FY 2014 Authorized & Funded Positions</u>	<u>FY 2014 Authorized & Unfunded</u>	<u>FY 2015 Authorized & Funded Positions</u>	<u>Proposed FY 2015 Authorized & Unfunded Positions</u>	<u>Proposed FY 2016 Authorized & Funded Positions</u>	<u>Proposed FY 2016 Authorized & Unfunded Positions</u>
Executive	70	1	67	1	67	1
Operations	184	3	185	1	186	1
Finance and Asset Management	81	1	80	1	80	1
Development	78	1	83	1	83	1
TOTAL	413	6	415	4	416	4
Total Authorized Positions	FY 2014 419		FY 2015 419		FY 2016 420	

FY 2015 Proposed Budget Personnel by Division



Total Funded Positions are 415
Total Authorized Positions are 419

FY 2016 Proposed Conceptual Budget Personnel by Division



Total Funded Positions are 416
Total Authorized Positions are 420

Executive Division

Executive Division Overview

The **Executive Division** provides leadership and direction to Authority staff in accomplishing the Authority Board's strategies & initiatives. It consists of the Authority Board, Executive Office, General Counsel, Office of the Chief Auditor, Air Service Development Department, Corporate & Information Governance, Assets & Alliances Group and the Talent & Engagement Group.

The twelve-member **Authority Board** is responsible for setting policies related to airport operations, airport land use planning and the future air transportation planning needs of the region.

The nine voting Board members are appointed to staggered terms of three years by various appointing authorities (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). Board members may either be reappointed or replaced at the end of their three-year terms. The Mayor of the City of San Diego designates the Board Chair.

Compensation for all nine voting Board members 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.

There are also three non-voting ex-officio Board members who serve without compensation.

The **Executive Office** ensures delivery of "World Class" services to the traveling public through a cooperative and collaborative partnership with Authority employees, airlines, various business partners and relevant government agencies. The Executive Office also coordinates and oversees the overall day-to-day operations and development of San Diego International Airport.

Other responsibilities include:

- Coordinating technical and staff support to the Authority Board and its various committees.
- Promoting positive collaborative relationships with its business partners and the community.
- Approving all contracts, deeds, leases and agreements that contractually bind the Authority.
- Ensuring that the region's long-term airport needs are identified and addressed.

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 and performs audits in accordance with current professional standards and provides recommendations to enhance the Authority's internal control system. As authorized by the Board, the Office of the Chief Auditor is responsible for administering the Authority Ethics Program and confidential Hotline Reporting System. Other responsibilities include assisting management in maintaining the financial and operational integrity of the Authority, as well as analyzing and assessing the Authority's financial data, operations and programs for compliance with applicable laws, policies, procedures and mandates.

The **General Counsel** provides professional legal advice and representation to the Authority's Board, executive staff and the various divisions and departments of the Authority. The General Counsel is responsible for the following:

- Represents the Authority in all litigation and legal matters.

- Assists in the preparation and review of Authority leases, contracts and legal documents.
- Assists in the preparation and review of all ordinances and resolutions.
- Selects and manages all outside legal counsel.
- Advises with the objective to limit liability and exposure to claims and lawsuits.
- Assists in the preparation of Authority bonds and other instruments.

The **Air Service Development Department** develops and implements strategies aimed at enhancing air service to San Diego International Airport. The Department also:

- Compiles and maintains the official airport passenger, operations and cargo statistics.
- Develops the annual air service strategic plan to target air service growth opportunities for San Diego International Airport.
- Develops relationships between incumbent and potential new airlines at San Diego International Airport.
- Presents business cases for specific route opportunities at San Diego International Airport.
- Manages San Diego International Airport's air service incentive policies.
- Consults with regional stakeholders on air service opportunities.

The **Corporate and Information Governance Department** ensures compliance with State & local laws and Authority codes and policies pertaining to the administration of public Board & Committee meetings, legislative actions and other Board related activities; financial disclosure; public access to public records; and the creation, maintenance and retention of Authority records and information. These laws and policies include, but are not limited to, the Brown Act, Political Reform Act, the Public Records Act and the approved Records and Information Management Program. The department is also responsible for managing the following activities and programs:

- Public Board and Committee meetings.
- Conflict of interest filings.
- Public records request process.
- Acceptance of claims and lawsuits filed against the Authority.
- Authority's lobbyist program.
- Conflict of interest filings and other filings required by the Political Reform Act.
- Mail and reception operations.
- Authority's Records and Information Management Program.

The **Assets & Alliances Group** is responsible for ensuring the protection of the Authority's physical and human capital assets as well as establishing and maintaining key relationships with critical stakeholders at all levels of government. These goals are accomplished through two departments:

The **Risk Management Department** is responsible for coordinating with insurance brokers and carriers to identify risk exposures and securing & maintaining insurance coverage to protect the Authority's property and people assets at reasonable costs.

The **Inter-Governmental & Community Relations Department** develops and implements the Authority's legislative and regulatory program and monitors and analyzes legislative and regulatory actions at the federal, state and local levels. The department also provides advocacy services, in conjunction with contracted advocates in Sacramento and Washington D.C., in support of important Authority initiatives and programs.

The **Talent & Engagement Group** consists of the Talent, Culture and Capability department as well as the Vision, Voice and Engagement department. These departments primarily work with internal and external stakeholder groups to ensure that the organization's performance, and its' brand promise, are aligned.

The San Diego County Regional Airport Authority's mission includes:

- exceeding customer expectations
- promoting regional prosperity
- protecting the region's quality of life.

The Talent & Engagement group measures various key organizational performance indicators as well as supports the alignment of employee commitment and performance to the organization's mission, vision, values and strategies. The group also ensures that key stakeholder groups are educated and informed on the value of the organization's contributions within the San Diego community.

The **Talent, Culture & Capability Department** provides services and programs that allow the organization's workforce to optimize its contributions and assure the ongoing identification and development of the needed skills and practices required to sustain future success.

Key Responsibilities

- Measures and reports on key performance indicators (e.g., passenger satisfaction, engagement, etc.)
- Manages talent acquisition
- Oversees employee development
- Monitors employee retention
- Manages employee wellness and reward programs

In addition, the department is also responsible for organizational, development initiatives related to workforce planning, process optimization and strategic engagement measures.

The **Vision, Voice & Engagement Team** is responsible for providing a wide range of public relations services, marketing initiatives and a robust airport art program. The departmental staff serve as the Authority's designated point of contact for the media.

The Vision, Voice & Engagement Team works with other divisions and departments of the Authority to promote the Authority's activities and initiatives that engage the public, generate positive media coverage and increased awareness of the Authority and airport. The department develops, implements and manages marketing initiatives that support the Authority's initiatives and result in increased revenues. The department produces the Authority's Annual Report, quarterly report to jurisdictions, an annual sustainability report in conformance with Global Reporting Initiatives requirements and the SAN e-Newsletter for the public. Social media, news releases, media advisories, speeches and presentations are among the communications tools used by the department.

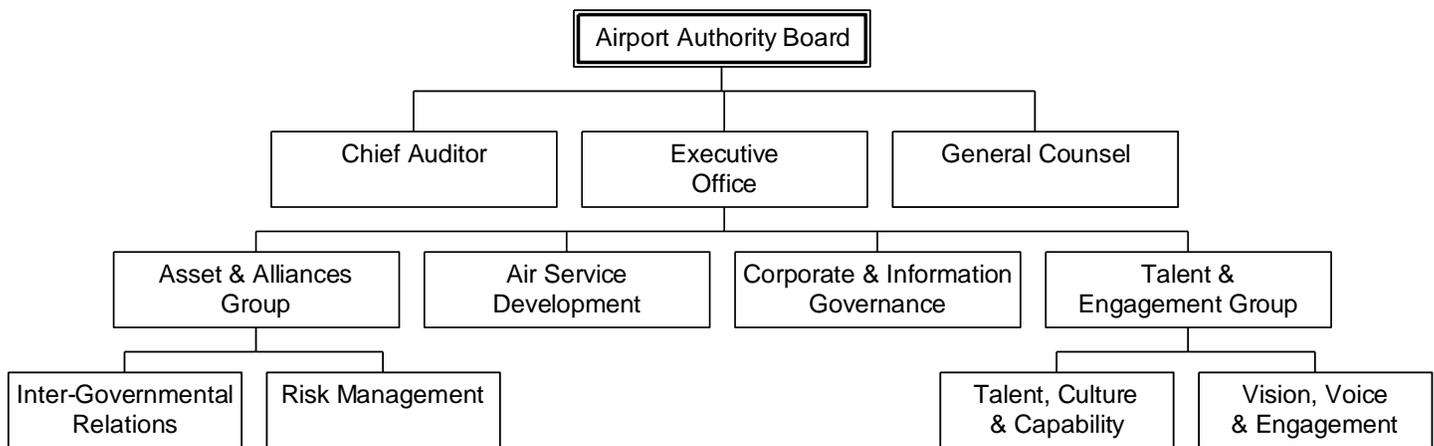
The Vision, Voice & Engagement Team also manages the airport art program, which presents artwork and programming that engages travelers in innovative, memorable and considerate experiences. Through the exhibition and production of art from individual artists and work from cultural institutions, the program contributes to the airport's vision by promoting regional prosperity and cultural tourism. The art program has three main components: Temporary and Rotating Exhibits, Performing Art and Public Art.

By keeping the media, general public and external audiences informed, the Vision, Voice & Engagement Department seeks to enhance the visibility of San Diego International Airport and establish the Airport Authority as a trusted and highly responsive regional agency.

Key Responsibilities

- Provides strategic counsel on issues impacting the Airport Authority
- Develops public relations strategies and key messaging
- Serves as the official voice of the Airport Authority to the media and as a primary point of contact for media inquiries and requests
- Develops and maintains various forms of employee communication
- Promotes the various programs and services offered to San Diego International Airport customers
- Develops community outreach programs in support of the Airport Authority's goals and objectives
- Presents artwork and programming to provide memorable and considerate experiences for the traveling public
- Develops and administers the Airport Authority's Speakers Bureau
- Coordinates free "Terminals to Tarmac" airport tours for the public
- Coordinates the airport's art program
- Develop umbrella marketing plans for Authority initiatives (e.g. Quieter Home Program, SAN Park, Small Business Development)
- Markets and promotes new air service
- Develops advertising, creative design and development, identity and brand development
- Designs and produces collateral materials and special events
- Responsible for website development, video production and market research
- Develops regional partnerships and aviation education outreach
- Creates and implements aviation education
- Collaborates with regional partners (e.g. Chambers of Commerce, Tourism Authority, Economic Development Corporation (EDC), World Trade Center (WTC), San Diego Convention Center Corporation (SDCCC))

Executive Division Organizational Structure



Division Personnel Summary

	FY 2013 Budget Authorized & Funded Positions	FY 2014 Budget Authorized & Funded Positions	Proposed FY 2015 Budget Transfer Positions	Proposed FY 2015 Budget New/ (Eliminated) Positions	Proposed FY 2015 Budget Funded/ (Unfunded) Positions	Proposed FY 2015 Budget Authorized & Funded Positions	Conceptual FY 2016 Budget New/ (Eliminated) Positions	Conceptual FY 2016 Budget Funded/ (Unfunded) Positions	Conceptual FY 2016 Budget Authorized & Funded Positions
Executive									
Executive Office	4	4	-	-	-	4	-	-	4
Corporate and Information Governance	8	8	-	-	-	8	-	-	8
Air Service Development	2	2	-	-	-	2	-	-	2
Talent Culture & Capability	18	18	(1)	-	-	17	-	-	17
Vision, Voice & Engagement	14	14	1	(1)	-	14	-	-	14
Inter-Governmental Relations	4	4	(1)	-	-	3	-	-	3
Risk Management	6	6	(1)	-	-	5	-	-	5
General Counsel	6	6	-	-	-	6	-	-	6
Chief Auditor	7	8	-	-	-	8	-	-	8
Total	69	70	(2)	(1)	-	67	-	-	67
Authorized and Unfunded Positions	2	2	-	-	-	1	-	-	1
Total Authorized Positions	71	72	(2)	(1)	-	68	-	-	68

Executive Division FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

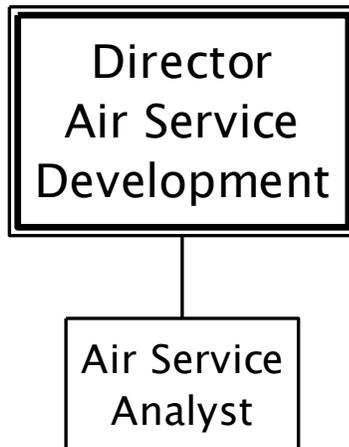
	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 6,142,859	\$ 6,476,244	\$ 6,692,999	\$ 6,583,151	\$ 106,907	1.7%	\$ (109,848)	-1.6%	\$ 6,756,624	\$ 173,472	2.6%
Premium Overtime	11,517	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	2,895,160	3,118,559	3,321,460	3,229,159	110,600	3.5%	(92,301)	-2.8%	3,381,920	152,761	4.7%
Subtotal	9,049,536	9,594,803	10,014,459	9,812,310	217,507	2.3%	(202,149)	-2.0%	10,138,543	326,233	3.3%
Less: Capitalized Labor	-	(74,193)	(77,306)	(69,479)	4,714	-6.4%	7,827	-10.1%	(45,514)	23,965	-34.5%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	9,049,536	9,520,611	9,937,153	9,742,831	222,220	2.3%	(194,321)	-2.0%	10,093,030	350,199	3.6%
Non-Personnel Expenses											
Contractual Services	3,554,179	4,435,970	4,301,300	4,108,937	(327,033)	-7.4%	(192,363)	-4.5%	4,106,137	(2,800)	-0.1%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	1,200	1,200	1,200	-	0.0%	-	0.0%	1,200	-	0.0%
Utilities	183	2,400	2,450	18,150	15,750	656.2%	15,700	640.8%	3,150	(15,000)	-82.6%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	15,806	17,850	18,700	33,650	15,800	88.5%	14,950	79.9%	78,400	44,750	133.0%
Operating Supplies	27,040	52,575	52,929	40,475	(12,100)	-23.0%	(12,454)	-23.5%	38,975	(1,500)	-3.7%
Insurance	794,984	1,253,580	1,546,084	1,071,422	(182,158)	-14.5%	(474,662)	-30.7%	1,239,364	167,942	15.7%
Employee Programs	540,913	641,765	646,238	554,515	(87,250)	-13.6%	(91,723)	-14.2%	539,265	(15,250)	-2.8%
Business Development	1,888,264	2,337,795	2,163,045	1,962,302	(375,493)	-16.1%	(200,743)	-9.3%	2,081,252	118,950	6.1%
Equipment Rentals & Repairs	35,743	67,700	68,925	80,550	12,850	19.0%	11,625	16.9%	75,275	(5,275)	-6.5%
Total Non-Personnel Expenses	6,857,111	8,810,835	8,800,871	7,871,201	(939,634)	-10.7%	(929,670)	-10.6%	8,163,018	291,817	3.7%
Total Operating Expenses	15,906,648	18,331,445	18,738,024	17,614,032	(717,413)	-3.9%	(1,123,991)	-6.0%	18,256,048	642,016	3.6%
Non-Operating Expenses:											
Legal Settlements Expense	267	20,000	-	10,000	(10,000)	-50.0%	10,000	0.0%	10,000	-	0.0%
Total Non-Operating Expenses	267	20,000	-	10,000	(10,000)	-50.0%	10,000	0.0%	10,000	-	0.0%
Total Expenses	15,906,915	18,351,445	18,738,024	17,624,032	(727,413)	-4.0%	(1,113,991)	-5.9%	18,266,048	642,016	3.6%
Equipment Outlay	-	-	-	20,000	20,000	0.0%	20,000	0.0%	20,000	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 15,906,915	\$ 18,351,445	\$ 18,738,024	\$ 17,644,032	\$ (707,413)	-3.9%	\$ (1,093,991)	-5.8%	\$ 18,286,048	\$ 642,016	3.6%

Executive Division

Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 18,351,445	\$ 17,644,032
Personnel costs		
Salary adjustments and pay for performance	326,822	173,472
Veterans Fellowship Program (salaries, benefits & employer taxes)	200,523	-
Burden (benefits & employer taxes) for current staff	158,606	152,761
Changes in capitalized labor	4,714	23,965
1 Position eliminated (salaries, benefits & employer taxes)	(90,403)	-
2 Positions transferred to Environmental (salaries, benefits & employer taxes)	(378,041)	-
Total Increase / (Decrease) in personnel costs	222,220	350,199
Marketing, promotional activities and materials	(160,200)	123,000
Insurance	(182,158)	167,942
Outside professional services	(271,458)	6,500
Domestic and international air service marketing cost	(275,000)	-
Other, net	(40,818)	(5,625)
Total Increase / (Decrease) in non-personnel costs	(929,634)	291,817
Total Increase / (Decrease)	(707,413)	642,016
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 17,644,032	\$ 18,286,048

**Air Service Development
FY 2015 – FY 2016 Organizational Structure**



No personnel changes planned for FY 2016

Air Service Development FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 177,192	\$ 178,106	\$ 180,977	\$ 180,809	\$ 2,703	1.5%	\$ (168)	-0.1%	\$ 186,234	\$ 5,424	3.0%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	85,587	91,812	96,781	99,793	7,981	8.7%	3,012	3.1%	104,521	4,728	4.7%
Subtotal	262,778	269,918	277,759	280,602	10,684	4.0%	2,843	1.0%	290,754	10,152	3.6%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	262,778	269,918	277,759	280,602	10,684	4.0%	2,843	1.0%	290,754	10,152	3.6%
Non-Personnel Expenses											
Contractual Services	223,642	294,000	244,000	292,000	(2,000)	-0.7%	48,000	19.7%	282,000	(10,000)	-3.4%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	2,419	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Supplies	184	1,200	1,200	1,200	-	0.0%	-	0.0%	1,200	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	30,620	29,950	29,950	29,450	(500)	-1.7%	(500)	-1.7%	29,450	-	0.0%
Business Development	394,207	920,500	654,100	655,600	(264,900)	-28.8%	1,500	0.2%	655,600	-	0.0%
Equipment Rentals & Repairs	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Non-Personnel Expenses	651,072	1,245,650	929,250	978,250	(267,400)	-21.5%	49,000	5.3%	968,250	(10,000)	-1.0%
Total Operating Expenses	913,850	1,515,568	1,207,009	1,258,852	(256,716)	-16.9%	51,843	4.3%	1,259,004	152	0.0%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	913,850	1,515,568	1,207,009	1,258,852	(256,716)	-16.9%	51,843	4.3%	1,259,004	152	0.0%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 913,850	\$ 1,515,568	\$ 1,207,009	\$ 1,258,852	\$ (256,716)	-16.9%	\$ 51,843	4.3%	\$ 1,259,004	\$ 152	0.0%

Air Service Development
Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 1,515,568	\$ 1,258,852
Personnel costs		
Burden (benefits & employer taxes) for current staff	7,981	4,728
Salary adjustments and pay for performance	2,703	5,424
Total Increase / (Decrease) in personnel costs	10,684	10,152
Domestic and international air service marketing cost	(275,000)	-
Other, net	7,600	(10,000)
Total Increase / (Decrease) in non-personnel costs	(267,400)	(10,000)
Total Increase / (Decrease)	(256,716)	152
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 1,258,852	\$ 1,259,004

Air Service Development Departmental Goals

FY 2014 Progress Report

1. **Secure at least one new domestic destination after every fiscal year where overall domestic available seat departure growth exceeds 5%. Also, maintain number of domestic destinations served if national seat departure growth is between 0.00 – 4.99%.**

Progress: Although seat departure growth has remained flat domestically, two new domestic destinations will be added in FY 2014 including Boise and New Orleans.

Sustainability Goal: Economic Viability, Social Responsibility.

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Community Strategy: Be a trusted and highly responsive regional agency.

2. **Increase San Diego International seat departures during years where the national average seat departures grow.**

Progress: Seat departure growth has been flat, however, San Diego International has seen seat growth of approximately 2-4 percent.

Sustainability Goal: Economic Viability, Operational Excellence, Social Responsibility.

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Community Strategy: Be a trusted and highly responsive regional agency.

3. **Retain Air Service to London.**

Progress: London service continues.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Community Strategy: Be a trusted and highly responsive regional agency.

4. **Retain Air Service to Tokyo.**

Progress: Tokyo service continues.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Community Strategy: Be a trusted and highly responsive regional agency.

5. Link San Diego to Manila with direct air service within two years of Philippine restoration to FAA IASA Category 1 status and by the first year of Philippine-U.S. seat departure increases contributed by Philippine air carriers.

Progress: The Philippines remains in Category 2 status, we continue to monitor the situation and maintain airline contacts.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

6. Secure new, enhanced or additional air service to Canadian markets after the second year upon verifying that after an annual SAN-Canada market (e.g., Vancouver, Montreal, Edmonton and Winnipeg) reaches at least fifty passengers per day each way (PDEW) via connecting flights.

Progress: Progress continues to re-introduce Vancouver service.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

7. Secure new, enhanced or additional air service to Mexican markets by the second year after an annual SAN-Mexico market (e.g., Mexico City, Puerto Vallarta) reaches at least fifty PDEW.

Progress: No other Mexican city to which SAN is not linked has 50 PDEW. Progress continues on other strategic opportunities with growing Mexican air carriers.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

Air Service Development Departmental Goals

FY 2015 – FY 2016 Goals

1. Secure at least one new domestic destination after every fiscal year where overall domestic available seat departure growth exceeds 5%. Maintain number of domestic destinations served if national seat departure growth is between 0.00 – 4.99%.

Sustainability Goal: Economic Viability, Operational Excellence, Social Responsibility

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Community Strategy: Be a trusted and highly responsive regional agency.

2. Retain Air Service to London

Sustainability Goal: Economic Viability, Operational Excellence, Social Responsibility

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Community Strategy: Be a trusted and highly responsive regional agency.

3. Retain Air Service to Tokyo

Sustainability Goal: Economic Viability, Operational Excellence, Social Responsibility

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Community Strategy: Be a trusted and highly responsive regional agency.

4. Secure additional service to Canada and Mexico (when markets exceed 50 PDEW) and continue efforts to link San Diego to Central/South America and the Philippines

Sustainability Goal: Economic Viability, Operational Excellence, Social Responsibility

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Community Strategy: Be a trusted and highly responsive regional agency.

**Authority Board
FY 2015 – FY 2016 Organizational Structure**

**Authority Board
Nine General Board Members
&
Three Ex-Officio Board Members***

No personnel changes planned for FY 2016

Authority Board

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

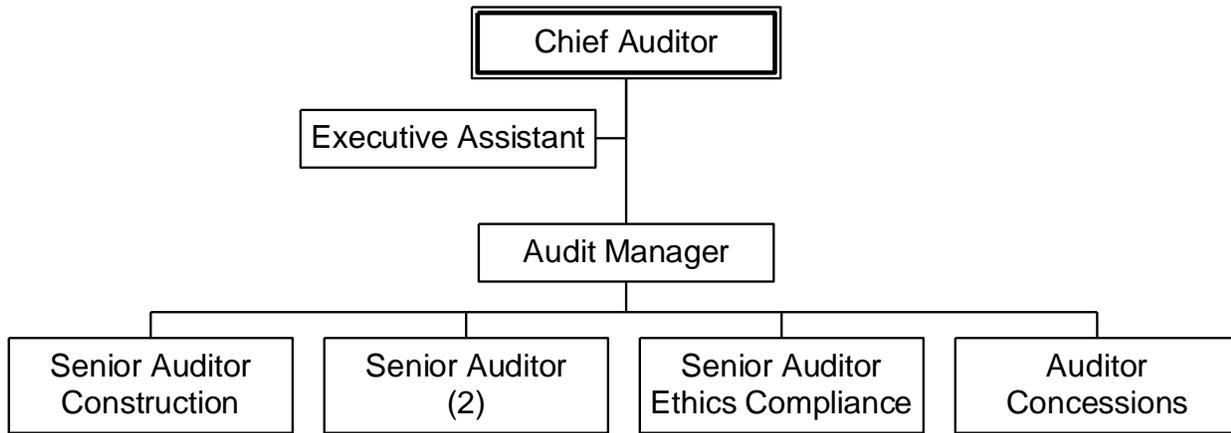
	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 83,212.01	\$ 84,868.36	-	-	\$ (84,868)	-100.0%	-	0.0%	-	-	0.0%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	46,529	47,120	-	-	(47,120)	-100.0%	-	0.0%	-	-	0.0%
Subtotal	129,741	131,988	-	-	(131,988)	-100.0%	-	0.0%	-	-	0.0%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	129,741	131,988	-	-	(131,988)	-100.0%	-	0.0%	-	-	0.0%
Non-Personnel Expenses											
Contractual Services	113,771	125,500	125,800	125,800	300	0.2%	-	0.0%	126,500	700	0.6%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	269	500	500	250	(250)	-50.0%	(250)	-50.0%	250	-	0.0%
Operating Supplies	1,188	2,675	2,675	-	(2,675)	-100.0%	(2,675)	-100.0%	-	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	3,871	17,300	17,300	17,300	-	0.0%	-	0.0%	17,300	-	0.0%
Business Development	24,734	43,900	43,950	43,950	50	0.1%	-	0.0%	43,950	-	0.0%
Equipment Rentals & Repairs	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Non-Personnel Expenses	143,833	189,875	190,225	187,300	(2,575)	-1.4%	(2,925)	-1.5%	188,000	700	0.4%
Total Operating Expenses	273,574	321,863	190,225	187,300	(134,563)	-41.8%	(2,925)	-1.5%	188,000	700	0.4%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	273,574	321,863	190,225	187,300	(134,563)	-41.8%	(2,925)	-1.5%	188,000	700	0.4%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 273,574	\$ 321,863	\$ 190,225	\$ 187,300	\$ (134,563)	-41.8%	\$ (2,925)	-1.5%	\$ 188,000	\$ 700	0.4%

Authority Board

Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 321,863	\$ 187,300
Personnel costs		
1 Position transferred to Corporate and Information Governance (salaries, benefits, & employer taxes)	(131,988)	-
Total Increase / (Decrease) in personnel costs	(131,988)	-
Other, net	(2,575)	700
Total Increase / (Decrease) in non-personnel costs	(2,575)	700
Total Increase / (Decrease)	(134,563)	700
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 187,300	\$ 188,000

Chief Auditor
FY 2015 – FY 2016 Organizational Structure



No personnel changes planned for FY 2016

Chief Auditor

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 662,815	\$ 698,675	\$ 777,789	\$ 780,617	\$ 81,942	11.7%	\$ 2,829	0.4%	\$ 804,259	\$ 23,642	3.0%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	298,078	317,962	355,678	362,816	44,854	14.1%	7,138	2.0%	378,743	15,927	4.4%
Subtotal	960,893	1,016,637	1,133,466	1,143,433	126,796	12.5%	9,966	0.9%	1,183,002	39,569	3.5%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	960,893	1,016,637	1,133,466	1,143,433	126,796	12.5%	9,966	0.9%	1,183,002	39,569	3.5%
Non-Personnel Expenses											
Contractual Services	1,661	17,350	350	375	(16,975)	-97.8%	25	7.1%	375	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	250	250	250	-	0.0%	-	0.0%	250	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	500	500	500	-	0.0%	-	0.0%	500	-	0.0%
Operating Supplies	1,361	2,500	2,600	2,600	100	4.0%	-	0.0%	2,600	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	16,630	26,400	27,850	28,150	1,750	6.6%	300	1.1%	28,900	750	2.7%
Business Development	4,170	3,525	3,750	4,000	475	13.5%	250	6.7%	4,250	250	6.3%
Equipment Rentals & Repairs	4,194	4,500	4,725	4,700	200	4.4%	(25)	-0.5%	4,925	225	4.8%
Total Non-Personnel Expenses	28,017	55,025	40,025	40,575	(14,450)	-26.3%	550	1.4%	41,800	1,225	3.0%
Total Operating Expenses	988,910	1,071,662	1,173,491	1,184,008	112,346	10.5%	10,516	0.9%	1,224,802	40,794	3.4%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	988,910	1,071,662	1,173,491	1,184,008	112,346	10.5%	10,516	0.9%	1,224,802	40,794	3.4%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 988,910	\$ 1,071,662	\$ 1,173,491	\$ 1,184,008	\$ 112,346	10.5%	\$ 10,516	0.9%	\$ 1,224,802	\$ 40,794	3.4%

Chief Auditor

Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 1,071,662	\$ 1,184,008
Personnel costs		
Salary adjustments and pay for performance	81,942	23,642
Burden (benefits & employer taxes) for current staff	44,854	15,927
Total Increase / (Decrease) in personnel costs	126,796	39,569
Quality assessment review	(17,000)	-
Other, net	2,550	1,225
Total Increase / (Decrease) in non-personnel costs	(14,450)	1,225
Total Increase / (Decrease)	112,346	40,794
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 1,184,008	\$ 1,224,802

Chief Auditor Departmental Goals

FY 2014 Progress Report

1. **Effectively utilize Audit personnel's time performing audits to achieve an audit utilization rate equal to the cumulative percentage for all audit staff.**

Progress: The department utilization goal is 80%. During the last reporting period, Audit had a utilization rate of 86%.

Sustainability Goal: Operational Excellence.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

2. **Confirm revenues obtained from business partners and costs paid to contractors comply with the terms of agreements.**

Progress: During the most recent reporting period the department had identified \$489,096 of additional revenue/cost savings during the fiscal year 2014.

Sustainability Goal: Operational Excellence.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

3. **Provide workable audit recommendations that help improve the Authority's operations within a 90% implementation rate.**

Progress: To date, 64% of the recommendations provided to departments in fiscal year 2014 have been implemented. The goal for implementation is 90% by the end of the fiscal year. The department appears to be on track to achieve this goal.

Sustainability Goal: Operational Excellence.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

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

Progress: Currently 78% of the audits conducted during the fiscal year 2014 have been completed within the budgeted time. The department goal is 80%.

Sustainability Goal: Operational Excellence.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

5. **Conduct audit engagements in a manner that meets the expectation of the customers. Achieve an internal customer satisfaction ratio of 4.0 on a scale of 1.0 to 5.0, with 1.0 being very dissatisfied and 5.0 being very satisfied.**

Progress: Internal customer satisfaction surveys are sent to auditees at the conclusion of each audit. The current internal customer satisfaction ratio is 4.43.

Sustainability Goal: Operational Excellence.

Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction.

6. **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 risk assessment scoring. The Audit Committee and Board approved the audit plan before the beginning of the fiscal year.

Sustainability Goal: Operational Excellence.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

7. **Provide tools and training for staff to ensure adequacy and effectiveness audits.**

Progress: All staff members are on track to achieve required continued professional education levels of training and to meet target for them during the annual performance reviews.

Sustainability Goal: Operational Excellence.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

Chief Auditor Departmental Goals

FY 2015 – FY 2016 Goals

1. Effectively utilize Audit personnel's time performing audits to achieve an audit utilization rate equal to the cumulative percentage for all audit staff.

Sustainability Goal: Operational Excellence.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

2. Confirm revenues obtained from business partners and costs paid to contractors comply with the terms of agreements.

Sustainability Goal: Operational Excellence

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

3. Provide workable audit recommendations that help improve the Authority's operations within a 90% implementation rate.

Sustainability Goal: Operational Excellence.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

4. Perform audit work in an efficient manner. Eighty percent (80%) of all audits completed within budget time as established within the annual plan approved by the Board.

Sustainability Goal: Operational Excellence

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

5. Conduct audit engagements in a manner that meets the expectation of the customers. 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.

Sustainability Goal: Operational Excellence

Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction.

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

Sustainability Goal: Operational Excellence

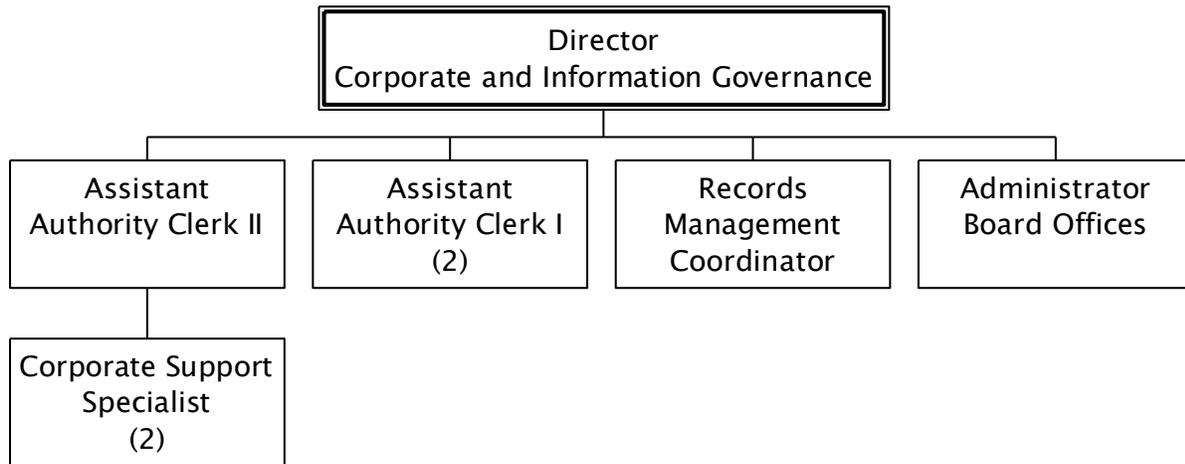
Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

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

Sustainability Goal: Operational Excellence

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

**Corporate and Information Governance
FY 2015 – FY 2016 Organizational Structure**



No personnel changes planned for FY 2016

Corporate and Information Governance

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 453,926	\$ 473,886	\$ 575,517	\$ 565,184	\$ 91,298	19.3%	\$ (10,333)	-1.8%	\$ 582,139	\$ 16,956	3.0%
Premium Overtime	826	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	231,290	260,157	326,675	341,618	81,461	31.3%	14,943	4.6%	358,477	16,859	4.9%
Subtotal	686,041	734,042	902,192	906,802	172,759	23.5%	4,610	0.5%	940,616	33,814	3.7%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	686,041	734,042	902,192	906,802	172,759	23.5%	4,610	0.5%	940,616	33,814	3.7%
Non-Personnel Expenses											
Contractual Services	17,275	39,400	10,000	34,400	(5,000)	-12.7%	24,400	244.0%	34,400	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	597	-	-	500	500	0.0%	500	0.0%	500	-	0.0%
Operating Supplies	3,595	5,000	5,000	6,675	1,675	33.5%	1,675	33.5%	6,675	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	11,550	14,230	13,230	15,230	1,000	7.0%	2,000	15.1%	16,230	1,000	6.6%
Business Development	17,049	26,600	27,600	11,750	(14,850)	-55.8%	(15,850)	-57.4%	11,750	-	0.0%
Equipment Rentals & Repairs	19,111	28,000	29,000	26,800	(1,200)	-4.3%	(2,200)	-7.6%	26,800	-	0.0%
Total Non-Personnel Expenses	69,177	113,230	84,830	95,355	(17,875)	-15.8%	10,525	12.4%	96,355	1,000	1.0%
Total Operating Expenses	755,218	847,272	987,022	1,002,157	154,884	18.3%	15,135	1.5%	1,036,971	34,814	3.5%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	755,218	847,272	987,022	1,002,157	154,884	18.3%	15,135	1.5%	1,036,971	34,814	3.5%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 755,218	\$ 847,272	\$ 987,022	\$ 1,002,157	\$ 154,884	18.3%	\$ 15,135	1.5%	\$ 1,036,971	\$ 34,814	3.5%

Corporate and Information Governance
Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 847,272	\$ 1,002,157
Personnel costs		
1 Position transferred from Authority Board (salaries, benefits, & employer taxes)	131,988	-
Burden (benefits & employer taxes) for current staff	34,341	16,859
Salary adjustments and pay for performance	6,430	16,956
Total Increase / (Decrease) in personnel costs	172,759	33,814
Other, net	(17,875)	1,000
Total Increase / (Decrease) in non-personnel costs	(17,875)	1,000
Total Increase / (Decrease)	154,884	34,814
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 1,002,157	\$ 1,036,971

Corporate and Information Governance Departmental Goals

FY 2014 Progress Report

1. Increase the Department's Customer Satisfaction Score by 2 percentage points for Fiscal Year 2014.

Progress: Conducted a baseline survey of customer satisfaction which resulted in 92 percent satisfactory.

Sustainability Goal: Operations Excellence, Social Responsibility.

Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Community Strategy: Be a trusted and highly responsive regional agency.

2. Enhance access to records and information through the implementation of an Enterprise Content Management System (ECMS) by June 30, 2014.

Progress: Vender has been selected. Finalizing contract and design and implementation set to start by March 2014. Estimated completion date for implementation is May 2015.

Sustainability Goal: Operational Excellence.

Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction.

3. Ensure that official postings and the distribution of regular and special Board and Committee meeting notices and information are completed 100% of the time in accordance with Authority Policies and the Brown Act.

Progress: Goal has been achieved.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Community Strategy: Be a trusted and highly responsive regional agency.

Corporate and Information Governance Departmental Goals

FY 2015 – FY 2016 Goals

1. Enhance access to records and information through the completion of the design and implementation of an Enterprise Content Management System (ECMS) by May 2015.

Sustainability Goal: Operational Excellence

Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

2. Maintain the Department's External Customer Satisfaction Score of 92 percentage points for Fiscal Year 2015.

Sustainability Goal: Operational Excellence

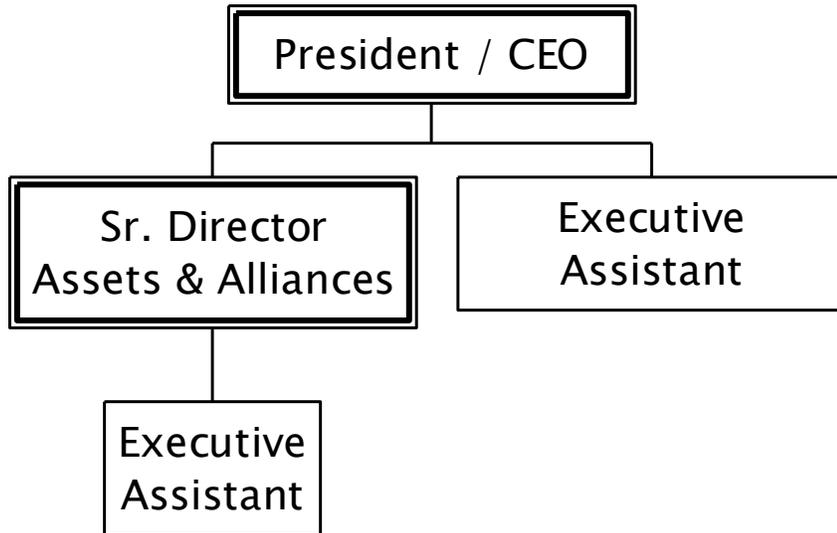
Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction.

3. Increase the Departments Employee Engagement Score by 5 percentage points on the 2015 Employee Opinion Survey.

Sustainability Goal: Operational Excellence, Social Responsibility

Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Employee Strategy: Ensure the highest level of employee commitment and performance.

Executive Office
FY 2015 – FY 2016 Organizational Structure



No personnel changes planned for FY 2016

Executive Office

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

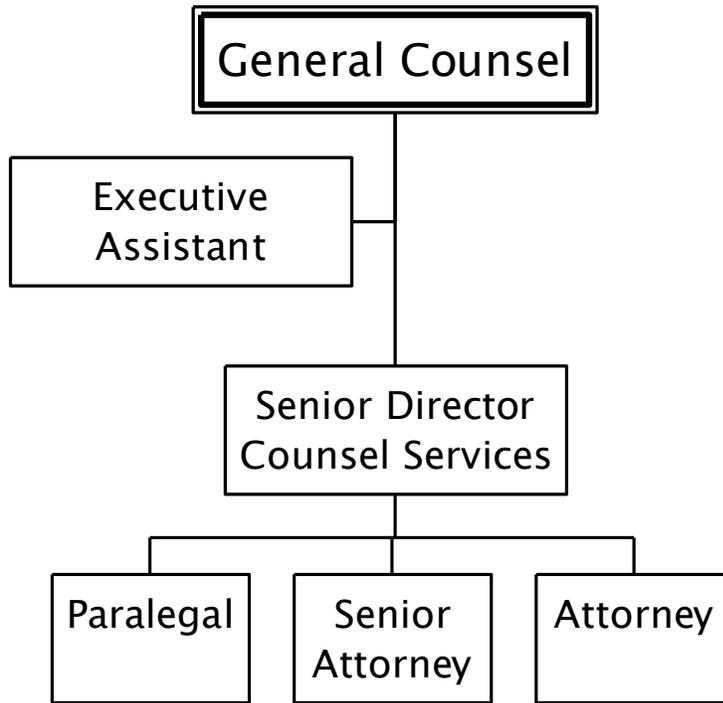
	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 548,308	\$ 543,800	\$ 560,453	\$ 575,031	\$ 31,232	5.7%	\$ 14,578	2.6%	\$ 592,634	\$ 17,603	3.1%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	239,651	226,335	239,035	278,643	52,309	23.1%	39,608	16.6%	295,043	16,400	5.9%
Subtotal	787,960	770,135	799,489	853,675	83,540	10.8%	54,186	6.8%	887,677	34,003	4.0%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	787,960	770,135	799,489	853,675	83,540	10.8%	54,186	6.8%	887,677	34,003	4.0%
Non-Personnel Expenses											
Contractual Services	7,274	24,000	24,000	20,000	(4,000)	-16.7%	(4,000)	-16.7%	20,000	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	72	250	250	-	-	0.0%	(250)	-100.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	423	500	500	-	(500)	-100.0%	(500)	-100.0%	-	-	0.0%
Operating Supplies	3,743	3,000	3,000	2,500	(500)	-16.7%	(500)	-16.7%	2,500	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	23,462	24,200	24,200	24,000	(200)	-0.8%	(200)	-0.8%	24,000	-	0.0%
Business Development	214,991	184,700	187,700	196,767	12,067	6.5%	9,067	4.8%	201,767	5,000	2.5%
Equipment Rentals & Repairs	-	500	500	-	(500)	-100.0%	(500)	-100.0%	-	-	0.0%
Total Non-Personnel Expenses	249,965	237,150	240,150	243,267	6,117	2.6%	3,117	1.3%	248,267	5,000	2.1%
Total Operating Expenses	1,037,925	1,007,285	1,039,639	1,096,942	89,657	8.9%	57,303	5.5%	1,135,944	39,003	3.6%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	1,037,925	1,007,285	1,039,639	1,096,942	89,657	8.9%	57,303	5.5%	1,135,944	39,003	3.6%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 1,037,925	\$ 1,007,285	\$ 1,039,639	\$ 1,096,942	\$ 89,657	8.9%	\$ 57,303	5.5%	\$ 1,135,944	\$ 39,003	3.6%

Executive Office

Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 1,007,285	\$ 1,096,942
Personnel costs		
Burden (benefits & employer taxes) for current staff	52,309	16,400
Salary adjustments and pay for performance	31,232	17,603
Total Increase / (Decrease) in personnel costs	83,540	34,003
Memberships and dues	16,767	5,000
Promotional activities and materials	(5,500)	-
Other, net	(5,150)	-
Total Increase / (Decrease) in non-personnel costs	6,117	5,000
Total Increase / (Decrease)	89,657	39,003
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 1,096,942	\$ 1,135,944

General Counsel
FY 2015 – FY 2016 Organizational Structure



No personnel changes planned for FY 2016

General Counsel

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 828,352	\$ 841,575	\$ 865,844	\$ 906,812	\$ 65,237	7.8%	\$ 40,967	4.7%	\$ 931,800	\$ 24,988	2.8%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	317,324	362,930	384,019	391,746	28,816	7.9%	7,727	2.0%	409,797	18,052	4.6%
Subtotal	1,145,676	1,204,505	1,249,863	1,298,557	94,053	7.8%	48,694	3.9%	1,341,597	43,040	3.3%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	1,145,676	1,204,505	1,249,863	1,298,557	94,053	7.8%	48,694	3.9%	1,341,597	43,040	3.3%
Non-Personnel Expenses											
Contractual Services	518,884	1,231,000	1,231,000	1,201,000	(30,000)	-2.4%	(30,000)	-2.4%	1,201,000	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	55	250	250	250	-	0.0%	-	0.0%	250	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	309	1,000	1,000	1,000	-	0.0%	-	0.0%	1,000	-	0.0%
Operating Supplies	1,312	4,000	4,000	4,000	-	0.0%	-	0.0%	4,000	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	60,062	57,200	57,200	60,400	3,200	5.6%	3,200	5.6%	60,400	-	0.0%
Business Development	3,468	7,400	7,400	6,850	(550)	-7.4%	(550)	-7.4%	6,850	-	0.0%
Equipment Rentals & Repairs	75	1,100	1,100	1,100	-	0.0%	-	0.0%	1,100	-	0.0%
Total Non-Personnel Expenses	584,165	1,301,950	1,301,950	1,274,600	(27,350)	-2.1%	(27,350)	-2.1%	1,274,600	-	0.0%
Total Operating Expenses	1,729,841	2,506,455	2,551,813	2,573,157	66,703	2.7%	21,344	0.8%	2,616,197	43,040	1.7%
Non-Operating Expenses:											
Legal Settlements Expense	267	20,000	-	10,000	(10,000)	-50.0%	10,000	0.0%	10,000	-	0.0%
Total Non-Operating Expenses	267	20,000	-	10,000	(10,000)	-50.0%	10,000	0.0%	10,000	-	0.0%
Total Expenses	1,730,108	2,526,455	2,551,813	2,583,157	56,703	2.2%	31,344	1.2%	2,626,197	43,040	1.7%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 1,730,108	\$ 2,526,455	\$ 2,551,813	\$ 2,583,157	\$ 56,703	2.2%	\$ 31,344	1.2%	\$ 2,626,197	\$ 43,040	1.7%

General Counsel

Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 2,526,455	\$ 2,583,157
Personnel costs		
Salary adjustments and pay for performance	65,237	24,988
Burden (benefits & employer taxes) for current staff	28,816	18,052
Total Increase / (Decrease) in personnel costs	94,053	43,040
Legal settlements expense	(10,000)	-
Outside legal services costs	(30,000)	-
Other, net	2,650	-
Total Increase / (Decrease) in non-personnel costs	(37,350)	-
Total Increase / (Decrease)	56,703	43,040
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 2,583,157	\$ 2,626,197

General Counsel Departmental Goals

FY 2014 Progress Report

1. Reduce and contain outside legal counsel costs by 2% by using in-house legal staff whenever feasible and through close reviews of legal counsel invoices.

Progress: Cost savings are more than 2%.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Financial Strategy: Enhance the financial position of the Airport Authority. Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

2. Provide professional legal services in the preparation, review, execution and enforcement of Authority contracts, leases and agreement that meet the needs of the Authority while complying with applicable laws and regulations.

Progress: On target.

Sustainability Goal: Operational Excellence.

Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

3. Increase the educational activities of the office through at least bi-annual educational seminars for Authority staff and management in legal areas regarding contracts, ethics, bidding, public records and related areas.

Progress: Educational activities have taken place with the Procurement Division and FDD.

Sustainability Goal: Operational Excellence.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

4. Provide timely and professional legal services and advice in the preparation, review, execution and enforcement of Authority contracts, leases and licenses.

Progress: On target.

Sustainability Goal: Operational Excellence.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

5. Provide timely and professional legal services and advice concerning the Authority's Codes, Policies, Rules and Regulations and practices to minimize the Authority's exposure to litigation.

Progress: On target.

Sustainability Goal: Operational Excellence.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

General Counsel Departmental Goals

FY 2015 – FY 2016 Goals

1. Contain outside legal counsel costs with no increase in amount by using in-house legal staff whenever feasible, negotiating special hourly and per case rates and through close reviews of legal counsel invoices.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Financial Strategy: Enhance the financial position of the Airport Authority.
Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

2. Provide timely and professional legal services in preparing, reviewing, executing and enforcing Authority contracts, leases and agreement to meet the needs of the Authority while complying with applicable laws and regulations.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Financial Strategy: Enhance the financial position of the Airport Authority.
Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

3. Increase the educational activities of the office through periodic educational seminars open to Authority staff and management regarding contracting, ethics standards, bidding procedures, the Public Records Act, bonding, federal requirements and other areas.

Sustainability Goal: Operational Excellence.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

4. Provide timely and professional legal services and advice concerning the Authority's Codes, Policies, Rules and Regulations and standard practices to ensure compliance with state and federal law and to minimize the Authority's exposure to litigation.

Sustainability Goal: Operational Excellence.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

Assets & Alliances Group

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

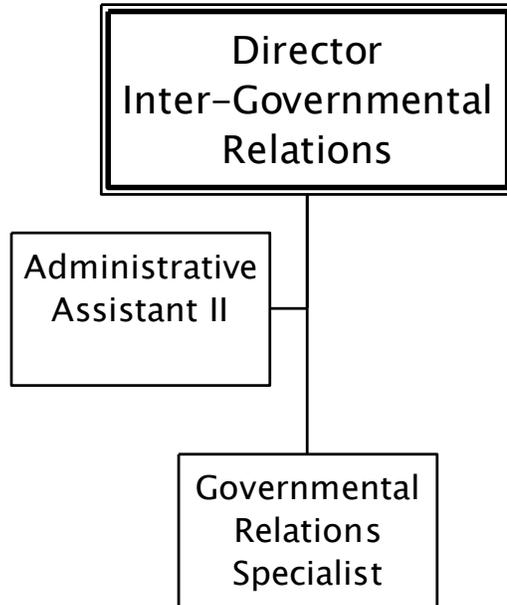
	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 872,263	\$ 1,005,221	\$ 1,003,551	\$ 738,422	(266,799)	-26.5%	\$ (265,129)	-26.4%	\$ 765,255	\$ 26,833	3.6%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	397,411	472,371	497,967	355,510	(116,861)	-24.7%	(142,457)	-28.6%	375,059	19,549	5.5%
Subtotal	1,269,675	1,477,592	1,501,518	1,093,932	(383,660)	-26.0%	(407,586)	-27.1%	1,140,314	46,382	4.2%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	1,269,675	1,477,592	1,501,518	1,093,932	(383,660)	-26.0%	(407,586)	-27.1%	1,140,314	46,382	4.2%
Non-Personnel Expenses											
Contractual Services	390,041	584,250	594,950	563,000	(21,250)	-3.6%	(31,950)	-5.4%	597,000	34,000	6.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	150	200	150	-	0.0%	(50)	-25.0%	150	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	449	450	450	3,500	3,050	677.8%	3,050	677.8%	48,250	44,750	1278.6%
Operating Supplies	3,475	7,200	7,454	7,000	(200)	-2.8%	(454)	-6.1%	7,000	-	0.0%
Insurance	794,984	1,253,580	1,546,084	1,071,422	(182,158)	-14.5%	(474,662)	-30.7%	1,239,364	167,942	15.7%
Employee Programs	38,039	60,750	62,150	35,400	(25,350)	-41.7%	(26,750)	-43.0%	35,700	300	0.8%
Business Development	94,847	148,410	155,210	137,825	(10,585)	-7.1%	(17,385)	-11.2%	136,025	(1,800)	-1.3%
Equipment Rentals & Repairs	-	350	350	450	100	28.6%	100	28.6%	450	-	0.0%
Total Non-Personnel Expenses	1,321,836	2,055,140	2,366,848	1,818,747	(236,393)	-11.5%	(548,101)	-23.2%	2,063,939	245,192	13.5%
Total Operating Expenses	2,591,510	3,532,732	3,868,366	2,912,679	(620,053)	-17.6%	(955,686)	-24.7%	3,204,253	291,574	10.0%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	2,591,510	3,532,732	3,868,366	2,912,679	(620,053)	-17.6%	(955,686)	-24.7%	3,204,253	291,574	10.0%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 2,591,510	\$ 3,532,732	\$ 3,868,366	\$ 2,912,679	\$ (620,053)	-17.6%	\$ (955,686)	-24.7%	\$ 3,204,253	\$ 291,574	10.0%

Assets & Alliances Group

Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 3,532,732	\$ 2,912,679
Personnel costs		
1 Position transferred from Talent, Culture & Capability (salaries, benefits & employer taxes)	101,606	-
Salary adjustments and pay-for-performance	19,702	26,833
Burden (benefits & employer taxes) for current staff	(8,834)	19,549
1 Position transferred to Vision, Voice & Engagement (salaries, benefits & employer taxes)	(118,093)	-
2 Positions transferred to Environmental (salaries, benefits & employer taxes)	(378,041)	-
Total Increase / (Decrease) in personnel costs	(383,660)	46,382
Outside professional services	(23,850)	34,000
Insurance	(182,158)	167,942
Other, net	(30,385)	43,250
Total Increase / (Decrease) in non-personnel costs	(236,393)	245,192
Total Increase / (Decrease)	(620,053)	291,574
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 2,912,679	\$ 3,204,253

**Inter-Governmental Relations
FY 2015 – FY 2016 Organizational Structure**



No personnel changes planned for FY 2016

Inter-Governmental Relations

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 353,362	\$ 363,429	\$ 371,860	\$ 265,921	\$ (97,508)	-26.8%	\$ (105,939)	-28.5%	\$ 273,827	\$ 7,906	3.0%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	168,500	176,069	185,960	141,659	(34,409)	-19.5%	(44,301)	-23.8%	149,028	7,369	5.2%
Subtotal	521,862	539,498	557,820	407,580	(131,918)	-24.5%	(150,240)	-26.9%	422,855	15,274	3.7%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	521,862	539,498	557,820	407,580	(131,918)	-24.5%	(150,240)	-26.9%	422,855	15,274	3.7%
Non-Personnel Expenses											
Contractual Services	283,205	300,000	310,500	328,150	28,150	9.4%	17,650	5.7%	362,150	34,000	10.4%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	150	200	150	-	0.0%	(50)	-25.0%	150	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	449	200	200	1,000	800	400.0%	800	400.0%	1,000	-	0.0%
Operating Supplies	1,656	2,200	2,454	2,500	300	13.6%	46	1.9%	2,500	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	13,944	21,500	22,500	13,900	(7,600)	-35.3%	(8,600)	-38.2%	13,900	-	0.0%
Business Development	91,691	135,030	141,635	124,600	(10,430)	-7.7%	(17,035)	-12.0%	122,600	(2,000)	-1.6%
Equipment Rentals & Repairs	-	350	350	450	100	28.6%	100	28.6%	450	-	0.0%
Total Non-Personnel Expenses	390,946	459,430	477,839	470,750	11,320	2.5%	(7,089)	-1.5%	502,750	32,000	6.8%
Total Operating Expenses	912,808	998,928	1,035,659	878,330	(120,598)	-12.1%	(157,329)	-15.2%	925,605	47,274	5.4%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	912,808	998,928	1,035,659	878,330	(120,598)	-12.1%	(157,329)	-15.2%	925,605	47,274	5.4%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 912,808	\$ 998,928	\$ 1,035,659	\$ 878,330	\$ (120,598)	-12.1%	\$ (157,329)	-15.2%	\$ 925,605	\$ 47,274	5.4%

Inter-Governmental Relations

Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc / (Dec) FY15 vs FY14	Inc / (Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 998,928	\$ 878,330
Personnel costs		
Burden (benefits & employer taxes) for current staff	(5,946)	7,369
Salary adjustments and pay-for-performance	(7,879)	7,906
1 Position transferred to Vision, Voice & Engagement (salaries, benefits & employer taxes)	(118,093)	-
Total Increase / (Decrease) in personnel costs	(131,918)	15,274
Outside professional services	28,150	34,000
Other, net	(16,830)	(2,000)
Total Increase / (Decrease) in non-personnel costs	11,320	32,000
Total Increase / (Decrease)	(120,598)	47,274
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 878,330	\$ 925,605

Inter-Governmental Relations Departmental Goals

FY 2014 Progress Report

1. **Execute an advocacy plan in partnership with state and national airport associations to obtain passage of legislation in 2013, appropriating the total authorized funding level of \$3.35 billion for the Airport Improvement Program for the federal fiscal year 2014.**

Progress: On January 17, 2014, the President signed into law H.R. 3547, the Fiscal Year 2014 Omnibus Appropriations Bill, funding the Airport Improvement Program at the fully authorized level of \$3.35 billion.

Sustainability Goal: Economic Viability, Operational Excellence, Social Responsibility.

Authority Strategy: Financial Strategy: Enhance the Financial position of the Authority. Operations Strategy: Operate our airport in a safe, secure environmentally sound, effective and efficient manner. Community Strategy: Be a trusted and highly responsive regional agency.

2. **Develop and implement an advocacy strategy to secure \$12 million in annual federal funding for the Airport Authority's Quieter Home Program in federal fiscal years 2013 and 2014.**

Progress: Working with Airport Noise Mitigation staff and the Authority's federal legislative consultants, we developed and implemented a strategy that resulted in the Authority receiving \$11.4 million in Fiscal Year 2013 for the Quieter Home Program (QHP). We continue to coordinate and work towards obtaining the highest possible funding for QHP in Fiscal Year 2014.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Customer Strategy: Achieve the highest level of internal and external customer satisfaction.

3. **During the 2013-14 State Legislative sessions, assist in obtaining passage of Assembly Bill 359, legislation sponsored by the California Airports Council that would eliminate the need for airports to fund and prepare an independent audit to collect customer facility charges.**

Progress: On October 14, 2013, the Governor signed into law Assembly Bill 359.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Operations Strategy: Operate our airport in a safe, secure environmentally sound, effective and efficient manner.

4. **Increase positive advocacy for key fiscal year 2014 SDIA initiatives and funding requests by 10% over the level of support obtained in fiscal year 2013.**

Progress: IGR staff continues to work with Facilities Development, Environmental Affairs and Business Planning staff to identify grant and funding opportunities to support the Airport Authority's projects and initiatives.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Operations Strategy: Operate our airport in a safe, secure environmentally sound, effective and efficient manner.

Inter-Governmental Relations Departmental Goals

FY 2015 – FY 2016 Goals

1. Coordinate with the Facilities Development Department and the Environmental Affairs Department to identify and apply for two major state/federal/private funding opportunities in Fiscal Year 2015. Inter-Governmental Relations staff will work closely with Facilities Development, Environmental Affairs and the Authority's legislative consultants to identify specific projects and potential funding sources and provide letters of support from regional leaders to accompany the funding applications.

Sustainability Goal: Economic Viability, Operational Excellence

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

2. Coordinate with the Air Service Development Department to obtain support from elected officials and other community leaders to assist in securing new air service that Air Service Development is working to obtain in Fiscal Year 2015.

Sustainability Goal: Economic Viability, Operational Excellence

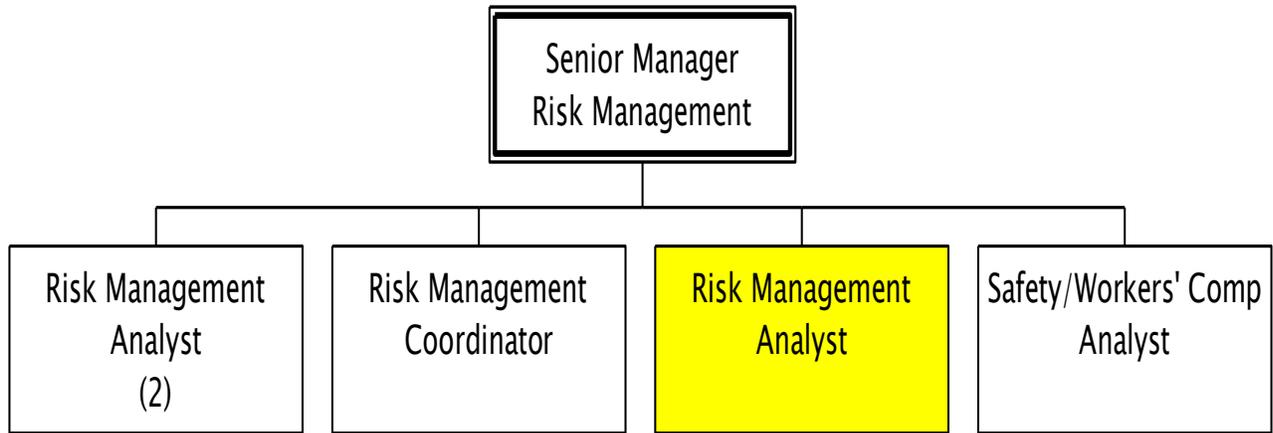
Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

3. Develop specific actions in consort with the Vision, Voice and Engagement Department to support and enhance stakeholder perception of trust and responsiveness by the Authority by May 31, 2015.

Sustainability Goal: Social Responsibility

Authority Strategy: Community Strategy: Be a trusted and highly responsive regional agency.

Risk Management
FY 2015 – FY 2016 Organizational Structure



No personnel changes planned for FY 2016

Risk Management

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 518,901	\$ 641,792	\$ 631,691	\$ 472,501	\$ (169,291)	-26.4%	\$ (159,190)	-25.2%	\$ 491,428	\$ 18,927	4.0%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	228,911	296,302	312,007	213,851	(82,451)	-27.8%	(98,156)	-31.5%	226,031	12,180	5.7%
Subtotal	747,812	938,094	943,698	686,352	(251,742)	-26.8%	(257,345)	-27.3%	717,459	31,107	4.5%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	747,812	938,094	943,698	686,352	(251,742)	-26.8%	(257,345)	-27.3%	717,459	31,107	4.5%
Non-Personnel Expenses											
Contractual Services	106,836	284,250	284,450	234,850	(49,400)	-17.4%	(49,600)	-17.4%	234,850	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	250	250	2,500	2,250	900.0%	2,250	900.0%	47,250	44,750	1790.0%
Operating Supplies	1,819	5,000	5,000	4,500	(500)	-10.0%	(500)	-10.0%	4,500	-	0.0%
Insurance	794,984	1,253,580	1,546,084	1,071,422	(182,158)	-14.5%	(474,662)	-30.7%	1,239,364	167,942	15.7%
Employee Programs	24,095	39,250	39,650	21,500	(17,750)	-45.2%	(18,150)	-45.8%	21,800	300	1.4%
Business Development	3,156	13,380	13,575	13,225	(155)	-1.2%	(350)	-2.6%	13,425	200	1.5%
Equipment Rentals & Repairs	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Non-Personnel Expenses	930,890	1,595,710	1,889,009	1,347,997	(247,713)	-15.5%	(541,012)	-28.6%	1,561,189	213,192	15.8%
Total Operating Expenses	1,678,702	2,533,804	2,832,706	2,034,349	(499,455)	-19.7%	(798,357)	-28.2%	2,278,648	244,299	12.0%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	1,678,702	2,533,804	2,832,706	2,034,349	(499,455)	-19.7%	(798,357)	-28.2%	2,278,648	244,299	12.0%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 1,678,702	\$ 2,533,804	\$ 2,832,706	\$ 2,034,349	\$ (499,455)	-19.7%	\$ (798,357)	-28.2%	\$ 2,278,648	\$ 244,299	12.0%

Risk Management

Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc / (Dec) FY15 vs FY14	Inc / (Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 2,533,804	\$ 2,034,349
Personnel costs		
1 Position transferred from Talent, Culture & Capability (salaries, benefits & employer taxes)	101,606	-
Salary adjustments and pay-for-performance	27,581	18,927
Burden (benefits & employer taxes) for current staff	(2,888)	12,180
2 Positions transferred to Environmental (salaries, benefits & employer taxes)	(378,041)	-
Total Increase / (Decrease) in personnel costs	(251,742)	31,107
Outside professional services	(52,000)	-
Insurance	(182,158)	167,942
Other, net	(13,555)	45,250
Total Increase / (Decrease) in non-personnel costs	(247,713)	213,192
Total Increase / (Decrease)	(499,455)	244,299
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 2,034,349	\$ 2,278,648

Risk Management Departmental Goals

FY 2014 Progress Report

1. Conduct a revenue stream risk assessment to develop contingency plans and enhance executive and senior staff decision making, to be completed by May 31, 2014.

Progress: Risk assessments have been performed on the essential services of departments participating in the Business Continuity Plan and revenue streams impacted by the performance or non-performance of those essential services have been identified.

Sustainability Goal: Economic Viability.

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority.

2. Educate each project lead stakeholder in the use of applicable risk assessment tool(s) in their decision making process for Authority projects as identified by the Business Planning function. To be successful, the embedding of the risk assessment decision making process will be offered to the project lead for each project identified by the Business Planning Department initiated throughout FY 2014.

Progress: Project leads and stakeholders have been educated in the use of a project risk assessment tool and the risk assessment process has been embedded in the approval process of the Capital Improvement Committee.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Financial: Enhance the financial position of the Authority. Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

Risk Management Departmental Goals

FY 2015 – FY 2016 GOALS

1. In support of the Authority's initiative to sustain the Cost per Enplaned Passenger (CPE) below budget in FY15, in the first quarter of FY15, Risk Management will develop a baseline for the Total Cost of Risk per enplaned passenger for FY15 and then subsequently develop and begin to implement an action plan to improve the Total Cost of Risk per enplaned passenger for FY16. The Total Cost of Risk is comprised of the costs associated with the Authority's Operational insurance program, supporting contracted services, costs of claims and Administrative costs for the Risk Management Department measured against Key Performance Indicators (KPI) such as Annual Revenue or Annual Enplanements.

Sustainability Goal: Economic Viability

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority.

2. Support and build upon the risk assessment pilot program initiated in FY14 wherein risk assessments were completed as part of the analysis by the Capital Improvement Program (CIP) Prioritization Team for three of the proposed CIP projects. Risk Management will allocate sufficient resources in FY15 to perform risk assessments for the CIP Prioritization Team on all proposed projects identified by the Team as requiring a risk assessment. A risk analysis will be performed and a report issued within three business days of conducting the risk assessment with the project sponsor and identified stakeholders. The risk assessment report will be provided to the CIP Prioritization Team and the project sponsor.

Sustainability Goal: Economic Viability, Operational Excellence

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

Talent and Engagement Group

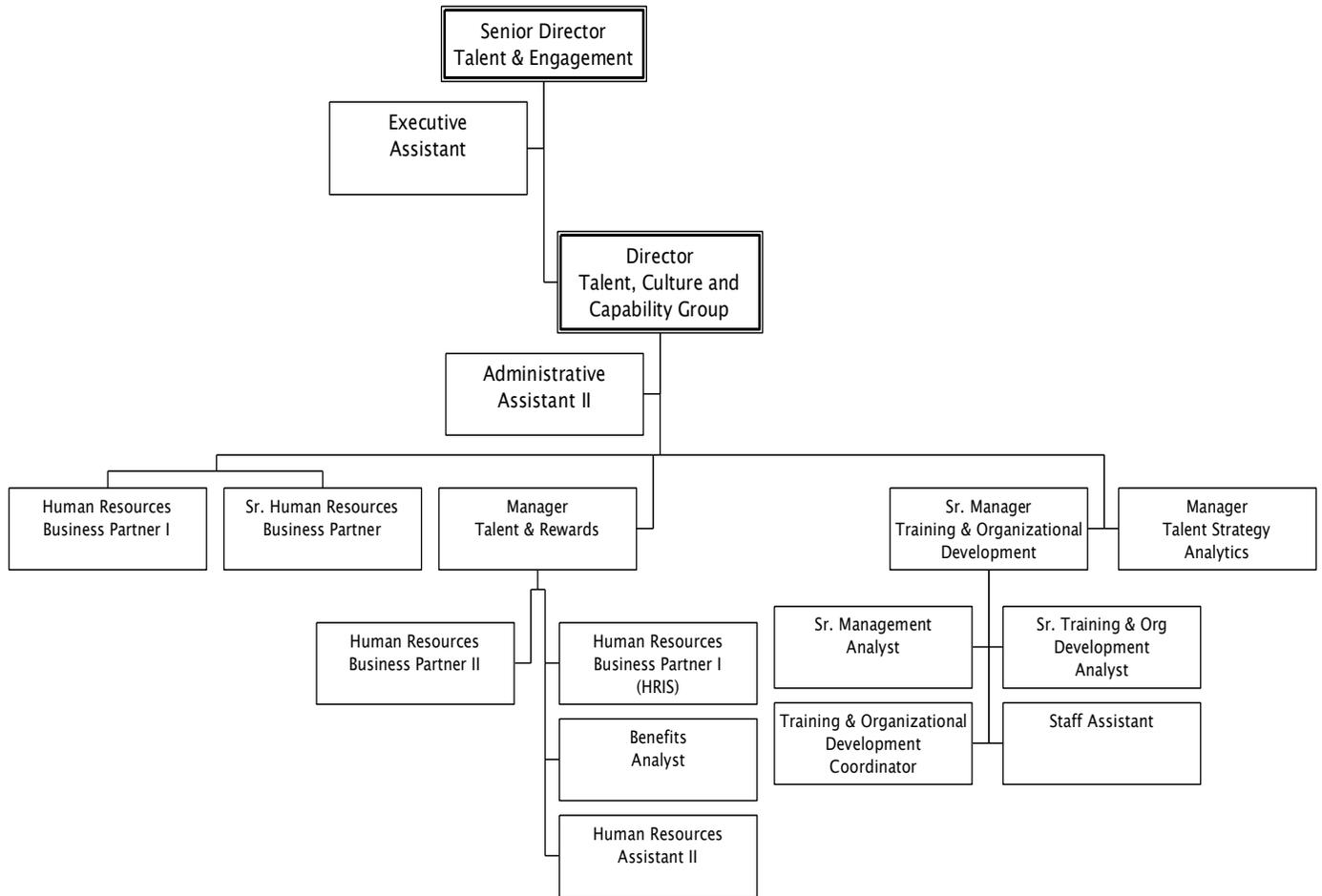
FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 2,516,791	\$ 2,650,114	\$ 2,728,868	\$ 2,836,276	\$ 186,162	7.0%	\$ 107,408	3.9%	\$ 2,894,303	\$ 58,027	2.0%
Premium Overtime	10,692	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	1,279,290	1,339,872	1,421,304	1,399,033	59,160	4.4%	(22,272)	-1.6%	1,460,279	61,247	4.4%
Subtotal	3,806,773	3,989,986	4,150,173	4,235,309	245,323	6.1%	85,136	2.1%	4,354,582	119,273	2.8%
Less: Capitalized Labor	-	(74,193)	(77,306)	(69,479)	4,714	-6.4%	7,827	-10.1%	(45,514)	23,965	-34.5%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	3,806,773	3,915,793	4,072,867	4,165,830	250,036	6.4%	92,963	2.3%	4,309,069	143,239	3.4%
Non-Personnel Expenses											
Contractual Services	2,281,630	2,120,470	2,071,200	1,872,362	(248,108)	-11.7%	(198,838)	-9.6%	1,844,862	(27,500)	-1.5%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	1,200	1,200	1,200	-	0.0%	-	0.0%	1,200	-	0.0%
Utilities	57	1,500	1,500	17,500	16,000	1066.6%	16,000	1066.7%	2,500	(15,000)	-85.7%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	11,340	14,900	15,750	27,900	13,000	87.2%	12,150	77.1%	27,900	-	0.0%
Operating Supplies	12,181	27,000	27,000	16,500	(10,500)	-38.9%	(10,500)	-38.9%	15,000	(1,500)	-9.1%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	356,677	411,735	414,358	344,585	(67,150)	-16.3%	(69,773)	-16.8%	327,285	(17,300)	-5.0%
Business Development	1,134,798	1,002,760	1,083,335	905,560	(97,200)	-9.7%	(177,775)	-16.4%	1,021,060	115,500	12.8%
Equipment Rentals & Repairs	12,362	33,250	33,250	47,500	14,250	42.9%	14,250	42.9%	42,000	(5,500)	-11.6%
Total Non-Personnel Expenses	3,809,046	3,612,815	3,647,593	3,233,107	(379,708)	-10.5%	(414,486)	-11.4%	3,281,807	48,700	1.5%
Total Operating Expenses	7,615,819	7,528,609	7,720,460	7,398,937	(129,672)	-1.7%	(321,523)	-4.2%	7,590,876	191,939	2.6%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	7,615,819	7,528,609	7,720,460	7,398,937	(129,672)	-1.7%	(321,523)	-4.2%	7,590,876	191,939	2.6%
Equipment Outlay	-	-	-	20,000	20,000	0.0%	20,000	0.0%	20,000	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 7,615,819	\$ 7,528,609	\$ 7,720,460	\$ 7,418,937	\$ (109,672)	-1.5%	\$ (301,523)	-3.9%	\$ 7,610,876	\$ 191,939	2.6%

Talent and Engagement Group
Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 7,528,609	\$ 7,418,937
Personnel costs		
Veterans Fellowship Program (salaries, benefits & employer taxes)	200,523	-
Salary adjustments and pay-for-performance	119,576	58,027
1 Position transferred from Inter-Governmental (salaries, benefits & employer taxes)	118,093	-
Changes in capitalized labor	4,714	23,965
Burden (benefits & employer taxes) for current staff	(860)	61,247
1 Position eliminated (salaries, benefits & employer taxes)	(90,403)	-
1 Position transferred to Risk Management (salaries, benefits & employer taxes)	(101,606)	-
Total Increase / (Decrease) in personnel costs	250,036	143,239
Memberships & dues	50,910	(7,500)
Computer licenses & agreements	28,250	(10,500)
Awards - services	(75,375)	-
Advertising, marketing, promotional activities and materials	(154,700)	123,000
Outside professional services	(247,608)	(27,500)
Other, net	38,815	(28,800)
Total Increase / (Decrease) in non-personnel costs	(359,708)	48,700
Total Increase / (Decrease)	(109,672)	191,939
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 7,418,937	\$ 7,610,876

**Talent, Culture and Capability
FY 2015 – FY 2016 Organizational Structure**



No personnel changes planned for FY 2016

Talent, Culture and Capability FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 1,502,352	\$ 1,531,723	\$ 1,577,675	\$ 1,677,255	\$ 145,532	9.5%	\$ 99,580	6.3%	\$ 1,722,339	\$ 45,083	2.7%
Premium Overtime	102	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	748,000	771,404	817,824	802,462	31,058	4.0%	(15,362)	-1.9%	839,934	37,472	4.7%
Subtotal	2,250,455	2,303,127	2,395,499	2,479,717	176,590	7.7%	84,218	3.5%	2,562,273	82,556	3.3%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	2,250,455	2,303,127	2,395,499	2,479,717	176,590	7.7%	84,218	3.5%	2,562,273	82,556	3.3%
Non-Personnel Expenses											
Contractual Services	645,529	598,220	604,950	518,862	(79,358)	-13.3%	(86,088)	-14.2%	511,362	(7,500)	-1.4%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	45	1,000	1,000	-	-	0.0%	(1,000)	-100.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	283	3,400	3,500	3,400	-	0.0%	(100)	-2.9%	3,400	-	0.0%
Operating Supplies	7,596	10,300	10,300	7,800	(2,500)	-24.3%	(2,500)	-24.3%	7,800	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	301,654	346,250	344,250	280,225	(66,025)	-19.1%	(64,025)	-18.6%	261,725	(18,500)	-6.6%
Business Development	44,622	50,090	50,415	99,985	49,895	99.6%	49,570	98.3%	92,485	(7,500)	-7.5%
Equipment Rentals & Repairs	10,410	12,250	12,250	40,500	28,250	230.6%	28,250	230.6%	30,000	(10,500)	-25.9%
Total Non-Personnel Expenses	1,010,138	1,021,510	1,026,665	950,772	(70,738)	-6.9%	(75,893)	-7.4%	906,772	(44,000)	-4.6%
Total Operating Expenses	3,260,593	3,324,637	3,422,164	3,430,489	105,852	3.2%	8,325	0.2%	3,469,045	38,556	1.1%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	3,260,593	3,324,637	3,422,164	3,430,489	105,852	3.2%	8,325	0.2%	3,469,045	38,556	1.1%
Equipment Outlay	-	-	-	20,000	20,000	0.0%	20,000	0.0%	20,000	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 3,260,593	\$ 3,324,637	\$ 3,422,164	\$ 3,450,489	\$ 125,852	3.8%	\$ 28,325	0.8%	\$ 3,489,045	\$ 38,556	1.1%

Talent, Culture & Capability

Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 3,324,637	\$ 3,450,489
Personnel costs		
Veterans Fellowship Program (salaries, benefits & employer taxes)	200,523	-
Salary adjustments and pay for performance	108,530	45,083
Burden (benefits & employer taxes) for current staff	(30,857)	37,472
1 Position transferred to Risk Management (salaries, benefits & employer taxes)	(101,606)	-
Total Increase / (Decrease) in personnel costs	176,590	82,556
Memberships and dues	50,910	(7,500)
Computer licenses & agreements	28,250	(10,500)
Awards - services	(75,375)	-
Outside professional services	(81,358)	(7,500)
Other, net	26,835	(18,500)
Total Increase / (Decrease) in non-personnel costs	(50,738)	(44,000)
Total Increase / (Decrease)	125,852	38,556
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 3,450,489	\$ 3,489,045

FY 2014 Progress Report

1. **Develop and execute a comprehensive talent strategy leveraging technology to increase employee performance and commitment and close any identified talent gaps in FY 2014.**

Progress: Workforce planning efforts are progressing to yield action plans that effectively identify gaps and plan for closing those gaps. To assure talent readiness, automated reporting has been implemented for benefits reports. These initiatives will position our talent to deliver increased performance.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure and environmentally sound, effective and efficient manner. Employee Strategy: Ensure the highest level of employee commitment and performance.

2. **Develop and implement a multi-platform engagement strategy to leverage the return on investment of safety and wellness programs and minimize and/or mitigate the increasing cost of employee health and safety programs in FY 2014.**

Progress: Employee benefits task force effectively provided recommendations that have been implemented to achieve cost savings compared to budgeted expense for benefits and safety.

Sustainability Goal: Economic Viability, Social Responsibility.

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Employee Strategy: Ensure the highest level of employee commitment and performance.

3. **Enhance and expand the Authority's Performance Measurement System to provide more timely, relevant, useful and accurate data for departmental and organizational decision-making.**

Success will be measured by:

- **Implementing improved data collection and software upgrades for the specified key performance indicators aligned with the strategies.**
- **Deploying a more robust and comprehensive set of Senior Staff actions to keep the organization constantly and consistently focused on those key performance indicators.**

Progress: Introduced organizational cascading goal setting process to better define and optimize goals and performance measures.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

4. Establish an Authority Process Optimization Strategy (POS) to compliment the Authority's Employee and Talent Strategy. This strategy would seek to ensure that the Authority's work activities align and support the immediate and long-range workforce effectiveness and efficiency plans.

Success will be measured by:

- Examining critical work tasks, associated processes and process performance issues.
- Assessing, recommending, facilitating and measuring key process outcomes.
- Applying performance audit/ assessment tools and techniques to optimize process effectiveness, efficiency and flexibility.

Progress: Workforce planning efforts are progressing to yield action plans that effectively identify gaps and plan for closing those gaps. Process optimization action items are identified and on track.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Financial Strategy Enhance the financial position of the Authority. Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

5. Continue implementation of the strategic training plan to include follow-up activities to measure and ensure training effectiveness.

Progress: Leading At All Levels (a leadership development program) is underway with the 4th cohort beginning the program.

Sustainability Goal: Social Responsibility.

Authority Strategy: Employee Strategy: Ensure the highest level of employee commitment and performance.

6. Manage follow up activities to the 2013 Employee Opinion Survey (EOS) and administer a 2014 Pulse Survey by March 2014 to support sustainment of the 2013 organizational engagement index.

Progress: An EOS team is formed and operating to propose improvements to our performance management system (finding from 2013 EOS). Plans are underway to launch the 2014 pulse survey in March 2014.

Sustainability Goal: Social Responsibility.

Authority Strategy: Employee Strategy: Ensure the highest level of employee commitment and performance.

7. Provide managers with access to information by creating and electronically distributing a management handbook for all Authority staff who manage employees by December 2013.

Progress: Input has been obtained from managers as to desired content and a draft handbook has been handed off to our assistant webmaster to post on our intranet.

Sustainability Goal: Social Responsibility.

Authority Strategy: Employee Strategy: Ensure the highest level of employee commitment and performance.

8. Conduct a skills needs assessment by December 2012 and develop and implement a strategic training plan to address the needs by July 2013.

Progress: This was completed in July 2013.

Sustainability Goal: Social Responsibility.

Authority Strategy: Employee Strategy: Ensure the highest level of employee commitment and performance.

Talent, Culture & Capability Departmental Goals

FY 2015 – FY 2016 Goals

1. Integrate outcomes of workforce planning, training plans and recruitment strategy to assure an enhanced talent pipeline and development of the organizational capabilities required to meet identified future strategic and operational needs.

Sustainability Goal: Operational Excellence, Social Responsibility

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Employee Strategy: Ensure the highest level of employee commitment and performance.

2. Execute iterative survey instruments that measure designated tenant and stakeholder perceptions of trust in, and responsiveness from, San Diego International Airport in a manner that assures a minimum of 30% participation and track action plans for designated departments accountable for tenant, passenger and community survey results to assure execution.

Sustainability Goal: Operational Excellence, Social Responsibility

Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Community Strategy: Be a trusted and highly responsive regional agency.

3. Identify and define sustainable employee and retiree wellness strategies that engage each community in a planning and communication process resulting in reduced organizational health risks, high quality healthcare, timely annual renewals and continued cost containment within budget parameters.

Sustainability Goal: Economic Viability, Social Responsibility

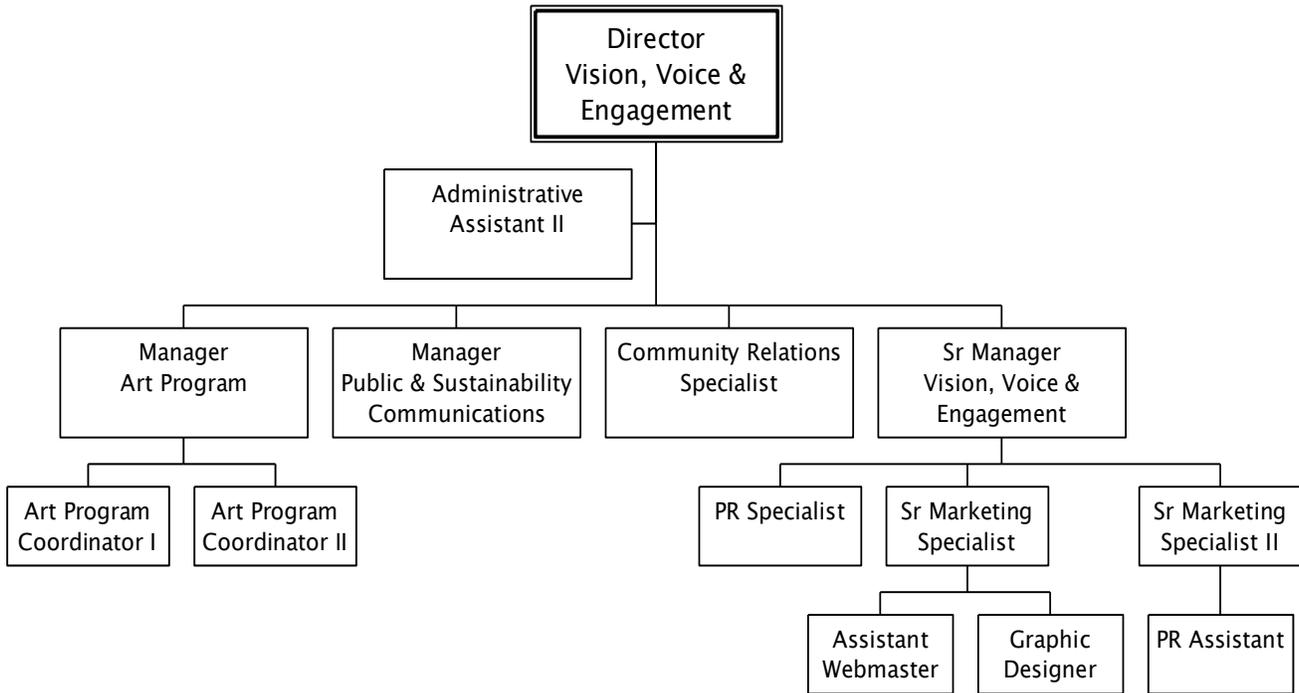
Authority Strategy: Financial Strategy Enhance the financial position of the Authority. Employee Strategy: Ensure the highest level of employee commitment and performance.

4. Sustain employee engagement and strategic engagement at 80% and 81% respectively by enhancing onboarding effectiveness, leveraging technology to sustain performance and delivering targeted leadership and management development opportunities.

Sustainability Goal: Social Responsibility

Authority Strategy: Employee Strategy: Ensure the highest level of employee commitment and performance.

Vision, Voice and Engagement
FY 2015 – FY 2016 Organizational Structure



No personnel changes planned for FY 2016

Vision, Voice and Engagement

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 1,014,439	\$ 1,118,390	\$ 1,151,193	\$ 1,159,021	\$ 40,630	3.6%	\$ 7,828	0.7%	\$ 1,171,964	\$ 12,943	1.1%
Premium Overtime	10,590	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	531,290	568,468	603,480	596,571	28,102	4.9%	(6,910)	-1.1%	620,345	23,774	4.0%
Subtotal	1,556,318	1,686,859	1,754,674	1,755,592	68,733	4.1%	918	0.1%	1,792,309	36,718	2.1%
Less: Capitalized Labor	-	(74,193)	(77,306)	(69,479)	4,714	-6.4%	7,827	-10.1%	(45,514)	23,965	-34.5%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	1,556,318	1,612,666	1,677,368	1,686,113	73,447	4.6%	8,745	0.5%	1,746,796	60,683	3.6%
Non-Personnel Expenses											
Contractual Services	1,636,102	1,522,250	1,466,250	1,353,500	(168,750)	-11.1%	(112,750)	-7.7%	1,333,500	(20,000)	-1.5%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	1,200	1,200	1,200	-	0.0%	-	0.0%	1,200	-	0.0%
Utilities	12	500	500	17,500	17,000	3400.0%	17,000	3400.0%	2,500	(15,000)	-85.7%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	11,057	11,500	12,250	24,500	13,000	113.0%	12,250	100.0%	24,500	-	0.0%
Operating Supplies	4,585	16,700	16,700	8,700	(8,000)	-47.9%	(8,000)	-47.9%	7,200	(1,500)	-17.2%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	55,023	65,485	70,108	64,360	(1,125)	-1.7%	(5,748)	-8.2%	65,560	1,200	1.9%
Business Development	1,090,176	952,670	1,032,920	805,575	(147,095)	-15.4%	(227,345)	-22.0%	928,575	123,000	15.3%
Equipment Rentals & Repairs	1,953	21,000	21,000	7,000	(14,000)	-66.7%	(14,000)	-66.7%	12,000	5,000	71.4%
Total Non-Personnel Expenses	2,798,908	2,591,305	2,620,928	2,282,335	(308,970)	-11.9%	(338,593)	-12.9%	2,375,035	92,700	4.1%
Total Operating Expenses	4,355,226	4,203,971	4,298,296	3,968,448	(235,523)	-5.6%	(329,848)	-7.7%	4,121,831	153,383	3.9%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	4,355,226	4,203,971	4,298,296	3,968,448	(235,523)	-5.6%	(329,848)	-7.7%	4,121,831	153,383	3.9%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 4,355,226	\$ 4,203,971	\$ 4,298,296	\$ 3,968,448	\$ (235,523)	-5.6%	\$ (329,848)	-7.7%	\$ 4,121,831	\$ 153,383	3.9%

Vision, Voice and Engagement

Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 4,203,971	\$ 3,968,448
Personnel costs		
1 Position transferred from Inter-Governmental (salaries, benefits & employer taxes)	118,093	-
Burden (benefits & employer taxes) for current staff	29,997	23,774
Salary adjustments and pay for performance	11,046	12,943
Changes in capitalized labor	4,714	23,965
1 Position eliminated (salaries, benefits & employer taxes)	(90,403)	-
Total Increase / (Decrease) in personnel costs	73,447	60,683
Marketing, promotional activities and materials	(154,700)	123,000
Outside professional services	(166,250)	(20,000)
Other, net	11,980	(10,300)
Total Increase / (Decrease) in non-personnel costs	(308,970)	92,700
Total Increase / (Decrease)	(235,523)	153,383
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 3,968,448	\$ 4,121,831

Vision, Voice and Engagement Departmental Goals

FY 2014 Progress Report

1. **By June 30, 2014, ensure that the negative media coverage category of the Authority's Community Strategy media audit performance measurement is no greater than 10%. To proactively work with the media to garner positive coverage on San Diego International Airport, the Authority and various Authority initiatives.**

Progress: Vision, Voice and Engagement is on target to reach a Consistently Exceeds Standards rating on this goal.

Measurement: On Target – 10% rating

Consistently Exceeds Standards – 9% or lower rating

Sustainability Goal: Social Responsibility.

Authority Strategy: Community Strategy: Be a trusted and highly responsive regional agency.

2. **By June 30, 2014, plan and execute an art symposium to generate a cross-disciplinary discussion on how art, culture, aesthetics and creative design affect the livelihood and perception of communities, including the airport.**

Progress: The art symposium has been planned and executed and this goal is on target to reach a Consistently Exceeds Standards rating.

Measurement: On Target – Execute symposium

Consistently Exceeds Standards – Establish baseline rating of art symposium effectiveness via an on-line survey of participants

Sustainability Goal: Social Responsibility.

Authority Strategy: Community Strategy: Be a trusted and highly responsive regional agency.

3. **By June 30, 2014, provide digital content for monitors in Airport Loop buses promoting SAN's food and retail concessions, including an incentive program designed in conjunction with Aviation & Commercial Business Development.**

Progress: Vision, Voice and Engagement has produced the digital content for the monitors on the Airport Loop buses and is on target to meet this goal.

Measurement: On Target – Provide digital content

Consistently Exceeds Standards – Establish baseline number of customers using the incentive program

Sustainability Goal: Social Responsibility.

Authority Strategy: Community Strategy: Be a trusted and highly responsive regional agency.

Vision, Voice and Engagement Departmental Goals

FY 2015 – FY 2016 Goals

1. By January 2015, install an airport-wide exhibition in recognition of the 2015 Balboa Park centennial. The exhibit will consist of a retrospective on the innovation and technology showcased at the 1915 Panama-California Exposition compared to today's innovation and technology. Success equals installation of the exhibit and positive community feedback on the exhibit as measured by the design and execution of a survey among SAN travelers, community members and partner organizations.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategies: Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Community Strategy: Be a trusted and highly responsive regional agency.

2. To feature the Airport Authority as an "employer of choice," partner with Junior Achievement (JA) to plan, build and operate Finance Park, a reality-based experiential learning program for youth, families and community partners that focuses on career planning and financial responsibility. Success equals the start of park construction by October 2014, collaboration with JA to meet project milestones and publication of at least one news article regarding the Airport's involvement in the JA Finance Park by June 2015.

Sustainability Goal: Social Responsibility.

Authority Strategy: Community Strategy: Be a trusted and highly responsive regional agency.

3. Develop and gain approval of a Green Building Education Plan for the Rental Car Center to satisfy LEED Innovation in Design Criteria and contribute to LEED Certification of the Rental Car Center by the United States Green Building Council. Gain approval of the Green Building Education Plan for the Rental Car Center by Airport Design & Construction in the first quarter of FY 15 and implement plan elements through the remainder of FY 15.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Community Strategy: Be a trusted and highly responsive regional agency.

4. Increase employee perceptions of the Airport Authority by providing information on changes in the organization through designing and delivering more relevant employee communications. Success equals a reduction in the disagree rating to below 20% of the Employee Opinion Survey question: "SDCRAA is doing a good job of providing information on changes in the organization."

Sustainability Goal: Social Responsibility.

Authority Strategy: Employee Strategy: Ensure the highest level of employee commitment and performance.

Development Division

Development Division Overview

The **Development Division's** four departments are responsible for airport facility and infrastructure planning, infrastructure design and construction, and compliance with legislative mandates for environmental and land use matters. The airport planning, design and construction functions are responsible for the long term planning and construction execution for all SDIA infrastructure requirements. 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 Facilities Development Department (FDD) has primary responsibility for the definition, planning, design, construction and close-out of Capital Improvement (CIP) and Major Maintenance (MMP) projects. FDD also provides technical and professional on-call services for CIP, MMP, tenant improvement and broader Authority needs, which include planning and implementation of the Computer Aided Drafting, Geographical Information System and Lease Plans. Further, FDD provides construction inspection, review and oversight of Tenant Improvement projects to meet the needs of the airlines and concessionaires operating at the Airport. In addition, FDD is responsible for comprehensive planning and implementation of the overall energy plan and overseeing the Life Cycle Cost Management Program for the Authority.

The **Airport Planning & Noise Mitigation Department** is composed of several previously independent departments, including Airport Planning (which includes Airport Land Use Planning), Airport Systems Planning, Airport Noise Mitigation and the Airport Noise Abatement Program (Quieter Home Program). As a result, the Airport Planning & Noise Mitigation Department is responsible for a variety of efforts, both on and off-airport. These include all short-range and long-range planning for the Airport Authority, such as preparing and maintaining the Master Plan for San Diego International Airport. The Department is also responsible for ensuring compliance with State and Federal environmental laws for any Airport development projects. It supports the Airport Land Use Commission in addressing the land use issues surrounding all 16 airports in San Diego County. The Department also administers all noise-related issues, including the Airport's departure curfew. It also manages and administers the noise insulation construction of homes surrounding the airport through the Quieter Home Program.

Specific responsibilities of the Airport Planning & Noise Mitigation Department include:

- Address short-term planning issues for the Authority, such as administrative space needs and employee and public parking locations
- Prepare and maintain the Master Plan for San Diego International Airport
- Prepare all necessary environmental documentation for approval and permitting of all Airport projects
- Obtain coastal development permits for all Airport projects
- Comply with environmental laws governing Airport development
- Prepare Airport Land Use Compatibility Plans (ALUCPs) for 16 public-use and military airports in San Diego County
- Review specific project development applications proposed near the 16 airports in San Diego County for consistency with the ALUCPs
- Review all violations of the aircraft departure curfew and determine imposition of penalties on airlines, when appropriate
- Perform noise mitigation construction on residential homes and apartments in the vicinity of SDIA

The **Environmental Affairs Department** manages environmental-related programs, including regulatory compliance, water quality, air quality, site remediation, hazardous material handling and natural resources protection. The department interfaces with other Authority departments to assess potential environmental impacts of all proposed projects. The department is also involved with long-range airport facility planning related to environmental and sustainability opportunities and initiatives.

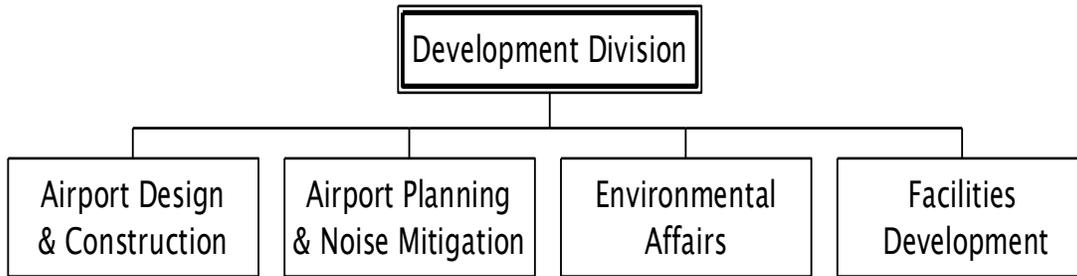
The various programs administered by Environmental Affairs are as follows:

- Storm Water Management.
- Hazardous Materials and Waste Management.
- Air Quality Management.
- Site Assessment and Remediation.
- Waste Reduction and Recycling.
- Industrial Hygiene.
- Wildlife Preservation.
- Airport Sustainability.

The **Airport Design and Construction Department (ADC)** is responsible for implementing the Authority's Airport Development Plan, including the design and construction of terminal, airside and landside improvements. Additionally ADC is responsible for the design and construction of the Rental Car Center (RCC) located on the Northside Development. Specifically, these projects include:

- 2M square feet of consolidated rental car facility (customer service, quick turn-around, ready/returned vehicles and vehicle staging/storage)
- Additional parking for remain-over-night aircraft, eliminating the need for aircraft to taxi across the runway
- Taxiway improvements to enhance the flow of aircraft traffic
- 460,000 square foot expansion of Terminal 2 West including:
 - 10 new jet gates and ticket lobby
 - Expanded dining and shopping options
 - More comfortable seating and waiting areas at the gates
 - A dual-level roadway at Terminal 2, featuring an arrivals curb on level one and a departures curb on level two to relieve current curbside congestion and provide a check-in pavilion that allows travelers to check in for their flight before entering the terminal
 - New enlarged security checkpoint
 - Public art integrated throughout the terminal expansion and check-in pavilions
- The Green Build is the largest project in the history of San Diego International Airport. Called "The Green Build" due to the Airport Authority's commitment to sustainability and the environment, as well as positive economic impact, The Green Build will create approximately 1,000 jobs at peak construction and provide contract opportunities for small businesses. Project highlights include:
 - 10 new jet gates to reduce terminal congestion and provide expanded, more comfortable passenger waiting areas
 - "California Check-In," allowing most passengers to check in, print boarding passes and check baggage before entering the terminal at an easy-to-use curbside kiosk
 - Dual-level roadway to relieve curb-front traffic congestion by separating arriving and departing passenger vehicle traffic
 - Up to 12 security lanes (increased from six today) to improve flow of passengers through the security while enhancing non-airline revenue
 - Sunset Cove Concessions Area providing more dining and shopping options

Development Division
FY 2015 – FY 2016 Organizational Structure



Division Personnel Summary

	FY 2013 Budget Authorized & Funded Positions	FY 2014 Budget Authorized & Funded Positions	Proposed FY 2015 Budget Transfer Positions	Proposed FY 2015 Budget New/ (Eliminated) Positions	Proposed FY 2015 Budget Funded/ (Unfunded) Positions	Proposed FY 2015 Budget Authorized & Funded Positions	Conceptual FY 2016 Budget New/ (Eliminated) Positions	Conceptual FY 2016 Budget Funded/ (Unfunded) Positions	Conceptual FY 2016 Budget Authorized & Funded Positions
Development									
Facilities Development	30	36	-	3	-	39	-	-	39
Airport Design & Construction	9	14	1	-	-	15	-	-	15
Airport Planning and Noise Mitigation	21	21	1	(2)	-	20	-	-	20
Environmental Affairs	6	7	2	-	-	9	-	-	9
Total	66	78	4	1	-	83	-	-	83
Authorized and Unfunded Positions	6	1	-	-	-	1	-	-	1
Total Authorized Positions	72	79	4	1	-	84	-	-	84

Development Division

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

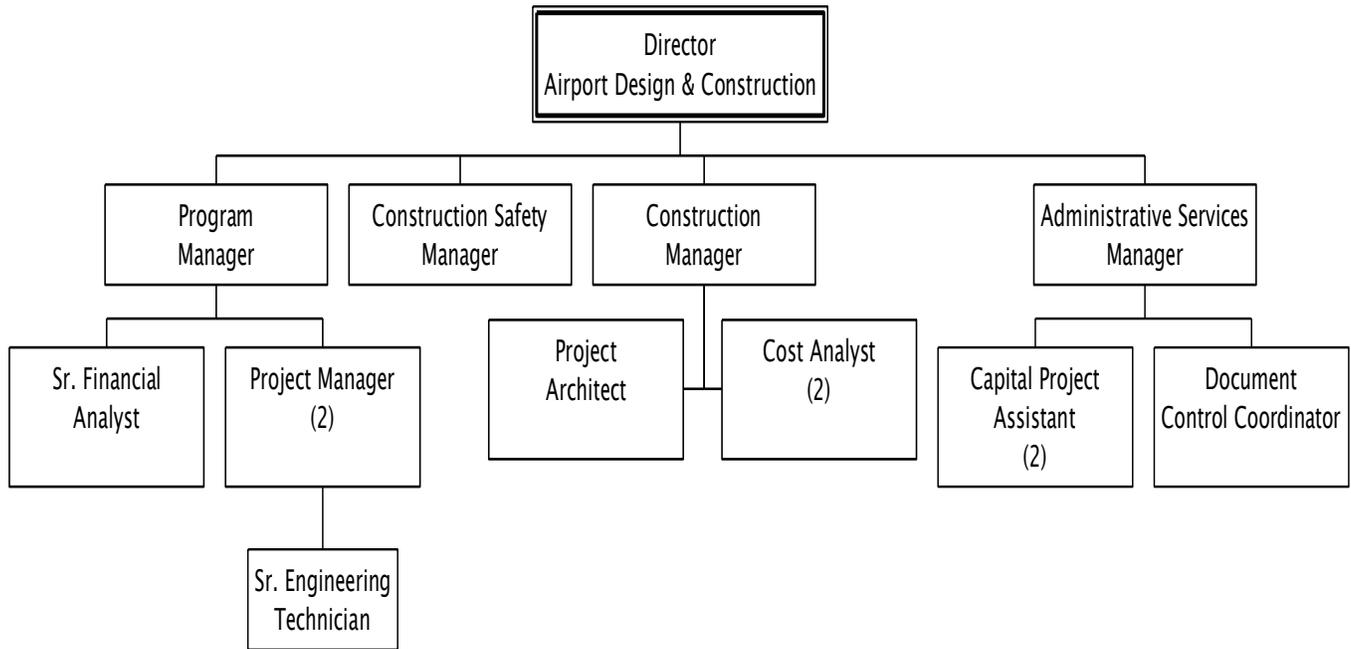
	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 5,230,503	\$ 6,380,110	\$ 6,690,646	\$ 6,797,309	\$ 417,199	6.5%	\$ 106,663	1.6%	\$ 7,148,419	\$ 351,110	5.2%
Premium Overtime	43,433	-	-	20,000	20,000	0.0%	20,000	0.0%	20,000	-	0.0%
Employee Benefits	2,438,096	3,118,822	3,336,177	3,522,602	403,780	12.9%	186,425	5.6%	3,758,923	236,321	6.7%
Subtotal	7,712,032	9,498,932	10,026,823	10,339,911	840,979	8.9%	313,088	3.1%	10,927,342	587,431	5.7%
Less: Capitalized Labor	(4,309,983)	(5,072,107)	(5,646,297)	(5,886,206)	(814,099)	16.1%	(239,910)	4.2%	(6,216,937)	(330,730)	5.6%
Less: QHP - Labor/Burden/Labor Overhead	(723,749)	(703,804)	(732,944)	(663,928)	39,876	-5.7%	69,016	-9.4%	(688,119)	(24,191)	3.6%
Total Personnel Expenses	2,678,301	3,723,021	3,647,582	3,789,777	66,756	1.8%	142,195	3.9%	4,022,286	232,510	6.1%
Non-Personnel Expenses											
Contractual Services	3,862,276	3,894,700	4,636,636	3,737,089	(157,611)	-4.0%	(899,547)	-19.4%	3,925,180	188,091	5.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	715	1,500	1,500	1,600	100	6.7%	100	6.7%	1,600	-	0.0%
Maintenance	576,316	610,000	660,000	838,690	228,690	37.5%	178,690	27.1%	710,000	(128,690)	-15.3%
Operating Equipment & Systems	14,729	7,729	7,268	2,838	(4,891)	-63.3%	(4,430)	-61.0%	2,858	20	0.7%
Operating Supplies	33,883	26,927	27,265	15,303	(11,624)	-43.2%	(11,962)	-43.9%	15,341	38	0.2%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	386,251	222,073	212,840	264,098	42,025	18.9%	51,258	24.1%	264,133	35	0.0%
Business Development	100,500	155,848	141,223	162,034	6,186	4.0%	20,811	14.7%	162,109	75	0.0%
Equipment Rentals & Repairs	323,186	231,151	246,629	257,696	26,545	11.5%	11,067	4.5%	196,778	(60,918)	-23.6%
Tenant Improvements	-	-	-	1,000,000	1,000,000		1,000,000		1,000,000	-	
Total Non-Personnel Expenses	5,297,856	5,149,928	5,933,360	6,279,348	1,129,420	21.9%	345,988	5.8%	6,277,999	(1,349)	0.0%
Total Operating Expenses	7,976,157	8,872,948	9,580,942	10,069,125	1,196,176	13.5%	488,183	5.1%	10,300,285	231,161	2.3%
Non-Operating Expenses:											
Joint Studies/Sound Attenuation	14,885,711	15,176,621	15,176,621	14,955,716	(220,905)	-1.5%	(220,905)	-1.5%	14,734,811	(220,905)	-1.5%
Other Non-Operating Expense	42,648	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	14,928,359	15,176,621	15,176,621	14,955,716	(220,905)	-1.5%	(220,905)	-1.5%	14,734,811	(220,905)	-1.5%
Total Expenses	22,904,516	24,049,569	24,757,563	25,024,841	975,271	4.1%	267,278	1.1%	25,035,096	10,256	0.0%
Equipment Outlay	-	10,000	20,000	80,000	70,000	700.0%	60,000	300.0%	10,000	(70,000)	-87.5%
Total Authority Expenses incl Equip Outlay	\$ 22,904,516	\$ 24,059,569	\$ 24,777,563	\$ 25,104,841	\$ 1,045,271	4.3%	\$ 327,278	1.3%	\$ 25,045,096	\$ (59,744)	-0.2%

Development Division

Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 24,059,569	\$ 25,104,841
Personnel costs		
2 positions transferred from Risk Management (salaries, benefits, & employer taxes)	381,543	-
3 new positions (salaries, benefits, & employer taxes)	322,254	-
Burden (benefits & employer taxes) for current staff	317,530	236,321
Salary adjustments and pay for performance	243,734	351,110
2 position eliminated (salaries, benefits, & employer taxes)	(424,082)	-
Capitalized labor	(774,223)	(354,922)
Total Increase / (Decrease) in personnel costs	66,756	232,510
SDIA, North Island, Rural, and USMC Airport Land Use Compatibility Plans (ALUCPs) and miscellaneous airport planning project costs	680,000	70,000
Tenant improvement	300,000	-
Major maintenance	178,690	(178,690)
Stormwater, water and air quality, and hazardous waste cleanup costs	129,850	67,000
Equipment outlay	70,000	(70,000)
Quieter Home Program	(220,905)	(220,905)
Other, net	(159,120)	40,341
Total Increase / (Decrease) in non-personnel costs	978,515	(292,254)
Total Increase / (Decrease)	1,045,271	(59,744)
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 25,104,841	\$ 25,045,096

**Airport Design & Construction
FY 2015 - FY 2016 Organizational Structure**



No personnel changes planned for FY 2016

Airport Design & Construction

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 852,186	\$ 1,314,016	\$ 1,353,436	\$ 1,310,815	\$ (3,201)	-0.2%	\$ (42,621)	-3.1%	\$ 1,422,539	\$ 111,724	8.5%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	367,049	581,718	620,924	674,942	93,224	16.0%	54,018	8.7%	737,981	63,039	9.3%
Subtotal	1,219,236	1,895,734	1,974,361	1,985,757	90,023	4.7%	11,397	0.6%	2,160,520	174,763	8.8%
<i>Less: Capitalized Labor</i>	<i>(1,220,391)</i>	<i>(1,895,734)</i>	<i>(1,974,361)</i>	<i>(1,985,757)</i>	<i>(90,023)</i>	<i>4.7%</i>	<i>(11,397)</i>	<i>0.6%</i>	<i>(2,160,520)</i>	<i>(174,763)</i>	<i>8.8%</i>
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	(1,155)	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Non-Personnel Expenses											
Contractual Services	15,008	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Supplies	828	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	204,874	22,795	23,631	26,736	3,941	17.3%	3,105	13.1%	26,736	-	0.0%
Business Development	14,213	18,517	18,517	18,517	-	0.0%	-	0.0%	18,517	-	0.0%
Equipment Rentals & Repairs	497	500	500	-	(500)	-100.0%	(500)	-100.0%	-	-	0.0%
Total Non-Personnel Expenses	235,420	41,812	42,648	45,253	3,441	8.2%	2,605	6.1%	45,253	-	0.0%
Total Operating Expenses	234,265	41,812	42,648	45,253	3,441	8.2%	2,605	6.1%	45,253	-	0.0%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	234,265	41,812	42,648	45,253	3,441	8.2%	2,605	6.1%	45,253	-	0.0%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 234,265	\$ 41,812	\$ 42,648	\$ 45,253	\$ 3,441	8.2%	\$ 2,605	6.1%	\$ 45,253	\$ -	0.0%

Airport Design & Construction

Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 41,812	\$ 45,253
Personnel costs		
1 position transferred from Airport Planning (salaries, benefits, & employer taxes)	109,474	-
Burden (benefits & employer taxes) for current staff	58,662	63,039
Salary adjustments and pay for performance	(78,113)	111,724
Capitalized labor	(90,023)	(174,763)
Total Increase / (Decrease) in personnel costs	0	(0)
Other, net	3,441	0
Total Increase / (Decrease) in non-personnel costs	3,441	0
Total Increase / (Decrease)	3,441	(0)
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 45,253	\$ 45,253

Airport Design & Construction Departmental Goals

FY 2014 Progress Report

1. Partner with Concessions Development Program (CDP) to continue temporary concessions program through second quarter of FY 2014, maintaining the temporary concession revenue during Green Build construction (Terminal 2 West), as measured by total sales per EPAX.

Progress: Revenue has met budget projection.

Sustainability Goal: Economic Viability.

Authority Strategy: Financial Strategy: Enhance the financial position of the Airport Authority.

2. Throughout FY 2013-FY 2014 forecast a final cost for the Green Build Program within or better than the approved budget of \$864.6 million, as measured by providing a (quarterly) forecast at completion report that demonstrates the Green Build program is trending “on-budget” at \$864.6 million. ADC will manage costs to provide end-of-program savings by achieving one of the following:

- Over the course of the Green Build, proactively manage scope creep by limiting additional scope to 50% below the total Program Reserve Fund.
- Maintain a lean, cost effective staff that will result in a \$4.0 million staff budget end-of-program savings.

Progress:

- 12% over target.
- Tracking at 97% of target goal.

Sustainability Goal: Economic Viability.

Authority Strategy: Financial Strategy: Enhance the financial position of the Airport Authority.

3. Throughout FY 2013 – FY 2014 forecast a final completion date for the Green Build program within or better than the “Guaranteed Maximum Price (GMP) Baseline” schedule. This will be measured by providing a quarterly forecast at completion report that demonstrates the Green Build program is trending “on-schedule” for the “GMP Baseline” to open all areas of the new T2W Expansion program to the traveling public by August 2013. ADC will work with the design-builder to successfully implement a plan that would permit the phased opening of the T2W Expansion program so key elements of work (e.g. the security checkpoint, baggage screening / sortation and the ticket counters) are opened to the public between April 15, 2013 and August 1, 2013.

Progress: Goal achieved by opening expansion program to traveling public by August 2013.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Community Strategy: Be a trusted and highly responsive regional agency.

4. Throughout FY 2014, break ground on Rental Car Center (RCC) by November 2013, negotiate RCC Guaranteed Maximum Price contract and complete 100% of the design and construction documents by February 2014.

Progress: Broke ground one month early (October 2013) and negotiated RCC GMP three months earlier (December 2013), however, the design and construction documents are now on schedule to be 100% completed by April 2014.

Sustainability Goal: Operational Excellence, Social Responsibility

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Community Strategy: Be a trusted and highly responsive regional agency.

5. Ensure Robust Communications for ADC (internal/external) and enhance the community's (public, professional and tenants) understanding of the program. Success will be measured by completing the following activities:

- Quarterly reports and briefings to the Board and Senior Management.
- As needed briefings to Stakeholders, Marketing and Public Relations.
- Monthly Construction Updates.
- Quarterly Program Update [Aviation Matters].
- Weekly Jobsite tours for internal/external Stakeholders.
- Bi-Monthly ADC "All-Hands" Meeting with staff.
- Activation planning and engagement for ADC staff.
- Develop staff to help publically present Green Build updates.

Progress: All listed activities accomplished as scheduled.

Sustainability Goal: Social Responsibility.

Authority Strategy: Community Strategy: Be a trusted and highly responsive regional agency.

6. Enhance stakeholders' satisfaction with the Terminal Development Program (TDP) by continuing to engage the stakeholders during the design, construction and activation of the Green Build. Support activities include:

- Carry on with the weekly Green Build Activation Team meetings.
- Provide quarterly updates to the Board via Capital Improvement Program Oversight Committee (CIPOC).
- Provide budget and schedule updates to the Executive Steering Committee (ESC).

Progress: All stakeholder activities associated with TDP have been concluded.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Community Strategy: Be a trusted and highly responsive regional agency.

Airport Design & Construction Departmental Goals

FY 2015 – FY 2016 Goals

1. Partner with the Finance and Asset Management (FAM) division to develop the Rental Car Center (RCC) and Restaurant concept's Request For Proposals (RFP) in FY 2015. Also, create the restaurant design and business opportunity for alternative non-airline revenue while providing a unique dining option to the community. Success will be measured by completion of construction documents and the build-out of "shell space" that supports the RFP timeline.

Measures of success:

- Top Out of RCC: December 2014
- Shell space completion: June 2015

Sustainability Goal: Economic Vitality, Operational Excellence, Social Responsibility

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Community Strategy: Be a trusted and highly responsive regional agency.

2. Throughout FY 2014-FY 2015 forecast a final cost for the RCC Program within or better than the approved budget of \$316.1 million, as measured by providing a (quarterly) forecast at completion report that demonstrates the RCC program is trending "on-budget" at \$316.1 million. ADC will manage costs to provide end-of-program savings by achieving one of the following:

Measures of success:

- Over the course of the RCC Program, proactively manage scope creep by limiting additional scope to 50% below the total Program Reserve Fund.
- Maintain an efficient, lean and cost effective staff that will result in a \$2.0 million staff budget end-of-program savings.

Sustainability Goal: Economic Vitality

Authority Strategy: Financial Strategy: Enhance the financial position of the Airport Authority.

3. Throughout FY 2014 – FY 2015, progress construction on the RCC to meet construction milestones and forecast a substantial completion date for the RCC program within or better than the revised "GMP Baseline" schedule, as measured by providing a quarterly forecast at completion report that demonstrates the RCC program is trending "on-schedule" for the completion of "GMP Baseline" and the substantial completion by October 2015.

Sustainability Goal: Economic Vitality, Social Responsibility

Authority Strategy: Financial Strategy: Enhance the financial position of the Airport Authority. Community Strategy: Be a trusted and highly responsive regional agency.

4. Throughout FY 2014 – FY 2015, forecast a final completion date for the Green Build program within or better than the revised “GMP Baseline” schedule, as measured by providing a quarterly forecast at completion report that demonstrates the Green Build program is trending “on-schedule” for the completion of “GMP Baseline” and the completion of areas in the new and existing T2W Expansion program by December 2014. ADC will work with the design builder to successfully implement a plan that would permit the phased opening and final completion of the T2W Expansion program so key elements of work (e.g. additional change-order terrazzo and fire alarm system) are complete between August 29, 2014 and December 31, 2014.

Sustainability Goal: Economic Vitality, Social Responsibility

Authority Strategy: Financial Strategy: Enhance the financial position of the Airport Authority. Community Strategy: Be a trusted and highly responsive regional agency.

5. Ensure Robust Communications for ADC customers/stakeholders (internal & external) and enhance the community’s (public, professional and tenants) understanding of the department’s active programs, as measured by completing the following activities:

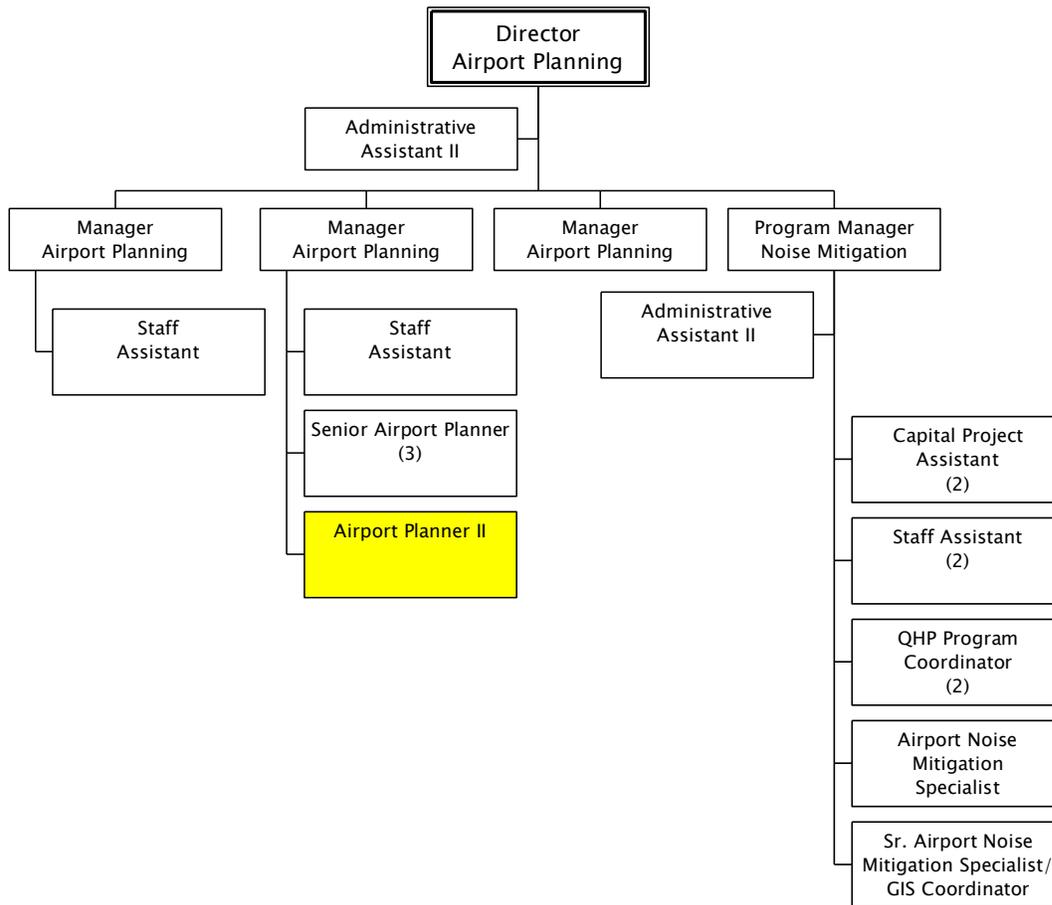
Measures of success:

- Quarterly reports and briefings to the Board and Senior Management
- Briefings to customers/stakeholders
 - Stakeholders’ survey results in 75% satisfaction
- Monthly Construction Progress Updates
- Quarterly Program Update [Aviation Matters]
- Jobsite tours for internal/external Stakeholders
- Provide communication of ADC program to public
 - Survey of attendees resulting in 75% satisfaction
- Monthly ADC “All-Hands” Meeting with staff
 - Staff survey results in 75% satisfaction
- ADC Program planning and engagement for ADC staff
 - ADC staff survey results in 75% of respondents felt that this was accomplished
- Develop staff to help present public RCC updates

Sustainability Goal: Operational Excellence, Social Responsibility

Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Community Strategy: Be a trusted and highly responsive regional agency.

Airport Planning & Noise Mitigation FY 2015 – FY 2016 Organizational Structure



No personnel changes planned for FY 2016

Airport Planning & Noise Mitigation

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:										
Personnel Expenses										
Salaries and Wages	\$ 1,631,348	\$ 1,874,843	\$ 1,662,379	\$ 1,471,711	\$ (403,132)	\$ (190,668)	-11.5%	\$ 1,591,194	\$ 119,483	8.1%
Premium Overtime	-	-	-	-	-	-	0.0%	-	-	0.0%
Employee Benefits	757,348	939,830	887,032	793,619	(146,211)	(93,414)	-10.5%	858,491	64,873	8.2%
Subtotal	2,388,697	2,814,673	2,549,412	2,265,330	(549,343)	(284,082)	-11.1%	2,449,686	184,356	8.1%
Less: Capitalized Labor	-	-	-	-	-	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	(690,234)	(703,804)	(732,944)	(663,928)	39,876	69,016	-9.4%	(688,119)	(24,191)	3.6%
Total Personnel Expenses	1,698,463	2,110,868	1,816,468	1,601,402	(509,467)	(215,066)	-11.8%	1,761,566	160,165	10.0%
Non-Personnel Expenses										
Contractual Services	1,915,444	1,267,000	1,917,000	1,915,500	648,500	(1,500)	-0.1%	2,035,500	120,000	6.3%
Safety and Security	-	-	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	-	0.0%	-	-	0.0%
Utilities	602	500	500	500	-	-	0.0%	500	-	0.0%
Maintenance	-	-	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	2,434	1,000	1,000	-	(1,000)	(1,000)	-100.0%	-	-	0.0%
Operating Supplies	12,548	14,600	14,600	5,500	(9,100)	(9,100)	-62.3%	5,500	-	0.0%
Insurance	-	-	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	51,947	66,286	55,986	61,100	(5,186)	5,114	9.1%	61,100	-	0.0%
Business Development	34,394	75,154	61,429	67,904	(7,250)	6,475	10.5%	67,979	75	0.1%
Equipment Rentals & Repairs	221,436	172,142	174,610	222,000	49,858	47,390	27.1%	247,000	25,000	11.3%
Total Non-Personnel Expenses	2,238,804	1,596,682	2,225,125	2,272,504	675,822	47,379	2.1%	2,417,579	145,075	6.4%
Total Operating Expenses	3,937,267	3,707,551	4,041,593	3,873,906	166,355	(167,687)	-4.1%	4,179,145	305,240	7.9%
Non-Operating Expenses:										
Joint Studies/Sound Attenuation	14,830,457	14,976,621	14,976,621	14,755,716	(220,905)	(220,905)	-1.5%	14,534,811	(220,905)	-1.5%
Other Non-Operating Expense	42,648	-	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	14,873,105	14,976,621	14,976,621	14,755,716	(220,905)	(220,905)	-1.5%	14,534,811	(220,905)	-1.5%
Total Expenses	18,810,372	18,684,172	19,018,214	18,629,622	(54,550)	(388,592)	-2.0%	18,713,956	84,335	0.5%
Equipment Outlay	-	-	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$18,810,372	\$ 18,684,172	\$19,018,214	\$ 18,629,622	\$ (54,550)	\$ (388,592)	-2.0%	\$ 18,713,956	\$ 84,335	0.5%

Airport Planning & Noise Mitigation
Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 18,684,172	\$ 18,629,622
Personnel costs		
Capitalized labor	39,876	(24,191)
Burden (benefits & employer taxes) for current staff	2,623	64,873
Salary adjustments and pay for performance	(18,410)	119,483
1 position transferred to Airport Design and Construction salaries, benefits, & employer taxes)	(109,474)	-
2 position eliminated (salaries, benefitis, & employer taxes)	(424,082)	-
Total Increase / (Decrease) in personnel costs	(509,467)	160,165
SDIA, North Island, Rural, and USMC Airport Land Use Compatibility Plans (ALUCPs) and miscellaneous airport planning project costs	680,000	70,000
Quieter Home Program	(220,905)	(220,905)
Other, net	(4,178)	75,075
Total Increase / (Decrease) in non-personnel costs	454,917	(75,830)
Total Increase / (Decrease)	(54,550)	84,335
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 18,629,622	\$ 18,713,956

Airport Planning & Noise Mitigation Departmental Goals

FY 2014 Progress Report

1. **The Airport Development Plan (ADP) will define future airport facilities through the year 2035. By May 31, 2014, all alternatives will be presented to the Airport Authority Board for consideration of a possible preferred alternative and the environmental analyses will have begun.**

Progress: ADP alternatives are expected to be presented to the Board in May 2014 and environmental analysis to begin at that time.

Sustainability Goal: Operational Excellence.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

2. **The final Airport Land Use Compatibility Plan (ALUCP) for SDIA, which will help guide future land use in the vicinity of the airport and associated environmental documents, will be completed by May 31, 2014.**

Progress: The SDIA ALUCP was completed and adopted by Board on April 3, 2014.

Sustainability Goal: Operational Excellence.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

3. **Maintain the Quieter Home Program (residential sound insulation) acceleration and spending level. Success equals at least the same number of parcels attenuated as in FY 2013.**

Progress: On track to the same or better spending level in FY14 as in FY13.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Customer Strategy: Achieve the highest level of internal and external customer satisfaction.

4. **Conduct upgrade of the twelve remaining Remote Noise Monitoring Terminal (RMT) poles. Success equals project completion by June 30, 2014.**

Progress: Remaining Noise Monitoring Terminal poles expected to be replaced by June 30, 2014.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Community Strategy: Be a trusted and highly responsive regional agency.

5. **Execute 100% of Department projects on time and with no addition to the overall budget. Success equals project completion on time and on budget.**

Progress: All projects have been completed on time and on budget.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

6. **Have no significant audit findings for any project or contract. Success equals spotless internal and external audits.**

Progress: No significant audit findings have been found for any project.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Customer Strategy: Achieve the highest level of internal and external customer satisfaction.

Airport Planning & Noise Mitigation Departmental Goals

FY 2015 – FY 2016 Goals

1. The Airport Development Plan (ADP) will define future airport facilities through the year 2035. By May 31, 2015, the ADP technical document and the Administrative Draft Environmental Impact Report (EIR) will be complete.

Sustainability Goal: Operational Excellence.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

2. By May 31, 2015, the draft Airport Land Use Compatibility Plan (ALUCP) for Naval Outlying Field (NOLF) Imperial Beach and the draft ALUCP for Naval Air Station North Island will be complete.

Sustainability Goal: Operational Excellence, Social Responsibility.

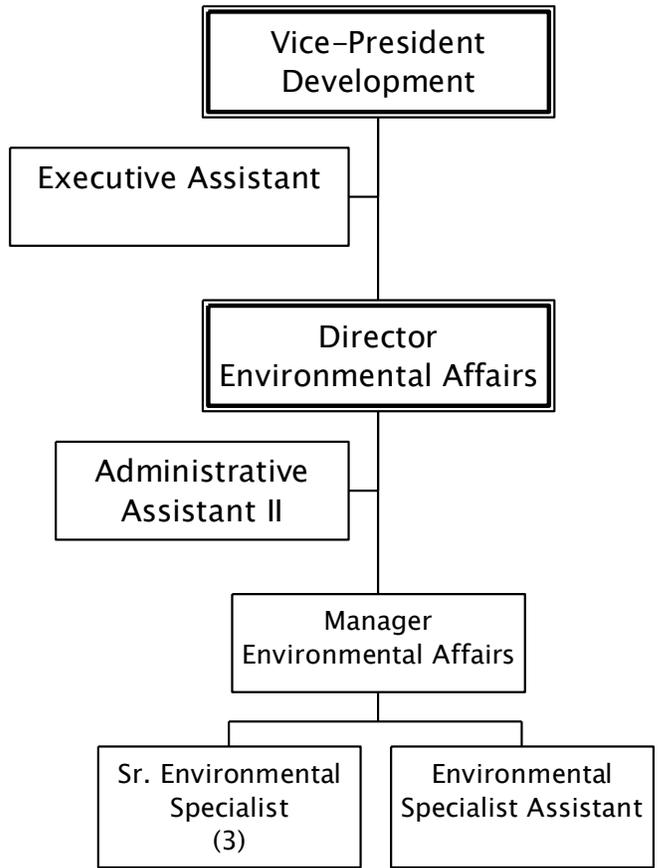
Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Community Strategy: Be a trusted and highly responsive regional agency.

3. Maintain the Quieter Home Program (residential sound insulation) levels of acceleration and spending so that at least the same amount of funding and a similar number of homes are attenuated in FY 2015 as in FY 2014.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Community Strategy: Be a trusted and highly responsive regional agency.

Environmental Affairs
FY 2015 – FY 2016 Organizational Structure



No personnel changes planned for FY 2016

Environmental Affairs

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 535,203	\$ 629,084	\$ 647,208	\$ 890,892	\$ 261,808	41.6%	\$ 243,685	37.7%	\$ 917,439	\$ 26,547	3.0%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	238,761	321,355	342,144	453,847	132,492	41.2%	111,702	32.6%	476,728	22,882	5.0%
Subtotal	773,964	950,439	989,352	1,344,739	394,301	41.5%	355,387	35.9%	1,394,167	49,428	3.7%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	773,964	950,439	989,352	1,344,739	394,301	41.5%	355,387	35.9%	1,394,167	49,428	3.7%
Non-Personnel Expenses											
Contractual Services	854,499	1,516,000	1,616,000	1,616,450	100,450	6.6%	450	0.0%	1,683,450	67,000	4.1%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	101	1,000	1,000	1,000	-	0.0%	-	0.0%	1,000	-	0.0%
Maintenance	527,240	500,000	550,000	550,000	50,000	10.0%	-	0.0%	600,000	50,000	9.1%
Operating Equipment & Systems	11	1,000	1,000	1,000	-	0.0%	-	0.0%	1,000	-	0.0%
Operating Supplies	3,169	4,000	4,000	6,100	2,100	52.5%	2,100	52.5%	6,100	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	124,634	125,600	125,600	172,850	47,250	37.6%	47,250	37.6%	172,850	-	0.0%
Business Development	38,100	38,900	38,900	55,275	16,375	42.1%	16,375	42.1%	55,275	-	0.0%
Equipment Rentals & Repairs	-	2,000	2,000	2,000	-	0.0%	-	0.0%	2,000	-	0.0%
Total Non-Personnel Expenses	1,547,754	2,188,500	2,338,500	2,404,675	216,175	9.9%	66,175	2.8%	2,521,675	117,000	4.9%
Total Operating Expenses	2,321,718	3,138,939	3,327,852	3,749,414	610,476	19.4%	421,562	12.7%	3,915,842	166,428	4.4%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	2,321,718	3,138,939	3,327,852	3,749,414	610,476	19.4%	421,562	12.7%	3,915,842	166,428	4.4%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 2,321,718	\$ 3,138,939	\$ 3,327,852	\$ 3,749,414	\$ 610,476	19.4%	\$ 421,562	12.7%	\$ 3,915,842	\$ 166,428	4.4%

Environmental Affairs

Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 3,138,939	\$ 3,749,414
Personnel costs		
2 positions transferred from Risk Management (salaries, benefits, & employer taxes)	381,543	-
Burden (benefits & employer taxes) for current staff	21,762	22,882
Salary adjustments and pay for performance	(9,005)	26,547
Total Increase / (Decrease) in personnel costs	394,301	49,428
Stormwater, water and air quality, and hazardous waste cleanup costs	129,850	67,000
Refuse and hazardous materials disposal	50,000	50,000
Other, net	36,325	-
Total Increase / (Decrease) in non-personnel costs	216,175	117,000
Total Increase / (Decrease)	610,476	166,428
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 3,749,414	\$ 3,915,842

Environmental Affairs Departmental Goals

FY 2014 Progress Report

1. **Develop a strategic plan to convert all airside Ground Service Equipment (GSE) and airside service vehicles to electric or alternative clean fuels. The plan is to be ready for implementation by December 31, 2013.**

Progress: Project put on hold to allow for Airline partners' input to the planning process.

Sustainability Goal: Operational Excellence, Natural Resource Conservation, Social Responsibility.

Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Community Strategy: Be a trusted and highly responsive regional agency.

2. **Revise and update our Environmental Management System (EMS) Plan and implement a new plan by June 31, 2014.**

Progress: Goal has been revised such that the EMS Plan will be updated to incorporate Global Reporting Initiative (GRI) Environmental Performance Indicators by December 31, 2014.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Community Strategy: Be a trusted and highly responsive regional agency.

3. **Perform a water use assessment study for the airport, which evaluates current water usage and identifies opportunities for rainwater capture and reuse for non-potable applications, with results published by June 31, 2014.**

Progress: Water use assessment study was completed and the data gathered will be incorporated in CIP #104133 Strategic Stormwater Master Plan for entire Airport site.

Sustainability Goal: Operational Excellence, Natural Resource Conservation.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

Environmental Affairs Departmental Goals

FY 2015 – FY 2016 Goals

1. **Revise and update Environmental Management System (EMS) Plan to incorporate Global Report Initiative (GRI) environmental performance indicators by December 31, 2014.**

Sustainability Goal: Operational Excellence, Natural Resource Conservation, Social Responsibility.

Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Community Strategy: Be a trusted and highly responsive regional agency.

2. **Develop a site-wide strategic CIP Stormwater Drainage Master Plan by June 30, 2015.**

Sustainability Goal: Operational Excellence, Natural Resource Conservation and Social Responsibility.

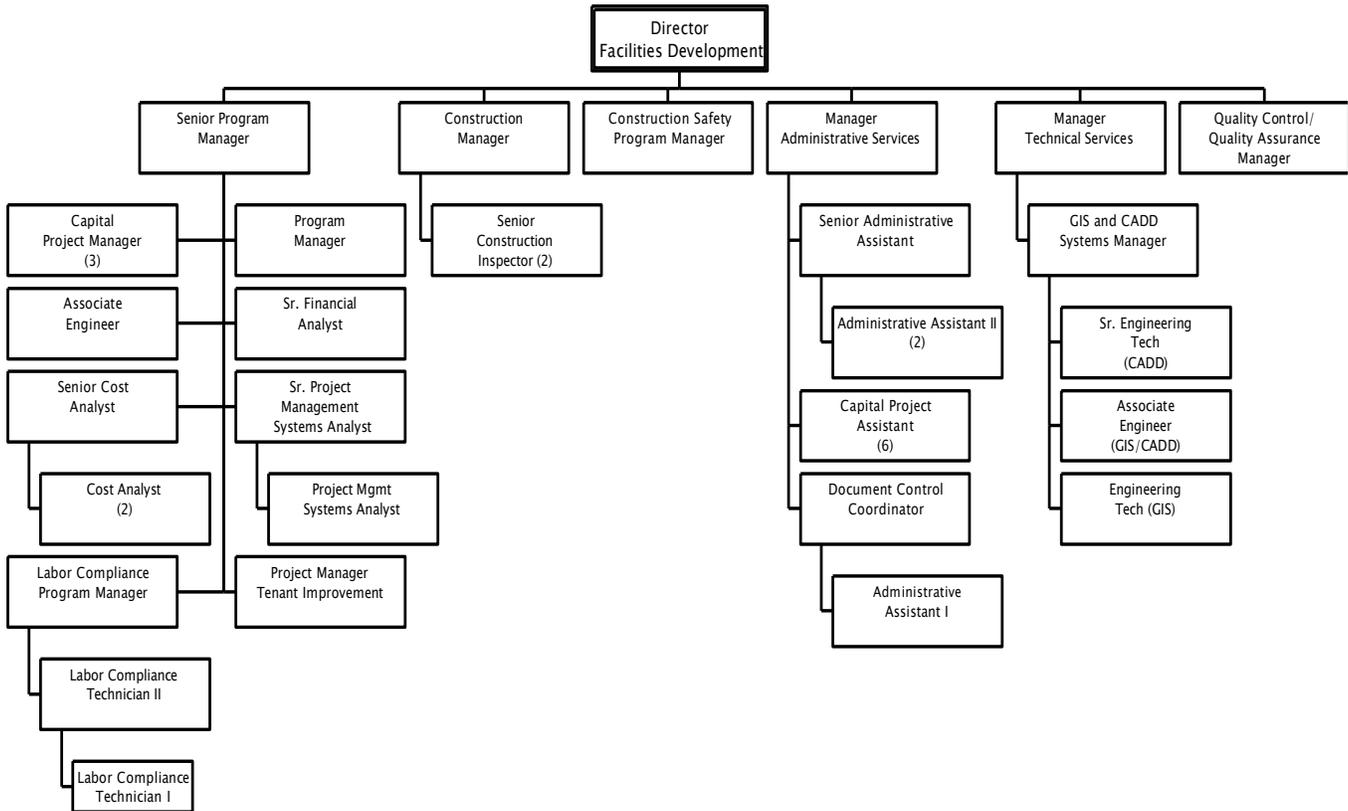
Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Community Strategy: Be a trusted and highly responsive regional agency.

3. **Ensure the development of a stormwater-monitoring program that will evaluate the efficacy of the Green Build structural BMPs, both airside and landside, while also addressing the requirements of the Municipal Permit and Industrial Permit by December 31, 2014.**

Sustainability Goal: Operational Excellence, Natural Resource Conservation and Social Responsibility.

Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Community Strategy: Be a trusted and highly responsive regional agency.

Facilities Development FY 2015 – FY 2016 Organizational Structure



No personnel changes planned for FY 2016

Facilities Development FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 2,211,766	\$ 2,562,167	\$ 3,027,622	\$ 3,123,890	\$ 561,723	21.9%	\$ 96,268	3.2%	\$ 3,217,246	\$ 93,357	3.0%
Premium Overtime	43,433	-	-	20,000	20,000	0.0%	20,000	0.0%	20,000	-	0.0%
Employee Benefits	1,074,937	1,275,920	1,486,076	1,600,196	324,276	25.4%	114,119	7.7%	1,685,723	85,528	5.3%
Subtotal	3,330,136	3,838,087	4,513,698	4,744,085	905,998	23.6%	230,387	5.1%	4,922,970	178,884	3.8%
Less: Capitalized Labor	(3,089,592)	(3,176,373)	(3,671,936)	(3,900,449)	(724,076)	22.8%	(228,513)	6.2%	(4,056,417)	(155,968)	4.0%
Less: QHP - Labor/Burden/Labor Overhead	(33,515)	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	207,029	661,714	841,762	843,636	181,922	27.5%	1,874	0.2%	866,553	22,917	2.7%
Non-Personnel Expenses											
Contractual Services	1,077,326	1,111,700	1,103,636	205,139	(906,561)	-81.5%	(898,497)	-81.4%	206,230	1,091	0.5%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	12	-	-	100	100	0.0%	100	0.0%	100	-	0.0%
Maintenance	49,075	110,000	110,000	288,690	178,690	162.4%	178,690	162.4%	110,000	(178,690)	-61.9%
Operating Equipment & Systems	12,285	5,729	5,268	1,838	(3,891)	-67.9%	(3,430)	-65.1%	1,858	20	1.1%
Operating Supplies	17,338	8,327	8,665	3,703	(4,624)	-55.5%	(4,962)	-57.3%	3,741	38	1.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	4,796	7,392	7,623	3,412	(3,980)	-53.8%	(4,211)	-55.2%	3,447	35	1.0%
Business Development	13,793	23,277	22,377	20,338	(2,939)	-12.6%	(2,039)	-9.1%	20,338	-	0.0%
Equipment Rentals & Repairs	101,253	56,509	69,519	33,696	(22,813)	-40.4%	(35,823)	-51.5%	(52,222)	(85,918)	-255.0%
Tenant Improvements	-	-	-	1,000,000	1,000,000	0.0%	1,000,000	0.0%	1,000,000	-	0.0%
Total Non-Personnel Expenses	1,275,878	1,322,933	1,327,087	1,556,916	233,983	17.7%	229,829	17.3%	1,293,492	(263,424)	-16.9%
Total Operating Expenses	1,482,907	1,984,647	2,168,849	2,400,552	415,905	21.0%	231,703	10.7%	2,160,045	(240,507)	-10.0%
Non-Operating Expenses:											
Joint Studies/Sound Attenuation	55,254	200,000	200,000	200,000	-	0.0%	-	0.0%	200,000	-	0.0%
Total Non-Operating Expenses	55,254	200,000	200,000	200,000	-	0.0%	-	0.0%	200,000	-	0.0%
Total Expenses	1,538,161	2,184,647	2,368,849	2,600,552	415,905	19.0%	231,703	9.8%	2,360,045	(240,507)	-9.2%
Equipment Outlay	-	10,000	20,000	80,000	70,000	700.0%	60,000	300.0%	10,000	(70,000)	-87.5%
Total Authority Expenses incl Equip Outlay	\$ 1,538,161	\$ 2,194,647	\$ 2,388,849	\$ 2,680,552	\$ 485,905	22.1%	\$ 291,703	12.2%	\$ 2,370,045	\$ (310,507)	-11.6%

Facilities Development

Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 2,194,647	\$ 2,680,552
Personnel costs		
Salary adjustments and pay for performance	349,261	93,357
3 new positions (salaries, benefits, & employer taxes)	322,254	-
Burden (benefits & employer taxes) for current staff	234,484	85,528
Capitalized labor	(724,076)	(155,968)
Total Increase / (Decrease) in personnel costs	181,922	22,917
Tenant improvement	300,000	-
Major maintenance	178,690	(178,690)
Equipment outlay	70,000	(70,000)
Other, net	(244,707)	(84,734)
Total Increase / (Decrease) in non-personnel costs	303,983	(333,424)
Total Increase / (Decrease)	485,905	(310,507)
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 2,680,552	\$ 2,370,045

Facilities Development Departmental Goals

FY 2014 Progress Report

1. **Execute and deliver 100% of the Capital Improvement Program (CIP) projects that are scheduled to be completed by June 30, 2014 on time and within budget.**

Progress: FDD has executed and delivered 100% of the Capital Improvement Program (CIP) projects on time and within budget.

Sustainability Goal: Economic Viability, Operational Excellence, Social Responsibility.

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Community Strategy: Be a trusted and highly responsive regional agency.

2. **Have zero audit findings for 90% of Capital Improvement Program (CIP) projects and have 10% or less of CIP projects with no significant audit findings by June 30, 2014.**

Progress: FDD had zero audit findings.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Community Strategy: Be a trusted and highly responsive regional agency.

3. **By June 30, 2014, successfully implement pilot E-Project Management System to improve process efficiency within the department and increase collaboration between project teams, consultants and contractors. The new system will have the capability to upload project documentation electronically that will decrease process time, cost of postage and courier services and reduce paper usage.**

Progress: The Authority is currently in the process of awarding a contract. Until the contract is awarded, FDD is unable to implement a pilot E-Project Management System.

Sustainability Goal: Economic Viability, Natural Resource Conservation.

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

Facilities Development Departmental Goals

FY 2015 – FY 2016 Goals

1. In order to achieve an 80% favorable rating on Employee Engagement, hold bi-weekly meetings with FDD Authority staff to discuss Authority and departmental policies and matters related to accountability, performance and responsibility within the Authority's established Strategies and Sustainability goals.

Sustainability Goal: Social Responsibility

Authority Strategy: Employee Strategy: Ensure the highest level of employee commitment & performance.

2. Execute and deliver 100% of the Capital Improvement Program (CIP) projects, including projects that support the Northside development, on time and within budget in order to achieve milestones by June 30, 2015.

Sustainability Goal: Economic Viability, Operational Excellence, Social Responsibility

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Community Strategy: Be a trusted and highly responsive regional agency.

3. By June 30, 2015, prepare a draft of standard technical specifications that incorporate lessons learned from past Authority projects in order to mitigate risk and avoid change orders on future projects.

Sustainability Goal: Operational Excellence, Social Responsibility

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Community Strategy: Be a trusted and highly responsive regional agency.

4. By June 30, 2015, upgrade the Authority's internal GIS system to categorize the property space information that identifies airline spaces, public spaces and unleased areas in order to meet the needs of various Authority departments. This will maximize revenue enhancement, assist with planning for future airport facilities and improve information for bond rating agencies.

Sustainability Goal: Operational Excellence, Social Responsibility

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Community Strategy: Be a trusted and highly responsive regional agency.

Finance & Asset Management Division

Finance & Asset Management Division Overview

The **Finance and Asset Management Division's** five departments are responsible for providing the accounting, business management, business development, procurement, information and technology services, small business participation, financial planning, budgeting, capital funding, treasury, real estate and property management and concession development for the organization.

The **Accounting Department** is responsible for maintenance, reporting and management of all General Ledger accounts as well as providing cost accounting services in support of the Authority's financial goals and objectives. They are also responsible for:

- Timely and accurate reporting that complies with generally accepted accounting principles.
- In-depth transaction review and strict adherence to Authority policies to ensure safeguarding of Authority assets.
- Consistent, organized and systematic recordkeeping to provide detailed support of Authority financial history.

The **Business & Financial Management Department** is responsible for the effective utilization and management of Authority resources. Primary functions include calculating rates, fees and charges, developing and administering the Operating and Capital Budgets and serving as the landlord of San Diego International Airport and other Authority-controlled property and facilities.

The department strives to maintain a fiscally sound and sustainable organization that conforms to financial management best practices; provides for beneficial treasury management; enhances operational efficiency and stability through the acquisition, management and disposal of Authority facilities; maintains an effective debt management program; and delivers financial advisory services to all Authority departments.

To accomplish these commitments the department forecasts revenue and expenditures; identifies, analyzes and implements revenue enhancement and costs containment strategies; manages Authority investments and cash; administers Grants, Passenger Facility Charge (PFC) and Customer Facility Charge (CFC) revenue; and issues and manages Long-term and Short-term debt. Additionally, the department calculates and negotiates terminal rental rates, landing fees and other revenue from tenants and other users of Authority property; serves as the Authority's representative in acquiring property rights; develops and implements real estate-related agreements and manages the business relationships of tenant and public activities including those of passenger and cargo carriers, car rental companies, concessionaires, parking, ground servicing companies, fixed base operators, government entities and other lessees.

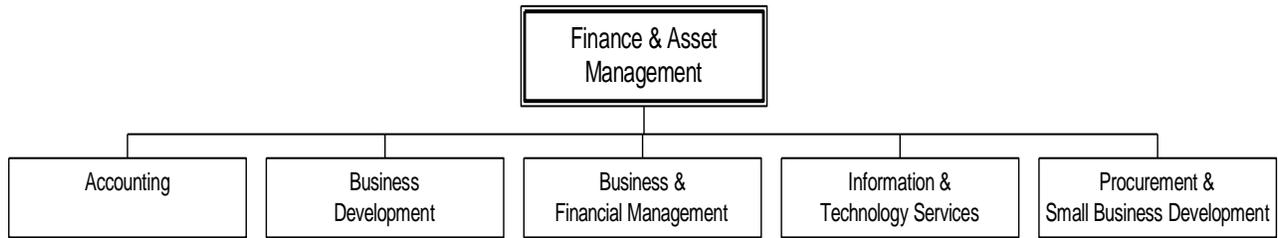
The **Business Development Department** identifies, reviews & prioritizes new business opportunities for the Authority. The focus is on opportunities that will drive incremental revenue and/or reduce costs and those that enhance the overall passenger experience.

The **Information & Technology Services Department (ITSD)** establishes and manages the Authority's information technology infrastructure, including hardware, software and communications technology. The department provides information technology services to all Authority departments, with network connectivity, internet services, desktop computing, telephone connection and hosted system services. ITSD

provides the airlines with common use services (CUSS kiosks, CUPPS workstations) at the elevated departure roadway, gates and ticket counters and Flight Information Display System (FIDS). Passengers are served by FIDS, free Wi-Fi, Paging and the SAN.ORG website maintained by ITSD with content provided by Vision, Voice and Engagement.

The **Procurement and Small Business Development Department** manages the business outreach, solicitation and contract award process in a legal, ethical and transparent manner. The team is committed to ensuring that local, small, historically underutilized, disabled veteran and emerging businesses have every opportunity to do business with the Airport. Department responsibilities include providing research on resources, trends, products and service options, business outreach, providing small business development services, negotiating contracts and price agreements. Additional responsibilities include managing the procurement card program, shipping, receiving and warehouse operations.

Finance & Asset Management Division Organizational Structure



Division Personnel Summary

	FY 2013 Budget Authorized & Funded Positions	FY 2014 Budget Authorized & Funded Positions	Proposed FY 2015 Budget Transfer Positions	Proposed FY 2015 Budget New/ (Eliminated) Positions	Proposed FY 2015 Budget Funded/ (Unfunded) Positions	Proposed FY 2015 Budget & Funded Positions	Conceptual FY 2016 Budget New/ (Eliminated) Positions	Conceptual FY 2016 Budget Funded/ (Unfunded) Positions	Conceptual FY 2016 Budget & Funded Positions
Finance and Asset Management									
Business and Financial Management	34	26	(1)	-	-	25	-	-	25
Accounting	13	13	(1)	-	-	12	-	-	12
Information and Technology Services	23	24	3	-	-	27	-	-	27
Procurement and Small Business Development	18	17	(1)	(1)	-	15	-	-	15
Business Development	-	1	-	-	-	1	-	-	1
Total	88	81	-	(1)	-	80	-	-	80
Authorized and Unfunded Positions	1	1	-	-	-	1	-	-	1
Total Authorized Positions	89	82	-	(1)	-	81	-	-	81

Finance & Asset Management Division

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 6,704,744	\$ 6,570,226	\$ 6,958,377	\$ 6,788,358	\$ 218,132	3.3%	\$ (170,019)	-2.4%	\$ 7,011,203	\$ 222,845	3.3%
Premium Overtime	183,617	202,400	150,400	150,000	(52,400)	-25.9%	(400)	-0.3%	150,000	-	0.0%
Employee Benefits	3,079,310	3,200,011	3,501,798	3,631,018	431,008	13.5%	129,220	3.7%	3,815,043	184,024	5.1%
Less: Capitalized Labor	(104,509)	(102,717)	(106,919)	-	102,717	-100.0%	106,919	-100.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Subtotal Personnel Expenses	9,967,670	9,972,637	10,610,576	10,569,376	596,740	6.0%	(41,199)	-0.4%	10,976,246	406,869	3.8%
SDCERS Unfunded Actuarial Liability (GASB change)	-	-	-	7,600,000	7,600,000	0.0%	7,600,000	0.0%	-	(7,600,000)	-100.0%
Total Personnel Expenses *	9,863,161	9,869,920	10,503,656	18,169,376	8,299,456	84.1%	7,665,720	73.0%	10,976,246	(7,193,131)	-39.6%
Non-Personnel Expenses											
Contractual Services	2,495,953	1,976,000	1,918,173	2,056,420	80,420	4.1%	138,247	7.2%	2,130,384	73,964	3.6%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	10,897,338	10,377,212	10,323,752	10,449,096	71,884	0.7%	125,344	1.2%	10,423,381	(25,715)	-0.2%
Utilities	350,291	487,000	490,000	466,000	(21,000)	-4.3%	(24,000)	-4.9%	466,000	-	0.0%
Maintenance	18,140	18,593	18,593	19,650	1,057	5.7%	1,057	5.7%	19,650	-	0.0%
Operating Equipment & Systems	342,022	313,200	318,500	340,547	27,347	8.7%	22,047	6.9%	394,269	53,721	15.8%
Operating Supplies	46,181	56,900	57,530	91,580	34,680	60.9%	34,050	59.2%	92,914	1,334	1.5%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	158,522	186,625	189,165	177,725	(8,900)	-4.8%	(11,440)	-6.0%	179,565	1,840	1.0%
Business Development	368,332	138,600	141,154	148,975	10,375	7.5%	7,821	5.5%	149,279	304	0.2%
Equipment Rentals & Repairs	872,785	2,050,466	2,126,067	2,043,143	(7,323)	-0.4%	(82,924)	-3.9%	2,102,725	59,582	2.9%
Tenant Improvements	433	359,900	-	200,000	(159,900)	-44.4%	200,000	0.0%	200,000	-	0.0%
Total Non-Personnel Expenses	15,549,997	15,964,496	15,582,934	15,993,136	28,639	0.2%	410,202	2.6%	16,158,167	165,031	1.0%
Total Operating Expenses	25,413,157	25,834,417	26,086,590	34,162,512	8,328,096	32.2%	8,075,922	31.0%	27,134,413	(7,028,099)	-20.6%
Total Non-Operating Expenses	4,208	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	25,417,365	25,834,417	26,086,590	34,162,512	8,328,096	32.2%	8,075,922	31.0%	27,134,413	(7,028,099)	-20.6%
Equipment Outlay	324,967	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 25,742,332	\$ 25,834,417	\$ 26,086,590	\$ 34,162,512	\$ 8,328,096	32.2%	\$ 8,075,922	31.0%	\$ 27,134,413	\$ (7,028,099)	-20.6%

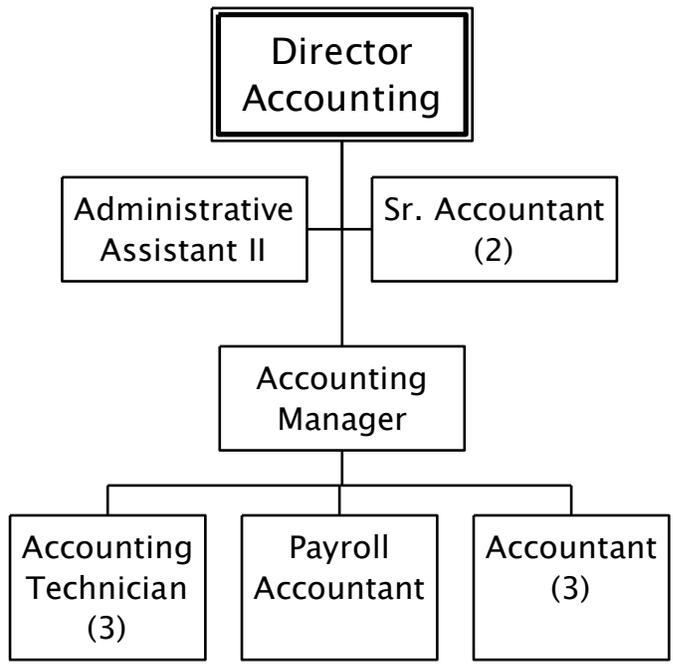
*Personnel costs include vacancy saving

Finance & Asset Management Division
Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 25,834,417	\$ 34,162,512
Personnel costs		
SDCERS Unfunded Actuarial Liability (GASB change)	7,600,000	(7,600,000)
Burden (benefits & employer taxes) for current staff	618,248	177,834
Salary adjustments and pay-for-performance	162,688	229,035
Changes in capitalized labor costs	102,717	-
1 Position eliminated (salaries, benefits & employer taxes)	(184,197)	-
Total Increase / (Decrease) in personnel costs*	8,299,456	(7,193,131)
Space rental	71,884	(25,715)
Outside professional services	62,070	83,096
Operating equipment, systems and supplies	53,847	53,721
Equipment rentals and repairs	15,601	59,582
Tenant improvements	(159,900)	-
Other, net	(14,862)	(5,654)
Total Increase / (Decrease) in non-personnel costs	28,639	165,031
Total Increase / (Decrease)	8,328,096	(7,028,099)
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 34,162,512	\$ 27,134,413

**Personnel costs include vacancy saving*

Accounting
FY 2015 – FY 2016 Organizational Structure



No personnel changes planned for FY 2016

Accounting

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 859,428	\$ 900,379	\$ 927,391	\$ 838,454	\$ (61,925)	-6.9%	\$ (88,936)	-9.6%	\$ 863,608	\$ 25,154	3.0%
Premium Overtime	3,174	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	469,762	512,767	545,682	501,390	(11,377)	-2.2%	(44,292)	-8.1%	525,819	24,429	4.9%
Subtotal	1,332,365	1,413,146	1,473,073	1,339,844	(73,302)	-5.2%	(133,228)	-9.0%	1,389,427	49,582	3.7%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	1,332,365	1,413,146	1,473,073	1,339,844	(73,302)	-5.2%	(133,228)	-9.0%	1,389,427	49,582	3.7%
Non-Personnel Expenses											
Contractual Services	249,905	201,500	197,500	175,500	(26,000)	-12.9%	(22,000)	-11.1%	246,500	71,000	40.5%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	3,437	2,000	2,000	2,000	-	0.0%	-	0.0%	2,000	-	0.0%
Operating Supplies	9,143	11,500	11,500	13,500	2,000	17.4%	2,000	17.4%	13,500	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	5,793	10,800	8,800	8,300	(2,500)	-23.1%	(500)	-5.7%	9,300	1,000	12.0%
Business Development	8,964	29,100	29,100	29,100	-	0.0%	-	0.0%	29,100	-	0.0%
Equipment Rentals & Repairs	283	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Non-Personnel Expenses	277,525	254,900	248,900	228,400	(26,500)	-10.4%	(20,500)	-8.2%	300,400	72,000	31.5%
Total Operating Expenses	1,609,890	1,668,047	1,721,973	1,568,244	(99,802)	-6.0%	(153,728)	-8.9%	1,689,827	121,582	7.8%
Total Non-Operating Expenses	1	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	1,609,891	1,668,047	1,721,973	1,568,244	(99,802)	-6.0%	(153,728)	-8.9%	1,689,827	121,582	7.8%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 1,609,891	\$ 1,668,047	\$ 1,721,973	\$ 1,568,244	\$ (99,802)	-6.0%	\$ (153,728)	-8.9%	\$ 1,689,827	\$ 121,582	7.8%

Accounting

Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc / (Dec) FY15 vs FY14 Budget	Inc / (Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 1,668,047	\$ 1,568,244
Personnel costs		
Salary adjustments and pay-for-performance	110,330	25,154
Burden (benefits & employer taxes) for current staff	(51,315)	24,429
1 Position transferred to Information Technology (salaries, benefits & employer taxes)	(132,317)	-
Total Increase / (Decrease) in personnel costs	(73,302)	49,582
Outside professional services	(26,000)	71,000
Other, net	(500)	1,000
Total Increase / (Decrease) in non-personnel costs	(26,500)	72,000
Total Increase / (Decrease)	(99,802)	121,582
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 1,568,244	\$ 1,689,827

Accounting Departmental Goals

FY 2014 Progress Report

1. Continue to work with the departments responsible for Concession Development Program (CDP), Green Build and Rental Car Center (RCC) to ensure accurate financial statement reporting for FY 2013 – FY 2014. The measurement of success will be zero audit findings.

Progress: Completed with zero audit findings.

Sustainability Goal: Economic Viability.

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority.

2. Present the FY 2013 Comprehensive Annual Financial Report (CAFR) on the website using interactive technology. The purpose is to provide information to the public in a more interesting and engaging fashion. Success target is 10 hits per quarter starting in January, 2014.

Progress: Completed and currently have over 10 hits posted in January.

Sustainability Goal: Social Responsibility.

Authority Strategy: Community Strategy: Be a trusted and highly responsive regional agency.

3. Collaborate with RCC program stakeholders to ensure accurate accounting treatment for all aspects of the project and assist in oversight of funding source compliance and controls. To achieve these objectives, accounting will develop reporting tools and processes to assist in monitoring progress and will provide timely communication to stakeholders. The measurement of success will be no more than one internal audit finding related to accounting oversight.

Progress: In progress, Internal Audit is beginning the audit on the Host tenant.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Customer Strategy: Achieve the highest level of internal and external customer satisfaction.

4. Work as a primary team member in the first phase of implementing the ECMS. Success will be meeting the primary milestones.

Progress: In progress, the software has been selected.

Sustainability Goal: Operational Excellence.

Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction.

Accounting Departmental Goals

FY 2015 – FY 2016 Goals

1. **Less than three audit findings for FY 14 audit with new auditors.**

Sustainability Goal: Social responsibility

Authority Strategy: Be a trusted and highly responsive regional agency.

2. **Implement the Enterprise Content Management System (ECMS) in conjunction with the Board Services Department by May 2015.**

Sustainability Goal: Social responsibility

Authority Strategy: Achieve the highest level of internal and external customer satisfaction

3. **Achieve highest level of employee performance and commitment as evidenced by at least an 80% Employee Opinion Survey (EOS) engagement score**

Sustainability Goal: Economic viability, Operational Excellence

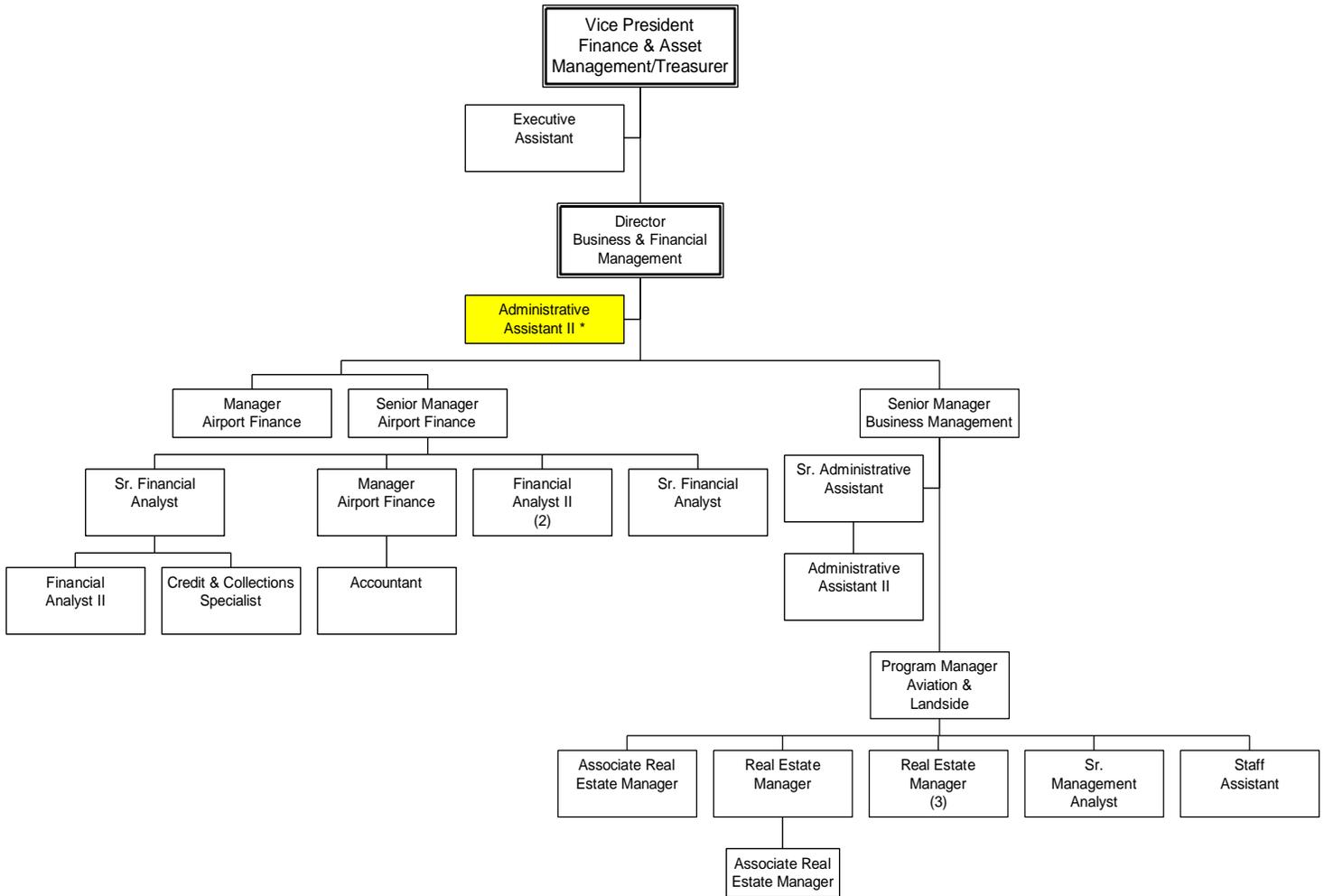
Authority Strategy: Ensure the highest level of employee commitment and performance

4. **Identify and implement potential areas of revenue enhancement and cost savings (beyond budget) through all divisions. Accounting can accurately and consistently record expenses for correct cost recovery. Accounting can also work more closely with Finance and Business & Financial Management to identify additional recovery costs and costs pools, also set up training on capital versus expense for accurate budgeting.**

Sustainability Goal: Economic viability

Authority Strategy: Enhance the financial position of the Airport Authority

Business and Financial Management
FY 2015 – FY 2015 Organizational Structure



**Unfunded positions shown in yellow*
No personnel changes planned for FY 2016

Business and Financial Management

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 2,679,749	\$ 2,460,124	\$ 2,533,927	\$ 2,440,979	\$ (19,145)	-0.8%	\$ (92,949)	-3.7%	\$ 2,520,208	\$ 79,229	3.2%
Premium Overtime	1,542	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	1,201,768	1,097,632	1,159,643	1,210,962	113,330	10.3%	51,319	4.4%	1,270,291	59,329	4.9%
Subtotal	3,883,060	3,557,756	3,693,570	3,651,940	94,185	2.6%	(41,630)	-1.1%	3,790,499	138,558	3.8%
Less: Capitalized Labor	(104,509)	(102,717)	(106,919)	-	102,717	-100.0%	106,919	-100.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	3,778,550	3,455,039	3,586,651	3,651,940	196,902	5.7%	65,289	1.8%	3,790,499	138,558	3.8%
Non-Personnel Expenses											
Contractual Services	1,555,779	531,350	473,523	494,920	(36,430)	-6.9%	21,397	4.5%	502,884	7,964	1.6%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	10,897,338	10,377,212	10,323,752	10,449,096	71,884	0.7%	125,344	1.2%	10,423,381	(25,715)	-0.2%
Utilities	3,888	2,900	2,900	2,900	-	0.0%	-	0.0%	2,900	-	0.0%
Maintenance	18,140	18,593	18,593	19,650	1,057	5.7%	1,057	5.7%	19,650	-	0.0%
Operating Equipment & Systems	5,858	3,500	3,500	7,000	3,500	100.0%	3,500	100.0%	7,000	-	0.0%
Operating Supplies	14,740	12,000	12,180	12,180	180	1.5%	-	0.0%	12,514	334	2.7%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	58,320	64,075	64,315	63,575	(500)	-0.8%	(740)	-1.2%	63,815	240	0.4%
Business Development	58,211	38,150	37,804	43,650	5,500	14.4%	5,846	15.5%	43,954	304	0.7%
Equipment Rentals & Repairs	46,665	22,000	8,000	21,576	(424)	-1.9%	13,576	169.7%	21,576	-	0.0%
Tenant Improvements	433	359,900	-	200,000	(159,900)	-44.4%	200,000	0.0%	200,000	-	0.0%
Total Non-Personnel Expenses	12,659,371	11,429,680	10,944,567	11,314,547	(115,134)	-1.0%	369,980	3.4%	11,297,674	(16,873)	-0.1%
Total Operating Expenses	16,437,921	14,884,719	14,531,218	14,966,487	81,768	0.5%	435,269	3.0%	15,088,173	121,686	0.8%
Total Non-Operating Expenses	4,207	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	16,442,129	14,884,719	14,531,218	14,966,487	81,768	0.5%	435,269	3.0%	15,088,173	121,686	0.8%
Equipment Outlay	72,332	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 16,514,460	\$ 14,884,719	\$ 14,531,218	\$ 14,966,487	\$ 81,768	0.5%	\$ 435,269	3.0%	\$ 15,088,173	\$ 121,686	0.8%

Business and Financial Management
Major Drivers of FY 2015 Proposed Budget – FY 2016 Proposed Conceptual Budget

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 14,884,719	\$ 14,966,487
Personnel costs		
Salary adjustments and pay-for-performance	109,894	79,229
Changes in capitalized labor costs	102,717	-
Burden (benefits & employer taxes) for current staff	84,677	59,329
1 Position transferred to Information & Technology Services (salaries, benefits & employer taxes)	(100,387)	-
Total Increase / (Decrease) in personnel costs	196,902	138,558
Space rental	71,884	(25,715)
Outside professional services	(41,930)	7,096
Tenant improvements	(159,900)	-
Other, net	14,813	1,746
Total Increase / (Decrease) in non-personnel costs	(115,134)	(16,873)
Total Increase / (Decrease)	81,768	121,686
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 14,966,487	\$ 15,088,173

Business and Financial Management Departmental Goals

FY 2014 Progress Report

1. **By May 15, 2014, successfully execute the preparation and issuance of Customer Facility Charge (CFC) Revenue Bonds in an amount sufficient to complete necessary funding for the Rental Car Center (RCC). The goal also includes issuance of CFC Bonds at an interest rate and financing structure that allows successful execution of the RCC project and the Authority Plan of Finance.**

Progress: Customer Facility Charge Revenue Bonds were issued on February 19, 2014 to complete bond funding of the Rental Car Center. Interest rates achieved were below levels anticipated by the plan of finance.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Customer Strategy: Achieve the highest level of internal and external customer satisfaction.

2. **Engage the Authority workforce planning team to perform a departmental workforce planning assessment and provide recommendations. Begin execution of the plan and implement all accepted FY 2014 recommendations by May 15, 2014.**

Progress: The department has been reorganized and an additional 14 positions added. The department is undertaking an Organizational Design Analysis facilitated by the Talent, Culture and Capability department to determine the optimal short-term and long-term structure, capabilities and work processes. Initial implementation decisions are expected prior to the end of FY 2014.

Sustainability Goal: Operational Excellence, Social Responsibility

Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Employee Strategy: Ensure the highest level of employee commitment and performance.

3. **Provide enhanced financial analysis and decision support for the Capital Program by coordinating stakeholders and project concepts, performing business case financial analyses, identifying potential funding sources and developing the plan of finance in conjunction with the annual budget process. This goal also includes providing real-time financial metrics to the Capital Improvement Committee as project additions or changes are evaluated.**

Progress: A substantial increase in the level of information provided for Capital Program decision support was achieved through early stakeholder engagement combined with analyses provided by staff subject matter experts. The increased collaboration and additional involvement of various departments has resulted in a more seamless integration with the operating budget development. As a result of the involvement of various parties earlier into the process several areas of improvement were identified. Coordination of a revised capital project development schedule for implementation in FY15 is currently underway. This will create the ability to present financial metrics to the Capital Improvement Committee which show the impact of project additions and changes.

Current reporting structure has improved but data shown is still static and not encompassing of future operating budget impacts as a result of capital program actions.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Customer Strategy: Achieve the highest level of internal and external customer satisfaction.

4. Engage authority-wide department heads in at least a quarterly budget variance analysis and the resulting impact on organizational objectives by producing managerial reports and conducting discussions with respective directors by May 15, 2014. The goal is to establish an open line of communication between the departments and budget analysts during the fiscal year, resulting in improvements to the forecasting and budget processes and becoming a business partner for Authority departments.

Progress: The department is engaging department heads monthly in budget variance analysis and reporting discussions. Increased communication between the department and authority directors and managers has resulted in improved forecasting inputs and trust between all parties.

Sustainability Goal: Economic Viability, Operational Excellence, Social Responsibility

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Employee Strategy: Ensure the highest level of employee commitment and performance.

5. By November 30, 2013, enhance revenue bond tax and covenant compliance by creating and utilizing written procedures, checklists and an annual timetable.

Progress: The department has developed a bond tax and covenant compliance checklist. Completion of written procedures and implementation of an annual timetable is now anticipated to be May 15, 2014.

Sustainability Goal: Economic Viability, Operational Excellence, Social Responsibility

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Employee Strategy: Ensure the highest level of employee commitment and performance.

Business and Financial Management Departmental Goals

FY 2015 – FY 2016 Goals

1. Propose cost savings or revenue enhancement ideas worth at least \$500,000 and implement all approved ideas.

Sustainability Goal: Economic Viability.

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority.

2. Sustain high levels of employee performance and commitment as evidenced by sustaining at least a 78% - 81% score in both engagement as well as strategic engagement scores as measured by the FY 2015 Employee Opinion Survey (EOS).

Sustainability Goal: Social Responsibility.

Authority Strategy: Employee Strategy: Ensure the highest level of employee commitment and performance.

3. Identify and prioritize the most beneficial automation opportunities, including analysis of the financial implications and operational benefits.

Sustainability Goal: Economic Viability, Operational Excellence, Natural Resource Conservation.

Authority Strategy: Financial: Enhance the financial position of the Authority. Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Operational Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

4. Support the business development function through analyzing and prioritizing ideas and meeting all implementation milestones for approved ideas.

Sustainability Goal: Economic Viability, Operational Excellence

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Customer Strategy: Achieve the highest level of internal and external customer satisfaction.

Business Development
FY 2015 – FY 2016 Organizational Structure

**Director
Business Development**

No personnel changes planned for FY 2016

Business Development

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	-	\$ 129,775	\$ 133,668	\$ 98,706	\$ (31,069)	-23.9%	\$ (34,962)	-26.2%	\$ 101,487	\$ 2,781	2.8%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	-	38,395	41,035	29,385	(9,010)	-23.5%	(11,650)	-28.4%	30,506	1,121	3.8%
Subtotal	-	168,170	174,703	128,091	(40,079)	-23.8%	(46,612)	-26.7%	131,993	3,902	3.0%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	-	168,170	174,703	128,091	(40,079)	-23.8%	(46,612)	-26.7%	131,993	3,902	3.0%
Non-Personnel Expenses											
Contractual Services	-	-	-	200,000	200,000	0.0%	200,000	0.0%	175,000	(25,000)	-12.5%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Supplies	-	-	-	1,500	1,500	0.0%	1,500	0.0%	1,500	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	-	-	-	9,200	9,200	0.0%	9,200	0.0%	9,200	-	0.0%
Business Development	-	-	-	8,500	8,500	0.0%	8,500	0.0%	8,500	-	0.0%
Equipment Rentals & Repairs	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Non-Personnel Expenses	-	-	-	219,200	219,200	0.0%	219,200	0.0%	194,200	(25,000)	-11.4%
Total Operating Expenses	-	168,170	174,703	347,291	179,121	106.5%	172,588	98.8%	326,193	(21,098)	-6.1%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	-	168,170	174,703	347,291	179,121	106.5%	172,588	98.8%	326,193	(21,098)	-6.1%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ -	\$ 168,170	\$ 174,703	\$ 347,291	\$ 179,121	106.5%	\$ 172,588	98.8%	\$ 326,193	\$ (21,098)	-6.1%

Business Development

Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc / (Dec) FY15 vs FY14 Budget	Inc / (Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 168,170	\$ 347,291
Personnel costs		
Burden (benefits & employer taxes) for current staff	(9,010)	1,121
Salary adjustments and pay-for-performance	(31,069)	2,781
Total Increase / (Decrease) in personnel costs	(40,079)	3,902
Outside professional services	200,000	(25,000)
Other, net	19,200	-
Total Increase / (Decrease) in non-personnel costs	219,200	(25,000)
Total Increase / (Decrease)	179,121	(21,098)
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 347,291	\$ 326,193

Business Development Departmental Goals

FY 2015 – FY 2016 Goals

1. Identify, propose and do a business plan for a minimum of 3 potential projects to drive incremental revenue and/or reduce costs beyond budget.

Sustainability Goal: Economic Viability

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority.

2. Execute customer research to help identify areas of opportunity to enhance the passenger experience and ideally drive revenue at the same time.

Sustainability Goal: Operational Excellence, Economic Viability

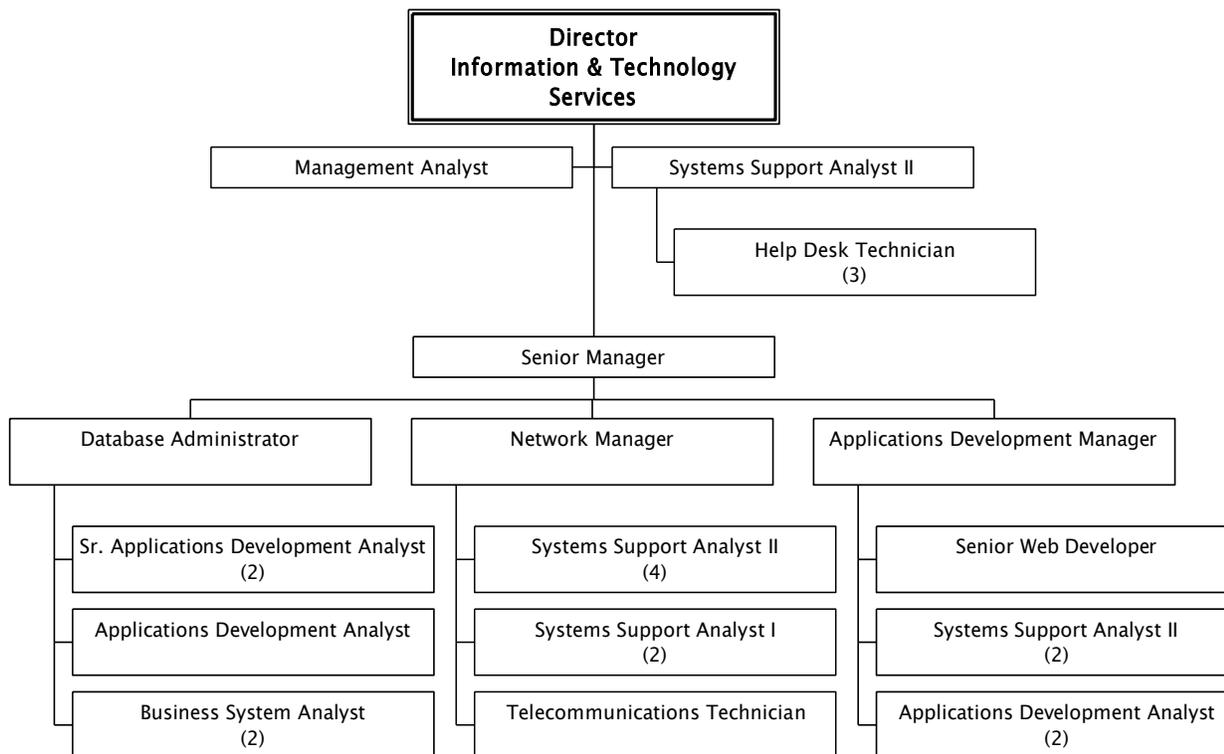
Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Financial Strategy: Enhance the financial position of the Authority.

3. Identify and prioritize the most beneficial automation opportunities, including analysis of the financial implications & operations benefits.

Sustainability Goal: Operational Excellence

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

Information & Technology Services
FY 2015 – FY 2016 Organizational Structure



No personnel changes planned for FY 2016

Information & Technology Services

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	%Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	%Change	FY 2016 Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	%Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 1,721,744	\$ 1,971,628	\$ 2,030,776	\$ 2,183,299	\$ 211,671	10.7%	\$ 152,522	7.5%	\$ 2,273,968	\$ 90,670	4.2%
Premium Overtime	178,900	202,000	150,000	150,000	(52,000)	-25.7%	-	0.0%	150,000	-	0.0%
Employee Benefits	862,902	1,041,145	1,106,870	1,233,850	192,705	18.5%	126,980	11.5%	1,308,288	74,438	6.0%
Subtotal	2,763,546	3,214,772	3,287,646	3,567,148	352,376	11.0%	279,502	8.5%	3,732,256	165,107	4.6%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	2,763,546	3,214,772	3,287,646	3,567,148	352,376	11.0%	279,502	8.5%	3,732,256	165,107	4.6%
Non-Personnel Expenses											
Contractual Services	397,286	975,000	975,000	905,000	(70,000)	-7.2%	(70,000)	-7.2%	935,000	30,000	3.3%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	346,402	484,000	487,000	463,000	(21,000)	-4.3%	(24,000)	-4.9%	463,000	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	327,543	307,700	313,000	331,547	23,847	7.8%	18,547	5.9%	385,269	53,721	16.2%
Operating Supplies	13,930	23,300	23,800	53,800	30,500	130.9%	30,000	126.1%	53,800	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	66,294	71,400	73,900	62,400	(9,000)	-12.6%	(11,500)	-15.6%	62,400	-	0.0%
Business Development	4,014	8,100	8,100	8,100	-	0.0%	-	0.0%	8,100	-	0.0%
Equipment Rentals & Repairs	770,304	1,980,466	2,067,067	1,971,067	(9,399)	-0.5%	(96,000)	-4.6%	2,030,649	59,582	3.0%
Total Non-Personnel Expenses	1,925,772	3,849,966	3,947,867	3,794,914	(55,052)	-1.4%	(152,953)	-3.9%	3,938,218	143,304	3.8%
Total Operating Expenses	4,689,318	7,064,738	7,235,513	7,362,063	297,325	4.2%	126,549	1.7%	7,670,474	308,411	4.2%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	4,689,318	7,064,738	7,235,513	7,362,063	297,325	4.2%	126,549	1.7%	7,670,474	308,411	4.2%
Equipment Outlay	252,635	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 4,941,953	\$ 7,064,738	\$ 7,235,513	\$ 7,362,063	\$ 297,325	4.2%	\$ 126,549	1.7%	\$ 7,670,474	\$ 308,411	4.2%

Information & Technology Services
Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc / (Dec) FY15 vs FY14 Budget	Inc / (Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 7,064,738	\$ 7,362,063
Personnel costs		
3 Positions transferred to Information Technology (salaries, benefits & employer taxes)	342,652	-
Burden (benefits & employer taxes) for current staff	87,040	74,438
Salary adjustments and pay-for-performance	(77,315)	90,670
Total Increase / (Decrease) in personnel costs	352,376	165,107
Operating equipment, systems and supplies	53,847	53,721
Equipment rentals and repairs	15,601	59,582
Outside professional services	(70,000)	30,000
Other, net	(54,500)	-
Total Increase / (Decrease) in non-personnel costs	(55,052)	143,304
Total Increase / (Decrease)	297,325	308,411
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 7,362,063	\$ 7,670,474

Information & Technology Services Departmental Goals

FY 2014 Progress Report

1. **Work with the Rental Car Center (RCC) team to ensure successful opening of the RCC facility in FY 2016, with all necessary Authority technology systems operating properly, while continuing to support the successful opening of the Green Build facility in August 2014.**

- **Ensure that RCC technology plans allow the RCC to be fully integrated into the Authority network, to deliver Authority telecommunications services to the RCC by June 2014.**
- **Continue integration of the existing Authority network with the Green Build network, so that Authority personnel are managing 100% of the merged network by June 2014.**

Progress:

- **RCC Technology Plan:** IT personnel are working with the RCC development team and have identified network requirements for the RCC, to support Authority systems within the RCC and to provide a secondary Main Point of Entry (MPOE) for the whole north side development. Design efforts are still on-going.
- **Integrate Green Build and existing Authority network:** IT personnel have taken full responsibility for 100% day-to-day operation of the merged networks and are now operating it as one network. This is complete.

Sustainability Goal: Operational Excellence.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

2. **Support the implementation of the Telecommunications Concessionaire contract in conjunction with the Business and Financial Management department by August 2013.**

Progress: This is complete. IT has assisted Business and Financial Management in selecting the appropriate business model and in acquiring Internet services in support of this contract. The contract has been awarded and is in operation.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Financial Strategy: Enhance the financial position of the Airport Authority. Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

3. **Implement the Enterprise Content Management system, in conjunction with the Corporate & Information Governance Department, by October 2013.**

Progress: IT has participated with Corporate & Information Governance in the issuing of an RFP, and its' selection of a product and implementation vendor. Tasks still to be completed are vendor negotiation, contract award and implementation. Implementation is now scheduled to be complete by May 2015.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Financial Strategy: Enhance the financial position of the Airport Authority.
Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

Information & Technology Services Departmental Goals

FY 2015 – FY 2016 Goals

1. Continue working with the RCC team to ensure successful opening of the RCC facility in FY16, and other north side development, with all necessary Authority technology systems operating properly and delivering telecommunications services to the north side developments.

Sustainability Goal: Operational Excellence.

Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

2. Implement the Enterprise Content Management system (ECMS) in conjunction with the Board Services Department by May 2015.

Sustainability Goal: Operational Excellence.

Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

3. Continue to work with other departments to develop IT-related non-airline revenue opportunities (such as Wi-Fi advertising revenue), by implementing or improving at least one new technology related non-airline revenue income stream, by May 2015.

Sustainability Goal: Economic Viability.

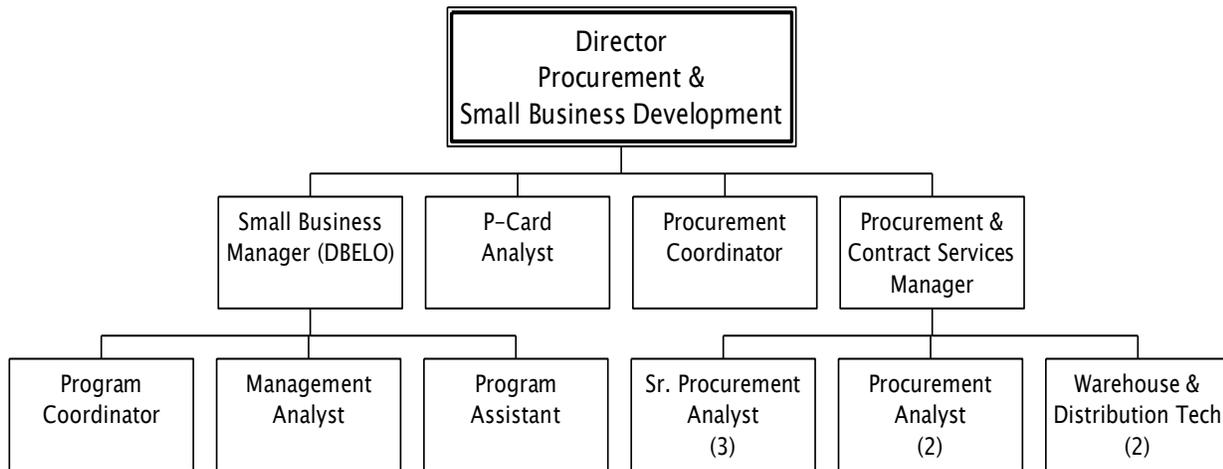
Authority Strategy: Financial Strategy: Enhance the financial position of the Authority.

4. Provide technical training for IT personnel to ensure that they have the appropriate skills to maintain a high level of expertise to be able to meet the goals in items 1,2, and 3 above.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Employee Strategy: Ensure the highest level of employee commitment and performance.

Procurement & Small Business Development FY 2015 – FY 2016 Organizational Structure



No personnel changes planned for FY 2016

Procurement & Small Business Development FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 1,083,822	\$ 1,193,670	\$ 1,229,481	\$ 1,040,049	\$ (153,621)	-12.9%	\$ (189,431)	-15.4%	\$ 1,071,251	\$ 31,201	3.0%
Premium Overtime	-	400	400	-	(400)	-100.0%	(400)	-100.0%	-	-	0.0%
Employee Benefits	544,878	664,638	706,767	608,706	(55,933)	-8.4%	(98,062)	-13.9%	638,453	29,747	4.9%
Subtotal	1,628,700	1,858,709	1,936,648	1,648,755	(209,954)	-11.3%	(287,893)	-14.9%	1,709,704	60,949	3.7%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	1,628,700	1,858,709	1,936,648	1,648,755	(209,954)	-11.3%	(287,893)	-14.9%	1,709,704	60,949	3.7%
Non-Personnel Expenses											
Contractual Services	292,983	268,150	272,150	281,000	12,850	4.8%	8,850	3.3%	271,000	(10,000)	-3.6%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	100	100	100	-	0.0%	-	0.0%	100	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	5,184	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Supplies	8,369	10,100	10,050	10,600	500	5.0%	550	5.5%	11,600	1,000	9.4%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	28,116	40,350	42,150	34,250	(6,100)	-15.1%	(7,900)	-18.7%	34,850	600	1.8%
Business Development	297,143	63,250	66,150	59,625	(3,625)	-5.7%	(6,525)	-9.9%	59,625	-	0.0%
Equipment Rentals & Repairs	55,533	48,000	51,000	50,500	2,500	5.2%	(500)	-1.0%	50,500	-	0.0%
Total Non-Personnel Expenses	687,328	429,950	441,600	436,075	6,125	1.4%	(5,525)	-1.3%	427,675	(8,400)	-1.9%
Total Operating Expenses	2,316,028	2,288,659	2,378,248	2,084,830	(203,829)	-8.9%	(293,418)	-12.3%	2,137,379	52,549	2.5%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	2,316,028	2,288,659	2,378,248	2,084,830	(203,829)	-8.9%	(293,418)	-12.3%	2,137,379	52,549	2.5%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 2,316,028	\$ 2,288,659	\$ 2,378,248	\$ 2,084,830	\$ (203,829)	-8.9%	\$ (293,418)	-12.3%	\$ 2,137,379	\$ 52,549	2.5%

Procurement & Small Business Development
Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc / (Dec) FY15 vs FY14 Budget	Inc / (Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 2,288,659	\$ 2,084,830
Personnel costs		
Salary adjustments and pay-for-performance	50,848	31,201
Burden (benefits & employer taxes) for current staff	33,343	29,747
1 Position transferred to Information Technology (salaries, benefits & employer taxes)	(109,948)	-
1 Position eliminated Small Business Director (salaries, benefits & employer taxes)	(184,197)	-
Total Increase / (Decrease) in personnel costs	(209,954)	60,949
Other, net	6,125	(8,400)
Total Increase / (Decrease) in non-personnel costs	6,125	(8,400)
Total Increase / (Decrease)	(203,829)	52,549
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 2,084,830	\$ 2,137,379

Procurement & Small Business Development Departmental Goals

FY 2014 Progress Report

1. Achieve an overall cost savings of 8% through increased competition and negotiations in FY 2014.

Progress: The Procurement Department continues to achieve cost savings through increased competition and negotiations. Contract negotiations also results in value added services and operational efficiencies for the Authority. A savings of 13% has been achieved through increased competition and a savings of over 15% has been achieved through contract negotiations.

Sustainability Goal: Economic Viability.

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority.

2. Improve customer service to the business community through transparency, increased contract opportunities outreach. Success equals:

- Develop project-specific outreach plans for 90% of the open, competitive solicitations issued through procurement in FY 2014.
- Document small and local business participation achieved in FY 2014 through an open, competitive solicitation process.
- Conduct one vendor training workshop and participate in two vendor outreach events in FY 2014.

Progress: Project specific outreach plans were developed for 99% of the open, competitive solicitations issued through the procurement department. 100% of the solicitations documented small and local business participation. Outreach plans include preferences under policies 5.12 and 5.14 as applicable

During the first 2 quarters of FY14 546 new vendors registered in the Authority's Vendor Database as a result of outreach by Procurement and Small Business Departments. 1,666 vendors have actively participated in a solicitation by downloading the opportunity; 26% are certified SBEs, 46% are self-declared LBEs, 7.7% are DBE certified and 1.9% are DVB certified.

Procurement actively participated in the California Veterans Business Alliance Annual Conference and matchmaking event and continues to participate and support business community meetings sponsored by the Authority and various business organizations throughout San Diego County. On January 14, 2014 the Authority was one of two special districts to serve on a statewide panel providing formal vendor training on "How to do business with Government Agencies". On April 23, 2014 Procurement will conduct a vendor training for small businesses on "How to successfully compete on SDCRAA Projects".

Sustainability Goal: Social Responsibility.

Authority Strategy: Community Strategy: Be a trusted and highly responsive regional agency.

3. Promote a sustainable procurement process. Success equals:

- Increase the number of solicitations accepting electronic submission above 50% in FY 2014, which results in reducing the Authority's carbon footprint in addition to saving the business community time and money.
- Update Procurement's sustainability statement and resource guide in FY 2014.

Progress: During the first half of FY 2014, the Procurement team successfully increased the number of solicitations accepting electronic bid submissions to 70%. Procurement's Sustainability Statement and Resource Guide is updated and posted on the Authority's intranet.

Sustainability Goal: Operational Excellence, Natural Resource Conservation.

Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

4. Continue to develop staff and promote best practices in Procurement. Success equals:

- Receive the Achievement of Excellence in Procurement Award for FY 2014 by obtaining a high score based on standardized criteria designed to measure innovation, professionalism, e-procurement, productivity and leadership attributes of the procurement function.

Progress: The Procurement Department is on track for meeting the best practices and standards to submit for the Achievement of Excellence in Procurement Award for FY 2014. Procurement staff continues to receive training and instruction specifically related to trends and best practices in Procurement and Contract Services.

Sustainability Goal: Operational Excellence.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

5. Continue active implementation of remedies to address bonding issues and foster relationships with prime contractors, two barriers to small business participation in SDCRAA contracts, by June 30, 2014.

Progress: The SBD team continues to foster relationships with prime contractors that have been awarded Authority contracts to maximize subcontracting opportunities for small businesses. The Bonding and Contract Financing Assistance Program is fully implemented.

Sustainability Goal: Social Responsibility.

Authority Strategy: Community Strategy: Be a trusted and highly responsive regional agency.

6. Continue to enhance local awareness of Authority contracting opportunities by hosting at least twelve opportunity awareness events and education programs targeting small businesses in order to maximize efforts by June 30, 2014.

Progress: Small Business Development is on target to exceed 12 events.

Sustainability Goal: Social Responsibility.

Authority Strategy: Community Strategy: Be a trusted and highly responsive regional agency.

7. Enhance communications with key stakeholders by reaching out to the small business community using conventional and social media tools to inform on major projects, workshops and other business enhancement opportunities.

Progress: Small Business Development partners with Marketing & Public Relations, Turner Construction and the Public Agency Consortium to inform key stakeholders of major projects, workshops and events.

Sustainability Goal: Social Responsibility.

Authority Strategy: Community Strategy: Be a trusted and highly responsive regional agency.

Procurement & Small Business Development Departmental Goals

FY 2015 – FY 2016 Goals

1. Achieve an overall cost savings of 8% through increased competition and negotiations and report on department revenue generated in FY 2015.

Sustainability Goal: Economic Viability

Authority Financial Strategy: Enhance the financial position of the Airport Authority.

2. Improve customer service to the business community through education, outreach and transparency. Success equals:

- Host a minimum of 10 opportunity awareness events and participate in a minimum of 15 meetings and events with regional agencies and local business associations in FY2015.
- Document small and local business participation achieved in FY2015 through an open, competitive solicitation process.
- Implement enhancements to the Small Business Compliance Program in FY2015.
- Develop and launch a tutorial on Electronic Submissions in FY2015.

Sustainability Goal: Social Responsibility

Authority Strategy: Community Strategy: Be a trusted and highly responsive regional agency

3. Continue to develop staff and promote employee engagement and best practices. Success equals:

- Sustain high levels of employee performance and commitment as evidenced by sustaining at least a 78% – 81% score in employee engagement as measured by the FY15 Employee Opinion Survey (EOS)
- Receive the Achievement of Excellence in Procurement Award for FY2014 by obtaining a high score of at least 120 points based on standardized criteria designed to measure innovation, professionalism, e-procurement, productivity and leadership attributes of the procurement function.

Sustainability Goal: Operational Excellence

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

4. Improve communication with internal customers by increasing customer training. Success equals:

- Ensure 100% annual training for p-card holders and approvers by June 2015.
- Provide 2 internal training sessions specific to Procurement and Small Business Development in FY15.

- **Update the solicitation checklist and samples available to employees on the intranet by May 2015.**

Sustainability Goal: Operational Excellence.

Authority Strategy: Customer Strategy: To achieve the highest level of internal and external customer satisfaction.

Operations Division

Operations Division Overview

The **Operations Division** is responsible for complying with legislative mandates and operating requirements for San Diego International Airport and the Airport Authority. These include compliance with local, state and federal laws, state and federal aviation security rules and regulations. The division frequently coordinates with regulatory agencies to accomplish the Authority's goals. The division is also responsible for meeting the safety and operational needs of the traveling public, both landside and airside, including concession operations and daily tenant interactions. The division consists of four departments with distinctly different goals and responsibilities.

The **Airside Operations, Aviation Security & Public Safety Department** oversees the myriad of daily activities occurring on the airfield and is responsible 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. Trained Duty Managers monitor conditions on the airfield and in the terminals around the clock; direct remedial action to repair inoperative systems; and summon fire, police and life safety responders to urgent situations or potential emergencies. The department also develops, administers and implements the Airport Certification Manual (ACM).

The **Aviation Security & Public Safety Department** implements all required FAA and TSA security programs and security equipment improvements. The Department also:

- 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 (ASP), Airport Emergency Plan (AEP).
- Ensures high level of emergency / crisis preparedness through coordination with local, State and Federal agencies.

The **Facilities Management Department** maintains Airport infrastructure and responds to all Airport and tenant service requests. The department also plans and executes the Major Maintenance Program and assists Facilities Development in the execution of the CIP. It oversees numerous service contracts, including airfield paving and striping, runway rubber removal, landscaping, elevator and escalator maintenance and other specialized services.

The **Ground Transportation Department** is responsible for operations from the terminal curb and roadways to the parking lots. There are two on-airport and four off-airport parking lots that require shuttle bus services. Additionally, the three terminals at SDIA are serviced by the Airport Loop shuttle bus. The department regulates the Airport's commercial transportation service providers, including, taxicabs, shuttles, limousines and courtesy vehicles.

The department also:

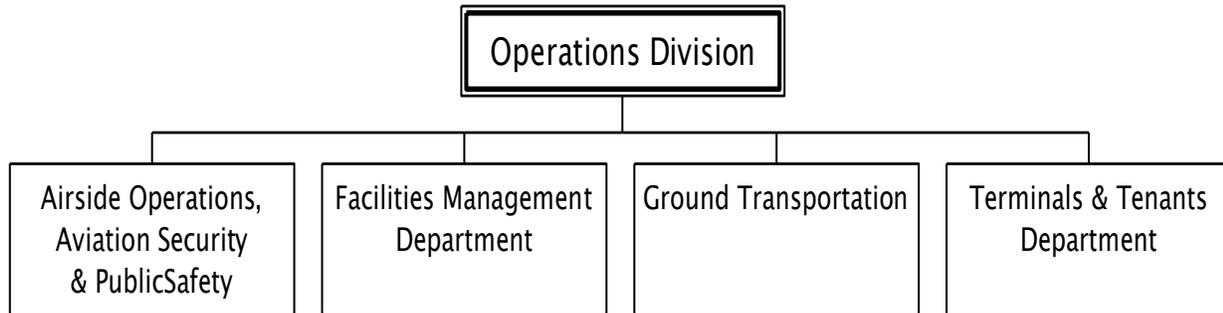
- Manages Transportation Islands at Terminal 1 and Terminal 2 for travelers.
- Issues permits for all ground transportation service provider vehicles.

- Permits and completes security checks for taxicab and shuttle drivers.
- Manages airport parking card program for external and internal stakeholders.
- Manages employee parking lots and employee shuttles

The **Terminals & Tenants Department** oversees the airport terminal buildings and other facilities. Participates in the inspection of landside facilities (air carrier, federal inspection service, concessionaires, etc.) to identify any maintenance and safety deficiencies to ensure operating standards are being met; ensures the prompt resolution of any deficiencies identified; oversees the administration of contracts for custodial and waste collection services to ensure contract requirements are met.

- Oversees the operations of the airport concession program ensuring lease compliance and oversight of tenant development/improvement projects.
- Oversees customer service activities and services for both tenants and the traveling public; manages and directs the development and administration of service programs focused on travelers and other consumers; oversees and participates in the resolution of complaints involving terminal operations from customers and tenants.
- Oversees the airport's physical assets and ensures management oversight of tenant activities.

Operations Division
FY 2015 – FY 2016 Organizational Structure



Division Personnel Summary

	FY 2013 Budget Authorized & Funded Positions	FY 2014 Budget Authorized & Funded Positions	Proposed FY 2015 Budget Transfer Positions	Proposed FY 2015 Budget New/ (Eliminated) Positions	Proposed FY 2015 Budget Funded/ (Unfunded) Positions	Proposed FY 2015 Budget Authorized & Funded Positions	Conceptual FY 2016 Budget New/ (Eliminated) Positions	Conceptua FY 2016 Budget Funded/ (Unfunded) Positions	Conceptual FY 2016 Budget Authorized & Funded Positions
Operations									
Terminals & Tenants	55	14	-	-	-	14	1	-	15
Aviation Security/Public Safety	11	11	-	-	-	11	-	-	11
Airside Operations	16	16	-	-	1	17	-	-	17
Ground Transportation	6	60	-	-	-	60	-	-	60
Facilities Management	77	83	(2)	2	-	83	-	-	83
Total	165	184	(2)	2	1	185	1	-	186
Authorized and Unfunded Positions	2	2	-	-	-	1	-	-	1
Total Authorized Positions	167	186	(2)	2	1	186	1	-	187

Operations Division

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

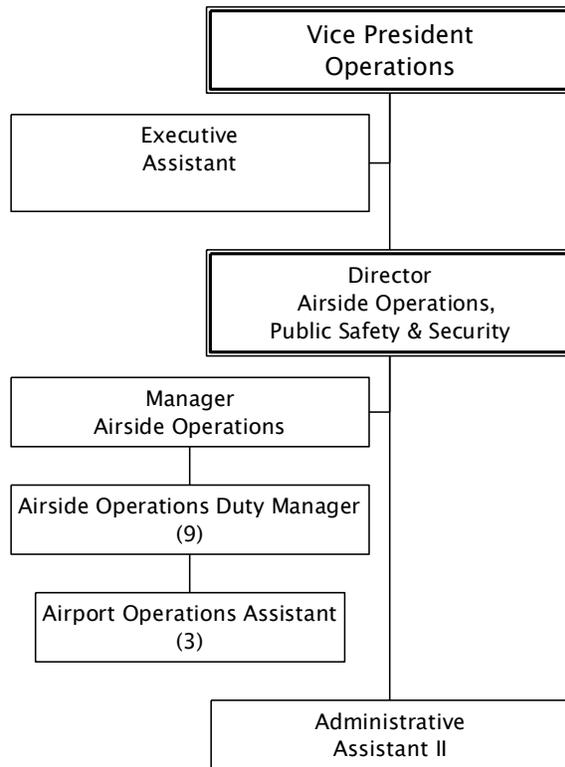
	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 10,357,160	\$ 11,743,306	\$12,662,019	\$ 12,207,019	\$ 463,713	3.9%	\$ (455,000)	-3.6%	\$ 12,772,204	\$ 565,185	4.6%
Premium Overtime	824,458	665,000	715,300	671,000	6,000	0.9%	(44,300)	-6.2%	671,000	-	0.0%
Employee Benefits	5,691,378	6,882,121	7,542,278	7,264,160	382,039	5.6%	(278,118)	-3.7%	7,693,910	429,749	5.9%
Subtotal	16,872,996	19,290,427	20,919,597	20,142,180	851,753	4.4%	(777,417)	-3.7%	21,137,113	994,934	4.9%
Less: Capitalized Labor	(371,529)	(500,000)	(350,000)	(100,000)	400,000	-80.0%	250,000	-71.4%	(100,000)	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	16,501,466	18,790,427	20,569,597	20,042,180	1,251,753	6.7%	(527,417)	-2.6%	21,037,113	994,934	5.0%
Non-Personnel Expenses											
Contractual Services	19,371,119	22,958,464	23,196,502	24,171,209	1,212,745	5.3%	974,707	4.2%	29,076,718	4,905,509	20.3%
Safety and Security	23,994,020	24,975,464	27,111,790	25,001,794	26,331	0.1%	(2,109,996)	-7.8%	25,794,332	792,537	3.2%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	6,308,144	8,075,750	8,449,800	9,071,786	996,036	12.3%	621,986	7.4%	9,943,849	872,064	9.6%
Maintenance	10,610,009	11,032,754	11,339,100	15,227,108	4,194,354	38.0%	3,888,008	34.3%	14,639,855	(587,253)	-3.9%
Operating Equipment & Systems	96,142	118,000	156,000	181,200	63,200	53.6%	25,200	16.2%	206,500	25,300	14.0%
Operating Supplies	298,759	237,950	293,720	262,150	24,200	10.2%	(31,570)	-10.7%	264,150	2,000	0.8%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	149,073	209,135	376,970	232,910	23,775	11.4%	(144,060)	-38.2%	222,360	(10,550)	-4.5%
Business Development	87,311	311,510	414,623	411,917	100,407	32.2%	(2,706)	-0.7%	333,695	(78,222)	-19.0%
Equipment Rentals & Repairs	84,395	95,900	127,950	144,730	48,830	50.9%	16,780	13.1%	145,750	1,020	0.7%
Total Non-Personnel Expenses	60,998,972	68,014,927	71,466,456	74,704,804	6,689,877	9.8%	3,238,348	4.5%	80,627,209	5,922,405	7.9%
Total Operating Expenses	77,500,438	86,805,354	92,036,053	94,746,984	7,941,630	9.1%	2,710,931	2.9%	101,664,323	6,917,339	7.3%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	77,500,438	86,805,354	92,036,053	94,746,984	7,941,630	9.1%	2,710,931	2.9%	101,664,323	6,917,339	7.3%
Equipment Outlay	833,030	-	150,000	47,000	47,000	0.0%	(103,000)	-68.7%	254,000	207,000	440.4%
Total Authority Expenses incl Equip Outlay	\$ 78,333,468	\$ 86,805,354	\$ 92,186,053	\$ 94,793,984	\$ 7,988,630	9.2%	\$ 2,607,931	2.8%	\$ 101,918,323	\$ 7,124,339	7.5%

Operations Division

Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 86,805,354	\$ 94,793,984
Personnel costs		
Salary adjustments,contracted wage increases and pay for performance	348,786	517,623
Burden (benefits & employer taxes) for current staff	313,525	405,086
Change in capitilized labor	400,000	-
2 New Limited Maintenance Worker I positions (salaries, benefits & employer taxes)	124,275	-
1 Unfrozen position of Aiport Operations Assistant (salaries, benefits & employer taxes)	65,167	-
1 New Staff Assistant position (salaries, benefits & employer taxes)	-	72,225
Total Increase / (Decrease) in personnel costs	1,251,753	994,934
Airfield pavement and striping	1,543,000	(861,000)
12KV maintenance	1,413,000	70,000
Utilities	996,036	872,064
Special maintenance	951,063	(427,673)
Other annual repair and service contracts	751,447	208,616
Airport custodial contract	675,294	219,454
HVAC system maintenance	531,348	78,354
Access Control System maintenance	100,000	307,450
Law enforcement costs - Harbor Police Department	328,632	517,717
Outside Consulting services	275,500	33,000
Rental Car Center(RCC) busing	244,800	4,441,911
Major maintenance	200,000	-
Credentialing Asset Management	200,000	-
Hood vent cleaning for concessioners	200,000	-
Parking and shuttles operations	(151,155)	350,998
Aircraft Rescue Fire Fight (ARFF) contract costs	(475,445)	145,590
Baggage Handling System (BHS)	(1,349,104)	-
Other, net	302,462	172,923
Total Increase/ (Decrease) in non-personnel costs	6,736,877	6,129,405
Total Increase/ (Decrease)	7,988,630	7,124,339
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 94,793,984	\$ 101,918,323

**Airside Operations
FY 2015 – FY 2016 Organizational Structure**



No personnel changes planned for FY 2016

Airside Operations

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 1,420,804	\$ 1,371,359	\$ 1,455,493	\$ 1,435,190	\$ 63,832	4.7%	\$ (20,303)	-1.4%	\$ 1,478,246	\$ 43,056	3.0%
Premium Overtime	11,820	15,000	15,300	15,000	-	0.0%	(300)	-2.0%	15,000	-	0.0%
Employee Benefits	721,086	744,931	815,995	794,737	49,807	6.7%	(21,258)	-2.6%	821,708	26,971	3.4%
Subtotal	2,153,710	2,131,289	2,286,788	2,244,928	113,638	5.3%	(41,860)	-1.8%	2,314,954	70,027	3.1%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	2,153,710	2,131,289	2,286,788	2,244,928	113,638	5.3%	(41,860)	-1.8%	2,314,954	70,027	3.1%
Non-Personnel Expenses											
Contractual Services	171,128	780,000	900,000	890,000	110,000	14.1%	(10,000)	-1.1%	815,000	(75,000)	-8.4%
Safety and Security	4,276,882	5,328,475	5,488,329	4,853,030	(475,445)	-8.9%	(635,299)	-11.6%	4,998,620	145,590	3.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	3	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	47,216	11,200	31,200	31,200	20,000	178.6%	-	0.0%	31,500	300	1.0%
Operating Supplies	48,005	7,800	7,920	11,600	3,800	48.7%	3,680	46.5%	11,600	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	26,547	36,725	37,320	52,650	15,925	43.4%	15,330	41.1%	47,400	(5,250)	-10.0%
Business Development	8,875	10,100	10,188	21,842	11,742	116.3%	11,654	114.4%	23,720	1,878	8.6%
Equipment Rentals & Repairs	18,843	53,700	85,750	97,730	44,030	82.0%	11,980	14.0%	102,050	4,320	4.4%
Total Non-Personnel Expenses	4,597,501	6,228,000	6,560,707	5,958,052	(269,948)	-4.3%	(602,655)	-9.2%	6,029,890	71,838	1.2%
Total Operating Expenses	6,751,212	8,359,289	8,847,495	8,202,980	(156,310)	-1.9%	(644,515)	-7.3%	8,344,844	141,865	1.7%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	6,751,212	8,359,289	8,847,495	8,202,980	(156,310)	-1.9%	(644,515)	-7.3%	8,344,844	141,865	1.7%
Equipment Outlay	45,764	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 6,796,975	\$ 8,359,289	\$ 8,847,495	\$ 8,202,980	\$ (156,310)	-1.9%	\$ (644,515)	-7.3%	\$ 8,344,844	\$ 141,865	1.7%

Airside Operations

Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 8,359,289	\$ 8,202,980
Personnel costs		
1 Unfrozen position of Aiport Operations Assistant (salaries, benefits & employer taxes)	65,167	-
Burden (benefits & employer taxes) for current staff	27,633	26,971
Salary adjustments and pay for performance	20,838	43,056
Total Increase / (Decrease) in personnel costs	113,638	70,027
USDA Wildlife Assessment	100,000	(100,000)
Aircraft Rescue Fire Fight (ARFF) contract costs	(475,445)	145,590
Other, net	105,497	26,248
Total Increase / (Decrease) in non-personnel costs	(269,948)	71,838
Total Increase / (Decrease)	(156,310)	141,865
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 8,202,980	\$ 8,344,844

Airside Operations Departmental Goals

FY 2014 Progress Report

1. Ensure that SDIA is in compliance with all FAR Part 139 regulatory requirements. Success will be measured via the annual FAA Certification Inspection with a goal of no more than one discrepancy. Completion date is August 31, 2013.

Progress: The annual inspection was completed on August 30, 2013 with no discrepancies noted by the FAA Certification Inspector.

Sustainability Goal: Operational Excellence and Social Responsibility.

Authority Strategy: Operations Strategy: Operate our airport in a safe secure, environmentally-sound, effective and efficient manner.

2. Sponsor airfield capital improvement projects to enhance safety and efficiency. Projects include the airfield service road repaving and relocation, installation of a blast fence at the southwest corner of the commuter terminal ramp and the Runway 09/ILS displaced threshold project. Sponsorship will include participation in project planning and design, as well as operational and safety oversight during construction. Planning, design and construction will take place throughout FY2014 and continue into FY 2015.

Progress: The VSR re-paving project was completed and the Rwy 9 displaced threshold planning project is moving forward. Funding considerations may slide this project to FY'16, however the SRM and 100% design have been completed. CIP money has been set aside in support of the blast fence to be installed on the SE corner of the commuter terminal ramp.

Sustainability Goal: Operational Excellence.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

3. Update the Airport Certification Manual to ensure that the content is current and in compliance with FAR Part 139 requirements. The updated manual will be submitted to the FAA Office of Airport Safety for review and approval. Success will be measured by FAA approval. Completion date is September 31, 2013.

Progress: The ACM updates were submitted prior to the annual certification inspections and returned approved by the FAA.

Sustainability Goal: Operational Excellence.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

4. **Work with Planning and Facilities Development to develop design improvements and aircraft gate restrictions in order to relocate the vehicle service road along the terminals further south in order to increase the taxiway object free area clearances. This will provide greater separation between the vehicle service road and Taxiway Bravo between Twy B6 and B10. Completion date is September 31, 2013.**

Progress: This project has slid due to the operational delay in relocating HA from G22 to G51. This is slated to occur at the end of April 2014, at which time the VSR can be relocated.

Sustainability Goal: Operational Excellence.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

Airside Operations Departmental Goals

FY 2015 – FY 2016 Goals

1. Sponsor airfield capital projects to enhance airfield safety and efficiency. Projects include the Runway 9 displaced threshold / ILS antenna relocation project (to include the installation of a Runway 9 Precision Approach Path Indicator) as well as the rehabilitation of Taxiway B8 and terminal aprons. Planning and design for these projects continued in FY 2014 with construction expected to start in May 2015 for the Runway 9 displaced threshold and completion of Taxiway B8 and the terminal aprons by June 2016.

Sustainability Goal: Operational Excellence

Authority Strategy: Operations Strategy: Operate in airport in a safe, secure, environmentally sound, effective and efficient manner.

2. Ensure that SDIA is operated and maintained in compliance with all FAR Part 139 regulatory requirements. Success will be measured via the annual FAA Certification Inspection with a goal of no more than one noted discrepancy. Completion date is August 29, 2014.

Sustainability Goal: Operational Excellence

Authority Strategy: Operations Strategy: Operate in airport in a safe, secure, environmentally sound, effective and efficient manner.

3. Work with internal and external stakeholders to safely facilitate numerous airfield construction projects while minimizing negative impacts to our tenants and ATC operations. These projects include the FBO taxiway installation and tie-in to Taxiway Charlie, terminal link roadway Triturator/GSE wash facility construction. Completion of these projects is expected by December 2014.

Sustainability Goal: Operational Excellence

Authority Strategy: Operations Strategy: Operate in airport in a safe, secure, environmentally sound, effective and efficient manner.

Aviation Security & Public Safety
FY 2015 – FY 2016 Organizational Structure



No personnel changes planned for FY 2016

** Position in grey resides in the Airside Operations Department and is shown for structural purposes*

Aviation Security & Public Safety FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 788,911	\$ 788,042	\$ 811,683	\$ 808,056	\$ 20,015	2.5%	\$ (3,627)	-0.4%	\$ 832,298	\$ 24,242	3.0%
Premium Overtime	59,861	40,000	40,000	40,000	-	0.0%	-	0.0%	40,000	-	0.0%
Employee Benefits	419,084	450,019	478,126	459,170	9,152	2.0%	(18,956)	-4.0%	481,316	22,146	4.8%
Subtotal	1,267,856	1,278,060	1,329,809	1,307,227	29,166	2.3%	(22,583)	-1.7%	1,353,614	46,388	3.5%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	1,267,856	1,278,060	1,329,809	1,307,227	29,166	2.3%	(22,583)	-1.7%	1,353,614	46,388	3.5%
Non-Personnel Expenses											
Contractual Services	431,017	444,000	454,000	689,500	245,500	55.3%	235,500	51.9%	698,700	9,200	1.3%
Safety and Security	19,717,138	19,646,989	21,623,461	20,148,764	501,776	2.6%	(1,474,697)	-6.8%	20,795,712	646,947	3.2%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	995,380	1,142,550	1,200,000	1,242,550	100,000	8.8%	42,550	3.5%	1,550,000	307,450	24.7%
Operating Equipment & Systems	13,690	32,200	35,200	44,200	12,000	37.3%	9,000	25.6%	84,200	40,000	90.5%
Operating Supplies	132,390	106,200	156,200	121,200	15,000	14.1%	(35,000)	-22.4%	121,200	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	13,407	23,150	23,350	23,350	200	0.9%	-	0.0%	23,550	200	0.9%
Business Development	10,579	11,250	36,250	41,250	30,000	266.7%	5,000	13.8%	11,250	(30,000)	-72.7%
Equipment Rentals & Repairs	20,958	27,000	27,000	27,000	-	0.0%	-	0.0%	27,000	-	0.0%
Total Non-Personnel Expenses	21,334,560	21,433,339	23,555,461	22,337,814	904,476	4.2%	(1,217,647)	-5.2%	23,311,612	973,797	4.4%
Total Operating Expenses	22,602,416	22,711,399	24,885,271	23,645,041	933,642	4.1%	(1,240,229)	-5.0%	24,665,226	1,020,185	4.3%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	22,602,416	22,711,399	24,885,271	23,645,041	933,642	4.1%	(1,240,229)	-5.0%	24,665,226	1,020,185	4.3%
Equipment Outlay	601,227	-	-	21,000	21,000	0.0%	21,000	0.0%	104,000	83,000	395.2%
Total Authority Expenses incl Equip Outlay	\$ 23,203,644	\$ 22,711,399	\$ 24,885,271	\$ 23,666,041	\$ 954,642	4.2%	\$ (1,219,229)	-4.9%	\$ 24,769,226	\$ 1,103,185	4.7%

Aviation Security & Public Safety
Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 22,711,399	\$ 23,666,041
Personnel costs		
Salary adjustments and pay for performance	20,015	24,242
Burden (benefits & employer taxes) for current staff	9,152	22,146
Total Increase / (Decrease) in personnel costs	29,166	46,388
Law enforcement costs - Harbor Police Department	328,632	517,717
Credentialing Asset Management	200,000	-
Security guard services	145,000	100,000
Access Control System maintenance	100,000	307,450
Other, net	151,844	131,630
Total Increase / (Decrease) in non-personnel costs	925,476	1,056,797
Total Increase / (Decrease)	954,642	1,103,185
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 23,666,041	\$ 24,769,226

Aviation Security & Public Safety Departmental Goals

FY 2014 Progress Report

1. Ensure that SDIA continues to comply with all applicable federal, state and local regulations to achieves excellence in the areas of Public Safety, Emergency/Disaster Preparedness and Airport Certification. This will be done by planning and conducting a Tabletop Exercise in compliance with FAR Part 139.325(g)(4) by second quarter FY 2014 (November 2013); and conducting a full-scale mass-casualty field exercise in compliance with FAR Part 139.325(h) by second quarter FY 2015 (November 2014).

Progress: Aviation Security & Public Safety conducted a Tabletop Exercise in compliance with FAR 139 on October 30, 2013. AVSEC & PS is currently planning for the full-scale mass-casualty field exercise that will take place in October 2014.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Community Strategy: Be a trusted and highly responsive regional agency.

2. Maintain a cache of emergency supplies with the intention of ensuring that the Authority can sustain itself during the critical initial days of a region-wide emergency, during FY 2014 & FY 2015, by providing water and heated meals for 1,200 people for three days.

Progress: AVSEC & PS purchased a cache of emergency supplies for SAN during FY 2013 and FY2014.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Community Strategy: Be a trusted and highly responsive regional agency.

3. Ensure that AVSEC/PS, in cooperation with its contract providers, delivers mandated security services in a fiscally responsible manner. Continue to work with contract providers to maintain sustainable staffing levels by investigating and utilizing operational enhancements such as alternative forms of transportation (i.e., Segway's, electric carts, etc.) Provide an EOY report documenting all cost-savings measures gained by modifying procedures, staffing plans and technology.

Progress: On-going: AVSEC/PS continues to work with Harbor Police and HSS Security to investigate alternative transportation means to increase efficiencies. HPD has tested and evaluated 2 alternative forms (i.e., Segway and T3); and HSS is in the process of procuring a hybrid vehicle for supervisor transportation to remote posts. Based on ongoing evaluations, HPD has agreed to remain static at present staffing levels until these forms of alternative transportation have been fully vetted and procured.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Financial Strategy: Enhance the Financial position of the Authority. Operations Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

4. Continue to provide opportunities for professional development and personal growth for all department staff, as well as operational Authority staff through public safety-oriented programs (e.g., CPR, first aid, etc.) and operational specific training. Document opportunities provided to staff and development training completed by staff.

Progress: On-going: AVSEC/PS continues to offer security / safety training to all Authority and airport staff on a monthly basis. Such training includes CPR, First Aid and Incident Support (IST) Training. Additionally, AVSEC/PS has conducted no-less-than five (5) job shadowing sessions with Authority staff that totaled over 40 hours of awareness training. IST training totaled over 24 hours of training for 30+ Authority employees.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Employee Strategy: Ensure the highest level of employee commitment and performance.

Aviation Security & Public Safety Departmental Goals

FY 2015 – FY 2016 Goals

1. Ensure that SDIA continues to comply with all applicable federal, state and local regulations to achieve excellence in the areas of Public Safety, Emergency/Disaster Preparedness and Airport Certification. This will be done by planning and conducting a full-scale mass-casualty field exercise in compliance with FAR Part 139.325(h) by second quarter FY 2015 (November 2014) and a Tabletop Exercise in compliance with FAR Part 139.325(g)(4) by second quarter FY 2016 (November 2015).

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Community Strategy: Be a trusted and highly responsive regional agency.

2. Ensure that SDIA remains at the forefront of implementing operational efficiencies that benefit both the Authority and its stakeholders by implementing computer-based training for security and driver training required by TSA and FAA regulations by third quarter FY2015 (March 2015).

Sustainability Goal: Operational Excellence.

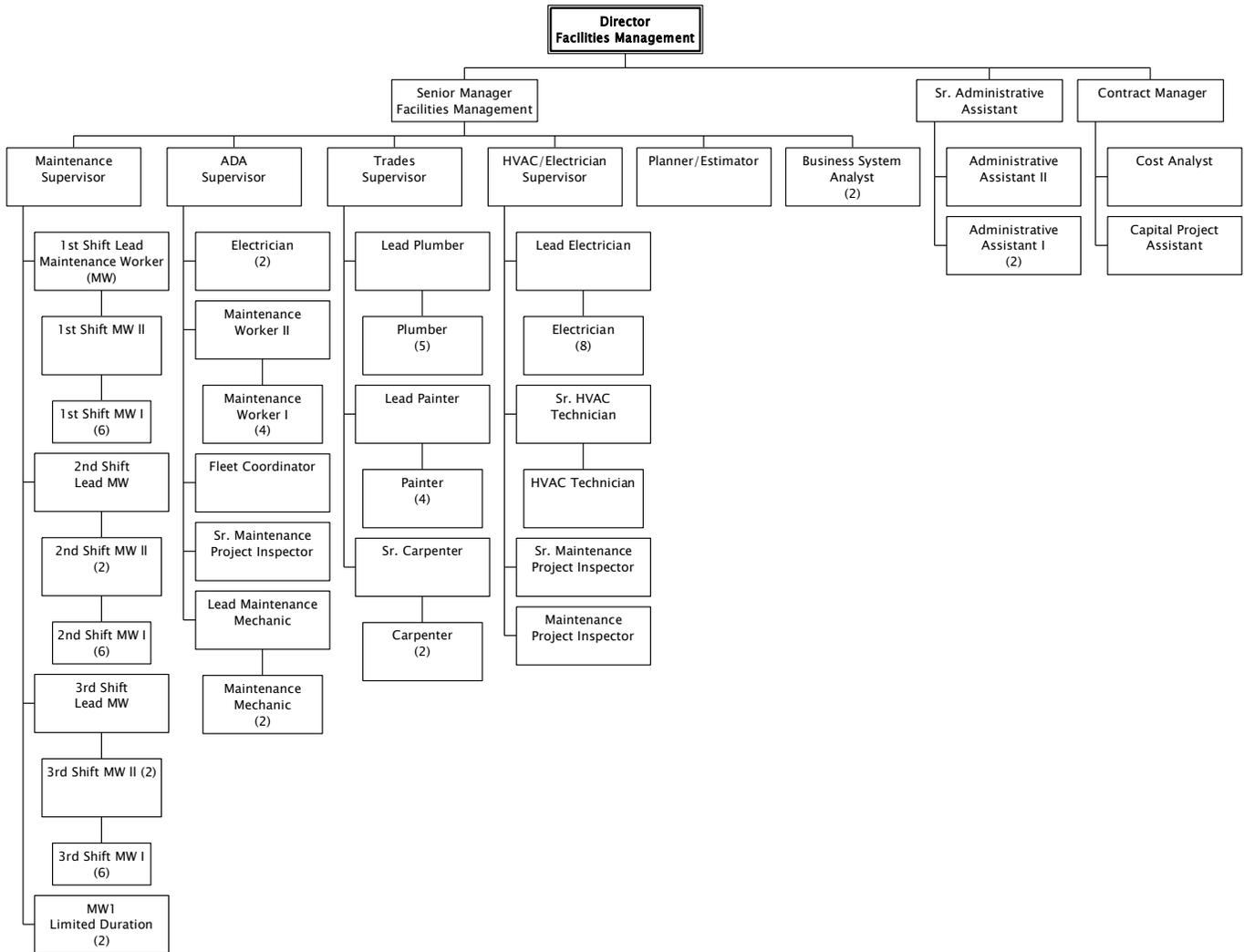
Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

3. Restructure the Aviation Security & Public Safety (AVSEC & PS) Department roles and responsibilities and relocate the Access Control Office (ACO). Implement role and responsibilities changes recommended by the Business Planning and Workforce Planning Departments. The ACO staff has outgrown their current office space. A new location for the office will be identified and a relocation plan will be established and implemented.

Sustainability Goal: Operational Excellence.

Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction.

Facilities Management FY 2015 – FY 2016 Organizational Structure



No personnel changes planned for FY 2016

Facilities Management FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 4,891,695	\$ 5,268,921	\$ 5,808,542	\$ 5,545,282	\$ 276,361	5.2%	\$ (263,260)	-4.5%	\$ 5,775,113	\$ 229,831	4.1%
Premium Overtime	483,049	450,000	500,000	450,000	-	0.0%	(50,000)	-10.0%	450,000	-	0.0%
Employee Benefits	2,681,272	3,120,340	3,469,198	3,290,326	169,985	5.4%	(178,872)	-5.2%	3,479,471	189,146	5.7%
Subtotal	8,056,015	8,839,261	9,777,740	9,285,608	446,347	5.0%	(492,132)	-5.0%	9,704,584	418,977	4.5%
Less: Capitalized Labor	(157,376)	(500,000)	(350,000)	(100,000)	400,000	-80.0%	250,000	-71.4%	(100,000)	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	7,898,639	8,339,261	9,427,740	9,185,608	846,347	10.1%	(242,132)	-2.6%	9,604,584	418,977	4.6%
Non-Personnel Expenses											
Contractual Services	1,479,886	42,000	42,000	111,000	69,000	164.3%	69,000	164.3%	111,000	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	6,305,801	8,075,000	8,449,050	9,070,636	995,636	12.3%	621,586	7.4%	9,942,699	872,064	9.6%
Maintenance	9,614,629	9,890,204	10,139,100	13,984,558	4,094,354	41.4%	3,845,458	37.9%	13,089,855	(894,703)	-6.4%
Operating Equipment & Systems	3,870	15,000	15,000	30,000	15,000	100.0%	15,000	100.0%	15,000	(15,000)	-50.0%
Operating Supplies	53,640	65,350	71,000	57,850	(7,500)	-11.5%	(13,150)	-18.5%	59,850	2,000	3.5%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	24,356	69,610	81,710	71,910	2,300	3.3%	(9,800)	-12.0%	71,410	(500)	-0.7%
Business Development	8,500	4,100	3,925	4,675	575	14.0%	750	19.1%	4,675	-	0.0%
Equipment Rentals & Repairs	8,100	12,000	12,000	12,300	300	2.5%	300	2.5%	9,000	(3,300)	-26.8%
Total Non-Personnel Expenses	17,498,782	18,173,264	18,813,785	23,342,929	5,169,665	28.4%	4,529,144	24.1%	23,303,490	(39,439)	-0.2%
Total Operating Expenses	25,397,422	26,512,525	28,241,525	32,528,536	6,016,011	22.7%	4,287,011	15.2%	32,908,074	379,538	1.2%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	25,397,422	26,512,525	28,241,525	32,528,536	6,016,011	22.7%	4,287,011	15.2%	32,908,074	379,538	1.2%
Equipment Outlay	159,538	-	150,000	26,000	26,000	0.0%	(124,000)	-82.7%	150,000	124,000	476.9%
Total Authority Expenses incl Equip Outlay	\$ 25,556,960	\$ 26,512,525	\$ 28,391,525	\$ 32,554,536	\$ 6,042,011	22.8%	\$ 4,163,011	14.7%	\$ 33,058,074	\$ 503,538	1.5%

Facilities Management
Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 26,512,525	\$ 32,554,536
Personnel costs		
Change in capitilized labor	400,000	-
Salary adjustments,contracted wage increases and pay for performance	196,427	229,831
Burden (benefits & employer taxes) for current staff	125,645	189,146
2 New Limited Maintenance Worker I positions (salaries, benefits & employer taxes)	124,275	-
Total Increase / (Decrease) in personnel costs	846,347	418,977
Airfield pavement and striping	1,543,000	(861,000)
12KV maintenance	1,413,000	70,000
Utilities	995,636	872,064
Special maintenance	951,063	(427,673)
Other annual repair and service contracts	751,447	208,616
HVAC system maintenance	531,348	78,354
Major maintenance	200,000	-
Baggage Handling System (BHS)	(1,349,104)	-
Other, net	159,275	144,200
Total Increase / (Decrease) in non-personnel costs	5,195,665	84,561
Total Increase / (Decrease)	6,042,011	503,538
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 32,554,536	\$ 33,058,074

Facilities Management Departmental Goals

FY 2014 Progress Report

1. **By June 2014, develop and implement procedures for maintenance service agreements and on-call maintenance construction agreements to ensure consistent and uniform contract administration.**

Progress: There are three sections of completion –

- Section 1 to be completed by Feb 26th
- Section 2 to be completed by Feb 18th
- Section 3 TBD

The team has a very good plan, well organized and on-target to complete by June or sooner.

Sustainability Goal: Operational Excellence.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

2. **Develop and administer training to department contract owners on contract administration procedures for service and on-call maintenance construction agreements by June 2014.**

Progress: Team members are nearing completion of their stated goal with plans to roll out sooner than their April OT date.

Sustainability Goal: Operational Excellence.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

Facilities Management Departmental Goals

FY 2015 – FY 2016 Goals

1. Develop and administer familiarization department meetings (internal/external) of Facilities Management policies and procedures.

Progress would be identified in two phases –

Develop/write a familiarization plan for internal and external staff by December 31st, 2014.

Conduct meetings with each Authority and air carrier departments by May 30th, 2014

Sustainability Goal: Operational Excellence, Social Responsibility

Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Community Strategy: Be a trusted and highly responsive regional agency

2. Develop a customer service survey measurement tool that identifies the strengths and weaknesses of the Facility Management department.

The survey will be administered in two phases –

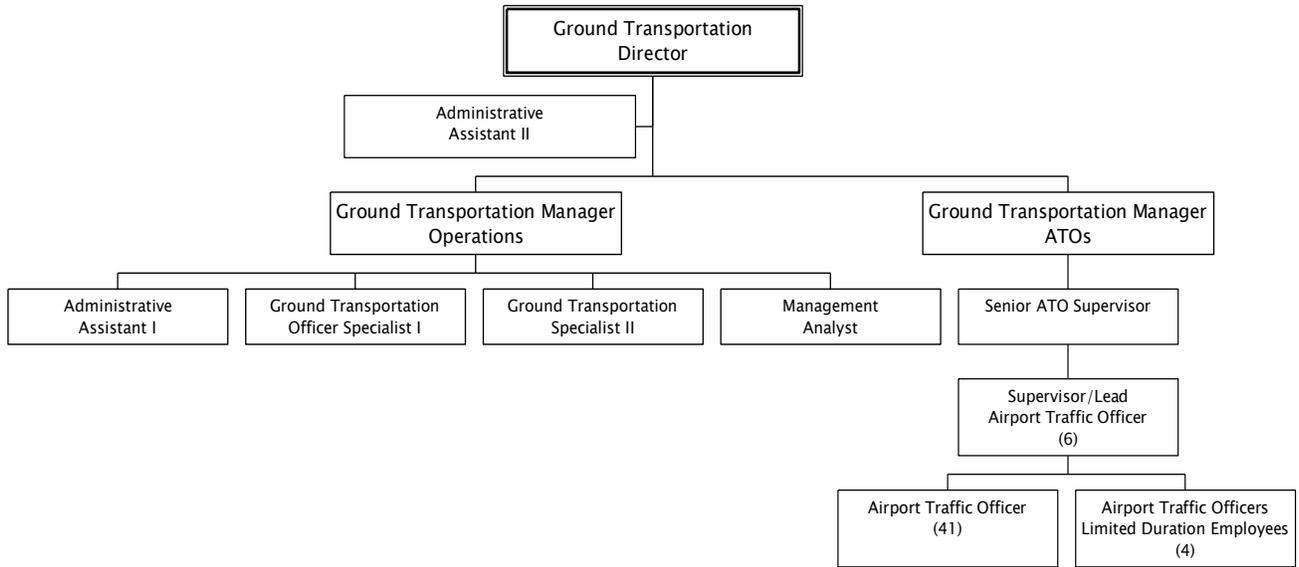
Develop questions that better identifies areas to focus on. Administer survey with results setting the bar in which to start from.

Six months administer the second survey with results compared to where the bar was set. A 20% improvement in satisfaction

Sustainability Goal: Operational Excellence, Social Responsibility

Authority Strategy: Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Community Strategy: Be a trusted and highly responsive regional agency

Ground Transportation FY 2015 – FY 2016 Organizational Structure



No personnel changes planned for FY 2016

Ground Transportation

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 270,062	\$ 3,295,311	\$ 3,431,731	\$ 3,313,620	\$ 18,309	0.6%	\$ (118,111)	-3.4%	\$ 3,500,969	\$ 187,349	5.7%
Premium Overtime	43,961	158,000	158,000	166,000	8,000	5.1%	8,000	5.1%	166,000	-	0.0%
Employee Benefits	142,760	2,046,776	2,168,984	2,115,387	68,611	3.4%	(53,597)	-2.5%	2,252,136	136,749	6.5%
Subtotal	456,783	5,500,087	5,758,715	5,595,007	94,920	1.7%	(163,708)	-2.8%	5,919,106	324,098	5.8%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	456,783	5,500,087	5,758,715	5,595,007	94,920	1.7%	(163,708)	-2.8%	5,919,106	324,098	5.8%
Non-Personnel Expenses											
Contractual Services	12,412,166	13,291,435	13,241,225	13,307,155	15,720	0.1%	65,930	0.5%	18,007,489	4,700,334	35.3%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	1,000	-	0.0%	1,000	0.0%	1,000	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	209	1,900	1,900	3,100	1,200	63.2%	1,200	63.2%	3,100	-	0.0%
Operating Supplies	18,878	50,300	50,300	54,300	4,000	8.0%	4,000	8.0%	54,300	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	4,207	57,750	212,490	54,650	(3,100)	-5.4%	(157,840)	-74.3%	54,650	-	0.0%
Business Development	4,903	50,800	50,800	18,000	(32,800)	-64.6%	(32,800)	-64.6%	18,000	-	0.0%
Equipment Rentals & Repairs	280	-	-	1,500	1,500	0.0%	1,500	0.0%	1,500	-	0.0%
Total Non-Personnel Expenses	12,440,643	13,452,185	13,556,715	13,439,705	(12,480)	-0.1%	(117,010)	-0.9%	18,140,039	4,700,334	35.0%
Total Operating Expenses	12,897,426	18,952,273	19,315,430	19,034,712	82,440	0.4%	(280,718)	-1.5%	24,059,145	5,024,433	26.4%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	12,897,426	18,952,273	19,315,430	19,034,712	82,440	0.4%	(280,718)	-1.5%	24,059,145	5,024,433	26.4%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 12,897,426	\$ 18,952,273	\$ 19,315,430	\$ 19,034,712	\$ 82,440	0.4%	\$ (280,718)	-1.5%	\$ 24,059,145	\$ 5,024,433	26.4%

Ground Transportation

Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 18,952,273	\$ 19,034,712
Personnel costs		
Burden (benefits & employer taxes) for current staff	68,611	136,749
Salary adjustments,contracted wage increases and pay for performance	26,309	187,349
Total Increase / (Decrease) in personnel costs	94,920	324,098
Rental Car Center(RCC) busing	244,800	4,441,911
Parking and shuttles operations	(151,155)	350,998
Other, net	(106,125)	(92,575)
Total Increase / (Decrease) in non-personnel costs	(12,480)	4,700,334
Total Increase / (Decrease)	82,440	5,024,433
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 19,034,712	\$ 24,059,145

Ground Transportation Departmental Goals

FY 2014 Progress Report

1. **Conduct quarterly meetings with taxicab and vehicle for hire association leadership, present data from vehicle inspections and continue to monitor compliance with rules and regulations through code compliance officers.**

Progress: Monthly meetings conducted with taxi and vehicle for hire association leadership with specific agendas and action items. Ongoing discussions regarding operational improvements at the airport.

Sustainability Goal: Economic Viability, Operational Excellence

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

2. **Complete the implementation of the Ground Transportation Strategic Workforce Plan by January 1, 2014. This implementation includes updated organizational charts, all available positions filled, updated job descriptions and finalized roles and responsibilities.**

Progress: Complete. ATO headcount at approved levels; all organizational charts updated with job descriptions and finalized roles and responsibilities.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Community Strategy: Be a trusted and highly responsive regional agency.

3. **Manage the Ace Parking Management Inc. contracts for parking and shuttle services to ensure actual expenses do not exceed budgeted amounts.**

Progress: Ongoing. Expenses have been less than budgeted amounts.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Financial Strategy: Enhance the financial position of the Airport Authority. Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

4. **Implement updates to Ground Transportation systems by May 1, 2014. The system updates include installation of software upgrades for Gatekeeper System Inc. for the Automatic Vehicle Identification (AVI) system and Commercial Vehicle Management system, Airport-wide upgrades of hardware for the AVI system, installation of the automated trip fee collection system for Airport permitted taxicab vehicles and drivers and installation of the automated taxicab dispatch system.**

Progress: New technology improvements will be complete before 10/31/14

Sustainability Goal: Economic Viability, Operational Excellence

Authority Strategy: Financial Strategy: Enhance the financial position of the Airport Authority.

Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

Ground Transportation Departmental Goals

FY 2015 – FY 2016 Goals

1. Integrate and implement the planned ground transportation technologies e.g. taxicab trip coupon and dispatch system, commercial vehicle automated vehicle identification (AVI) system and commercial vehicle and driver management software to improve and enhance the Airport's commercial vehicle transportation management and operations.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Financial Strategy: Enhance the financial position of the Airport Authority.
Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

2. Extend the current Taxicab Memorandum of Agreement (MOA) to October 31, 2014 and include specific performance measures and data collection methods for customer satisfaction, taxi cab availability, passenger wait times, vehicle appearance and driver professionalism; recommend a strategy and plan for the Taxicab MOA agreement after October 31, 2014.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Financial Strategy: Enhance the financial position of the Airport Authority.
Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

3. Devise a workable business plan/operational model/plan for the Airport Vehicle for Hire (VFH) commercial vehicle operators; implement recommendations and actions based on Board (May 2014) Meeting

Sustainability Goal: Economic Viability, Operational Excellence.

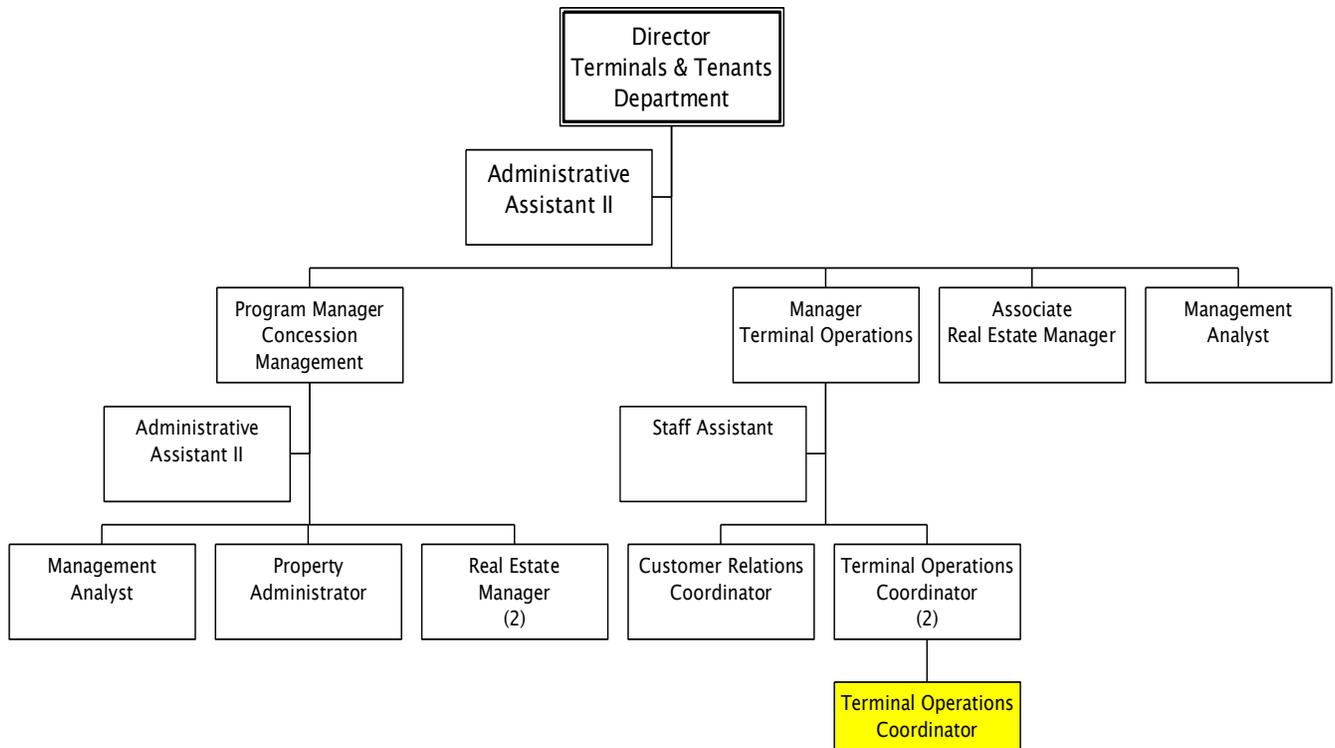
Authority Strategy: Financial Strategy: Enhance the financial position of the Airport Authority.
Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

4. Manage the Rental Car Center (RCC) Bus Procurement and Operation contract implementation plan to achieve the June 2015 bus delivery and storage facility start-up.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Financial Strategy: Enhance the financial position of the Airport Authority.
Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

Terminals & Tenants FY 2016 Organizational Structure



Terminals & Tenants

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 2,985,689	\$ 1,019,673	\$ 1,154,570	\$ 1,104,870	\$ 85,197	8.4%	\$ (49,700)	-4.3%	\$ 1,185,578	\$ 80,707	7.3%
Premium Overtime	225,766	2,000	2,000	-	(2,000)	-100.0%	(2,000)	-100.0%	-	-	0.0%
Employee Benefits	1,727,176	520,055	609,975	604,540	84,485	16.2%	(5,435)	-0.9%	659,277	54,737	9.1%
Subtotal	4,938,631	1,541,729	1,766,545	1,709,410	167,682	10.9%	(57,134)	-3.2%	1,844,855	135,444	7.9%
Less: Capitalized Labor	(214,153)	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	4,724,478	1,541,729	1,766,545	1,709,410	167,682	10.9%	(57,134)	-3.2%	1,844,855	135,444	7.9%
Non-Personnel Expenses											
Contractual Services	4,876,922	8,401,029	8,559,277	9,173,554	772,525	9.2%	614,277	7.2%	9,444,529	270,975	3.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	2,339	750	750	150	-	0.0%	(600)	-80.0%	150	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	31,158	57,700	72,700	72,700	15,000	26.0%	-	0.0%	72,700	-	0.0%
Operating Supplies	45,845	8,300	8,300	17,200	8,900	107.2%	8,900	107.2%	17,200	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	80,555	21,900	22,100	30,350	8,450	38.6%	8,250	37.3%	25,350	(5,000)	-16.5%
Business Development	54,453	235,260	313,460	326,150	90,890	38.6%	12,690	4.0%	276,050	(50,100)	-15.4%
Equipment Rentals & Repairs	36,214	3,200	3,200	6,200	3,000	93.8%	3,000	93.8%	6,200	-	0.0%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Non-Personnel Expenses	5,127,485	8,728,139	8,979,787	9,626,304	898,165	10.3%	646,517	7.2%	9,842,179	215,875	2.2%
Total Operating Expenses	9,851,963	10,269,868	10,746,332	11,335,715	1,065,847	10.4%	589,383	5.5%	11,687,033	351,319	3.1%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	9,851,963	10,269,868	10,746,332	11,335,715	1,065,847	10.4%	589,383	5.5%	11,687,033	351,319	3.1%
Equipment Outlay	26,500	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 9,878,463	\$ 10,269,868	\$ 10,746,332	\$ 11,335,715	\$ 1,065,847	10.4%	\$ 589,383	5.5%	\$ 11,687,033	\$ 351,319	3.1%

Terminals & Tenants

Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 10,269,868	\$ 11,335,715
Personnel costs		
Salary adjustments and pay for performance	85,197	33,146
Burden (benefits & employer taxes) for current staff	82,485	30,074
1 New Staff Assistant position (salaries, benefits & employer taxes)	-	72,225
Total Increase / (Decrease) in personnel costs	167,682	135,444
Airport custodial contract	675,294	219,454
Hood vent cleaning for concessioners	200,000	-
Other, net	22,871	(3,580)
Total Increase / (Decrease) in non-personnel costs	898,165	215,875
Total Increase / (Decrease)	1,065,847	351,319
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 11,335,715	\$ 11,687,033

Terminals & Tenants Departmental Goals

FY 2014 Progress Report

1. Establish stricter oversight of our recycling by coordinating efforts with our waste management partner, tenants, AvCom concession program and Flagship janitorial management. Oversight of the recycling program will ensure tenant compliance, with an expected 30% increase in overall recycling efforts. Success will be measured using monthly waste management statistics that are included with the monthly billing.

Progress: Along with diverting approximately 1,200 tons of C&D waste from local landfills, the Authority also recovered approximately 915 tons of commingled recyclables, 47 tons of wood pallets and other wood waste, 27 tons of food waste and approximately 4 tons of green waste in 2013. The 915 tons of commingled recyclables is approximately 41% of the total amount of waste that the Authority diverted from local landfills.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound effective and efficient manner. Community Strategy: Be a trusted and highly responsive regional agency.

2. Partner with the air carrier Station Managers, contract vendors, janitorial and TSA to maintain efficient and safe passenger flow throughout the terminals. Success will be measured through daily interaction, i.e. managing by walking around (MBWA), Airport Ambassador meetings, monthly LAMC meetings and passenger comments received through various media connections and comment letters.

Progress: The terminal operations department interacted on a daily basis with Airline Managers, TSA, Volunteer Airport Ambassadors, Flagship Janitorial and other tenants. The department also hosted monthly baggage handling system (BHS), Airport Ambassador and LAMC meetings as well as weekly Flagship meetings. The Airport Service Quality (ASQ) survey, the world's largest airport passenger satisfaction benchmark, ranks SAN 7 out of 28 airports worldwide in the 15–25 million size category. Phoenix Marketing International (PMI) reported that in the fourth quarter of 2013, 84% of respondents rated SAN high in overall satisfaction.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Employee Strategy: Ensure the highest level of employee commitment and performance.

3. Implement the Concession Development Program (CDP), which includes the tenant improvement build-outs of 87 stores to revitalize all food, beverage and retail concessions in all terminal facilities at SDIA by Q1 CY2014.

Progress: As of April 2014, the CDP is approximately 80% complete with the buildout of 70 stores. Unforeseen logistical challenges have delayed some stores. Program completion is now targeted for 4th Quarter CY 2014.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Customer Strategy: Achieve the highest level of internal and external customer satisfaction.

Terminals & Tenants Departmental Goals

FY 2015 – FY 2016 Goals

1. Centralize facility inspection programs under the Terminal Operations Department. Assume inspection oversight of airfield, terminals, concessions, tenant leaseholds, pest control, preventative maintenance, security, ramp walks, construction, storm water, prohibited items inventory, public safety, airport facilities, equipment and systems. Receives findings from all inspectors and manage centralized repository of inspection data. Coordinate all inspections. Act as single point of contact for inspections for airport tenants. Introduce LAMC briefing module by December, 2014.

Sustainability Goal: Operational Excellence

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

2. Ensure regulatory compliance with city, state and federal ordinances on waste diversion and recycling. Work with new concession tenants on commercial food waste recycling system. Meet monthly with janitorial service providers, restaurateurs, recycling hauler and SDCRAA staff to review and reinforce BMPs. Reduce waste disposal costs and increase airport wide waste diversion by 10% by June, 30 2015.

Sustainability Goal: Economic Viability, Operational Excellence, Social Responsibility.

Authority Strategy: Financial Strategy: Enhance the financial position of the Authority. Operational Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Community Strategy: Be a trusted and highly responsive regional agency.

3. **First Goal – Quarterly property inspections of all tenancies in the airport.**

Sustainability Goal: Operational Excellence

Authority Strategy: Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.



SAN DIEGO
INTERNATIONAL
AIRPORT

Capital Program Budget Fiscal Years 2015 – 2019

- 5 Year Program
- Approved by the Board Annually
 - Capital Improvement Program Oversight Committee (CIPOC)
- Managed by:
 - Capital Improvement Committee (CIC)
 - CEO & Vice Presidents
- FY 2014 - 2018 CIP Program - 62 Projects
 - \$732 Million
- The Green Build
 - \$820 Million
- FY 2014 - 2018 Total Capital Program \$1.55 Billion

CIP Project Development Process

- Sponsors submit project requests
 - Project is defined
 - Scope, schedule, and budget are developed
 - Assessments are conducted with sponsors and stakeholders
 - Financial business case, risk/opportunity identification, planning and environmental impacts, capitalization, O&M costs
- Results are presented to CIC Review Group
 - Directors of Airport Planning, Business and Financial Management and Facilities Development review project details
 - Recommendations are made for prioritization to the Capital Improvement Committee(CIC)
- Proposed CIP presented to Airlines for input and feedback
- CIC reviews and approves proposed CIP budget to be taken to the Board
- Board reviews and approves Capital Program budget

Environmental/Coastal Act Review

All CIP projects will be evaluated in accordance with:

- State environmental regulations – California Environmental Quality Act (CEQA)
- Federal environmental regulations - National Environmental Policy Act (NEPA) and coordination with FAA
- California Coastal Act – Coastal development permits approved and issued by the California Coastal Commission

Current/Proposed CIP Program – Project Location

CIP Program: **\$731,753,193**

\$846,769,570

Project Location	FY 2014 - 2018	Project Closeouts/ Modifications	Project Additions	FY 2015 - 2019
Airside	18	1	0	17
Terminal	15	3	5	17
Landside	25	6	9	28
Admin.	4	0	0	4
Totals	62	10	14	66

Capital Budget Summary

FY 2014 - 2018 Capital Improvement Program	\$ 415,629,089
FY 2014 - 2018 Project Closeouts & Modifications	(23,681,243)
FY 2014 - 2018 Project Adjustments	<u>(10,054,460)</u>
FY 2014 - 2018 Capital Improvement Program Balance	\$ 381,893,386
Proposed FY 2015 Projects & Adjustments	148,752,080
Rental Car Center	316,124,104
The Green Build	<u>820,000,000</u>
Proposed FY 2015 -2019 Capital Program	\$ <u>1,666,769,570</u>

Proposed FY 2015 - 2019 Capital Projects

<u>Project Name</u>	<u>Estimated Cost</u>
1) Construct Taxi Hold Lot	\$ 5,750,000
2) Employee Parking Lot 6 Expansion	6,290,000
3) FIS Passenger Processing Improvements	1,460,000
4) Replace Terminal Seating in T1 and T2E	5,420,000
5) Solid Waste Disposal & Recycling Facility	1,050,000
6) Modernize Siemens APOGEE Building Auto. Control System	1,000,000
7) Pavement Rehabilitation - Air Freight Bldg.	1,600,000
8) Air Freight Buildings Roof Replacement - Stillwater/Air Lane Rd.	2,240,000
9) Liberty Station Facility – Roof Replacement & Improvements	1,500,000

Proposed FY 2015 - 2019 Capital Projects

<u>Project Name</u>	<u>Estimated Cost</u>
10) Develop Administrative Space	\$ 2,300,000
11) RCC – Small Market-share Build-outs	4,000,000
12) Replace & Refurbish Passenger Boarding Bridges	23,300,000
13) Construct Hazardous Waste Storage Facility	640,000
14) Construct Parking Plaza	82,080,000
15) Capital Projects Allowance	5,000,000
16) Public Art Allowance	<u>429,870</u>
Total FY 2015 - 2019 Proposed Capital Projects	\$ 144,059,870

Proposed FY 2015 - 2019 Capital Project Adjustments

<u>Project Name</u>	<u>Estimated Cost</u>
1) Upgrade Ground Transportation Systems	\$ 577,469
2) Upgrade Remaining 12 Remote Noise Monitoring Poles	245,741
3) Runway 09 Displaced Threshold Relocation	1,000,000
4) Restaurant Development at RCC	1,969,000
5) Reconfigure Sec. Chkpt. 2 & Refurb. T1 Rotundas/Bag. Claim	<u>900,000</u>
Total Proposed Current CIP Project Adjustments	\$ <u>4,692,210</u>
Total FY 2015 - 2019 Proposed Capital Projects & Adjustments	\$ <u>148,752,080</u>

* Source of funds: Airport Cash - \$138.4M, PFC - \$9.3M, CFC - \$1M



Construct Taxi Hold Lot



Construct Taxi Hold Lot

Sponsor: David Boenitz

SCOPE:

- Relocate taxi hold lot from Harbor Island location to the former TDY location to reduce airport lease obligations
- Accommodate 182 taxis, shuttle buses, and a 2,200 SF building
- Reduce taxi transit time to terminal and improve airport patron serviceability

Strategies :

- Financial
- Customer
- Operations

Estimated Cost	Duration
\$5,750,000	25 months



Employee Parking Lot 6 Expansion



Employee Parking Lot 6 Expansion

Sponsor: David Boenitz

SCOPE:

- Expand lot to add 650 parking spaces on 4.5 acres to more effectively cover current & future Airport employee parking needs
- Recapture paid parking spaces in Terminal 1 & Terminal 2
- Reduce employee dissatisfaction associated with inadequate parking availability

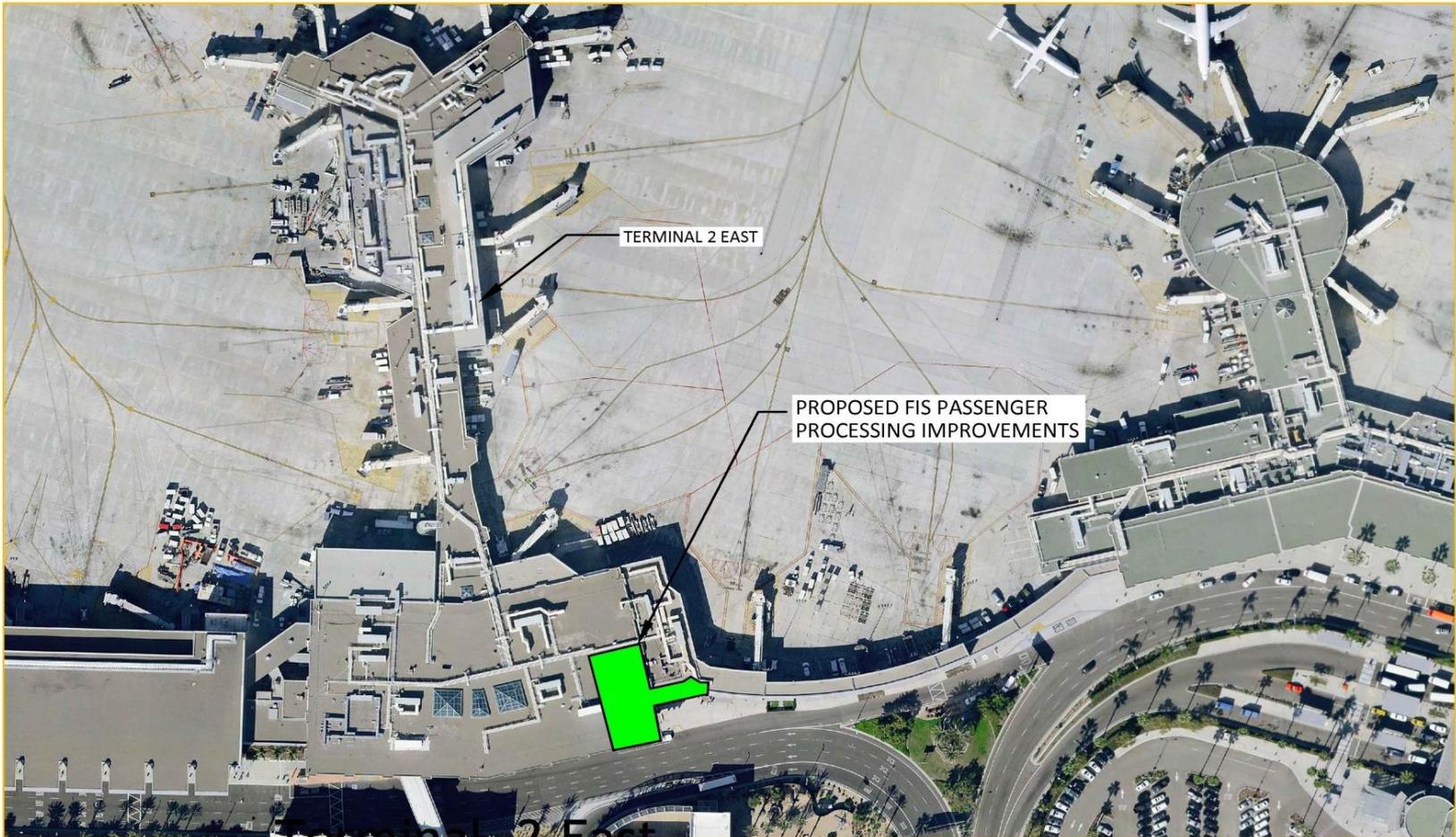
Strategies:

- Financial
- Customer
- Operations

Estimated Cost	Duration
\$6,290,000	21 months



FIS Passenger Processing Improvements



FIS Passenger Processing Improvements

Sponsor: Hampton Brown

SCOPE:

- Provide passport clearance kiosks to help speed processing of international passengers
- Provide automated signs to improve quality, visibility and appearance of signs used for passenger control and information
- Remove existing west wall on upper level to create new automated processing lane

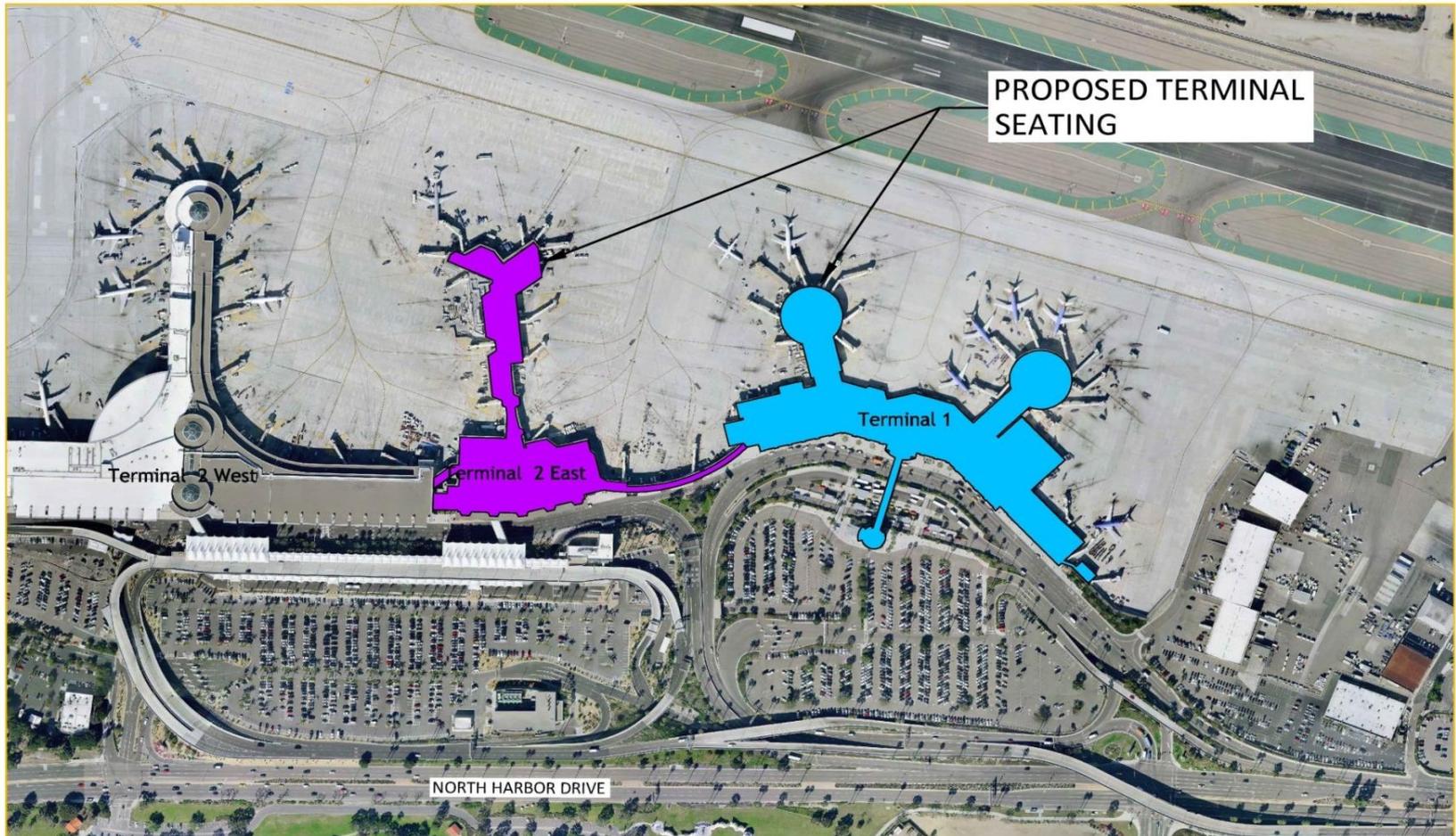
Strategies:

- Customer
- Operations

Estimated Cost	Duration
\$1,460,000	15 months



Replace Terminal Seating



Replace Terminal Seating

Sponsor: Murray Bauer

SCOPE:

- Provide approximately 2,266 replacement seats in Terminals 1 and 2: T1 – 1,345 and T2 – 921
- Provide electrical connectivity to passengers
- Ease of repair to replace damaged/worn seat – 5 min. vs. 45 min.

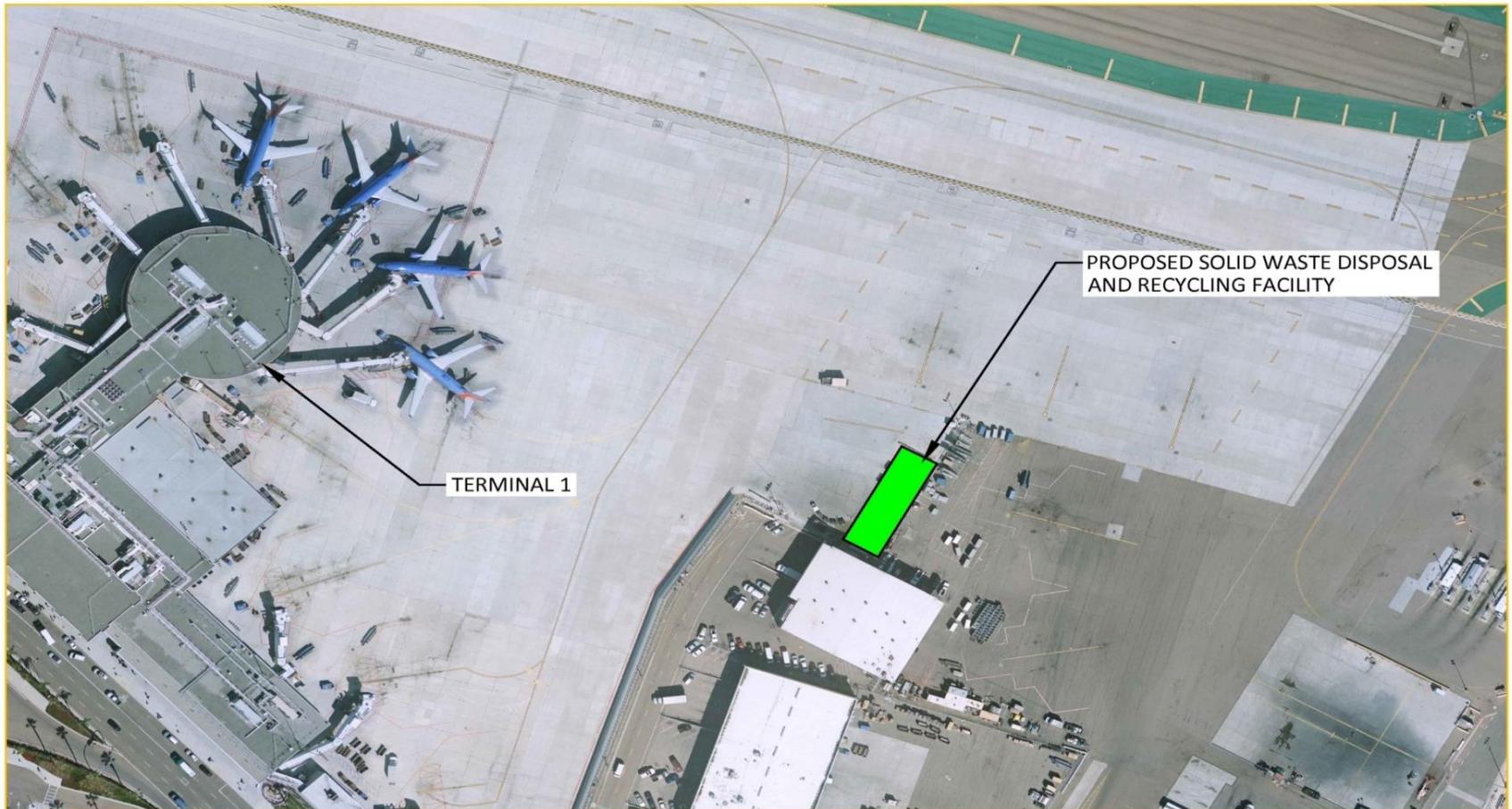
Strategies:

- Financial
- Customer
- Operations

Estimated Cost	Duration
\$5,420,000	17 months



Solid Waste Disposal & Recycling Facility



Solid Waste Disposal & Recycling Facility

Sponsor: Murray Bauer

SCOPE:

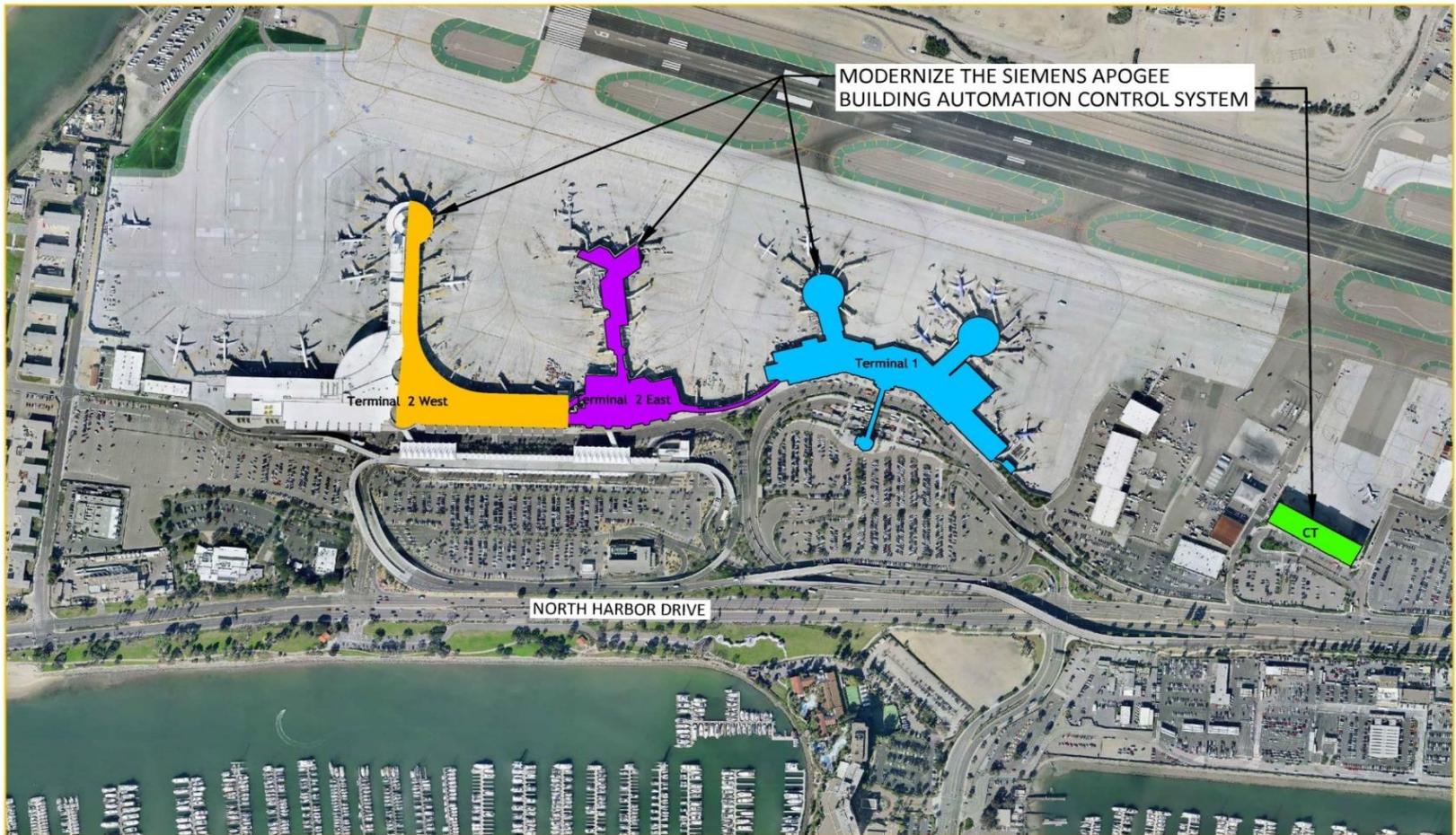
- Enclose waste disposal and recycling facility within a steel-framed structure to ensure storm water regulatory compliance
- Contain trash and pollutants from entering storm drain system
- Upgrade CCTV system to better observe disposal activities

Strategies:

- Financial
- Customer

Estimated Cost	Duration
\$1,050,000	13 months

Modernize Siemens APOGEE Building Automation Control System



Modernize Siemens APOGEE Building Automation Control System

Sponsor: Murray Bauer

SCOPE:

- Upgrade existing 15 year-old building automation system software that controls and monitors all HVAC systems and electrical usage
- Crucial to controlling energy consumption
- Current system is frequently failing causing systems to shut down and has limited control capabilities

Strategies:

- Financial
- Operations
- Customer

Estimated Cost	Duration
\$1,000,000	13 months



Pavement Rehabilitation - Air Freight Building



Pavement Rehabilitation - Air Freight Building

Sponsor: Troy Ann Leech

SCOPE:

- Replace approximately 1.3 acres of pavement as necessary
- Abide by contractual lease obligations to maintain property
- Avoid potential safety impacts of injuries due to poor conditions
- Update Airport-wide Pavement Management System Report

Strategies:

- Customer
- Operations

Estimated Cost	Duration
\$1,600,000	11 months

Air Freight Buildings Roof Replacement - Stillwater and Air Lane Road



Air Freight Buildings Roof Replacement - Stillwater and Air Lane Road

Sponsor: Troy Ann Leech

SCOPE:

- Replace facility roofs
- Provide safe, secure facility for tenant operations
- Preserve assets

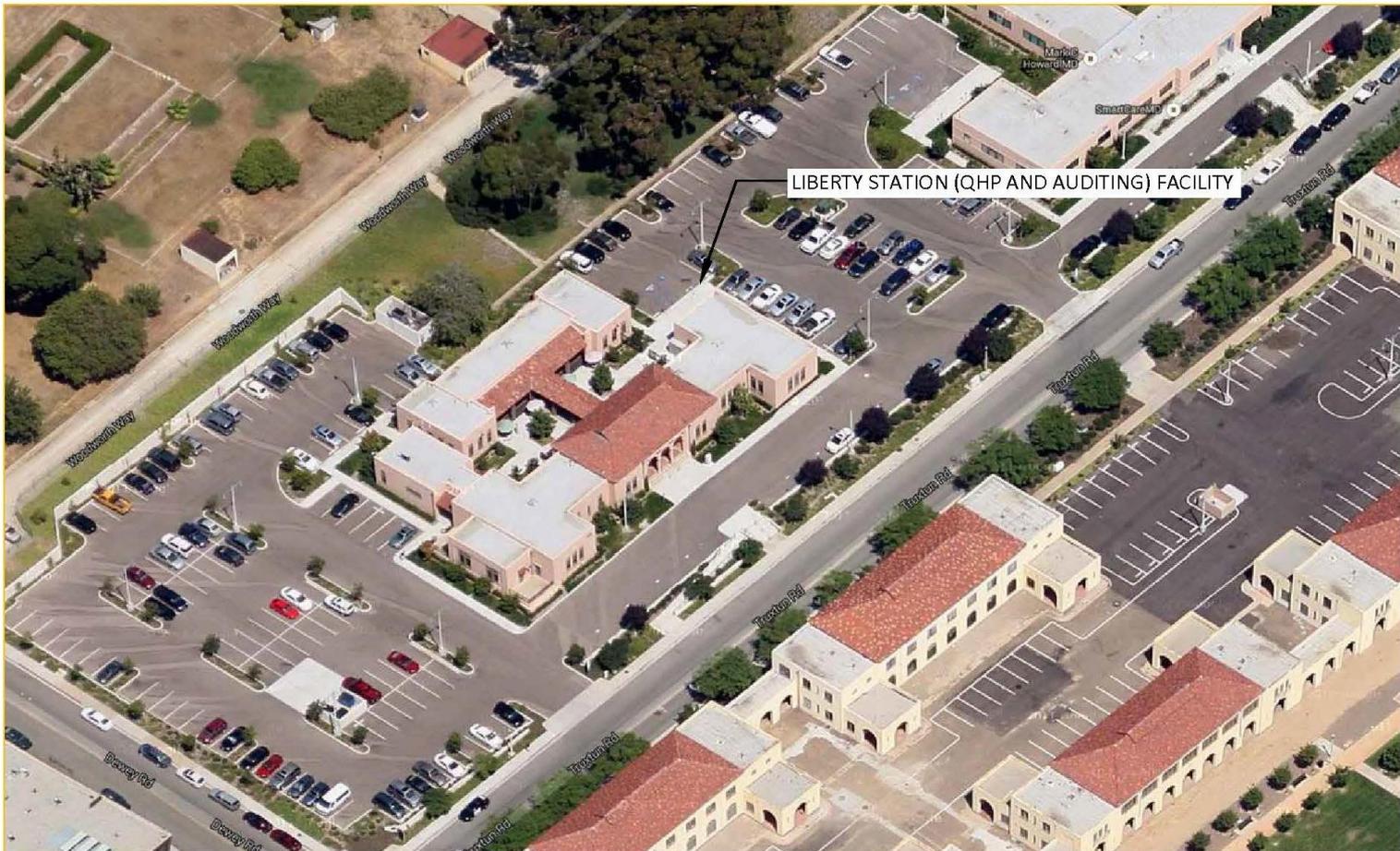
Strategies:

- Financial
- Customer
- Operations

Estimated Cost	Duration
\$2,240,000	19 months



Liberty Station Facility – Roof Replacement & Improvements



Liberty Station Facility – Roof Replacement & Improvements

Sponsor: Troy Ann Leech

SCOPE:

- Replace facility roof and stucco
- Improve facility for QHP & Auditing operations

Strategies:

- Customer
- Operations

Estimated Cost	Duration
\$1,500,000	15 months



Develop Administrative Space



Develop Administrative Space

Sponsor: Keith Wilschetz

SCOPE:

- Accommodate Authority's existing space needs with anticipation of ultimate build-out of spaces when Airport Development Program is implemented
- Possible modification of space for Airline use

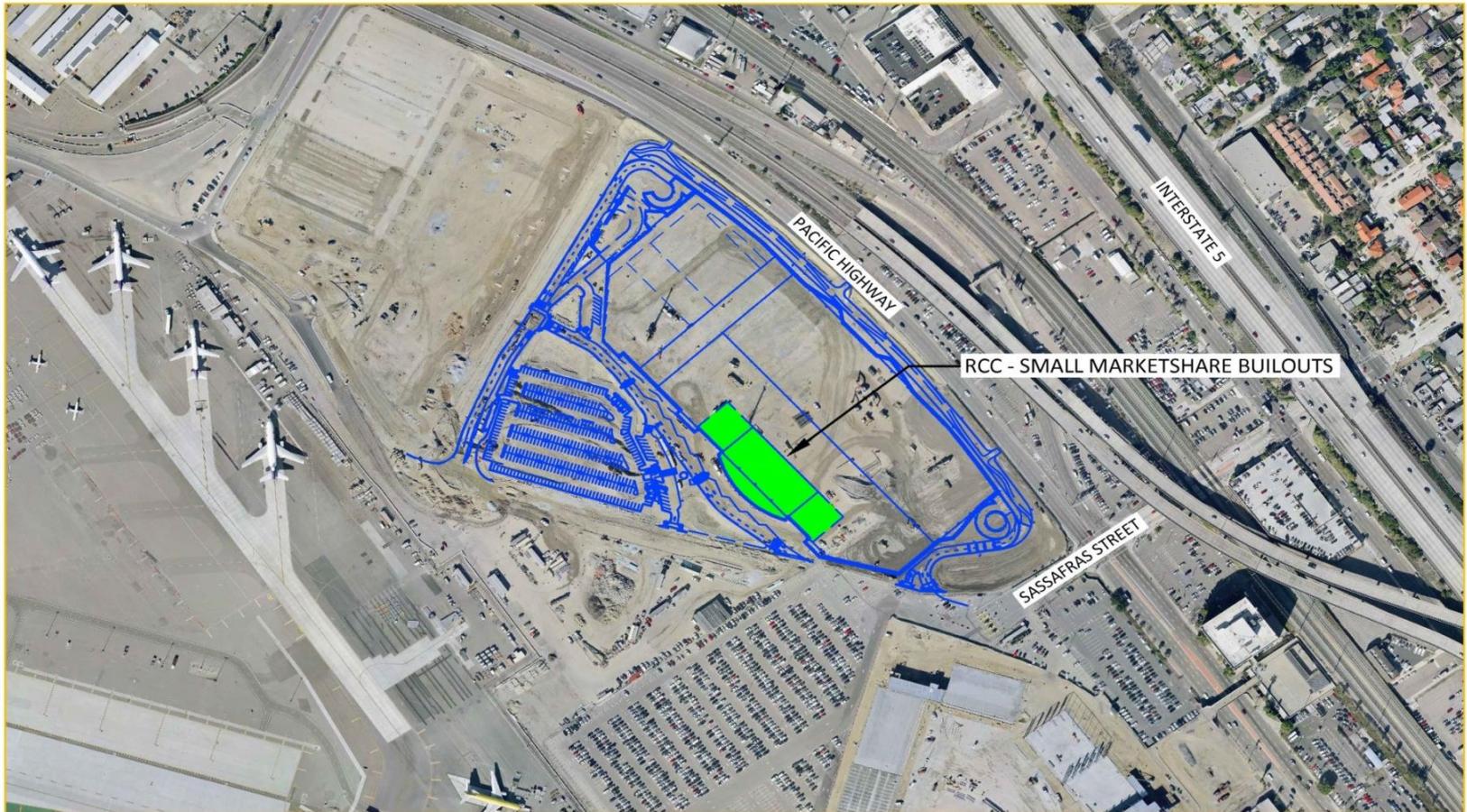
Strategies:

- Financial
- Customer
- Operations

Estimated Cost	Duration
\$2,300,000	15 months



RCC Small Market-share Build-outs



RCC Small Market-share Build-outs

Sponsor: Troy Ann Leech

SCOPE:

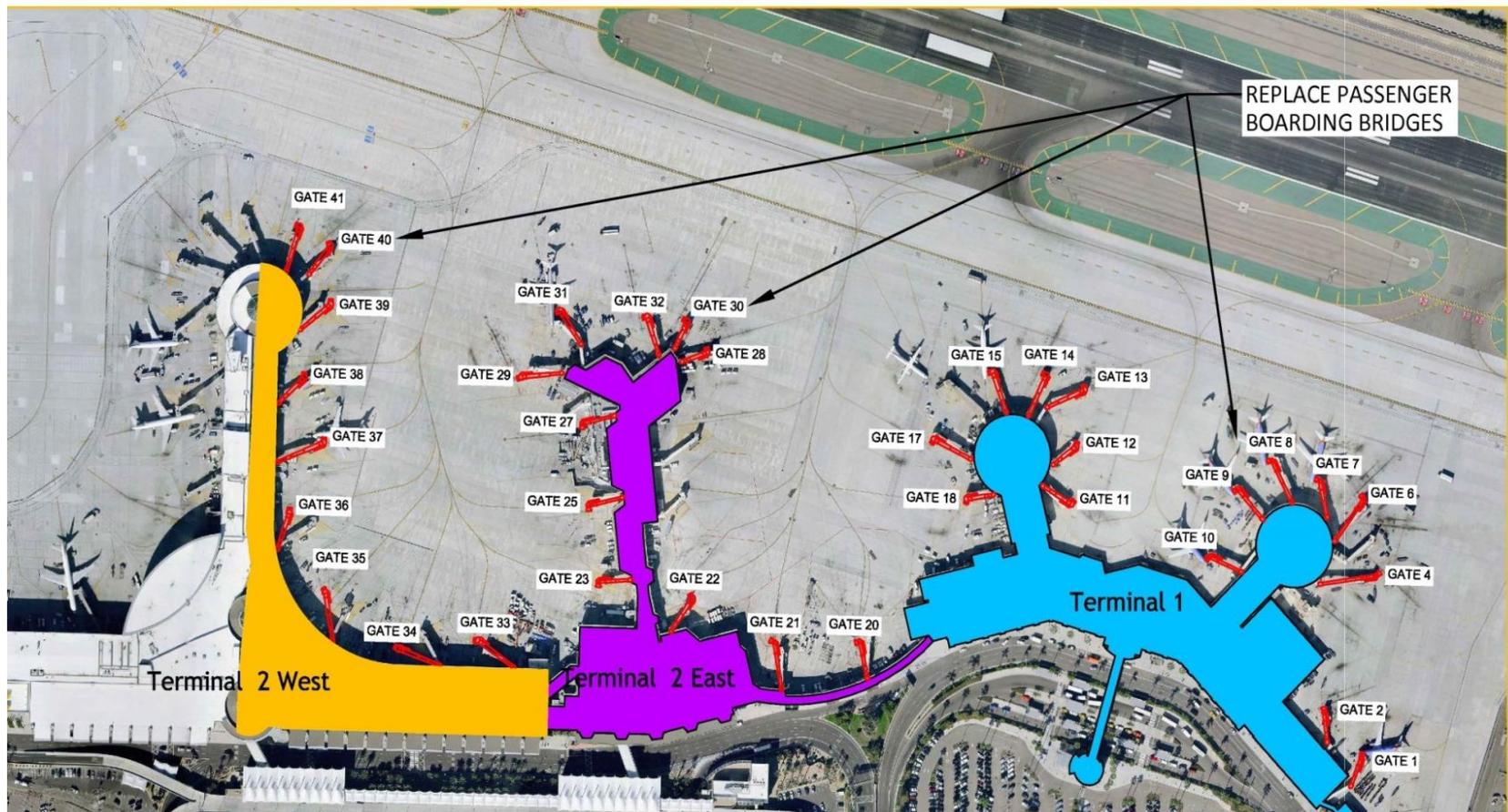
- Complete tenant improvement component beyond the base building to ensure RCC design standards
- Allow for more flexible lease terms for small market operators
- Allow small market operators to access the RCC in an economically viable manner

Strategies:

- Financial
- Customer
- Operations

Estimated Cost	Duration
\$4,000,000	20 months

Replace and Refurbish Passenger Boarding Bridges



Replace and Refurbish Passenger Boarding Bridges

Sponsor: Murray Bauer

SCOPE:

- Update assessment report on bridge conditions
- Three-year plan to replace and/or refurbish passenger boarding bridges (PBB's) based on updated assessment

Strategies:

- Customer
- Operations

Estimated Cost	Duration
\$23,300,000	31 months



Hazardous Waste Storage Facility



Hazardous Waste Storage Facility

Sponsor: Paul Manasjan

SCOPE:

- Purchase and install a pre-fab storage unit approximately 10 x 20 ft. to consolidate, store and manage hazardous waste being processed for disposal per Federal, State and local laws and regulations
- Includes a fire alarm, electric utilities and concrete pad
- Reduce risk and liabilities of potential safety and environmental hazards

Strategies:

- Customer
- Operations
- Community

Estimated Cost	Duration
\$640,000	11 months



Construct Parking Plaza



Construct Parking Plaza

Sponsor: David Boenitz

SCOPE:

- Meet airport passenger demand for additional close in covered parking
- Increase non-airline revenue

Strategies:

- Customer
- Financial
- Operations

Estimated Cost	Duration
\$82,080,000	32 months



Plan of Finance

Fiscal Years 2015 – 2019

Uses of Funds by Location

Total Use of Funds by Location			
Pre FY2015 - FY 2019			
(in thousands)			
<u>Location</u>	<u>Green Build</u>	<u>CIP</u>	<u>Total</u>
Terminal	\$ 496,020	143,322	\$ 639,342
Landside and Ancillary	256,272	476,027	732,299
Airside	67,708	125,650	193,358
Admin	-	19,690	19,690
Finance Costs	86,942	85,652	172,594
Total	\$ 906,942	\$ 850,341	\$ 1,757,283

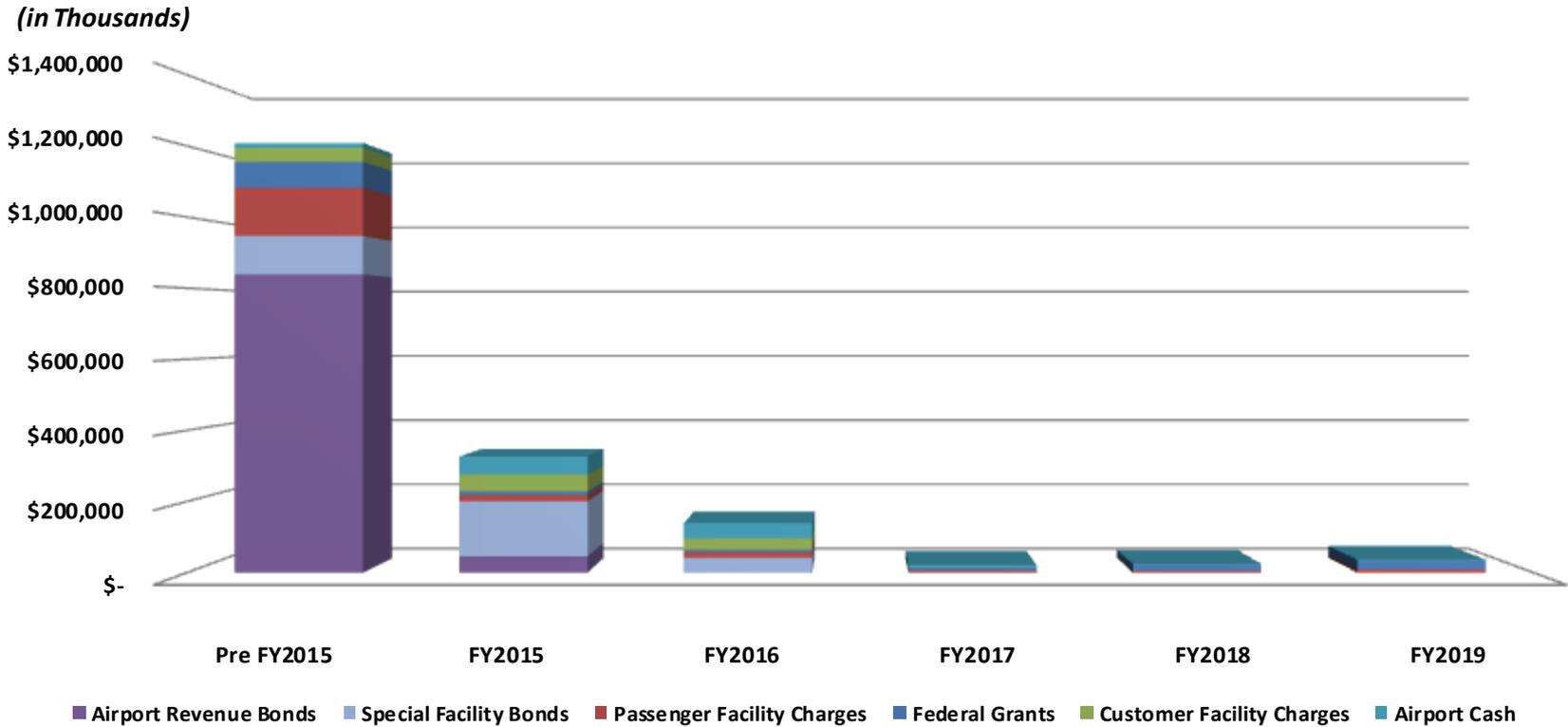
Uses and Sources of Funds

<i>(in thousands)</i>	<u>Total Use of Funds</u>						
	Pre FY2015	FY2015	FY2016	FY2017	FY2018	FY2019	Total
Green Build	\$ 791,282	\$ 28,718	\$ -	\$ -	\$ -	\$ -	\$ 820,000
CIP	244,436	297,880	139,621	21,143	24,541	37,068	764,690
Finance Costs	172,594	-	-	-	-	-	172,594
Total	\$ 1,208,312	\$ 326,598	\$ 139,621	\$ 21,143	\$ 24,541	\$ 37,068	\$ 1,757,283

<i>(in thousands)</i>	<u>Total Sources of Funds</u>						
	Pre FY2015	FY2015	FY2016	FY2017	FY2018	FY2019	Total
Airport Revenue Bonds	\$ 838,268	\$ 46,047	\$ 327	\$ -	\$ -	\$ -	\$ 884,641
Special Facility Bonds	108,515	154,853	42,505	-	-	-	305,873
Passenger Facility Charges	135,050	17,294	15,185	6,585	4,610	9,742	188,466
Federal Grants	73,177	10,078	7,290	8,027	19,141	25,052	142,765
Customer Facility Charges	40,104	47,732	30,668	-	-	-	118,505
Airport Cash	13,198	50,594	43,645	6,532	790	2,274	117,033
TOTAL SOURCES OF FUNDS	\$ 1,208,312	\$ 326,598	\$ 139,621	\$ 21,143	\$ 24,541	\$ 37,068	\$ 1,757,283

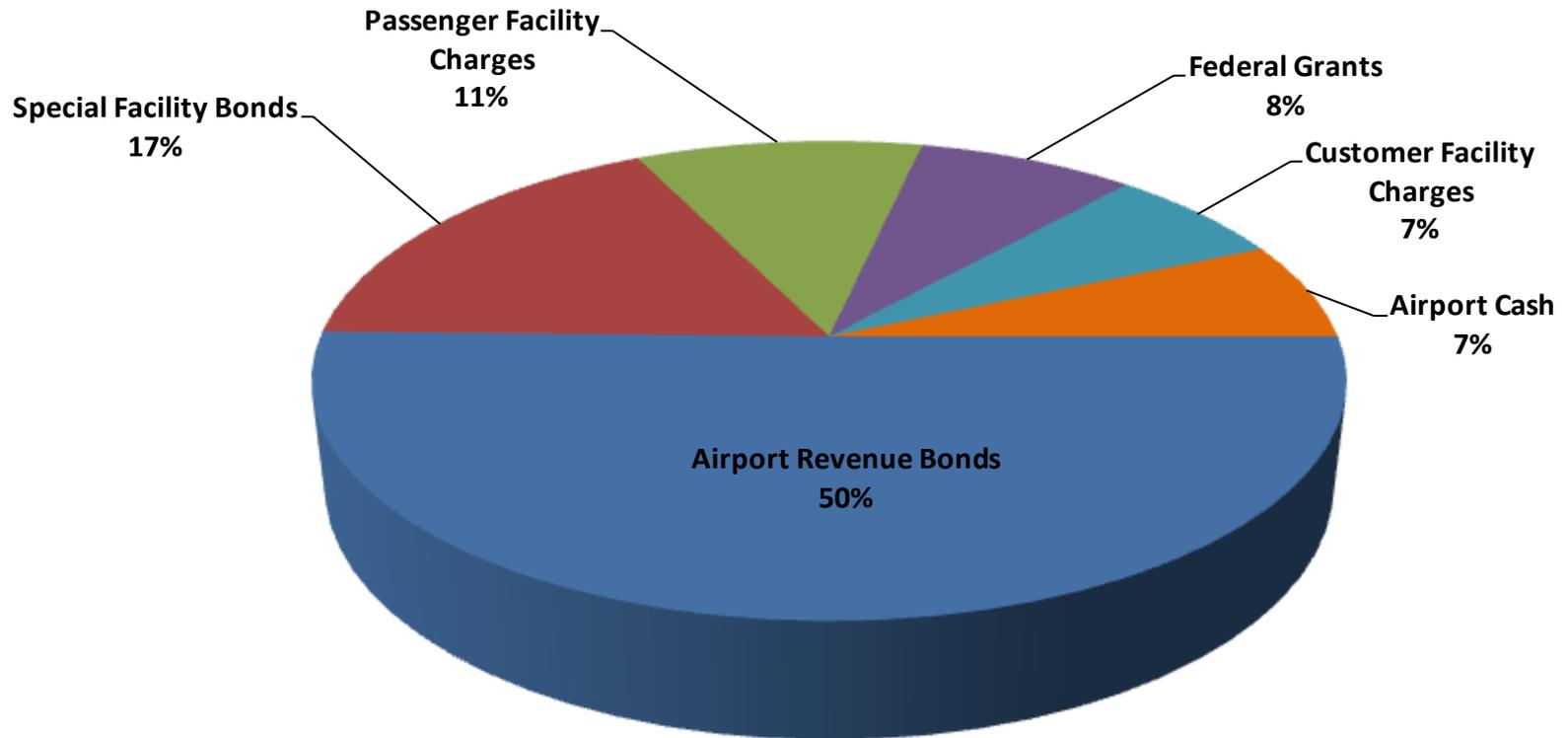


Total Sources of Funds

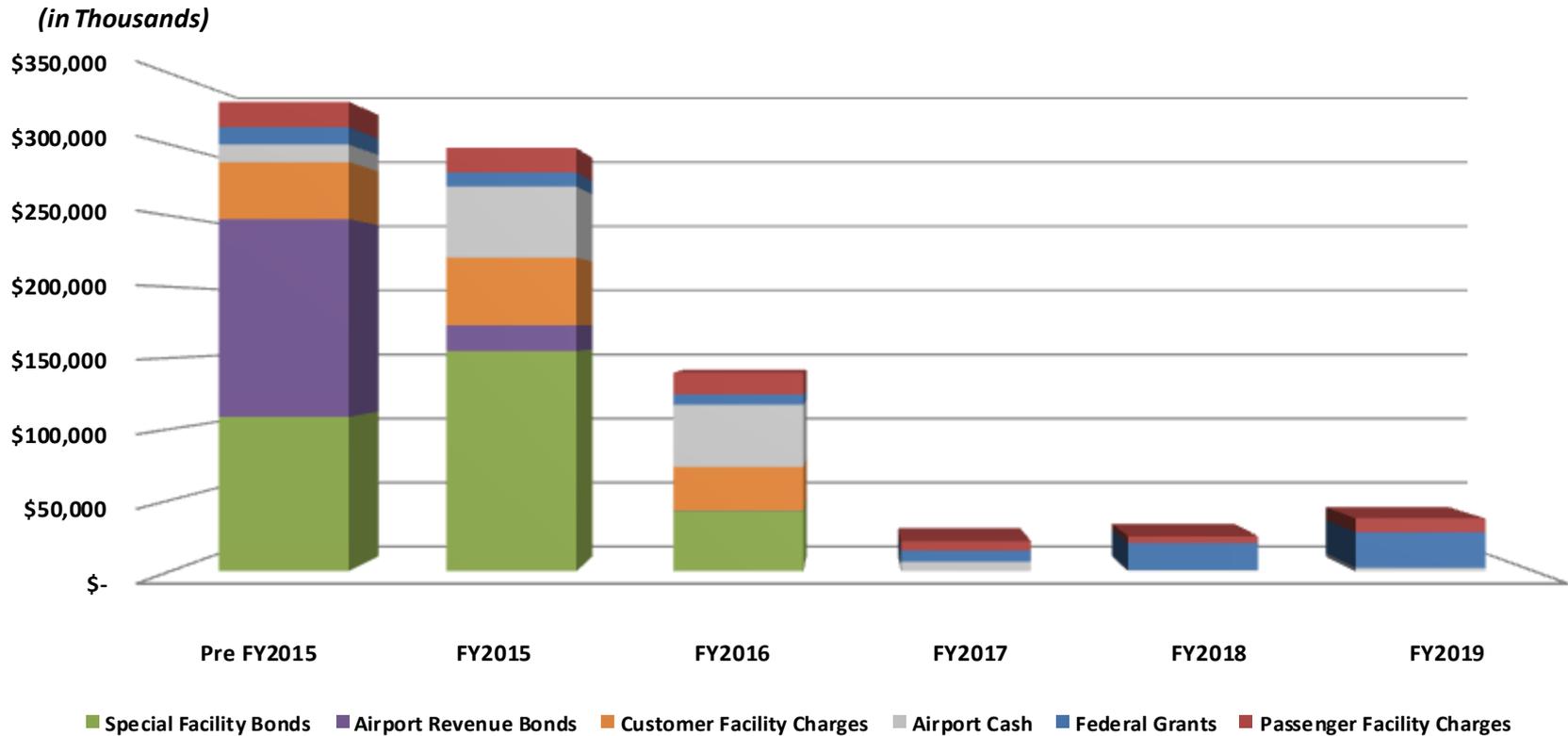




Pre FY 2015 – FY 2019
Total Sources of Funds
(\$1,757,283,000)

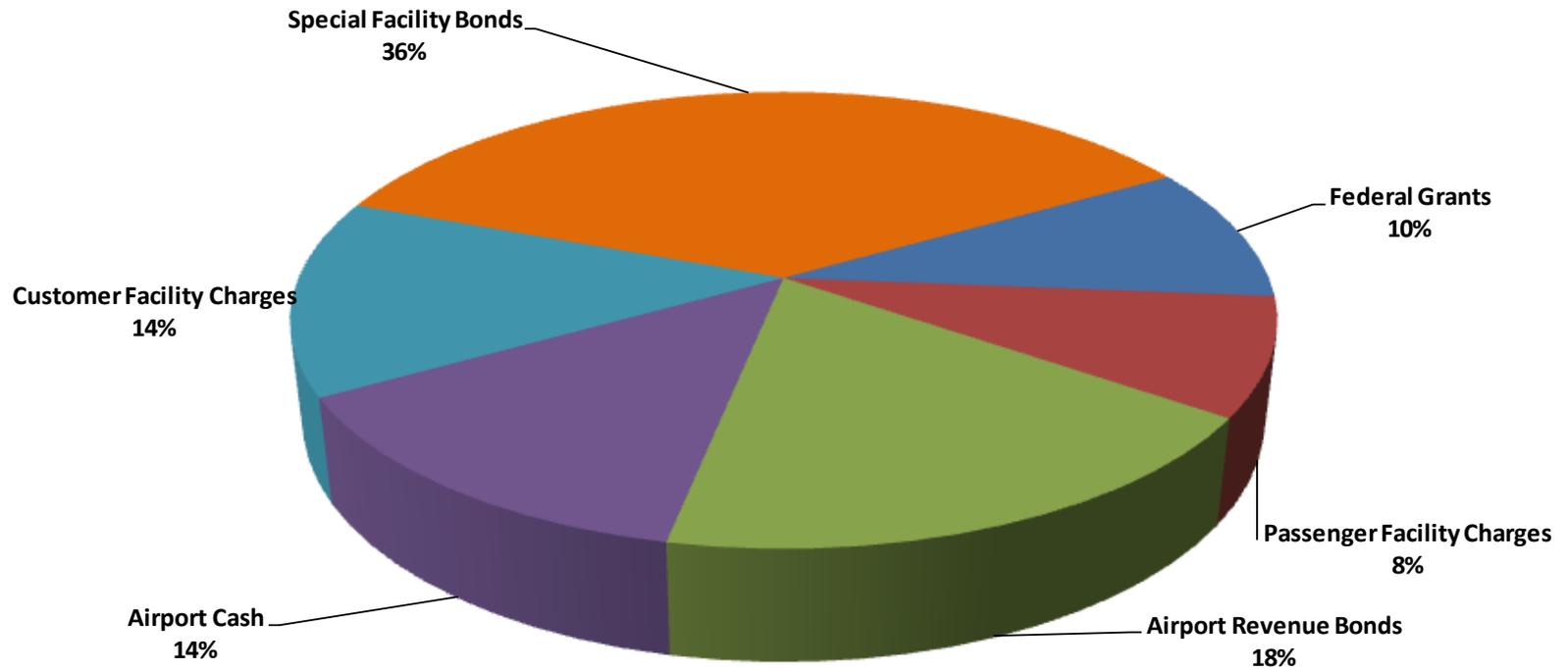


CIP Sources of Funds

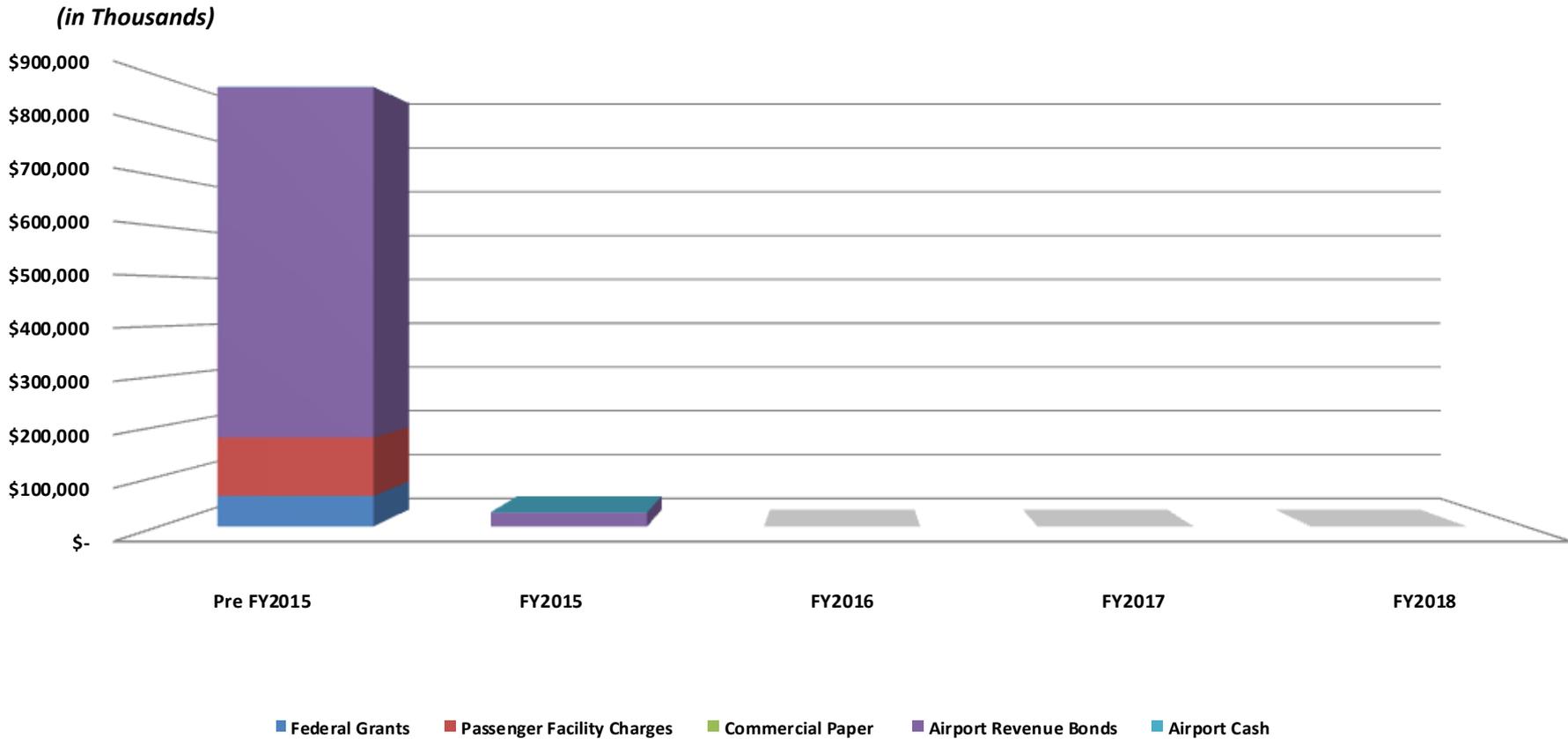




Pre FY 2015 – FY 2019
CIP Sources of Funds
(\$850,341,000)



Green Build

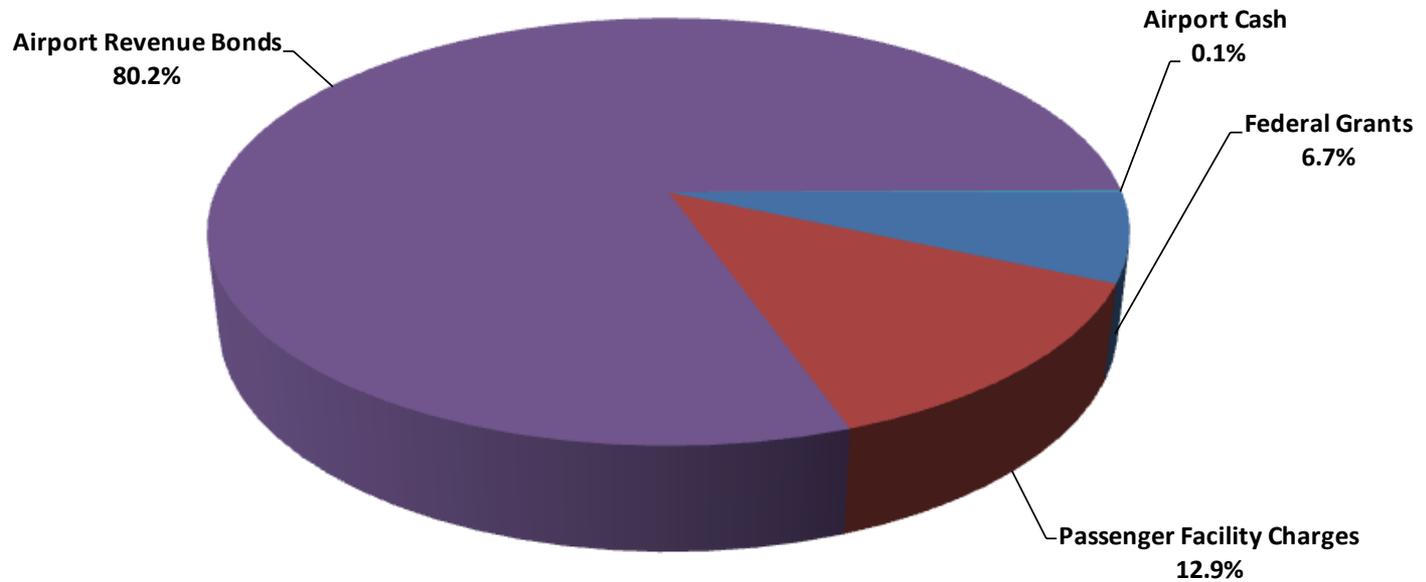




Pre FY 2015 – FY 2019

Green Build

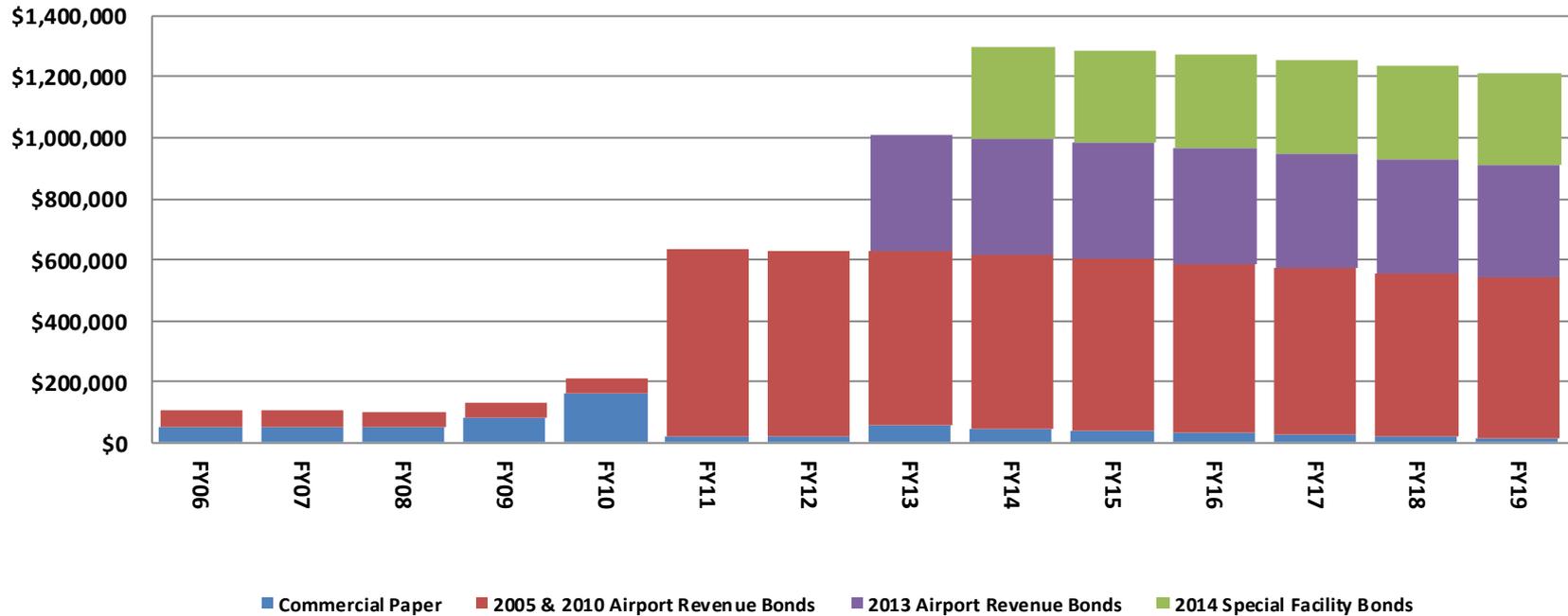
(\$906,942,000)



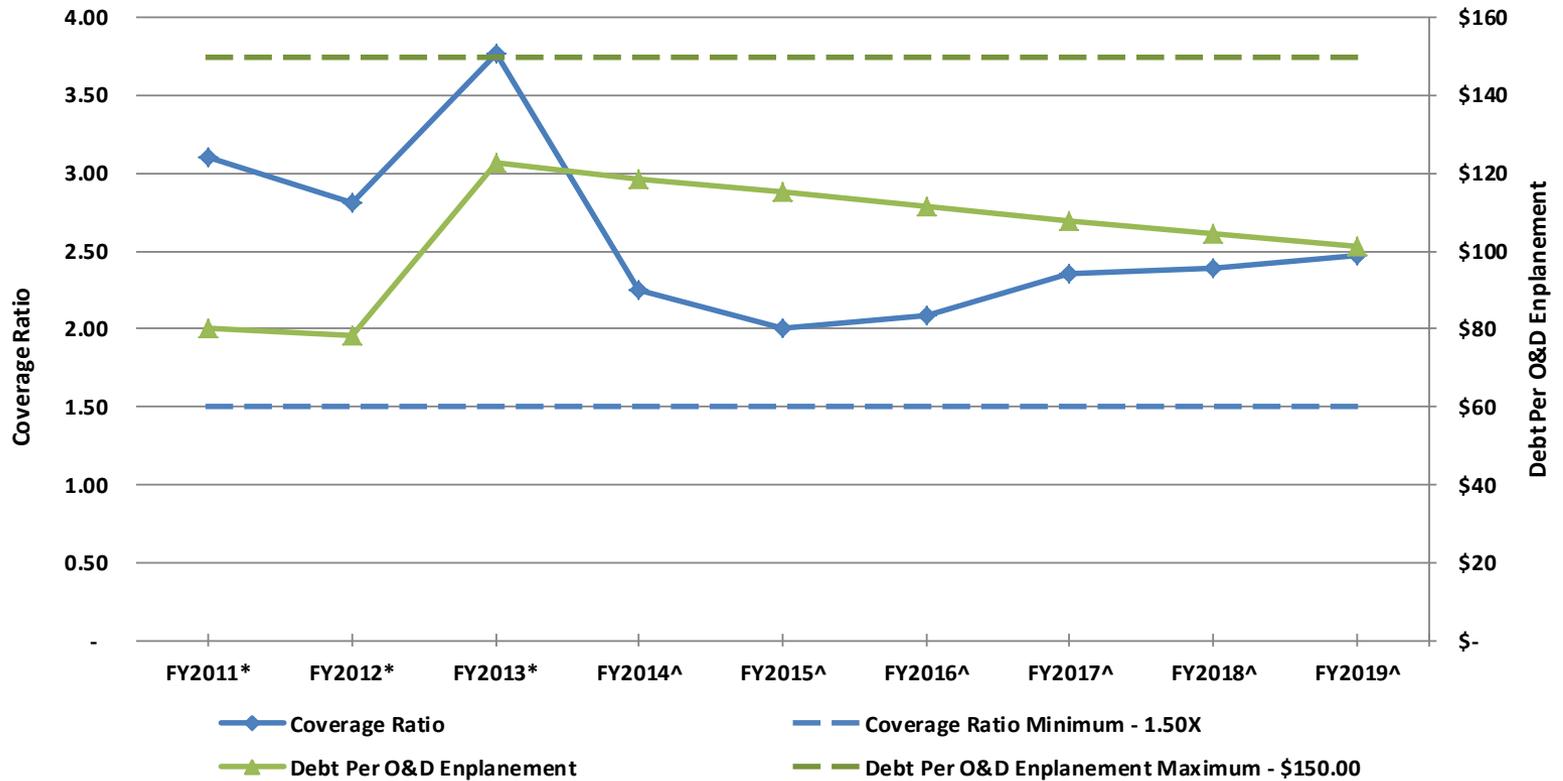
Aggregate Debt

FY2006 - FY2019

(in Thousands)



Coverage Ratio & Debt Per O&D Enplanement



Coverage Ratio & Debt Per O&D Enplanement

Fiscal Year	Enplanements	Enplanement Growth	Outstanding Debt ¹	Debt per O&D EPAX ²	Debt Coverage ³
FY2011*	8,441,120	-0.2%	635,298,000	80.07	3.11
FY2012*	8,575,475	1.6%	630,538,000	78.22	2.81
FY2013*	8,737,617	1.9%	1,006,595,572	122.56	3.77
FY2014^	8,914,355	2.0%	994,338,572	118.66	2.25
FY2015^	9,061,000	1.6%	982,394,572	115.34	2.01
FY2016^	9,215,000	1.7%	965,590,572	111.47	2.08
FY2017^	9,372,000	1.7%	948,382,572	107.65	2.35
FY2018^	9,484,000	1.2%	930,517,572	104.38	2.39
FY2019^	9,598,000	1.2%	911,938,572	101.08	2.47

¹ Debt excludes Special Facility bonds

² Goal per Debt Policy is no more than \$150 per O&D enplaned passenger (excluding CFC backed Special Facility bonds)

³ Target minimum per Debt Policy: 1.50x

* Actuals

^ Forecast



Conclusion

FY 2015 Proposed Budget & FY 2016 Conceptual Budget

- Provides necessary resources to accomplish the Authority's Strategies, Initiatives and Goals
- Funds necessary infrastructure development
- Enhances the financial position of the Authority
- Demonstrates prudence during slow economic recovery
- Meets mandated airport safety and security requirements
- Honors the Authority's legislative and regulatory mandates
- Supports regional transportation partnerships and community outreach
- Maintains competitive rates for airline tenants and airport users
- Addresses facility lifecycle maintenance costs