

**SPECIAL BOARD
and
EXECUTIVE/FINANCE COMMITTEE MEETING**

C. April Boling
Greg Cox
Jim Desmond
Lloyd B. Hubbs
Jim Janney
Mark Kersey
Paul Robinson
Mary Sessom

AGENDA

Monday June 13, 2016
9:00 A.M.

Ex-Officio Board Members
Laurie Berman
Eraina Ortega
Col. Jason Woodworth

San Diego International Airport
SDCRAA Administration Building -- Third Floor
Board Room
3225 N. Harbor Drive
San Diego, CA 92101

President / CEO
Thella F. Bowens

This Agenda contains a brief general description of each item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. If comments are made to the Committee without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law. ***Please note that agenda items may be taken out of order.***

Staff Reports and documentation relating to each item of business on the Agenda are on file in Corporate & Information Governance and are available for public inspection.

***NOTE:** This Committee Meeting also is noticed as a Special Meeting of the Board to (1) foster communication among Board members in compliance with the Brown Act; and (2) preserve the advisory function of the Committee.

Board members who are not members of this Committee may attend and participate in Committee discussions. Since sometimes more than a quorum of the Board may be in attendance, to comply with the Brown Act, this Committee meeting also is noticed as a Special Meeting of the Board.

To preserve the proper function of the Committee, only members officially assigned to this Committee are entitled to vote on any item before the Committee. This Committee only has the power to review items and make recommendations to the Board. Accordingly, this Committee cannot, and will not, take any final action that is binding on the Board or the Authority, even if a quorum of the Board is present.

PLEASE COMPLETE A "REQUEST TO SPEAK" FORM PRIOR TO THE COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE AUTHORITY CLERK. ***PLEASE REVIEW THE POLICY FOR PUBLIC PARTICIPATION IN BOARD AND BOARD COMMITTEE MEETINGS (PUBLIC COMMENT) LOCATED AT THE END OF THE AGENDA.***

CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

ROLL CALL:

Board

Board Members: Berman (Ex-Officio), Boling, Cox, Desmond, Gleason (Chair), Hubbs, Janney, Kersey, Ortega (Ex-Officio), Robinson, Sessom, Woodworth (Ex-Officio)

Executive Committee

Committee Members: Gleason (Chair), Janney, Robinson

Finance Committee

Committee Members: Boling (Chair), Cox, Janney, Sessom

NON-AGENDA PUBLIC COMMENT

Non-Agenda Public Comment is reserved for members of the public wishing to address the Committee on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Committee. Please submit a completed speaker slip to the Authority Clerk. ***Each individual speaker is limited to three (3) minutes. Applicants, groups and jurisdictions referring items to the Board for action are limited to five (5) minutes.***

Note: Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board.

NEW BUSINESS:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the May 9, 2016 regular meeting.

FINANCE COMMITTEE NEW BUSINESS:

2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE TEN MONTHS ENDED APRIL 30, 2016:

RECOMMENDATION: Accept the report.

Presented by: Kathy Kiefer, Senior Director, Finance and Asset Management

3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF APRIL 30, 2016:

RECOMMENDATION: Accept the report.

Presented by: Geoff Bryant, Manager, Airport Finance

EXECUTIVE COMMITTEE NEW BUSINESS

4. PRE-APPROVAL OF TRAVEL REQUESTS AND APPROVAL OF BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REQUESTS FOR BOARD MEMBERS, THE PRESIDENT/CEO, THE CHIEF AUDITOR AND GENERAL COUNSEL:

RECOMMENDATION: Pre-approve travel requests and approve business and travel expense reimbursement requests.

Presented by: Tony R. Russell, Director, Corporate & Information Governance/Authority Clerk

REVIEW OF FUTURE AGENDAS:

5. REVIEW OF THE DRAFT AGENDA FOR THE JUNE 23, 2016 BOARD MEETING:

Presented by: Thella F. Bowens, President/CEO

6. REVIEW OF THE DRAFT AGENDA FOR THE JUNE 23, 2016 AIRPORT LAND USE COMMISSION MEETING:

Presented by: Thella F. Bowens, President/CEO

BOARD BUSINESS:

7. APPROVE AND ADOPT A MID-YEAR ADJUSTMENT OF THE CAPITAL PROGRAM BUDGET FOR FISCAL YEARS 2016-2020 TO FUND AN INCREASE IN THE TERMINAL 2 PARKING PLAZA PROGRAM BUDGET; AND APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A FIRST AMENDMENT TO THE SWINERTON BUILDERS, INC., AGREEMENT TO ESTABLISH A MAXIMUM CONTRACT VALUE AND TO NEGOTIATE AND EXECUTE FUTURE WORK AUTHORIZATIONS AND A FUTURE GUARANTEED MAXIMUM PRICE AMENDMENT:

RECOMMENDATION: Adopt Resolution No. 2016-0046, approving and adopting a mid-year adjustment to the Fiscal Year 2016-2020 Capital Program Budget to fund an increase in the Terminal 2 Parking Plaza budget of \$45,720,000 for a Validated Program budget of \$127,800,000.

Adopt Resolution No. 2016-0047, approving and authorizing the President/CEO to negotiate and execute: 1) a First Amendment (the "Validation Amendment") to the Agreement with Swinerton Builders, Inc., establishing a Maximum Project Budget of \$99,800,000 and a Master Project Schedule for the design and construction of the Terminal 2 Parking Plaza; 2) Work Authorizations and a

Second Amendment (“Guaranteed Maximum Price Amendment”) within the Maximum Project Budget after the issuance of the Validation Amendment in order to allow completion of 100% design and construction; and 3) future change orders using uncommitted funds within the Validated Program Budget of \$127,800,000.

Presented by: Bob Bolton, Director, Airport Design and Construction

BUDGET WORKSHOP:

8. DISCUSSION REGARDING THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY FISCAL YEAR 2017 PROPOSED BUDGET AND FISCAL YEAR 2018 PROPOSED CONCEPTUAL BUDGET:

RECOMMENDATION: Discuss the Fiscal Year 2017 Proposed Budget and Fiscal Year 2018 Proposed Conceptual Budget.

Presented by: Scott Brickner, Vice President, Finance & Asset Management/Treasurer

CLOSED SESSION:

REPORT ON CLOSED SESSION:

NON-AGENDA PUBLIC COMMENT:

COMMITTEE MEMBER COMMENTS:

ADJOURNMENT:

Policy for Public Participation in Board, Airport Land Use Commission (ALUC), and Committee Meetings (Public Comment)

- 1) Persons wishing to address the Board, ALUC, and Committees shall complete a "Request to Speak" form prior to the announcement of that portion of the agenda containing the item to be addressed (e.g., Public Comment and General Items). Failure to complete a form shall not preclude testimony, if permission to address the Board is granted by the Chair.
- 2) The Public Comment period at the beginning of the agenda is limited to eighteen (18) minutes and is reserved for persons wishing to address the Board, ALUC, or Committee on any matter for which another opportunity to speak is not provided on the Agenda, and on matters that are within the jurisdiction of the Board. A second Public Comment period is reserved for general public comment later in the meeting for those who were not heard during the first Public Comment period.
- 3) Persons wishing to speak on a specific item listed on the agenda will be afforded an opportunity to speak during the presentation of that individual item. Persons wishing to speak on a specific item should reserve their comments until the item is taken up by the Board, ALUC or Committee. Public comment on a specific item is limited to twenty (20) minutes – ten (10) minutes for those in favor and ten (10) minutes for those in opposition of an item. Each individual speaker will be allowed three (3) minutes, and applicants and groups will be allowed five (5) minutes.
- 4) If many persons have indicated a desire to address the Board, ALUC or Committees on the same issue, then the Chair may suggest that these persons consolidate their respective testimonies. Testimony by members of the public on any item shall be limited to **three (3) minutes per individual speaker and five (5) minutes for applicants, groups and referring jurisdictions.**
- 5) Pursuant to Authority Policy 1.33 (8), recognized groups must register with the Authority Clerk prior to the meeting.
- 6) After a public hearing or the Public Comment portion of the meeting has been closed, no person shall address the Board, ALUC, and Committees without first obtaining permission to do so.

Additional Meeting Information

NOTE: This information is available in alternative formats upon request. To request an Agenda in an alternative format, or to request a sign language or oral interpreter, or an Assistive Listening Device (ALD) for the meeting, please telephone the Authority Clerk's Office at (619) 400-2400 at least three (3) working days prior to the meeting to ensure availability.

For your convenience, the agenda is also available to you on our website at www.san.org.

For those planning to attend the Board meeting, parking is available in the public parking lot located directly in front of the SDCRAA Administration Building. Bring your ticket to the third floor receptionist for validation.

You may also reach the SDCRAA Administration Building by using public transit via the San Diego MTS system, Route 992. For route and fare information, please call the San Diego MTS at (619) 233-3004 or 511.

UPCOMING MEETING SCHEDULE

| <i>Date</i> | <i>Day</i> | <i>Time</i> | <i>Meeting Type</i> | <i>Location</i> |
|-------------|------------|-------------|---------------------|-----------------|
| July 11 | Monday | 9:00 A.M. | Regular | Board Room |

DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
EXECUTIVE AND FINANCE COMMITTEE
MINUTES
MONDAY, MAY 9, 2016
BOARD ROOM

CALL TO ORDER: Chair Gleason called the Executive Committee to order at 9:04 a.m., on Monday, May 9, 2016, in the Board Room of the San Diego International Airport, Administration Building, 3225 N. Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Board Member Hubbs led the Pledge of Allegiance.

ROLL CALL:

Executive Committee

PRESENT: Committee Members: Gleason, Robinson

 Board Members: Desmond, Hubbs

ABSENT: Committee Members: Janney

Finance Committee

PRESENT: Committee Members: Cox

 Board Members: Desmond, Hubbs

ABSENT: Committee Members: Alvarez, Boling, Janney, Sessom

ALSO PRESENT: Thella F. Bowens, President/CEO; Breton Lobner, General Counsel;
 Tony Russell, Director, Corporate and Information Governance/
 Authority Clerk; Dawn D'Acquisto, Assistant Authority Clerk I

There was no quorum of the Finance Committee present.

NON-AGENDA PUBLIC COMMENT: None

NEW BUSINESS:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the April 4, 2016 regular meeting.

ACTION: Moved by Board Member Robinson and seconded by Chair Gleason to approve staff's recommendation. Motion carried unanimously, noting Board Member Janney as ABSENT.

FINANCE COMMITTEE NEW BUSINESS

2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2016:

Scott Brickner, Vice President, Finance and Asset Management/Treasurer, and Kathy Kiefer, Senior Director, Finance and Asset Management, provided a presentation on the Unaudited Financial Statements for the Nine Months Ended March 31, 2016, which included an Economic Update, Revenue and Expenses, Operating Revenues, Financial Summary, Non-Operating Revenues and Expenses, Monthly Operating Expenses, and Statements of New Positions.

RECOMMENDATION: Accept the report.

3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF MARCH 31, 2016:

Geoff Bryant, Manager, Airport Finance, provided a presentation on the Authority's Investment Report as of March 31, 2016, which included the Total Portfolio Summary, Portfolio Composition by Security Type, Portfolio Composition by Credit Rating, Portfolio Composition by Maturity, Benchmark Comparison, Detail of Security Holdings, Portfolio Investment Transactions, Bond Proceeds Summary, and Bond Proceeds Investment Transactions.

RECOMMENDATION: Accept the report.

4. ANNUAL REVIEW OF AUTHORITY POLICY 4.40 – DEBT ISSUANCE AND MANAGEMENT:

RECOMMENDATION: Forward to the Board for approval.

5. ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.20 - GUIDELINES FOR PRUDENT INVESTMENTS, AND DELEGATION OF AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE VICE PRESIDENT, FINANCE AND ASSET MANAGEMENT/TREASURER:

Geoff Bryant, Manager, Airport Finance, provided a presentation on the Annual Review and Approval of Amendments to Authority Policy 4.20 and 4.40, which included the Debt Policy Overview, Debt Policy Objectives, Investment Policy Overview, Investment Policy Amendments, Local Agency Investment Fund Limit, and Action Requested.

RECOMMENDATION: Forward to the Board for approval.

ACTION: Items 2-5 were forwarded to the Board.

EXECUTIVE COMMITTEE NEW BUSINESS

6. **PRE-APPROVAL OF TRAVEL REQUESTS AND APPROVAL OF BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REQUESTS FOR BOARD MEMBERS, THE PRESIDENT/CEO, THE CHIEF AUDITOR AND GENERAL COUNSEL:**

RECOMMENDATION: Pre-approve travel requests and approve business and travel expense reimbursement requests.

ACTION: Moved by Board Member Robinson and seconded by Chair Gleason to approve staff's recommendation. Motion carried unanimously, noting Board Member Janney as ABSENT.

REVIEW OF FUTURE AGENDAS

7. **REVIEW OF THE DRAFT AGENDA FOR THE MAY 19, 2016 BOARD MEETING:**

Thella F. Bowens, President/CEO, provided an overview of the draft agenda for the May 19, 2016 Board Meeting.

8. **REVIEW OF THE DRAFT AGENDA FOR THE MAY 19, 2016 AIRPORT LAND USE COMMISSION MEETING:**

Thella F. Bowens, President/CEO, provided an overview of the draft agenda for the May 19, 2016 Airport Land Use Commission Meeting.

ACTION: Moved by Board Member Robinson and seconded by Chair Gleason to approve Items 7 and 8. Motion carried unanimously, noting Board Member Janney as ABSENT.

NON-AGENDA PUBLIC COMMENT: None.

COMMITTEE MEMBER COMMENTS: None.

ADJOURNMENT:

The meeting was adjourned at 9:55 a.m. The next meeting of the Executive and Finance Committee will be held on Monday, June 13, 2016 at 9:00 a.m. in the Board Room at the San Diego International Airport, Administration Building, 3225 N. Harbor Drive, San Diego, CA 92101.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY EXECUTIVE COMMITTEE THIS 13th DAY OF JUNE, 2016.

TONY R. RUSSELL
DIRECTOR OF CORPORATE & INFORMATION
GOVERNANCE/AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
 Statements of Revenues, Expenses, and Changes in Net Position
 For the Month Ended April 30, 2016
 (Unaudited)
 Revised

| | Budget | Actual | Variance Favorable (Unfavorable) | % Change | Prior Year |
|---|-----------------------|---------------------|--|---------------|---------------------|
| Operating revenues: | | | | | |
| Aviation revenue: | | | | | |
| Landing fees | \$ 2,065,712 | \$ 2,175,066 | \$ 109,354 | 5% | \$ 2,041,518 |
| Aircraft parking Fees | 239,608 | 221,526 | (18,082) | (8)% | 226,320 |
| Building rentals | 4,435,642 | 4,480,612 | 44,970 | 1% | 4,249,781 |
| Security surcharge | 2,307,068 | 2,304,985 | (2,083) | (0)% | 2,210,825 |
| CUPPS Support Charges | 100,544 | 100,545 | 1 | 0% | 93,750 |
| Other aviation revenue | 130,403 | 129,254 | (1,149) | (1)% | 132,974 |
| Terminal rent non-airline | 119,291 | 110,440 | (8,851) | (7)% | 102,767 |
| Terminal concessions | 1,830,254 | 2,160,105 | 329,851 | 18% | 1,863,833 |
| Rental car license fees | 2,221,557 | 2,380,399 | 158,842 | 7% | 2,325,396 |
| Rental car center cost recovery | 173,056 | 147,654 | (25,402) | - | - |
| License fees other | 351,779 | 372,457 | 20,678 | 6% | 358,361 |
| Parking revenue | 3,045,016 | 3,675,739 | 630,723 | 21% | 3,390,976 |
| Ground transportation permits and citations | 340,386 | 408,528 | 68,142 | 20% | 286,683 |
| Ground rentals | 1,471,852 | 1,551,159 | 79,307 | 5% | 1,019,860 |
| Grant reimbursements | 24,000 | 24,000 | - | 0% | 24,000 |
| Other operating revenue | 39,441 | 89,473 | 50,032 | 127% | 97,950 |
| Total operating revenues | 18,895,609 | 20,331,942 | 1,436,333 | 8% | 18,424,994 |
| Operating expenses: | | | | | |
| Salaries and benefits | 3,523,043 | 3,145,755 | 377,288 | 11% | 5,156,070 |
| Contractual services | 3,302,831 | 3,437,477 | (134,646) | (4)% | 3,887,339 |
| Safety and security | 1,998,762 | 2,344,989 | (346,227) | (17)% | 2,687,942 |
| Space rental | 869,049 | 870,450 | (1,401) | (0)% | 869,289 |
| Utilities | 978,358 | 805,589 | 172,769 | 18% | 775,311 |
| Maintenance | 1,190,708 | 1,674,038 | (483,330) | (41)% | 1,713,304 |
| Equipment and systems | 81,311 | 43,960 | 37,351 | 46% | 37,636 |
| Materials and supplies | 36,080 | 40,850 | (4,770) | (13)% | 48,035 |
| Insurance | 110,207 | 81,915 | 28,292 | 26% | 88,586 |
| Employee development and support | 107,091 | 88,179 | 18,912 | 18% | 111,287 |
| Business development | 257,733 | 170,456 | 87,277 | 34% | 361,501 |
| Equipment rentals and repairs | 321,043 | 132,419 | 188,624 | 59% | 365,856 |
| Total operating expenses | 12,776,216 | 12,836,077 | (59,861) | (0)% | 16,102,156 |
| Depreciation | 9,276,219 | 9,276,219 | - | - | 7,355,841 |
| Operating income (loss) | (3,156,826) | (1,780,354) | 1,376,472 | 44% | (5,033,003) |
| Nonoperating revenue (expenses): | | | | | |
| Passenger facility charges | 3,222,314 | 2,926,399 | (295,915) | (9)% | 2,640,538 |
| Customer facility charges (Rental Car Center) | 2,997,634 | 2,799,312 | (198,322) | (7)% | 2,852,784 |
| Quieter Home Program | (272,344) | (757,797) | (485,453) | (178)% | (269,044) |
| Interest income | 365,828 | 430,034 | 64,206 | 18% | 472,018 |
| BAB interest rebate | 385,935 | 385,851 | (84) | - | 385,851 |
| Interest expense | (5,616,220) | (4,224,232) | 1,391,988 | 25% | (4,903,442) |
| Bond amortization cost | 351,457 | 351,457 | - | 0% | 358,755 |
| Other nonoperating income (expenses) | (833) | 3,659,126 | 3,659,959 | - | 2,262,961 |
| Nonoperating revenue, net | 1,433,771 | 5,570,150 | 4,136,379 | 288% | 3,800,421 |
| Change in net position before capital grant contribution | (1,723,055) | 3,789,796 | 5,512,851 | (320)% | (1,232,582) |
| Capital grant contributions | 22,500 | 137,443 | 114,943 | 511% | 841,406 |
| Change in net position | \$ (1,700,555) | \$ 3,927,239 | \$ 5,627,794 | 331% | \$ (391,176) |

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statements of Revenues, Expenses, and Changes in Net Position
For the Ten Months Ended April 30, 2016 and 2015
(Unaudited)
Revised

| | Budget | Actual | Variance Favorable (Unfavorable) | % | Prior Year |
|--|----------------------|----------------------|--|-------------|---------------------|
| Operating revenues: | | | | | |
| Aviation revenue: | | | | | |
| Landing fees | \$ 20,272,978 | \$ 20,797,879 | \$ 524,901 | 3% | \$ 19,625,326 |
| Aircraft parking fees | 2,396,085 | 2,249,127 | (146,958) | (6)% | 2,271,916 |
| Building rentals | 44,344,212 | 44,297,315 | (46,897) | (0)% | 42,397,849 |
| Security surcharge | 23,070,675 | 22,263,961 | (806,714) | (3)% | 22,108,274 |
| CUPPS Support Charges | 1,005,439 | 1,005,450 | 11 | 0% | 939,280 |
| Other aviation revenue | 1,320,170 | 1,333,176 | 13,006 | 1% | 1,321,344 |
| Terminal rent non-airline | 1,190,113 | 811,010 | (379,103) | (32)% | 1,026,073 |
| Terminal concessions | 17,550,598 | 19,640,008 | 2,089,410 | 12% | 17,718,276 |
| Rental car license fees | 21,144,941 | 22,040,141 | 895,200 | 4% | 21,571,962 |
| Rental car center cost recovery | 173,056 | 495,341 | 322,285 | - | - |
| License fees other | 3,778,593 | 3,645,260 | (133,333) | (4)% | 3,643,065 |
| Parking revenue | 31,798,448 | 35,413,084 | 3,614,636 | 11% | 32,170,950 |
| Ground transportation permits and citations | 3,528,446 | 4,346,215 | 817,769 | 23% | 2,638,218 |
| Ground rentals | 10,841,158 | 12,122,877 | 1,281,719 | 12% | 9,566,797 |
| Grant reimbursements | 243,200 | 243,930 | 730 | 0% | 243,130 |
| Other operating revenue | 394,421 | 705,604 | 311,183 | 79% | 603,029 |
| Total operating revenues | 183,052,533 | 191,410,378 | 8,357,845 | 5% | 177,845,489 |
| Operating expenses: | | | | | |
| Salaries and benefits | 37,411,728 | 35,244,032 | 2,167,696 | 6% | 38,919,094 |
| Contractual services | 31,453,063 | 30,609,024 | 844,039 | 3% | 26,172,278 |
| Safety and security | 21,373,046 | 21,215,181 | 157,865 | 1% | 20,421,285 |
| Space rental | 8,690,424 | 8,630,868 | 59,556 | 1% | 8,694,663 |
| Utilities | 10,400,756 | 9,446,523 | 954,233 | 9% | 8,644,957 |
| Maintenance | 12,108,112 | 11,930,485 | 177,627 | 1% | 11,734,889 |
| Equipment and systems | 463,892 | 418,692 | 45,200 | 10% | 182,745 |
| Materials and supplies | 348,484 | 401,153 | (52,669) | (15)% | 352,074 |
| Insurance | 1,102,065 | 792,306 | 309,759 | 28% | 882,906 |
| Employee development and support | 1,131,331 | 971,112 | 160,219 | 14% | 807,773 |
| Business development | 2,359,589 | 1,866,920 | 492,669 | 21% | 2,104,811 |
| Equipment rentals and repairs | 3,205,071 | 2,597,926 | 607,145 | 19% | 2,636,435 |
| Total operating expenses | 130,047,561 | 124,124,222 | 5,923,339 | 5% | 121,553,910 |
| Depreciation | 70,822,446 | 70,822,446 | - | 0% | 67,568,493 |
| Operating income (loss) | (17,817,474) | (3,536,290) | 14,281,184 | | (11,276,914) |
| Nonoperating revenue (expenses): | | | | | |
| Passenger facility charges | 31,905,828 | 32,844,576 | 938,748 | 3% | 30,967,475 |
| Customer facility charges (Rental Car Center) | 27,556,451 | 27,671,770 | 115,319 | 0% | 26,474,796 |
| Quieter Home Program | (2,740,269) | (3,557,316) | (817,047) | (30)% | (2,395,654) |
| Interest income | 4,008,595 | 4,888,271 | 879,676 | 22% | 4,852,673 |
| BAB interest rebate | 3,859,349 | 3,871,504 | 12,155 | 0% | 3,859,014 |
| Interest expense | (48,024,027) | (48,368,288) | (344,261) | (1)% | (51,530,926) |
| Bond amortization | 3,542,202 | 3,542,202 | - | 0% | 3,614,073 |
| Other nonoperating income (expenses) | (8,333) | 5,004,708 | 5,013,041 | - | 1,194,439 |
| Nonoperating revenue, net | 20,099,796 | 25,897,427 | 5,797,631 | 29% | 17,035,890 |
| Change in net position before capital grant contributions | 2,282,322 | 22,361,137 | 20,078,815 | 880% | 5,758,976 |
| Capital grant contributions | 11,520,853 | 10,435,315 | (1,085,538) | (9)% | 3,894,424 |
| Change in net position | \$ 13,803,175 | \$ 32,796,452 | \$ 18,993,277 | 138% | \$ 9,653,400 |



San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
 For the ten months ended April 30, 2016
 (Unaudited)

Print Date: 5/24/2016
 Print Time: 1:46:05PM
 Report ID: GL0012

| | Month to Date | | | | Year to Date | | | | |
|---|------------------|------------------|----------------------------|------------|------------------|-------------------|----------------------------|-------------|-------------------|
| | Budget | Actual | Variance | | Budget | Actual | Variance | | |
| | | | Favorable (Unfavorable) | Percent | | | Favorable (Unfavorable) | Percent | |
| | | | | | | | | | |
| Landing Fees | | | | | | | | | |
| 41112 - Landing Fees - Signatory | \$2,065,712 | \$2,175,066 | \$109,355 | 5 | \$2,055,685 | \$20,914,522 | \$461,376 | 2 | \$19,889,181 |
| 41113 - Landing Fee Rebate | 0 | 0 | 0 | 0 | (14,167) | (116,643) | 63,525 | 35 | (263,855) |
| Total Landing Fees | 2,065,712 | 2,175,066 | 109,355 | 5 | 2,041,518 | 20,797,879 | 524,901 | 3 | 19,625,326 |
| Aircraft Parking Fees | | | | | | | | | |
| 41150 - Terminal Aircraft Parking | 203,441 | 194,400 | (9,042) | (4) | 195,855 | 1,943,996 | (90,416) | (4) | 1,915,025 |
| 41155 - Remote Aircraft Parking | 36,167 | 27,126 | (9,042) | (25) | 30,466 | 305,131 | (56,542) | (16) | 356,891 |
| Total Aircraft Parking Fees | 239,609 | 221,525 | (18,083) | (8) | 226,321 | 2,249,127 | (146,958) | (6) | 2,271,916 |
| Building and Other Rents | | | | | | | | | |
| 41210 - Terminal Rent | 4,373,048 | 4,416,539 | 43,491 | 1 | 4,189,275 | 43,688,415 | (54,738) | 0 | 41,805,607 |
| 41215 - Federal Inspection Services | 62,593 | 64,073 | 1,480 | 2 | 60,504 | 608,900 | 7,841 | 1 | 592,242 |
| Total Building and Other Rents | 4,435,641 | 4,480,612 | 44,971 | 1 | 4,249,779 | 44,297,315 | (46,897) | 0 | 42,397,849 |
| Security Surcharge | | | | | | | | | |
| 41310 - Airside Security Charges | 563,217 | 561,643 | (1,574) | 0 | 548,031 | 5,437,145 | (195,022) | (3) | 5,480,334 |
| 41320 - Terminal Security Charge | 1,743,851 | 1,743,342 | (509) | 0 | 1,662,794 | 16,826,816 | (611,692) | (4) | 16,627,940 |
| Total Security Surcharge | 2,307,068 | 2,304,985 | (2,083) | 0 | 2,210,825 | 22,263,961 | (806,714) | (3) | 22,108,274 |
| CUPPS Support Charges | | | | | | | | | |
| 41400 - CUPPS Support Charges | 100,544 | 100,545 | 1 | 0 | 93,750 | 1,005,450 | 10 | 0 | 939,280 |
| Total CUPPS Support Charges | 100,544 | 100,545 | 1 | 0 | 93,750 | 1,005,450 | 10 | 0 | 939,280 |
| Other Aviation Revenue | | | | | | | | | |
| 43100 - Fuel Franchise Fees | 11,452 | 10,303 | (1,148) | (10) | 14,023 | 143,666 | 13,006 | 10 | 131,834 |
| 43105 - New Capital Recovery | 118,951 | 118,951 | 0 | 0 | 118,951 | 1,189,510 | 0 | 0 | 1,189,510 |
| Total Other Aviation Revenue | 130,403 | 129,254 | (1,148) | (1) | 132,974 | 1,333,176 | 13,006 | 1 | 1,321,344 |
| Non-Airline Terminal Rents | | | | | | | | | |
| 45010 - Terminal Rent - Non-Airline | 119,291 | 110,440 | (8,851) | (7) | 102,767 | 811,010 | (379,103) | (32) | 1,026,073 |
| Total Non-Airline Terminal Rents | 119,291 | 110,440 | (8,851) | (7) | 102,767 | 811,010 | (379,103) | (32) | 1,026,073 |

San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
 For the ten months ended April 30, 2016
 (Unaudited)

| | Month to Date | | | | Year to Date | | | | |
|--------------------------------------|-------------------|-------------------|----------------------------|------------|--------------------|--------------------|----------------------------|-----------|--------------------|
| | Budget | Actual | Variance | | Budget | Actual | Variance | | |
| | | | Favorable (Unfavorable) | Percent | | | Favorable (Unfavorable) | Percent | |
| Other Operating Revenue | | | | | | | | | |
| 45510 - Finger Printing Fee | \$7,574 | \$17,969 | \$10,395 | 137 | \$75,739 | \$169,384 | \$93,645 | 124 | \$76,491 |
| 45520 - Utilities Reimbursements | 18,476 | 37,461 | 18,985 | 103 | 184,765 | 203,204 | 18,439 | 10 | 146,864 |
| 45530 - Miscellaneous Other Reve | 5,417 | 15,047 | 9,631 | 178 | 54,167 | 109,551 | 55,384 | 102 | 140,334 |
| 45540 - Service Charges | 6,250 | 6,646 | 396 | 6 | 62,500 | 82,259 | 19,759 | 32 | 197,888 |
| 45570 - FBO Landing Fees | 1,725 | 11,189 | 9,464 | 549 | 17,250 | 131,726 | 114,476 | 664 | 21,452 |
| 45580 - Equipment Rental | 0 | 1,160 | 1,160 | 0 | 0 | 9,480 | 9,480 | 0 | 20,000 |
| Total Other Operating Revenue | 39,442 | 89,472 | 50,030 | 127 | 394,420 | 705,603 | 311,183 | 79 | 603,029 |
| Total Operating Revenue | 18,895,609 | 20,331,942 | 1,436,333 | 8 | 183,052,532 | 191,410,375 | 8,357,843 | 5 | 177,845,489 |
| Personnel Expenses | | | | | | | | | |
| Salaries | | | | | | | | | |
| 51110 - Salaries & Wages | 2,587,581 | 2,192,422 | 395,159 | 15 | 27,988,783 | 23,086,162 | 4,902,620 | 18 | 21,587,690 |
| 51210 - Paid Time Off | 0 | 203,073 | (203,073) | 0 | 0 | 2,214,827 | (2,214,827) | 0 | 2,100,340 |
| 51220 - Holiday Pay | 0 | 215 | (215) | 0 | 0 | 723,628 | (723,628) | 0 | 659,060 |
| 51240 - Other Leave With Pay | 0 | 9,535 | (9,535) | 0 | 0 | 97,121 | (97,121) | 0 | 84,998 |
| 51250 - Special Pay | 0 | 57,933 | (57,933) | 0 | 0 | 658,611 | (658,611) | 0 | 679,052 |
| Total Salaries | 2,587,581 | 2,463,178 | 124,403 | 5 | 27,988,783 | 26,780,349 | 1,208,434 | 4 | 25,111,140 |
| 52110 - Overtime | 56,959 | 49,912 | 7,046 | 12 | 585,583 | 576,450 | 9,133 | 2 | 733,744 |

San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
For the ten months ended April 30, 2016
(Unaudited)

Print Date: 5/24/2016
Print Time: 1:46:05PM
Report ID: GL0012

| | Month to Date | | | | Year to Date | | | | | |
|---|------------------|------------------|----------------------------------|------------------|-------------------|--------------------|--------------------|----------------------------------|------------------|--------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Variance Percent | Prior Year Actual | Budget | Actual | Variance Favorable (Unfavorable) | Variance Percent | Prior Year Actual |
| Benefits | | | | | | | | | | |
| 54110 - FICA Tax | \$200,315 | \$186,825 | \$13,490 | 7 | \$265,095 | \$2,073,886 | \$1,933,187 | \$140,699 | 7 | \$1,842,083 |
| 54120 - Unemployment Insurance-S | 0 | 20,672 | (20,672) | 0 | 14,395 | 0 | 55,070 | (55,070) | 0 | 29,822 |
| 54130 - Workers Compensation Ins | 24,883 | 14,256 | 10,627 | 43 | 25,313 | 269,985 | 103,201 | 166,785 | 62 | 184,029 |
| 54135 - Workers Comp Incident Expense | 0 | 3,968 | (3,968) | 0 | 0 | 0 | 33,868 | (33,868) | 0 | 27,906 |
| 54210 - Medical Insurance | 383,268 | 331,309 | 51,959 | 14 | 315,036 | 3,743,528 | 3,326,064 | 417,464 | 11 | 3,258,204 |
| 54220 - Dental Insurance | 28,877 | 26,109 | 2,767 | 10 | 24,766 | 277,768 | 257,115 | 20,653 | 7 | 245,091 |
| 54230 - Vision Insurance | 3,386 | 3,192 | 194 | 6 | 3,008 | 33,856 | 31,608 | 2,248 | 7 | 29,856 |
| 54240 - Life Insurance | 8,455 | 7,807 | 649 | 8 | 11,450 | 84,553 | 77,685 | 6,868 | 8 | 79,870 |
| 54250 - Short Term Disability | 9,158 | 9,753 | (595) | (6) | 9,006 | 91,579 | 96,380 | (4,801) | (5) | 90,048 |
| 54310 - Retirement | 477,969 | 501,729 | (23,761) | (5) | 981,002 | 5,136,536 | 4,756,357 | 380,180 | 7 | 5,327,181 |
| 54312 - GABS 68 -Non-funded Retirement | 0 | 0 | 0 | 0 | 305,154 | 0 | 0 | 0 | 0 | 4,690,869 |
| 54315 - Retiree | 210,957 | 100,200 | 110,757 | 53 | 209,300 | 2,109,574 | 1,866,950 | 242,624 | 12 | 2,085,550 |
| 54320 - Amortization of Retiree | 45,975 | 0 | 45,975 | 100 | 50,192 | 498,831 | 0 | 498,831 | 100 | 501,925 |
| 54410 - Taxable Benefits | 0 | 0 | 0 | 0 | 0 | 0 | 19,562 | (19,562) | 0 | 17,674 |
| 54430 - Accrued Vacation | 0 | 14,119 | (14,119) | 0 | 26,571 | 0 | 123,472 | (123,472) | 0 | 19,183 |
| Total Benefits | 1,393,243 | 1,219,938 | 173,305 | 12 | 2,240,288 | 14,320,098 | 12,680,519 | 1,639,579 | 11 | 18,429,291 |
| Cap Labor/Burden/OH Recharge | | | | | | | | | | |
| 54510 - Capitalized Labor Recha | (462,728) | (73,191) | (389,537) | (84) | (184,426) | (4,922,617) | (845,172) | (4,077,445) | (83) | (1,538,683) |
| 54515 - Capitalized Burden Rech | 0 | (29,058) | 29,058 | 0 | (67,117) | 0 | (322,753) | 322,753 | 0 | (606,918) |
| Total Cap Labor/Burden/OH Recharge | (462,728) | (102,249) | (360,479) | (78) | (251,544) | (4,922,617) | (1,167,925) | (3,754,692) | (76) | (2,145,602) |
| QHP Labor/Burden/OH Recharge | | | | | | | | | | |
| 54520 - QHP Labor Recharge | (52,010) | (23,485) | (28,525) | (55) | (43,056) | (560,117) | (296,033) | (264,084) | (47) | (316,605) |
| 54525 - QHP Burden Recharge | 0 | (10,241) | 10,241 | 0 | (17,000) | 0 | (126,139) | 126,139 | 0 | (139,703) |
| 54526 - QHP OH Contra Acct | 0 | (25,418) | 25,418 | 0 | (30,647) | 0 | (190,940) | 190,940 | 0 | (209,863) |
| Total QHP Labor/Burden/OH Recharge | (52,010) | (59,144) | 7,134 | 14 | (90,703) | (560,117) | (613,113) | 52,996 | 9 | (666,171) |
| MM&JS Labor/Burden/OH Recharge | | | | | | | | | | |
| 54530 - MM & JS Labor Recharge | 0 | 0 | 0 | 0 | (117) | 0 | (1,488) | 1,488 | 0 | 120 |
| 54531 - Joint Studies - Labor | 0 | 0 | 0 | 0 | 3 | 0 | 2,092 | (2,092) | 0 | 70 |
| 54535 - MM & JS Burden Recharge | 0 | 0 | 0 | 0 | (13) | 0 | (500) | 500 | 0 | (44) |
| 54536 - Maintenance-Burden | 0 | 0 | 0 | 0 | (45) | 0 | 500 | (500) | 0 | (23) |
| 54599 - OH Contra | 0 | (425,882) | 425,882 | 0 | (280,553) | 0 | (3,012,853) | 3,012,853 | 0 | (2,543,432) |
| Total MM&JS Labor/Burden/OH Recharge | 0 | (425,882) | 425,882 | 0 | (280,724) | 0 | (3,012,248) | 3,012,248 | 0 | (2,543,309) |

San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
 For the ten months ended April 30, 2016
 (Unaudited)

| | Month to Date | | | | Year to Date | | | | |
|--|------------------|------------------|-------------------------|-------------------|-------------------|-------------------|-------------------------|-------------------|-------------------|
| | Budget | Actual | Variance | Prior Year Actual | Budget | Actual | Variance | Prior Year Actual | |
| | | | Favorable (Unfavorable) | | | | Favorable (Unfavorable) | | Percent |
| Total Personnel Expenses | 3,523,044 | 3,145,753 | 377,291 | 5,156,067 | 37,411,729 | 35,244,032 | 2,167,697 | 6 | 38,919,093 |
| Non-Personnel Expenses | | | | | | | | | |
| Contract Services | | | | | | | | | |
| 61100 - Temporary Staffing | \$11,403 | \$36,338 | \$(24,934) | \$53,315 | \$97,876 | \$313,288 | \$(215,412) | (220) | \$420,249 |
| 61110 - Auditing Services | 0 | 2,551 | (2,551) | 0 | 125,000 | 177,500 | (52,500) | (42) | 125,000 |
| 61120 - Legal Services | 97,917 | 25,280 | 72,637 | 40,730 | 979,167 | 103,851 | 875,315 | 89 | 242,926 |
| 61130 - Services - Professional | 759,031 | 1,093,990 | (334,959) | 1,811,808 | 8,986,075 | 9,932,097 | (946,021) | (11) | 7,495,981 |
| 61150 - Outside Svs - Other | 326,230 | 187,128 | 139,103 | 292,856 | 3,081,006 | 2,713,207 | 367,799 | 12 | 2,294,003 |
| 61160 - Services - Custodial | 2,062,284 | 2,051,348 | 10,936 | 1,554,989 | 18,583,691 | 17,953,496 | 630,195 | 3 | 15,578,914 |
| 61190 - Receiving & Dist Cntr Services | 131,179 | 130,510 | 669 | 129,980 | 1,311,790 | 1,303,955 | 7,835 | 1 | 1,290,902 |
| 61990 - OH Contra | 0 | (89,667) | 89,667 | 3,662 | 0 | (1,888,370) | 1,888,370 | 0 | (1,275,697) |
| 61998 - Capital Proj OH Alloc Co | (85,213) | 0 | (85,213) | 0 | (1,711,542) | 0 | (1,711,542) | (100) | 0 |
| Total Contract Services | 3,302,831 | 3,437,477 | (134,646) | 3,887,340 | 31,453,063 | 30,609,024 | 844,039 | 3 | 26,172,278 |
| Safety and Security | | | | | | | | | |
| 61170 - Services - Fire, Police, | 476,135 | 468,025 | 8,110 | 416,179 | 4,761,347 | 4,973,453 | (212,106) | (4) | 4,482,592 |
| 61180 - Services - SDUPD-Harbor | 1,293,461 | 1,604,789 | (311,328) | 2,053,877 | 14,320,039 | 13,754,344 | 565,695 | 4 | 13,700,730 |
| 61185 - Guard Services | 229,166 | 272,174 | (43,008) | 217,887 | 2,291,660 | 2,487,384 | (195,724) | (9) | 2,237,963 |
| Total Safety and Security | 1,998,762 | 2,344,988 | (346,226) | 2,687,943 | 21,373,045 | 21,215,181 | 157,864 | 1 | 20,421,285 |
| Space Rental | | | | | | | | | |
| 62100 - Rent | 869,049 | 870,450 | (1,401) | 869,289 | 8,690,424 | 8,630,868 | 59,556 | 1 | 8,694,663 |
| Total Space Rental | 869,049 | 870,450 | (1,401) | 869,289 | 8,690,424 | 8,630,868 | 59,556 | 1 | 8,694,663 |
| Utilities | | | | | | | | | |
| 63100 - Telephone & Other Commun | 35,531 | 27,489 | 8,042 | 40,787 | 354,749 | 320,361 | 34,388 | 10 | 328,468 |
| 63110 - Utilities - Gas & Electr | 852,373 | 673,838 | 178,534 | 649,132 | 9,262,467 | 8,293,603 | 968,864 | 10 | 7,606,442 |
| 63120 - Utilities - Water | 90,454 | 107,975 | (17,521) | 85,392 | 783,540 | 836,271 | (52,731) | (7) | 710,047 |
| 63190 - OH Contra | 0 | (3,712) | 3,712 | 0 | 0 | (3,712) | 3,712 | 0 | 0 |
| Total Utilities | 978,358 | 805,590 | 172,768 | 775,311 | 10,400,756 | 9,446,523 | 954,233 | 9 | 8,644,957 |

San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
 For the ten months ended April 30, 2016
 (Unaudited)

| | Month to Date | | | | Year to Date | | | | |
|---|-------------------|-------------------|----------------------------|------------|--------------------|--------------------|----------------------------|----------------------|--------------------|
| | Budget | Actual | Variance | | Budget | Actual | Variance | | |
| | | | Favorable (Unfavorable) | Percent | | | Favorable (Unfavorable) | Percent | |
| | | | | | | | | Prior Year Actual | |
| Employee Development and Suppo | | | | | | | | | |
| 66120 - Awards - Service | \$6,600 | \$2,811 | \$3,789 | 57 | \$69,150 | \$23,091 | \$46,059 | 67 | \$7,843 |
| 66130 - Book & Periodicals | 6,221 | 5,242 | 978 | 16 | 65,306 | 45,435 | 19,870 | 30 | 46,732 |
| 66220 - Permits/Certificates/Lic | 2,138 | 844 | 1,294 | 61 | 141,882 | 117,898 | 23,984 | 17 | 153,593 |
| 66260 - Recruiting | 1,833 | 4,424 | (2,591) | (141) | 16,583 | 18,338 | (1,755) | (11) | 7,728 |
| 66280 - Seminars & Training | 40,850 | 31,672 | 9,178 | 22 | 382,861 | 348,781 | 34,080 | 9 | 259,047 |
| 66290 - Transportation | 12,572 | 11,187 | 1,385 | 11 | 135,199 | 118,434 | 16,765 | 12 | 128,991 |
| 66299 - OH Contra | (4,207) | (5,699) | 1,492 | 35 | (34,869) | (32,543) | (2,326) | (7) | (21,029) |
| 66305 - Travel-Employee Developm | 27,150 | 32,564 | (5,413) | (20) | 219,286 | 236,245 | (16,959) | (8) | 147,972 |
| 66310 - Tuition | 5,000 | 1,951 | 3,049 | 61 | 55,000 | 37,381 | 17,619 | 32 | 34,753 |
| 66320 - Uniforms | 8,933 | 3,182 | 5,752 | 64 | 80,933 | 58,052 | 22,881 | 28 | 42,143 |
| Total Employee Development and Suppo | 107,090 | 88,177 | 18,913 | 18 | 1,131,331 | 971,113 | 160,217 | 14 | 807,773 |
| Business Development | | | | | | | | | |
| 66100 - Advertising | 71,061 | 36,360 | 34,701 | 49 | 738,022 | 259,902 | 478,120 | 65 | 468,052 |
| 66110 - Allowance for Bad Debts | 2,100 | 0 | 2,100 | 100 | 20,800 | 164,942 | (144,142) | (693) | 11,486 |
| 66200 - Memberships & Dues | 69,504 | 35,230 | 34,274 | 49 | 379,187 | 293,733 | 85,453 | 23 | 353,052 |
| 66230 - Postage & Shipping | 3,661 | 374 | 3,287 | 90 | 36,560 | 16,091 | 20,469 | 56 | 17,180 |
| 66240 - Promotional Activities | 46,831 | 58,276 | (11,445) | (24) | 513,764 | 517,859 | (4,096) | (1) | 639,706 |
| 66250 - Promotional Materials | 52,159 | 36,783 | 15,376 | 29 | 520,423 | 455,721 | 64,702 | 12 | 495,543 |
| 66300 - Travel-Business Developm | 12,417 | 3,432 | 8,984 | 72 | 150,833 | 158,672 | (7,839) | (5) | 119,792 |
| Total Business Development | 257,732 | 170,455 | 87,277 | 34 | 2,359,588 | 1,866,921 | 492,667 | 21 | 2,104,810 |
| Equipment Rentals and Repairs | | | | | | | | | |
| 66140 - Computer Licenses & Agre | 19,716 | (36,145) | 55,861 | 283 | 255,860 | 183,631 | 72,229 | 28 | 411,977 |
| 66150 - Equipment Rental/Leasing | 24,212 | 22,877 | 1,335 | 6 | 241,348 | 230,725 | 10,623 | 4 | 311,150 |
| 66160 - Tenant Improvements | 91,000 | 27,163 | 63,837 | 70 | 863,000 | 578,690 | 284,310 | 33 | 764,258 |
| 66270 - Repairs - Office Equipme | 200,140 | 126,848 | 73,292 | 37 | 2,028,462 | 1,727,500 | 300,962 | 15 | 1,389,296 |
| 66279 - OH Contra | (14,025) | (8,324) | (5,701) | (41) | (183,599) | (122,620) | (60,980) | (33) | (240,246) |
| Total Equipment Rentals and Repairs | 321,043 | 132,419 | 188,624 | 59 | 3,205,070 | 2,597,927 | 607,143 | 19 | 2,636,435 |
| Total Non-Personnel Expenses | 9,253,168 | 9,690,320 | (437,152) | (5) | 92,635,830 | 88,880,192 | 3,755,638 | 4 | 82,634,815 |
| Total Departmental Expenses before | 12,776,212 | 12,836,073 | (59,861) | 0 | 130,047,559 | 124,124,224 | 5,923,335 | 5 | 121,553,908 |

San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
 For the ten months ended April 30, 2016
 (Unaudited)

Print Date: 5/24/2016
 Print Time: 1:46:05PM
 Report ID: GL0012

| | Month to Date | | | | Year to Date | | | | |
|--|------------------|------------------|----------------------------|--------------|------------------|--------------------|----------------------------|-------------|--------------------|
| | Budget | Actual | Variance | | Budget | Actual | Variance | | |
| | | | Favorable (Unfavorable) | Percent | | | Favorable (Unfavorable) | Percent | |
| | | | | | | | | | |
| Depreciation and Amortization | | | | | | | | | |
| 69110 - Depreciation Expense | \$9,276,219 | \$9,276,219 | \$0 | 0 | \$7,355,841 | \$7,822,446 | \$0 | 0 | \$67,568,493 |
| Total Depreciation and Amortization | 9,276,219 | 9,276,219 | 0 | 0 | 7,355,841 | 70,822,446 | 0 | 0 | 67,568,493 |
| Non-Operating Revenue/(Expense) | | | | | | | | | |
| Passenger Facility Charges | | | | | | | | | |
| 71110 - Passenger Facility Charge | 3,222,314 | 2,926,399 | (295,915) | (9) | 2,640,538 | 31,905,828 | 938,748 | 3 | 30,967,475 |
| Total Passenger Facility Charges | 3,222,314 | 2,926,399 | (295,915) | (9) | 2,640,538 | 31,905,828 | 938,748 | 3 | 30,967,475 |
| Customer Facility Charges | | | | | | | | | |
| 71120 - Customer facility charges (Con | 2,997,634 | 2,799,312 | (198,322) | (7) | 2,852,784 | 27,556,451 | 115,319 | 0 | 26,474,796 |
| Total Customer Facility Charges | 2,997,634 | 2,799,312 | (198,322) | (7) | 2,852,784 | 27,556,451 | 115,319 | 0 | 26,474,796 |
| Quiter Home Program | | | | | | | | | |
| 71212 - Quieter Home - Labor | 0 | (23,485) | (23,485) | 0 | (43,056) | 0 | (296,033) | 0 | (316,605) |
| 71213 - Quieter Home - Burden | 0 | (10,241) | (10,241) | 0 | (17,000) | 0 | (126,139) | 0 | (139,703) |
| 71214 - Quieter Home - Overhead | 0 | (25,418) | (25,418) | 0 | (30,647) | 0 | (190,940) | 0 | (209,863) |
| 71215 - Quieter Home - Material | (1,273,575) | (405,916) | 867,659 | 68 | (1,418,638) | (12,814,032) | 3,323,754 | 26 | (10,448,119) |
| 71216 - Quieter Home Program | 1,017,901 | (297,194) | (1,315,095) | (129) | 1,259,547 | 10,240,423 | (3,505,110) | (34) | 9,363,814 |
| 71217 - Contract Labor | 0 | (19) | (19) | 0 | (9,997) | 0 | (38,667) | 0 | (240,770) |
| 71218 - Contractor Burden | 0 | (24) | (24) | 0 | (13,971) | 0 | (49,213) | 0 | (306,434) |
| 71222 - Contractor Labor | 0 | 167 | 167 | 0 | 0 | 0 | (37,201) | 0 | (358) |
| 71223 - Contractor Burden | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (456) |
| 71224 - Joint Studies Overhead | 0 | 0 | 0 | 0 | 4,717 | 0 | (2,962) | 0 | 4,717 |
| 71225 - Joint Studies - Material | (16,670) | 4,334 | 21,004 | 126 | 0 | (166,660) | 105,464 | 63 | (101,474) |
| 71226 - Contractor Overhead | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (403) |
| Total Quiter Home Program | (272,344) | (757,797) | (485,453) | (178) | (269,044) | (2,740,269) | (817,048) | (30) | (2,395,654) |

San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
 For the ten months ended April 30, 2016
 (Unaudited)

| | Month to Date | | | | Year to Date | | | | |
|---|--------------------|--------------------|----------------------------|-----------|---------------------|---------------------|----------------------------|------------|---------------------|
| | Budget | Actual | Variance | | Budget | Actual | Variance | | |
| | | | Favorable (Unfavorable) | Percent | | | Favorable (Unfavorable) | Percent | |
| Interest Income | | | | | | | | | |
| 71310 - Interest - Investments | \$197,832 | \$280,860 | \$83,029 | 42 | \$2,272,763 | \$2,105,638 | \$(167,125) | (7) | \$1,795,598 |
| 71330 - Interest - Commercial Pa | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 71340 - Interest - Note Receivab | 167,996 | 167,996 | 0 | 0 | 1,735,832 | 1,735,832 | 0 | 0 | 1,801,618 |
| 71350 - Interest - Other | 0 | 0 | 0 | 0 | 0 | (1,337) | (1,337) | 0 | (956) |
| 71360 - Interest - Bonds | 0 | 0 | 0 | 0 | 0 | (2,278) | (2,278) | 0 | 0 |
| 71361 - Interest Income - 2010 Bonds | 0 | 9,286 | 9,286 | 0 | 0 | 325,508 | 325,508 | 0 | 234,163 |
| 71363 - Interest Income - 2013 Bonds | 0 | (6,708) | (6,708) | 0 | 0 | 308,923 | 308,923 | 0 | 359,268 |
| 71365 - Interest Income - 2014 Bond A | 0 | (21,400) | (21,400) | 0 | 0 | 415,985 | 415,985 | 0 | 662,981 |
| Total Interest Income | 365,827 | 430,033 | 64,206 | 18 | 4,008,595 | 4,888,272 | 879,677 | 22 | 4,852,673 |
| Interest income BAB's rebate | | | | | | | | | |
| 71362 - BAB interest rebate | 385,935 | 385,851 | (84) | 0 | 3,859,349 | 3,871,504 | 12,155 | 0 | 3,859,014 |
| Total Interest income BAB's rebate | 385,935 | 385,851 | (84) | 0 | 3,859,349 | 3,871,504 | 12,155 | 0 | 3,859,014 |
| Interest Expense | | | | | | | | | |
| 71411 - Interest Expense- 2010 Bonds | (2,595,983) | (2,595,983) | 0 | 0 | (25,959,832) | (25,959,832) | 0 | 0 | (26,236,999) |
| 71412 - Interest Expense 2013 Bonds | (1,534,550) | (1,534,550) | 0 | 0 | (15,345,500) | (15,345,500) | 0 | 0 | (15,385,278) |
| 71413 - Interest Expense 2014 Bond A | (1,361,768) | (1,361,768) | 0 | 0 | (13,617,675) | (13,617,675) | 0 | 0 | (13,617,675) |
| 71420 - Interest Expense-Variable Debt | (48,296) | (30,013) | 18,283 | 38 | (482,963) | (255,889) | 227,074 | 47 | (210,320) |
| 71430 - LOC Fees - C/P | (18,524) | (27,495) | (8,970) | (48) | (185,242) | (271,461) | (86,220) | (47) | (246,008) |
| 71440 - Dealer Fees - C/P | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (3,246) |
| 71450 - Trustee Fee Bonds | 0 | (1,675) | (1,675) | 0 | (22,080) | (11,995) | 10,085 | 46 | (10,338) |
| 71451 - Program Fees - Variable Debt | 0 | 0 | 0 | 0 | (5,000) | (3,300) | 1,700 | 34 | (5,950) |
| 71458 - Capitalized Interest | 0 | 1,394,071 | 1,394,071 | 0 | 0 | 7,699,424 | 7,699,424 | 0 | 5,662,687 |
| 71460 - Interest Expense - Other | 0 | (9,720) | (9,720) | 0 | 8,170,605 | (25,720) | (8,196,325) | (100) | (947,441) |
| 71461 - Interest Expense - Cap Leases | (57,100) | (57,100) | 0 | 0 | (576,340) | (576,340) | 0 | 0 | (530,358) |
| Total Interest Expense | (5,616,221) | (4,224,232) | 1,391,989 | 25 | (48,024,026) | (48,368,287) | (344,262) | (1) | (51,530,926) |
| Amortization | | | | | | | | | |
| 69210 - Amortization - Premium | 351,457 | 351,457 | 0 | 0 | 3,542,202 | 3,542,202 | 0 | 0 | 3,614,073 |
| Total Amortization | 351,457 | 351,457 | 0 | 0 | 3,542,202 | 3,542,202 | 0 | 0 | 3,614,073 |

San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
 For the ten months ended April 30, 2016
 (Unaudited)

Print Date: 5/24/2016
 Print Time: 1:46:05PM
 Report ID: GL0012

| | Month to Date | | | | Year to Date | | | | | |
|---|--------------------|-------------------|----------------------------|------------|--------------------|--------------------|----------------------------|--------------------|---------------|---------------------|
| | Budget | Actual | Variance | | Budget | Actual | Variance | | | |
| | | | Favorable (Unfavorable) | Percent | | | Favorable (Unfavorable) | Percent | | |
| | | | Prior Year Actual | | | | Prior Year Actual | | | |
| Other Non-Operating Income (Expense) | | | | | | | | | | |
| 71510 - Legal Settlement Income | \$0 | \$0 | \$290 | | \$0 | \$2,535 | | \$2,535 | 0 | \$2,241 |
| 71520 - Fixed Asset Disposal-Pro | 0 | 0 | 0 | | 0 | 1,144,086 | | 1,144,086 | 0 | 0 |
| 71521 - Fixed Asset Disposal - L | 0 | 0 | 0 | | 0 | (78,560) | | (78,560) | 0 | 0 |
| 71530 - Gain/Loss On Investments | 0 | 3,657,738 | 2,225,639 | | 0 | 4,225,167 | | 4,225,167 | 0 | 1,208,678 |
| 71540 - Discounts Earned | 0 | 0 | 0 | | 0 | 15,720 | | 15,720 | 0 | 8,228 |
| 71610 - Legal Settlement Expense | (833) | 0 | 833 | 100 | (8,333) | (374,632) | (4,396) | (366,299) | (4,396) | (800) |
| 71620 - Other non-operating revenue (e | 0 | 1,388 | 1,729 | | 0 | 70,392 | | 70,392 | 0 | 61,549 |
| 71630 - Other Non-Operating Expe | 0 | 0 | 35,303 | | 0 | 0 | | 0 | 0 | (85,457) |
| 73300 - DMJM and Auth OH Clearin | 0 | 0 | 0 | | 0 | 0 | | 0 | 0 | 0 |
| Total Other Non-Operating Income (Expense) | (833) | 3,659,126 | 2,262,960 | | (8,333) | 5,004,708 | | 5,013,041 | 60,157 | 1,194,438 |
| Total Non-Operating Revenue/(Expense) | 1,433,769 | 5,570,150 | (3,800,421) | 288 | 20,099,797 | 25,897,428 | | 5,797,631 | 29 | (17,035,890) |
| Capital Grant Contribution | | | | | | | | | | |
| 72100 - AIP Grants | 22,500 | 137,443 | 841,406 | 511 | 11,520,853 | 10,435,315 | (9) | (1,085,538) | (9) | 3,894,424 |
| Total Capital Grant Contribution | 22,500 | 137,443 | 841,406 | 511 | 11,520,853 | 10,435,315 | (9) | (1,085,538) | (9) | 3,894,424 |
| Total Expenses Net of Non-Operating Revenue/ (Expense) | 20,596,161 | 16,404,699 | 18,816,167 | 20 | 169,249,355 | 158,613,927 | 6 | 10,635,428 | 6 | 168,192,088 |
| Net Income/(Loss) | (1,700,552) | 3,927,244 | (391,174) | 331 | 13,803,177 | 32,796,448 | 138 | 18,993,272 | 138 | 9,653,401 |
| Equipment Outlay | | | | | | | | | | |
| 73200 - Equipment Outlay Expendi | (151,333) | (90,666) | (112,898) | 40 | (803,583) | (931,463) | (16) | (127,880) | (16) | (263,031) |
| 73299 - Capitalized Equipment Co | 0 | 90,666 | 112,898 | 0 | 0 | 931,463 | 0 | 931,463 | 0 | 263,031 |
| Total Equipment Outlay | (151,333) | 0 | 0 | 100 | (803,583) | 0 | 100 | 803,583 | 100 | 0 |



Review of the Unaudited Financial Statements for the Ten Months Ended April 30, 2016 and 2015

Presented by:

Scott Brickner, CPA

Vice President, Finance and Asset Management/Treasurer

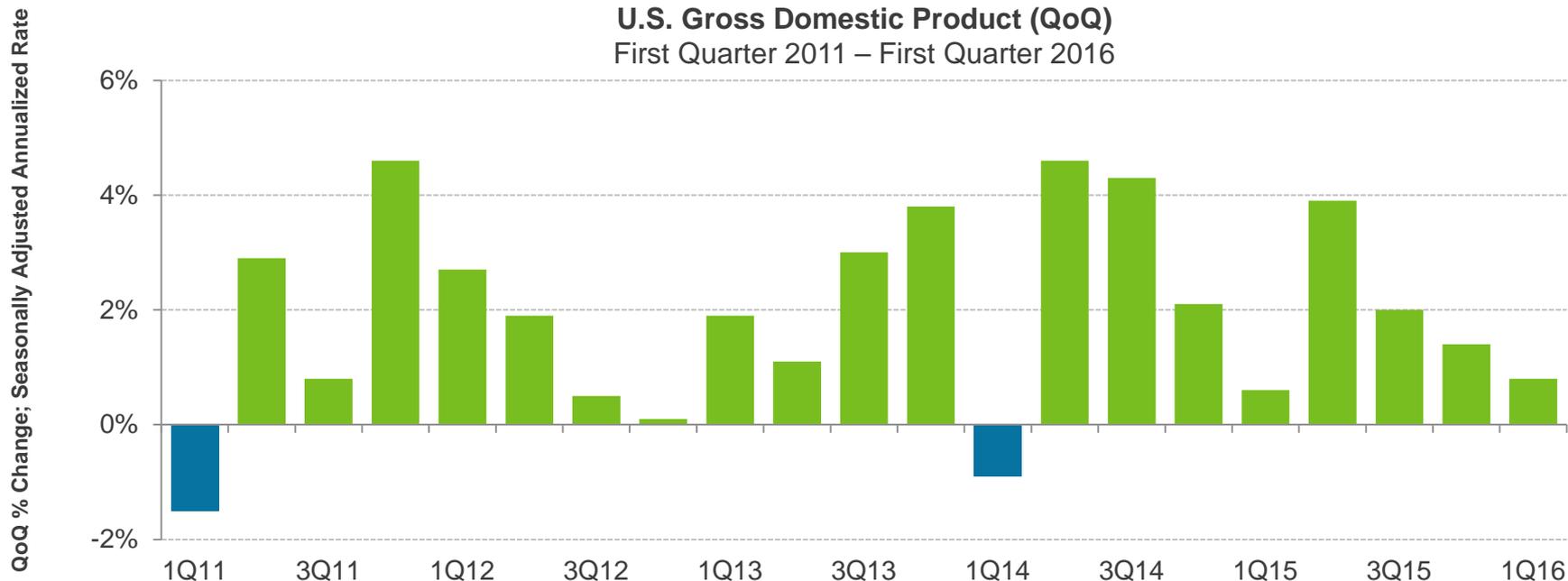
Kathy Kiefer

Senior Director, Finance & Asset Management

June 13, 2016

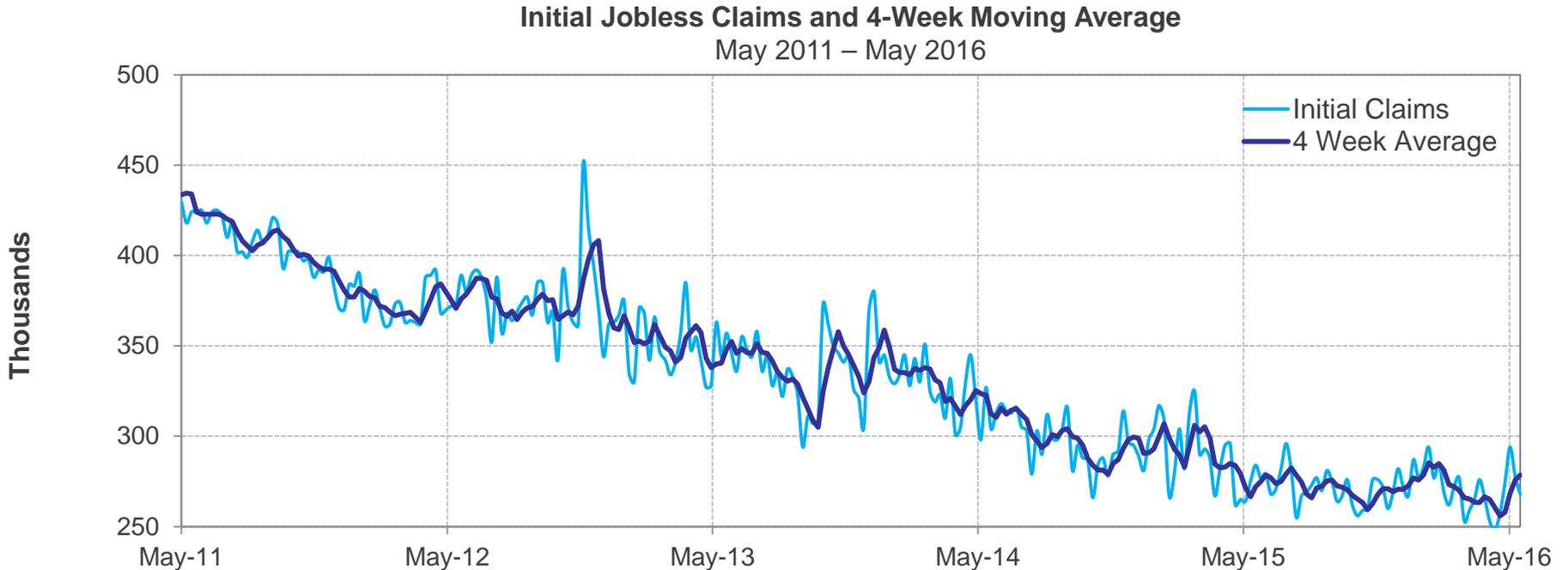
First Quarter GDP

U.S. GDP grew at 0.8% in the first quarter (second estimate) compared to the 0.5% increase for the advance estimate. The primary drivers of the increase in the GDP estimate was improvements in residential investment and exports compared to the advance estimate. While growth was down in the first quarter, growth is expected to rebound in the second quarter.



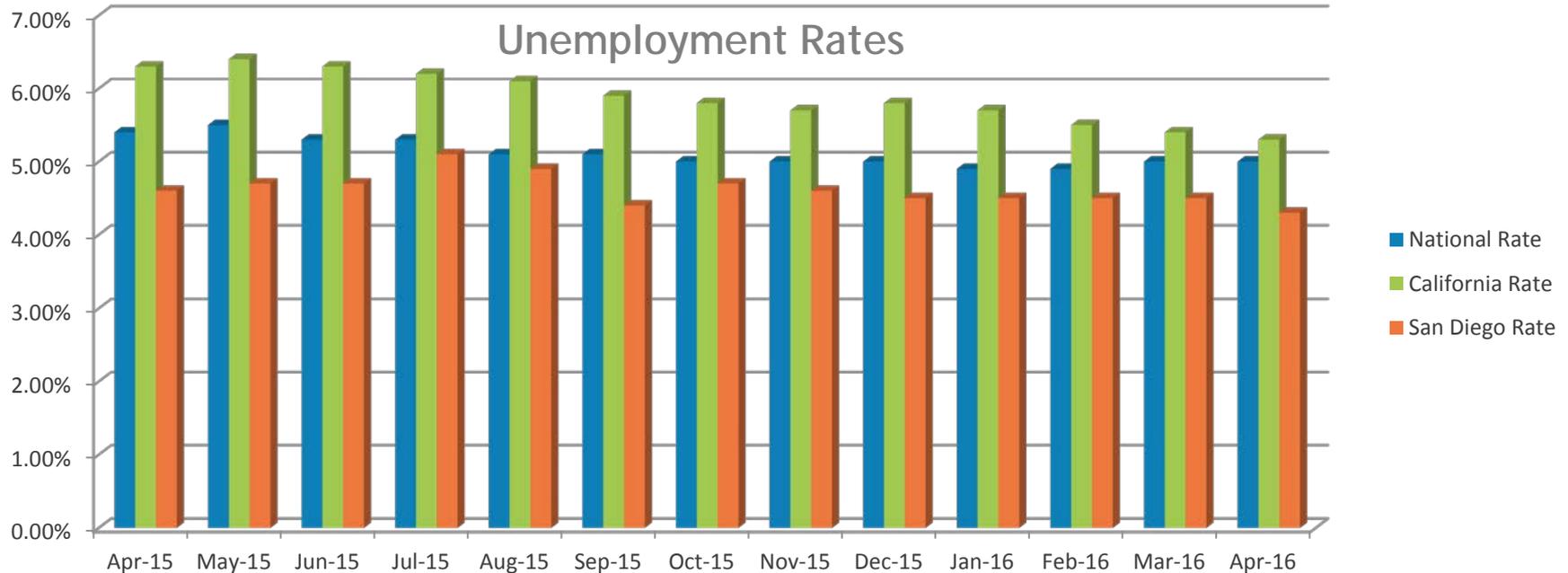
Initial Claims For Unemployment

For the week ending May 21, initial claims for unemployment (seasonally adjusted) fell by 10,000 to 268,000. The 4-week moving average, which helps smooth out some of the weekly volatility, rose by 2,750 to 278,500. Although the recent trend is upward, the overall level of claims remains low suggesting continued strength in the labor markets.



April Unemployment Rates

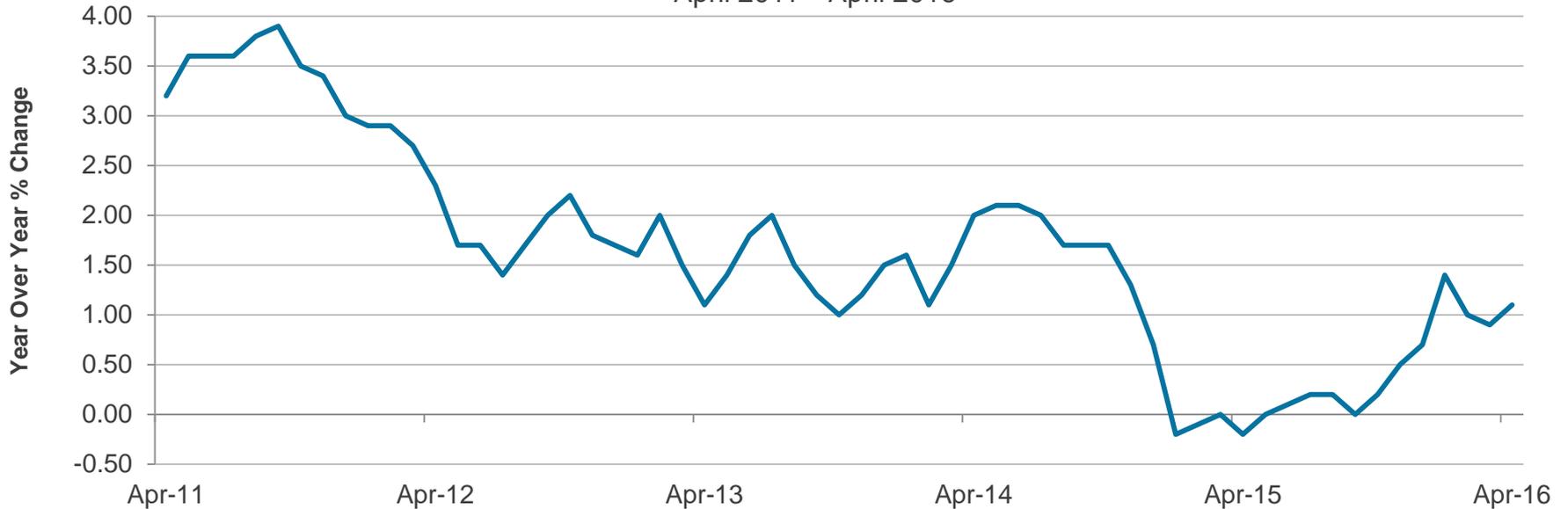
The National unemployment rate remained steady at 5.0 percent for the month of April. The National U-6 rate dropped 0.1 percentage points to 9.7 percent. In California the unemployment rate dropped 0.1 percentage points from the March rate of 5.4 percent to 5.3 percent for April and is down 1.2 percentage points from one year ago. Locally, San Diego's unemployment rate dropped slightly to 4.3 percent.



Consumer Price Index

The Consumer Price Index (CPI) for the twelve months ending April was up 1.10%, a 0.90% increase from March. Core CPI, excluding food and energy, was up 2.10% for the twelve months ending April, which was down from the 2.20% increase in March. Even discounting the impact of low energy prices, overall inflation remains low.

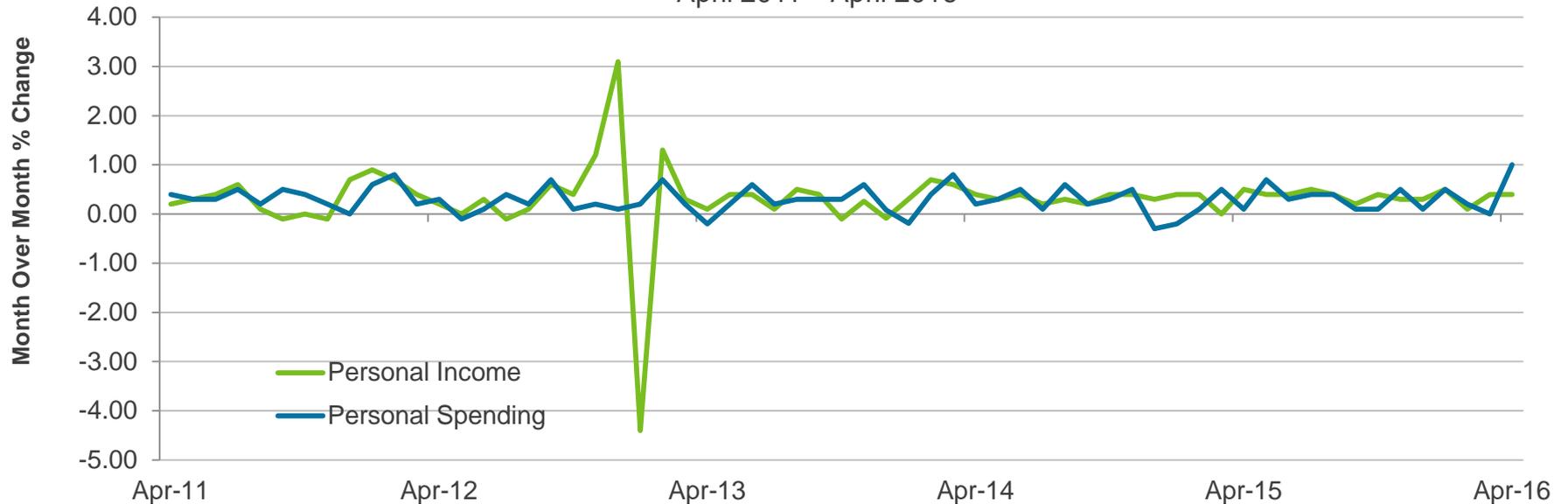
Consumer Price Index (YoY%)
April 2011 – April 2016



Personal Income and Spending

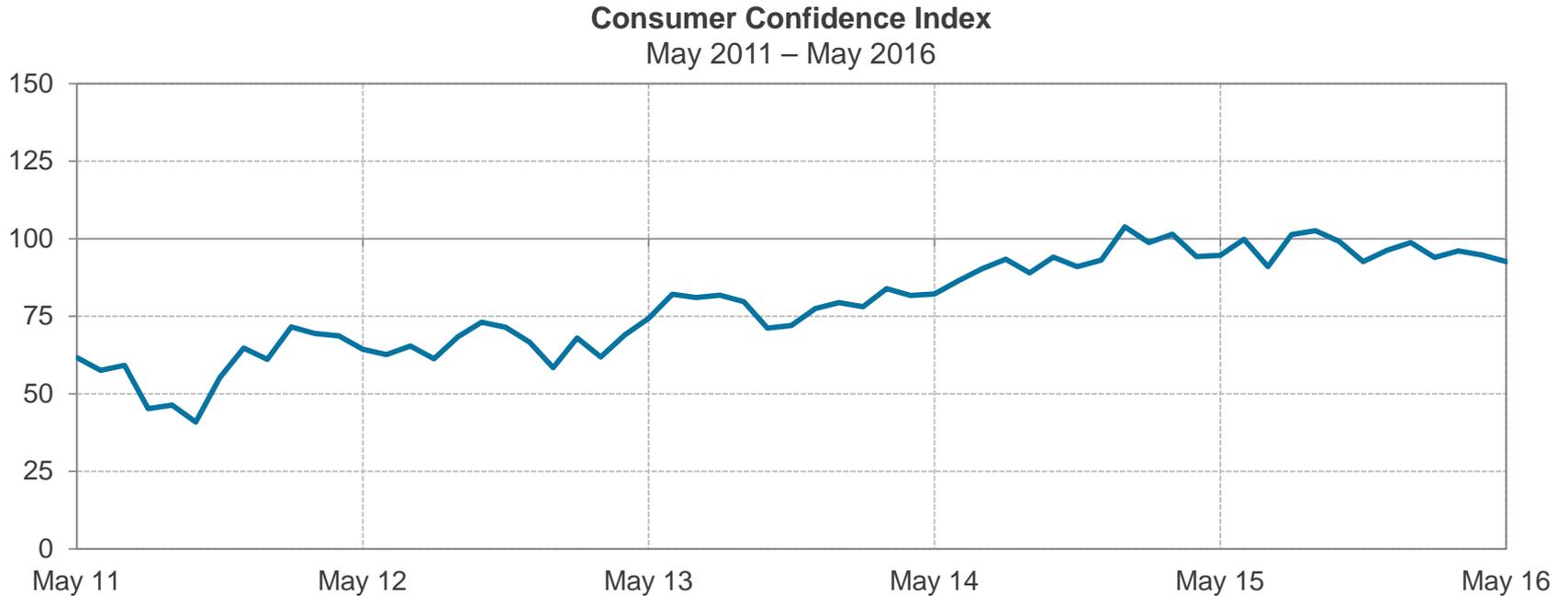
Personal income remained strong in April increasing by 0.40% matching its March increase. Spending was up even stronger increasing by 1.0% in April (its strongest increase since August 2009) compared to no change in March.

Personal Income and Spending (MoM%)
April 2011 – April 2016



Consumer Confidence Index

The Consumer Confidence Index fell for the second straight month. The Index fell to 92.6 in May, which is down 2.1 points from April's reading of 94.7. Weakness in consumers assessment of the employment market contributed to declines in both current and future expectations.



Existing Home Sales Increase

Existing home sales increased for the second straight month in April to a seasonally adjusted annualized rate of 5.45 million units, which was a 1.7% increase from the prior month and a 6.0% increase from the prior year. Prices and inventory levels were also up in April, which should help support sales in coming months. While recent sales increases are favorable, the rate of sales remains below its most recent high of 5.48 million units reached in July 2015.

U.S. Existing Home Sales (MoM)

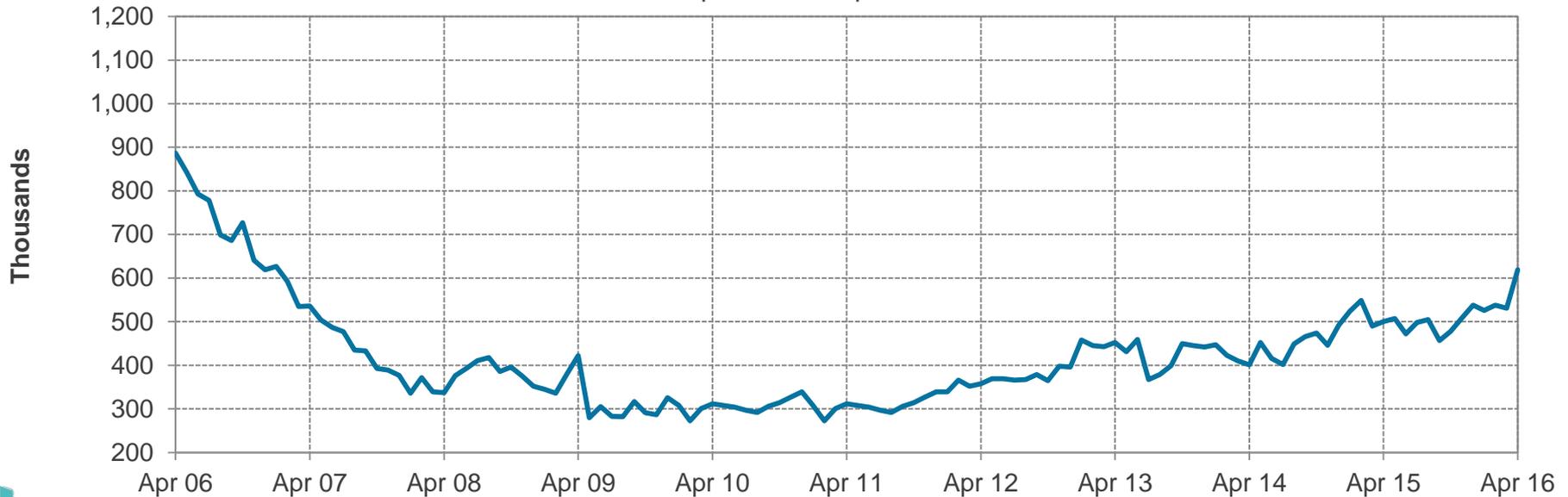
April 2006 – April 2016



New Home Sales Up Sharply

New homes sales rose by 16.6% in April to a seasonally adjusted annualized rate of 619,000 units, which is well above expectations and was the largest monthly increase since January 1992. New home sales are up 23.8% year-over-year and are at the highest monthly rate since January 2008.

U.S. New Home Sales
April 2006 – April 2016



Oil Prices Trending Higher

Oil (WTI spot) closed at \$48.12 on May 23, which is just below its high for the year of \$48.29. Oil is up 29.6% year-to-date on increased global demand and supply disruptions in Canada and Nigeria. Despite the recent price increases, crude oil is still down 21.6% from its 12 month high. The current trend is for higher prices, but potential additional supply from Libya and Iran could help limit future increases.

West Texas Intermediate Oil Price Per Barrel (WTI Spot)

May 2, 2011 – May 23, 2016



Jet Fuel Trending Higher

The price of jet fuel has been trending higher recently on higher crude prices. Jet fuel (U.S. Gulf Coast Spot) closed at \$1.363 on May 23, which is down slightly from its high for the year of \$1.397, but it is still up 29.5% year-to-date. Despite recent increases, jet fuel is down 26.0% from its 12-month high.

U.S. Gulf Coast Kerosene-Type Jet Fuel Spot Price FOB
May 2, 2011 – May 23, 2016



U.S. Equity Markets

After falling sharply at the beginning of the year on global economic uncertainty and a general de-risking, the markets rebounded as global economic concerns subsided. Although down from their highs for the year, the equity markets are still up for the year. Year-to-date, the DJIA is up 1.61% and the S&P 500 is up 1.57%.

Dow Jones Industrial Average and S&P 500 Indices

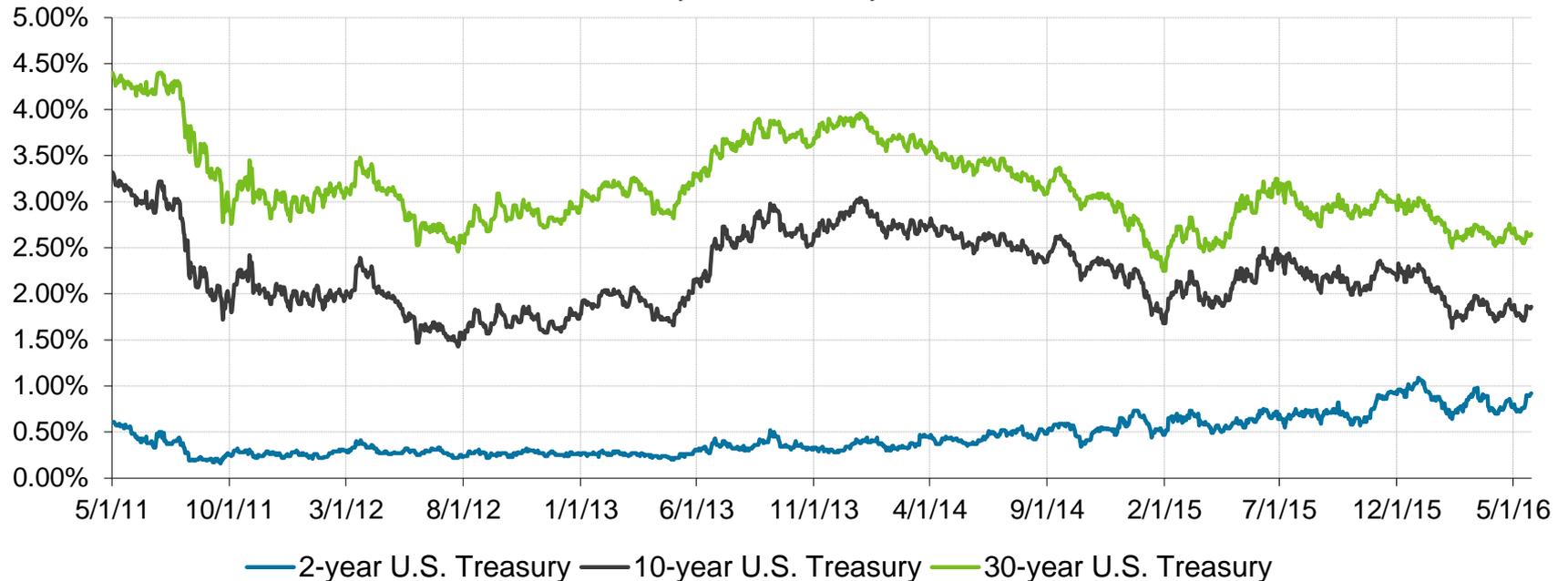
May 1, 2011 – May 24, 2016



Treasury Yields

Over the past five years, longer-term Treasury yields have fallen on global economic weakness and lower inflation expectations while shorter-term rates are up modestly on a higher federal funds rate hike.

2-, 10- and 30-year U.S. Treasury Yields
May 1, 2011 – May 24, 2016

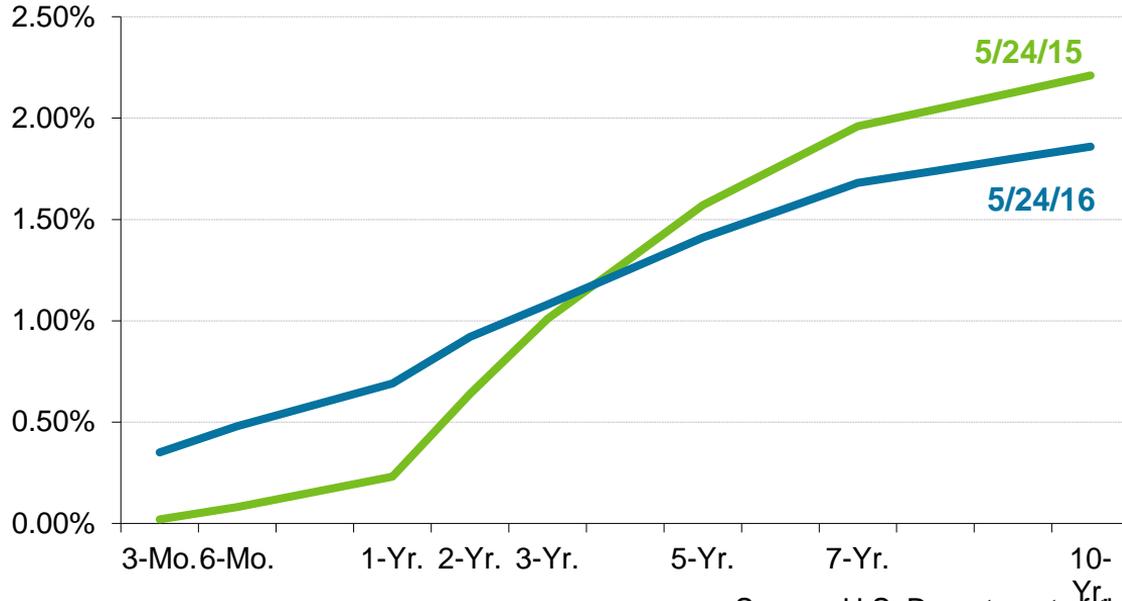


Source: U.S. Department of the Treasury.

U.S. Treasury Yield Curve Flattens

While shorter-term Treasury yields are up on the hike in the federal funds target rate, longer-term yields have fallen from prior year levels driven by global economic concerns, lowered inflation expectations, and a flight to quality.

U.S. Treasury Yield Curve
May 24, 2015 versus May 24, 2016



| | 5/24/15 | 5/24/16 | Change |
|--------|---------|---------|---------|
| 3-Mo. | 0.02% | 0.35% | 0.33% |
| 6-Mo. | 0.08% | 0.48% | 0.40% |
| 1-Yr. | 0.23% | 0.69% | 0.46% |
| 2-Yr. | 0.64% | 0.92% | 0.28% |
| 3-Yr. | 1.01% | 1.08% | 0.07% |
| 5-Yr. | 1.57% | 1.41% | (0.16%) |
| 10-Yr. | 2.21% | 1.86% | (0.35%) |
| 20-Yr. | 2.73% | 2.25% | (0.48%) |
| 30-Yr. | 2.99% | 2.65% | (0.34%) |

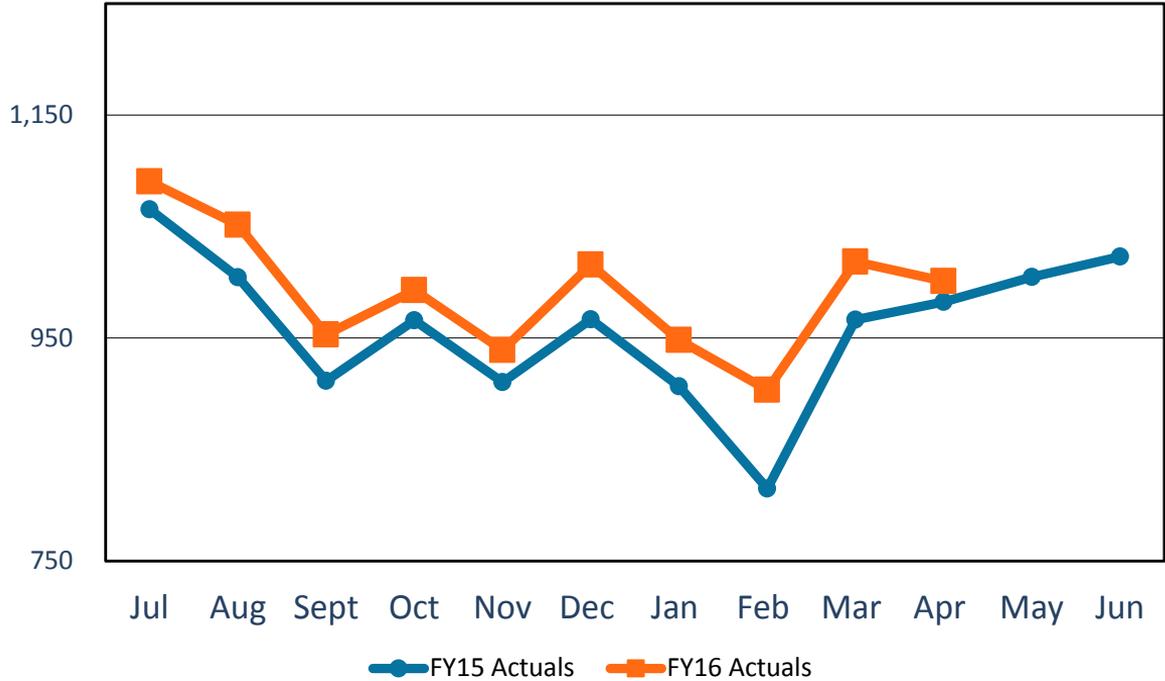
Source: U.S. Department of the Treasury



Revenue & Expenses (Unaudited) For the Month Ended April 2016 and 2015

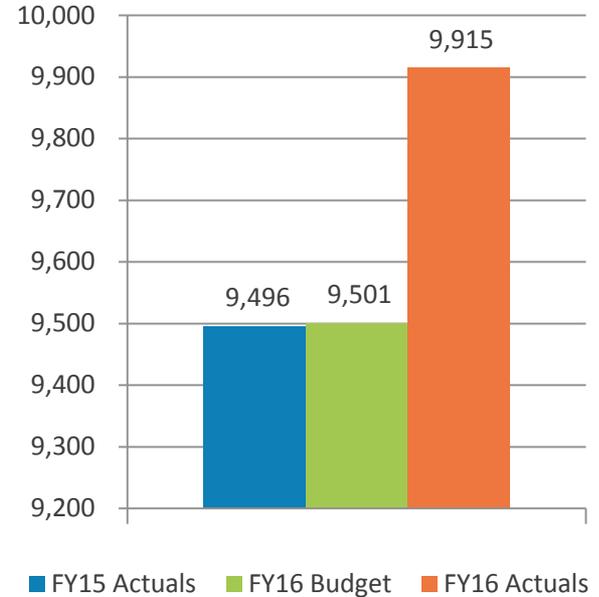
Gross Landing Weight Units (000 lbs)

(000's)



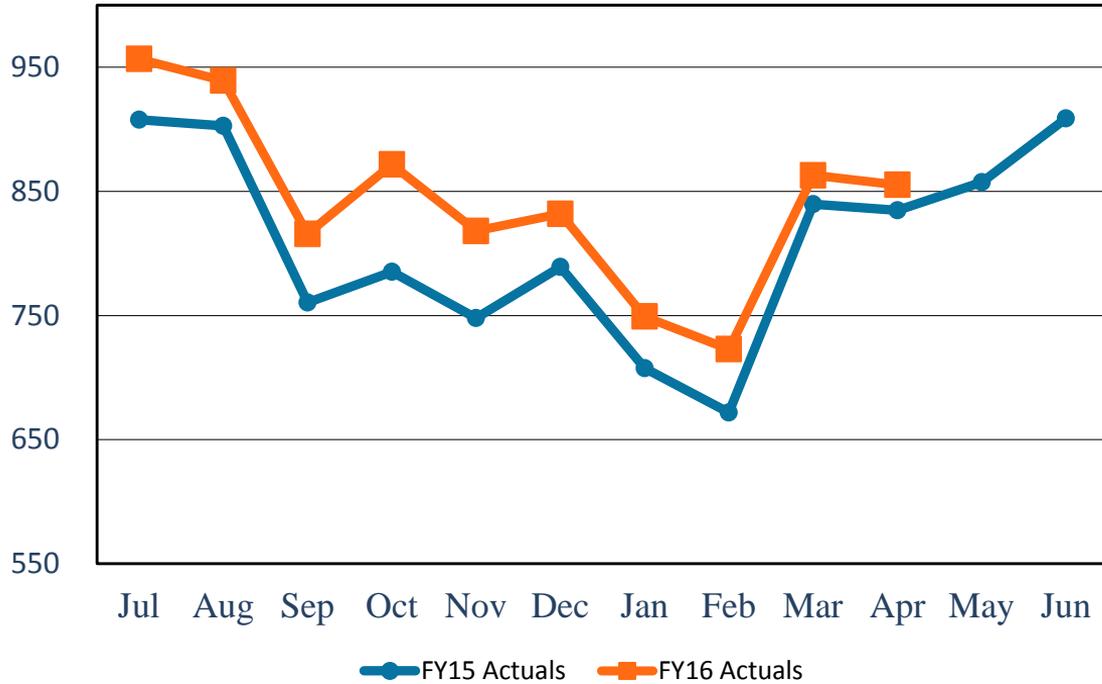
FY16 YTD Act Vs.
FY15 YTD Act
4.4%

FY16 YTD Act Vs.
FY16 YTD Budget
4.4%



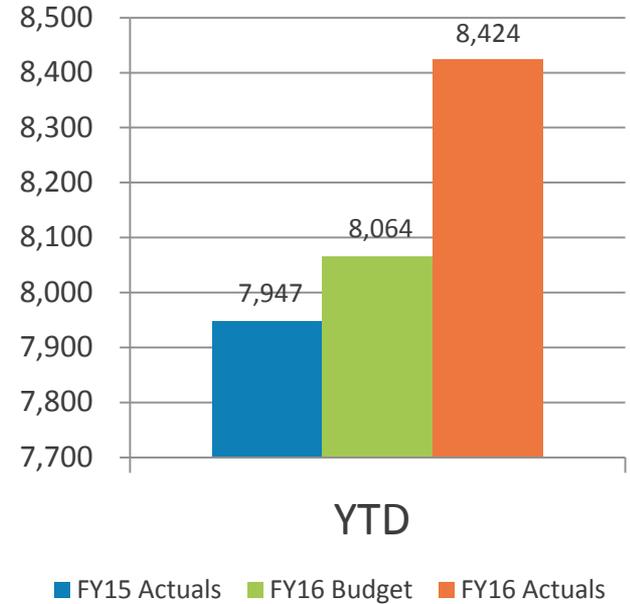
Enplanements

(000's)

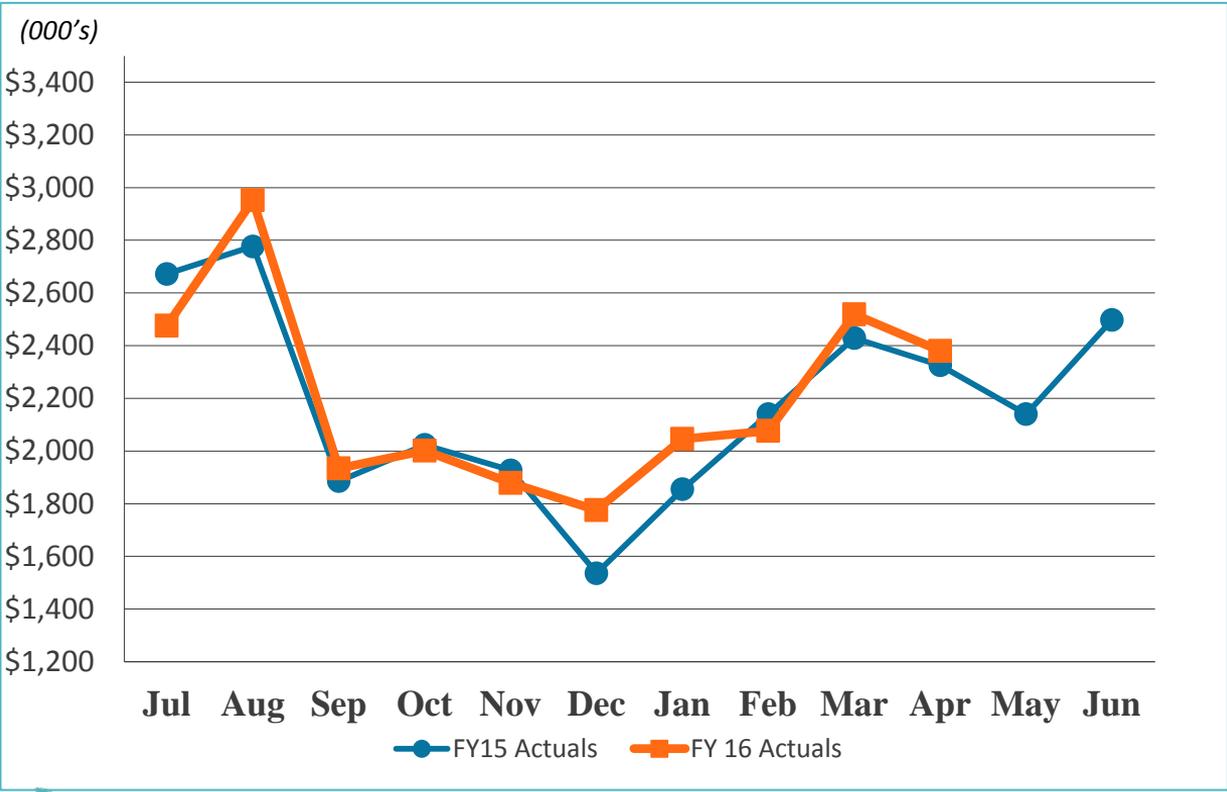


FY16 YTD Act Vs.
FY15 YTD Act
6.0%

FY16 YTD Act Vs.
FY16 YTD Budget
4.5%

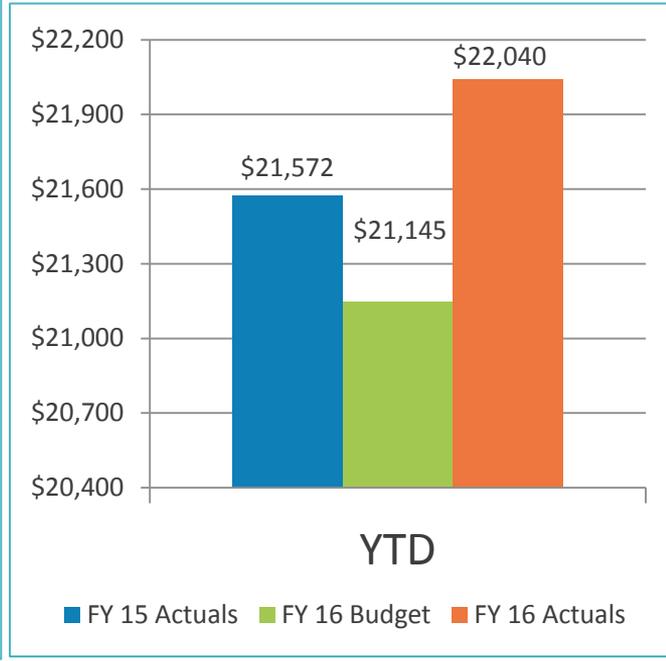


Car Rental License Fees

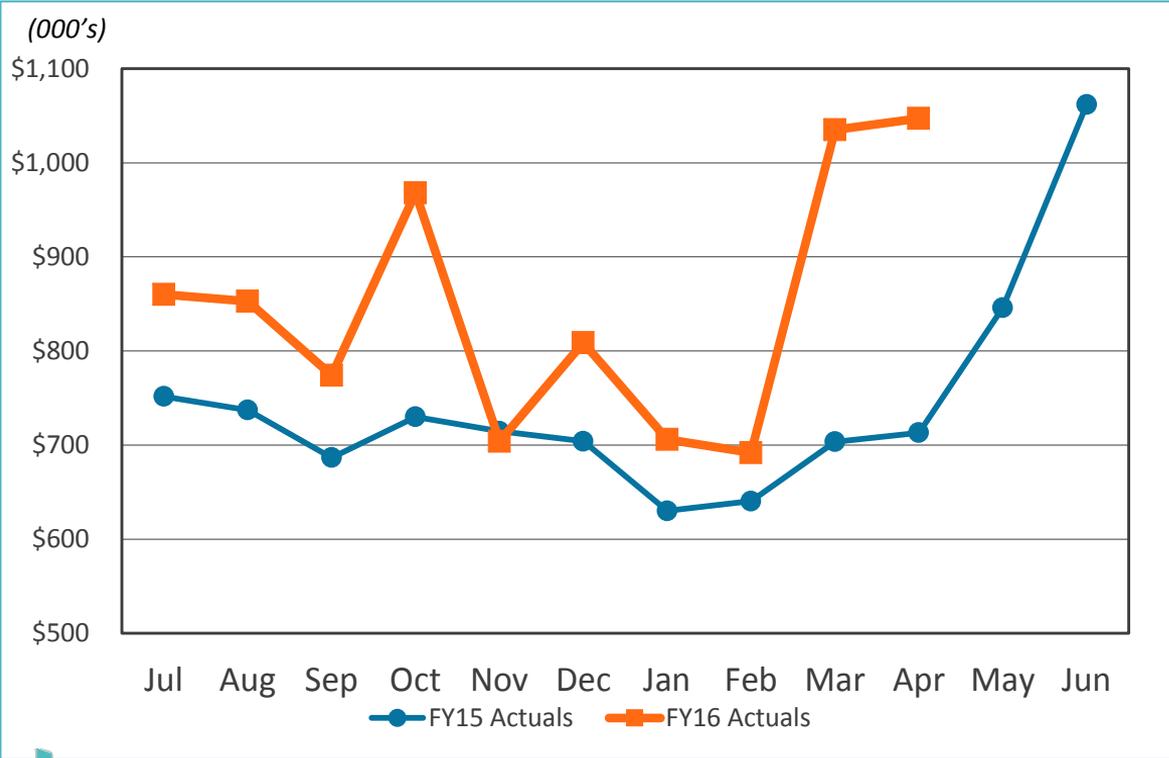


FY16 YTD Act Vs.
FY15 YTD Act
4.6%

FY16 YTD Act Vs.
FY16 YTD Budget
4.1%

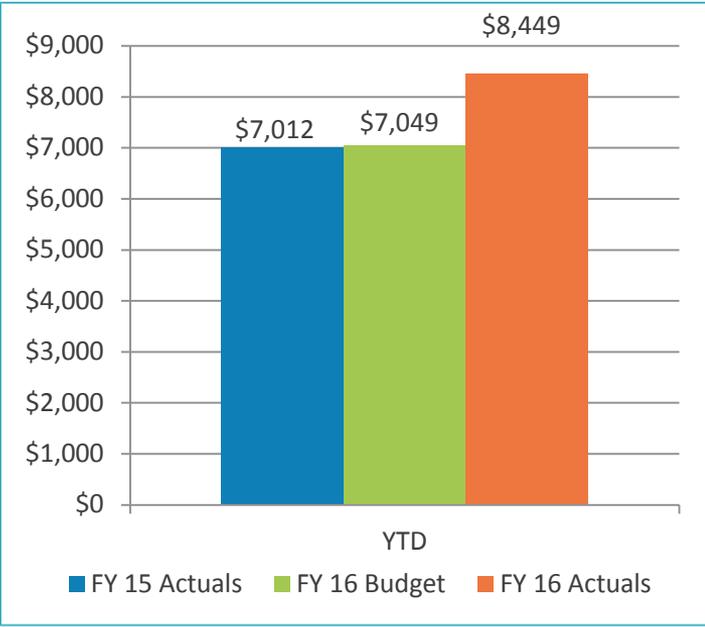


Food and Beverage Concessions Revenue

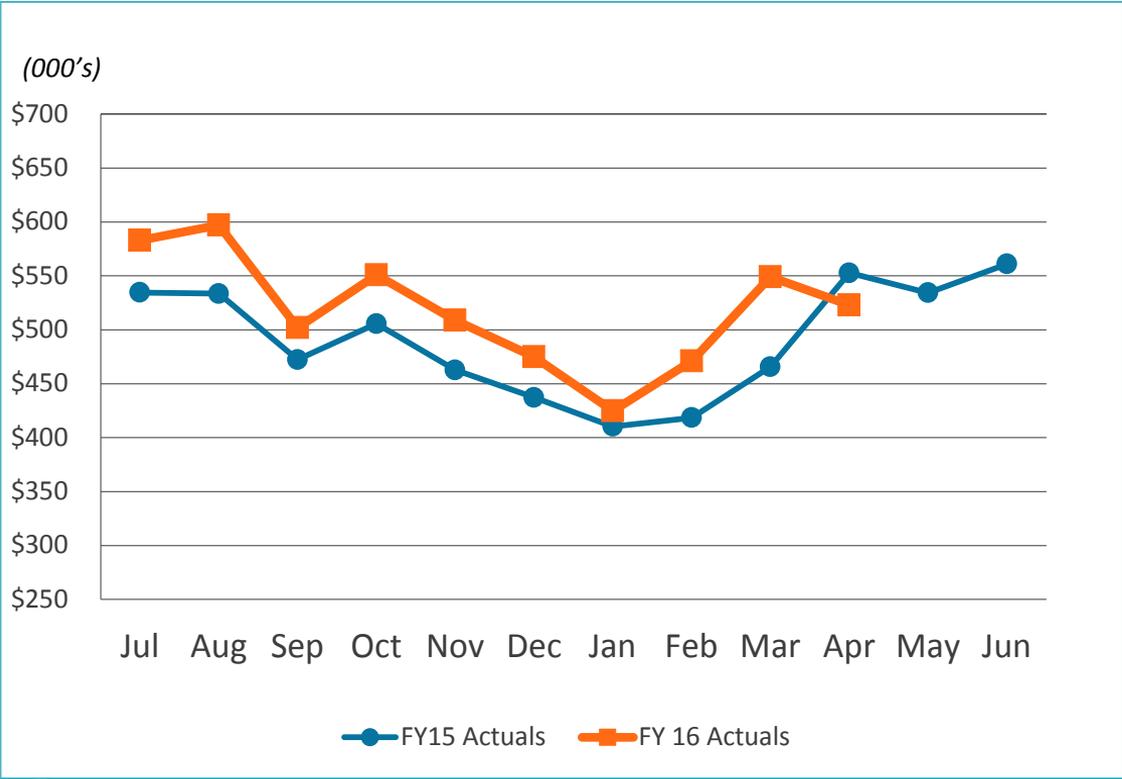


FY16 YTD Act Vs.
FY15 YTD Act
20.5%

FY16 YTD Act Vs.
FY16 YTD Budget
19.8%

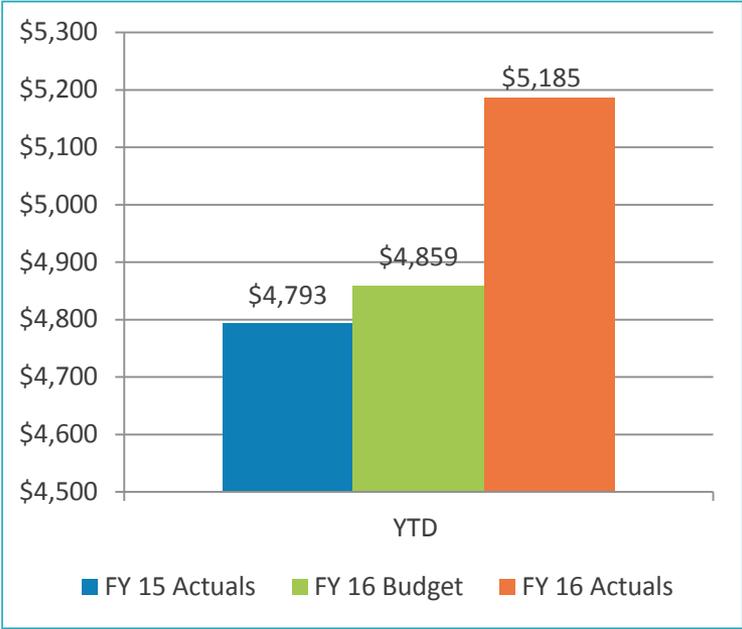


Retail Concessions Revenue



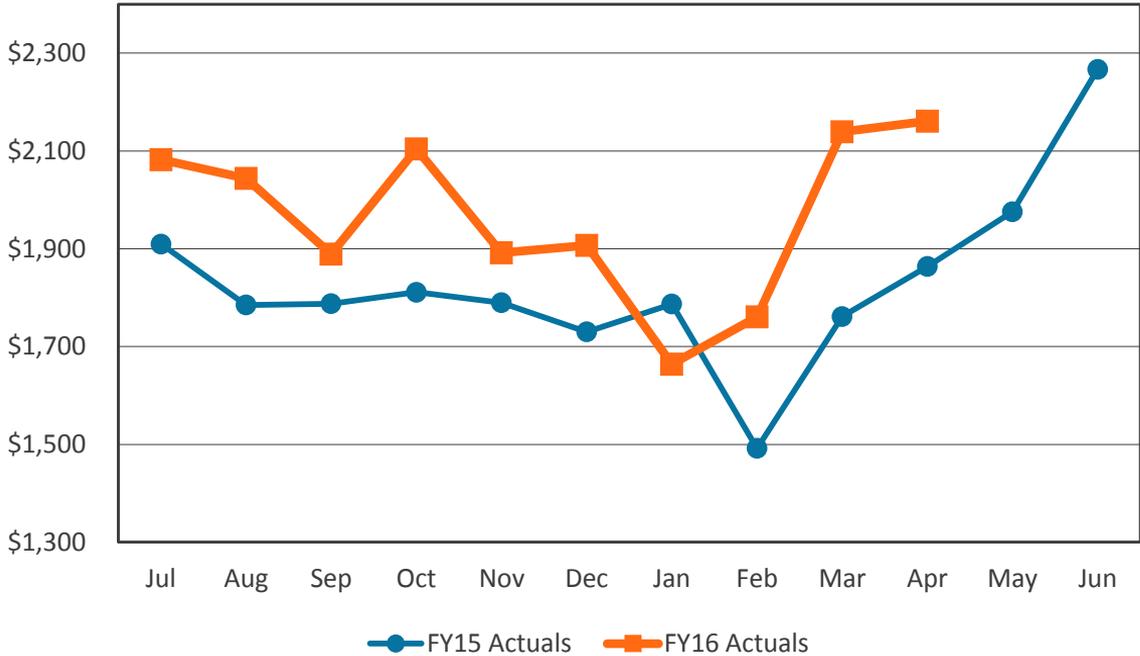
FY16 YTD Act Vs.
FY15 YTD Act
8.2%

FY16 YTD Act Vs.
FY16 YTD Budget
6.7%



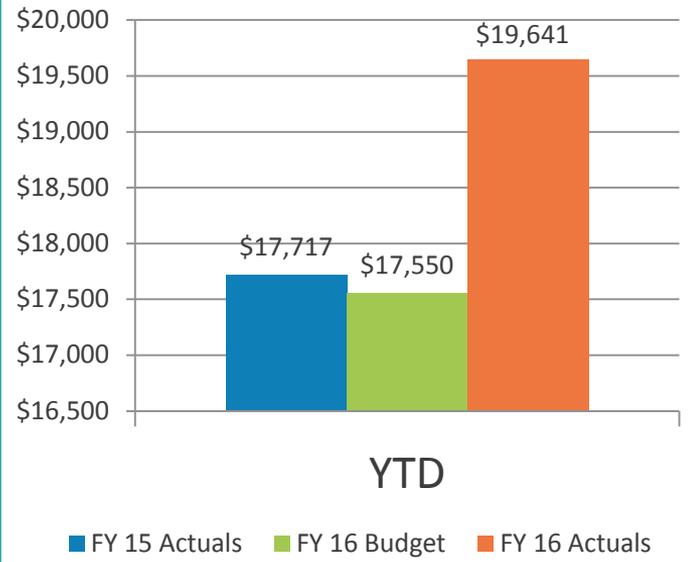
Total Terminal Concessions (Includes Cost Recovery)

(000's)

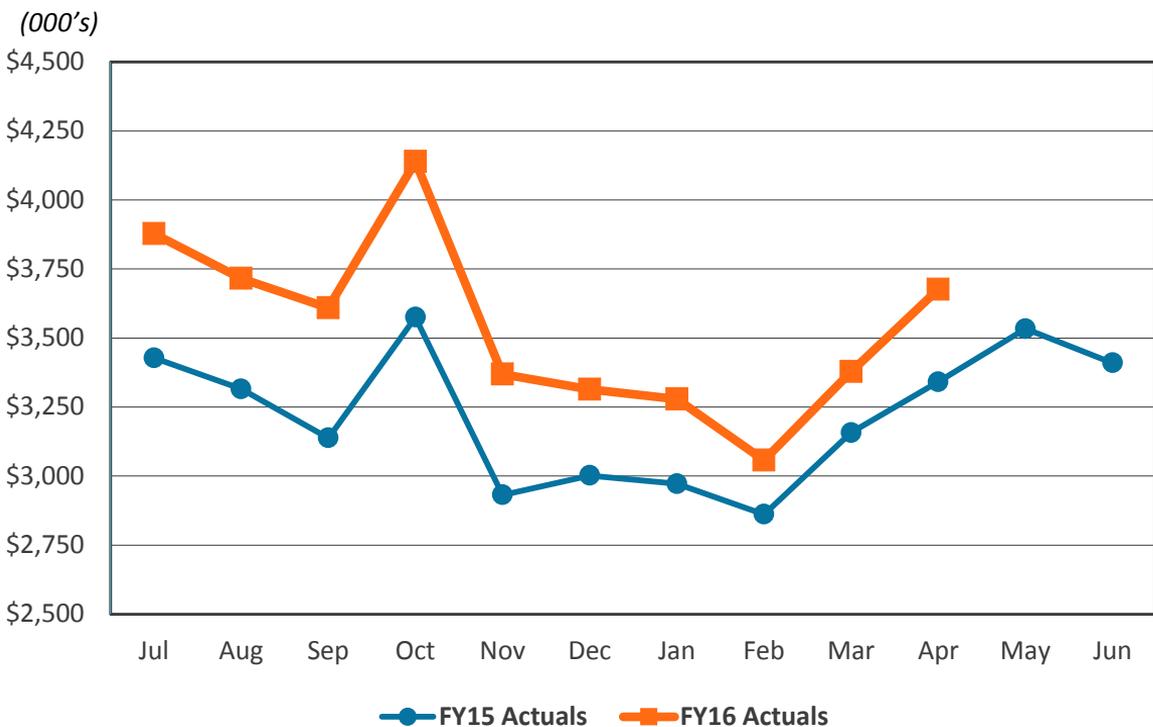


FY16 YTD Act Vs.
FY15 YTD Act
10.8%

FY16 YTD Act Vs.
FY16 YTD Budget
11.9%

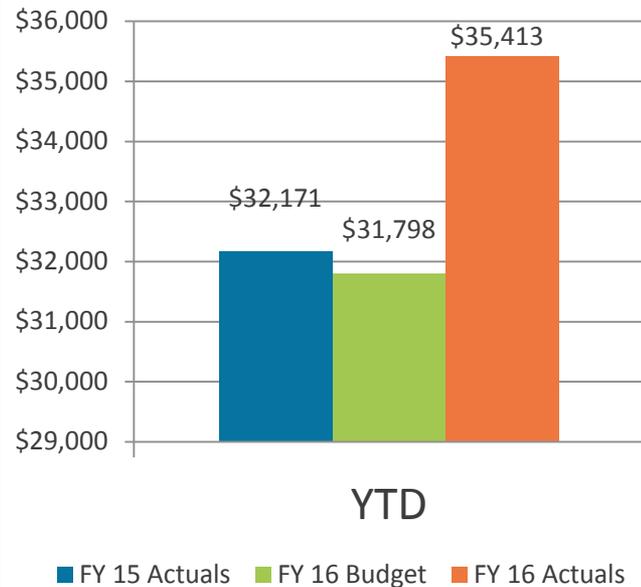


Parking Revenue



FY16 YTD Act Vs.
FY15 YTD Act
10.4%

FY16 YTD Act Vs.
FY16 YTD Budget
11.4%



Operating Revenues for the Month Ended April 30, 2016

| (In thousands) | Budget | Actual | Variance Favorable (Unfavorable) | % Change | Prior Year |
|-------------------------------|-----------------|-----------------|--|-------------|-----------------|
| Aviation revenue: | | | | | |
| Landing fees | \$ 2,066 | \$ 2,175 | \$ 109 | 5% | \$ 2,042 |
| Aircraft parking fees | 240 | 222 | (18) | (8)% | 226 |
| Building rentals | 4,436 | 4,481 | 45 | 1% | 4,250 |
| Security surcharge | 2,307 | 2,305 | (2) | - | 2,211 |
| CUPPS Support Charges | 101 | 101 | - | - | 94 |
| Other aviation revenue | 130 | 129 | (1) | (1)% | 133 |
| Total aviation revenue | \$ 9,280 | \$ 9,413 | \$ 133 | 1% | \$ 8,956 |

Operating Revenues for the Month Ended April 30, 2016

(In thousands)

| | Budget | Actual | Variance Favorable (Unfavorable) | % Change | Prior Year |
|--|-----------------|-----------------|--|-------------|-----------------|
| Terminal rent non-airline | \$ 119 | \$ 110 | \$ (9) | (8)% | \$ 103 |
| Concession revenue: | | | | | |
| Terminal concession revenue: | | | | | |
| Food and beverage | 729 | 1,047 | 318 | 44% | 713 |
| Retail | 539 | 523 | (16) | (3)% | 553 |
| Space storage | 78 | 71 | (7) | (9)% | 71 |
| Cost recovery | 218 | 209 | (9) | (4)% | 210 |
| Other (Primarily advertising) | 267 | 311 | 44 | 16% | 317 |
| Total terminal concession revenue | 1,831 | 2,161 | 330 | 18% | 1,864 |
| Car rental and license fee revenue: | | | | | |
| Rental car and license fees | 2,222 | 2,380 | 158 | 7% | 2,325 |
| Rental car center cost recovery | 173 | 148 | (25) | (14)% | - |
| License fees-other | 352 | 372 | 20 | 6% | 358 |
| Total rental car and license fees | 2,747 | 2,900 | 153 | 6% | 2,683 |
| Total concession revenue | \$ 4,578 | \$ 5,061 | \$ 483 | 11% | \$ 4,547 |

Operating Revenues for the Month Ended April 30, 2016

| (In thousands) | Budget | Actual | Variance Favorable (Unfavorable) | % Change | Prior Year |
|---|------------------|------------------|--|-------------|------------------|
| Parking revenue: | | | | | |
| Short-term parking revenue | \$ 1,731 | \$ 2,132 | \$ 401 | 23% | \$ 2,127 |
| Long-term parking revenue | 1,314 | 1,544 | 230 | 18% | 1,264 |
| Total parking revenue | 3,045 | 3,676 | 631 | 21% | 3,391 |
| Ground transportation permits and citations | 340 | 409 | 69 | 20% | 287 |
| Ground rentals | 1,472 | 1,551 | 79 | 5% | 1,020 |
| Grant reimbursements | 24 | 24 | - | - | 24 |
| Other operating revenue | 39 | 89 | 50 | 128% | 98 |
| Subtotal | 4,920 | 5,749 | 829 | 17% | 4,820 |
| Total operating revenues | \$ 18,897 | \$ 20,333 | \$ 1,436 | 8% | \$ 18,426 |

Operating Expenses for the Month Ended April 30, 2016

| (In thousands) | Budget | Actual | Variance Favorable (Unfavorable) | % | Prior Year |
|----------------------------------|------------------|------------------|--|----------|------------------|
| | | | | Change | |
| Operating expenses: | | | | | |
| Salaries and benefits | \$ 3,523 | \$ 3,146 | \$ 377 | 11% | \$ 5,156 |
| Contractual services | 3,303 | 3,437 | (134) | (4)% | 3,887 |
| Safety and security | 1,999 | 2,345 | (346) | (17)% | 2,688 |
| Space rental | 869 | 870 | (1) | - | 869 |
| Utilities | 978 | 806 | 172 | 18% | 775 |
| Maintenance | 1,191 | 1,674 | (483) | (41)% | 1,713 |
| Equipment and systems | 81 | 44 | 37 | 46% | 38 |
| Materials and supplies | 36 | 41 | (5) | (14)% | 48 |
| Insurance | 110 | 82 | 28 | 25% | 89 |
| Employee development and support | 107 | 88 | 19 | 18% | 111 |
| Business development | 258 | 170 | 88 | 34% | 362 |
| Equipment rental and repairs | 321 | 132 | 189 | 59% | 366 |
| Total operating expenses | \$ 12,776 | \$ 12,835 | \$ (59) | - | \$ 16,102 |

Financial Summary

for the Month Ended April 30, 2016

| (In thousands) | Budget | Actual | Variance Favorable (Unfavorable) | % | Prior Year |
|--------------------------------|-------------------|-------------------|--|------------|-------------------|
| Total operating revenues | \$ 18,897 | \$ 20,333 | \$ 1,436 | 8% | \$ 18,426 |
| Total operating expenses | 12,776 | 12,835 | \$ (59) | - | 16,102 |
| Income from operations | 6,121 | 7,498 | 1,377 | 22% | 2,324 |
| Depreciation | 9,276 | 9,276 | - | - | 7,356 |
| Operating income (loss) | \$ (3,155) | \$ (1,778) | \$ 1,377 | 44% | \$ (5,032) |

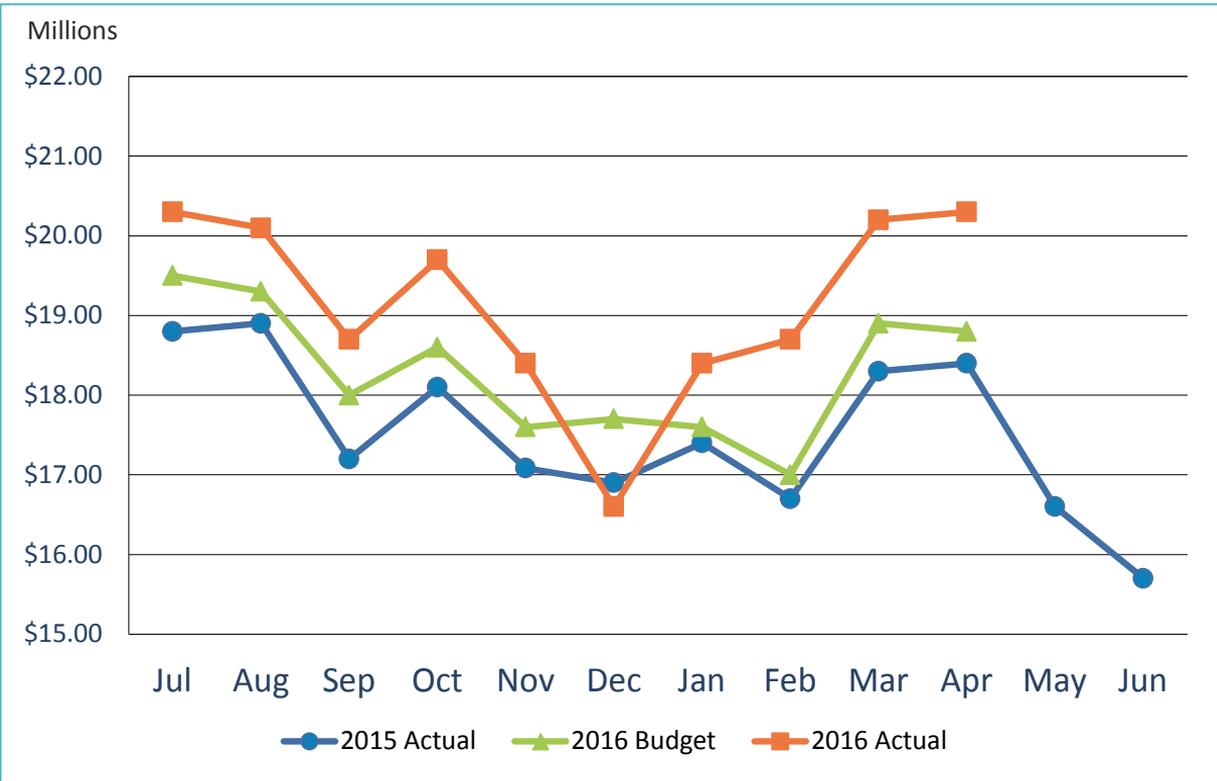
Non-operating Revenues & Expenses for the Month Ended April 30, 2016

| (In thousands) | Budget | Actual | Variance Favorable (Unfavorable) | % Change | Prior Year |
|--|-------------------|-----------------|--|-------------|-----------------|
| Nonoperating revenues (expenses): | | | | | |
| Passenger facility charges | \$ 3,222 | \$ 2,926 | \$ (296) | (9)% | \$ 2,641 |
| Customer facility charges (Rental Car Center) | 2,998 | 2,799 | (199) | (7)% | 2,853 |
| Quieter Home Program, net | (272) | (758) | (486) | (179)% | (269) |
| Interest income | 366 | 430 | 64 | 17% | 472 |
| BAB interest rebate | 386 | 386 | - | - | 386 |
| Interest expense & debt issuance costs | (5,616) | (4,224) | 1,392 | 25% | (4,903) |
| Bond amortization | 351 | 351 | - | - | 359 |
| Other nonoperating revenue (expenses) | (1) | 3,659 | 3,660 | - | 2,263 |
| Nonoperating revenue, net | 1,434 | 5,569 | 4,135 | 288% | 3,802 |
| Change in net position before grant contributions | (1,721) | 3,791 | 5,512 | | (1,230) |
| Capital grant contributions | 23 | 137 | 114 | - | 841 |
| Change in net position | \$ (1,698) | \$ 3,928 | \$ 5,626 | 331% | \$ (389) |



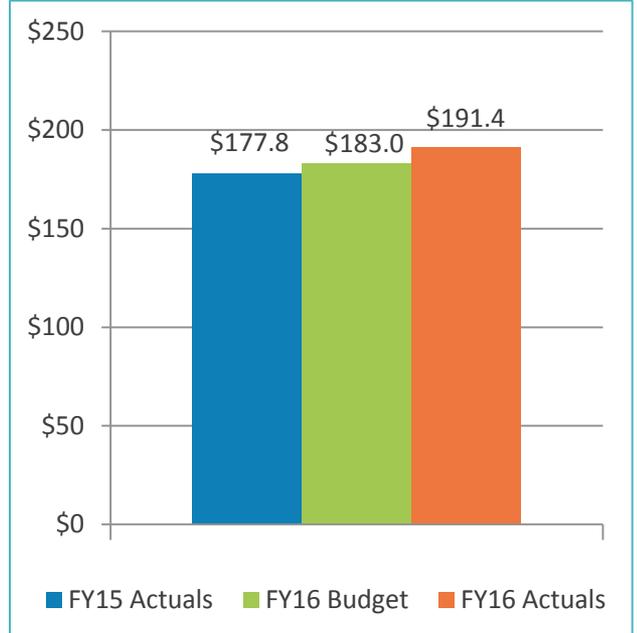
**Revenue & Expense
(Unaudited)
For the Ten Months Ended
April 30, 2016 and 2015**

Monthly Operating Revenue (Unaudited)



FY16 YTD Act Vs.
FY15 YTD Act
7.7%

FY16 YTD Act Vs.
FY16 YTD Budget
4.6%



Operating Revenues

for the Ten Months Ended April 30, 2016 (Unaudited)

| (In thousands) | Budget | Actual | Variance Favorable (Unfavorable) | % Change | Prior Year |
|-------------------------------|------------------|------------------|--|-------------|------------------|
| Aviation revenue: | | | | | |
| Landing fees | \$ 20,273 | \$ 20,798 | \$ 525 | 3% | \$ 19,625 |
| Aircraft parking fees | 2,396 | 2,249 | (147) | (6)% | 2,272 |
| Building rentals | 44,344 | 44,297 | (47) | - | 42,398 |
| Security surcharge | 23,071 | 22,264 | (807) | (3)% | 22,108 |
| CUPPS Support Charges | 1,005 | 1,005 | - | - | 939 |
| Other aviation revenue | 1,320 | 1,333 | 13 | 1% | 1,321 |
| Total aviation revenue | \$ 92,409 | \$ 91,946 | \$ (463) | (1)% | \$ 88,663 |

Operating Revenues

for the Ten Months Ended April 30, 2016 (Unaudited)

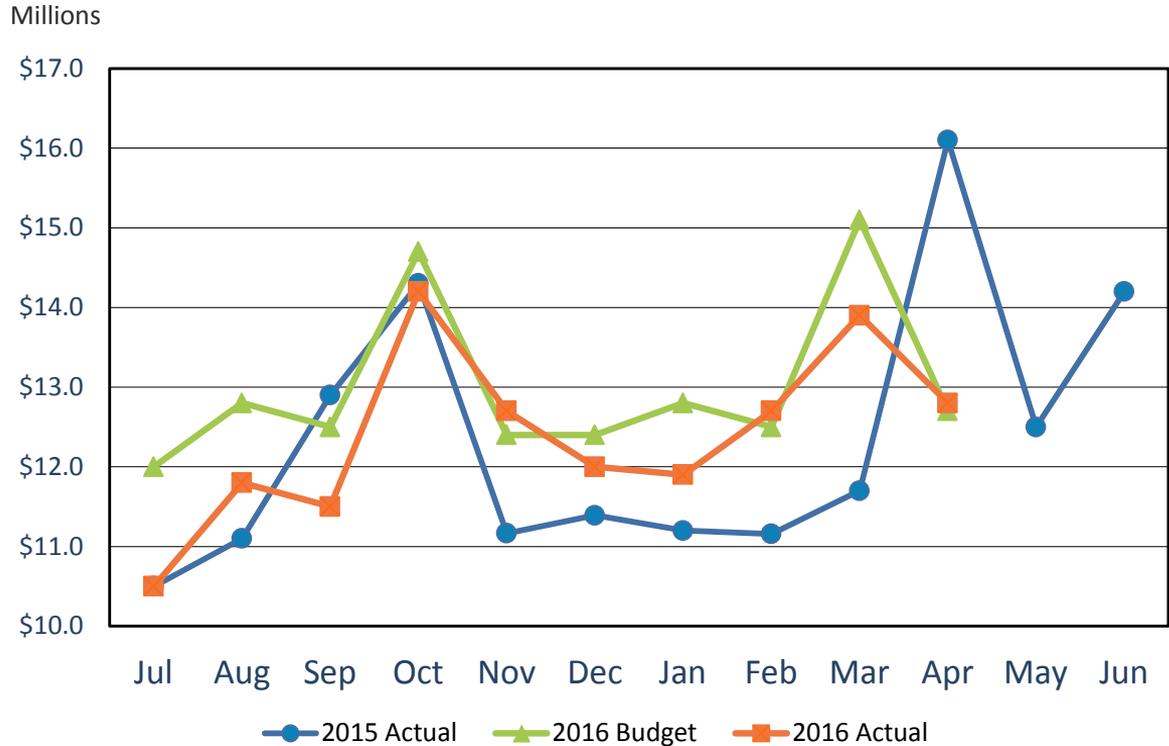
| (In thousands) | Budget | Actual | Variance Favorable (Unfavorable) | % Change | Prior Year |
|--|------------------|------------------|--|-------------|------------------|
| Terminal rent non-airline | \$ 1,190 | \$ 811 | \$ (379) | (32)% | \$ 1,026 |
| Concession revenue: | | | | | |
| Terminal concession revenue: | | | | | |
| Food and beverage | 7,049 | 8,449 | 1,400 | 20% | 7,012 |
| Retail | 4,859 | 5,185 | 326 | 7% | 4,793 |
| Space storage | 777 | 713 | (64) | (8)% | 774 |
| Cost recovery | 2,175 | 2,097 | (78) | (4)% | 2,049 |
| Other (Primarily advertising) | 2,690 | 3,197 | 507 | 19% | 3,089 |
| Total terminal concession revenue | 17,550 | 19,641 | 2,091 | 12% | 17,717 |
| Car rental and license fee revenue: | | | | | |
| Rental car license fees | 21,145 | 22,040 | 895 | 4% | 21,572 |
| Rental car center cost recovery | 173 | 495 | 322 | 186% | - |
| License fees-other | 3,779 | 3,645 | (134) | (4)% | 3,643 |
| Total rental car and license fees | 25,097 | 26,180 | 1,083 | 4% | 25,215 |
| Total concession revenue | \$ 42,647 | \$ 45,821 | \$ 3,174 | 7% | \$ 42,932 |

Operating Revenues

for the Ten Months Ended April 30, 2016 (Unaudited)

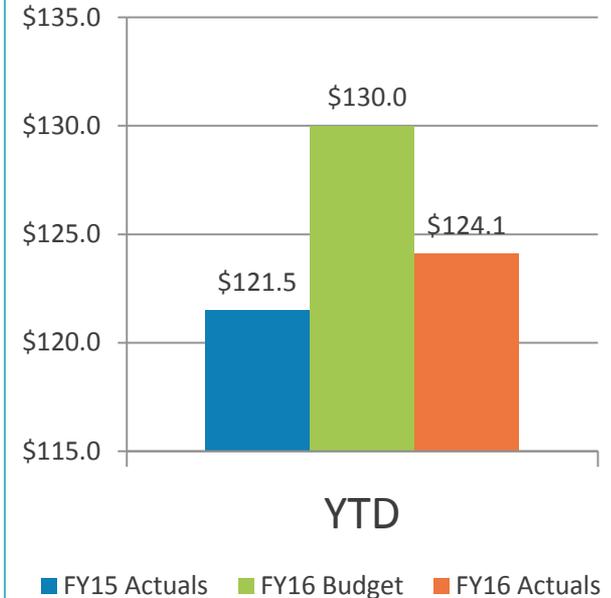
| (In thousands) | Budget | Actual | Variance Favorable (Unfavorable) | % | Prior Year |
|---|-------------------|-------------------|--|------------|-------------------|
| Parking revenue: | | | | | |
| Short-term parking revenue | \$ 19,892 | \$ 21,939 | \$ 2,047 | 10% | \$ 20,456 |
| Long-term parking revenue | 11,906 | 13,474 | 1,568 | 13% | 11,715 |
| Total parking revenue | 31,798 | 35,413 | 3,615 | 11% | 32,171 |
| Ground transportation permits and citations | 3,528 | 4,346 | 818 | 23% | 2,638 |
| Ground rentals | 10,841 | 12,123 | 1,282 | 12% | 9,567 |
| Grant reimbursements | 243 | 244 | 1 | - | 243 |
| Other operating revenue | 394 | 706 | 312 | 79% | 603 |
| Subtotal | 46,804 | 52,832 | 6,028 | 13% | 45,222 |
| Total operating revenues | \$ 183,050 | \$ 191,410 | \$ 8,360 | 5% | \$ 177,843 |

Monthly Operating Expenses (Unaudited)



FY16 YTD Act Vs.
FY15 YTD Act
2.0%

FY16 YTD Act Vs.
FY16 YTD Budget
4.5%



Operating Expenses

for the Ten Months Ended April 30, 2016 (Unaudited)

| (In thousands) | Budget | Actual | Variance Favorable (Unfavorable) | % Change | Prior Year |
|----------------------------------|-------------------|-------------------|--|-------------|-------------------|
| Operating expenses: | | | | | |
| Salaries and benefits | \$ 37,412 | \$ 35,244 | \$ 2,168 | 6% | \$ 38,919 |
| Contractual services | 31,453 | 30,609 | 844 | 3% | 26,172 |
| Safety and security | 21,373 | 21,215 | 158 | 1% | 20,421 |
| Space rental | 8,690 | 8,631 | 59 | 1% | 8,695 |
| Utilities | 10,401 | 9,447 | 954 | 9% | 8,645 |
| Maintenance | 12,108 | 11,930 | 178 | 1% | 11,735 |
| Equipment and systems | 464 | 419 | 45 | 10% | 183 |
| Materials and supplies | 348 | 401 | (53) | (15)% | 352 |
| Insurance | 1,102 | 792 | 310 | 28% | 883 |
| Employee development and support | 1,131 | 971 | 160 | 14% | 808 |
| Business development | 2,360 | 1,867 | 493 | 21% | 2,105 |
| Equipment rental and repairs | 3,205 | 2,598 | 607 | 19% | 2,636 |
| Total operating expenses | \$ 130,047 | \$ 124,124 | \$ 5,923 | 5% | \$ 121,554 |

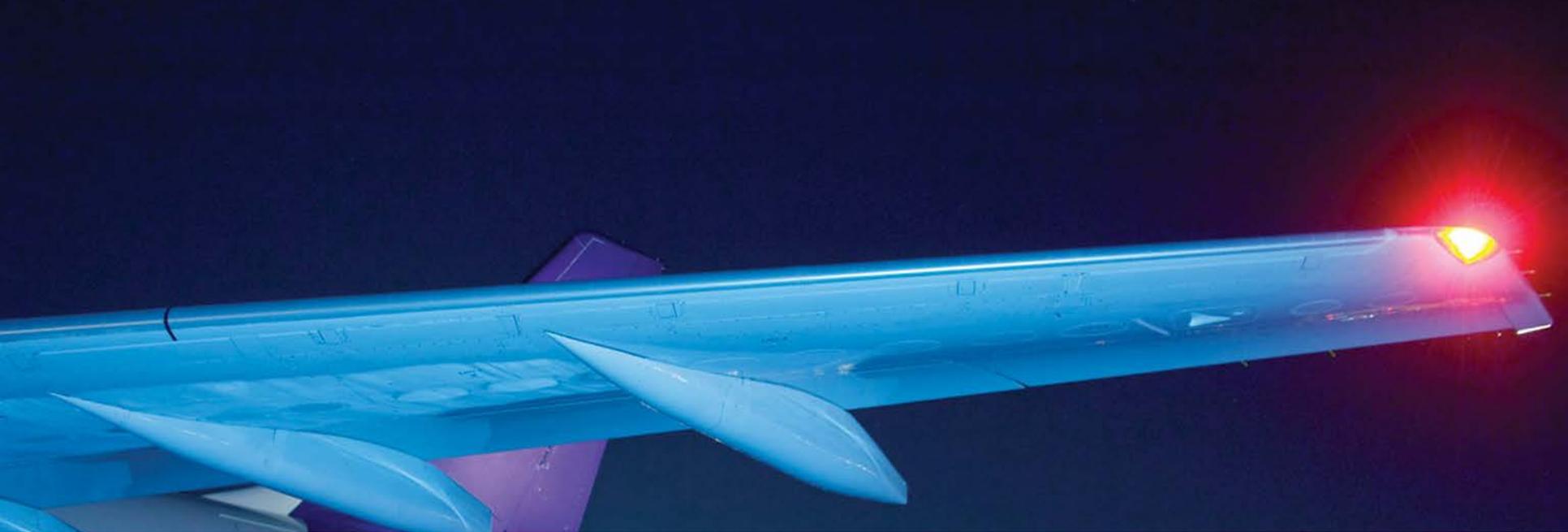
Financial Summary

for the Ten Months Ended April 30, 2016 (Unaudited)

| (In thousands) | Budget | Actual | Variance Favorable (Unfavorable) | % Change | Prior Year |
|--------------------------------|--------------------|-------------------|--|-------------|--------------------|
| Total operating revenues | \$ 183,050 | \$ 191,410 | \$ 8,360 | 5% | \$ 177,843 |
| Total operating expenses | 130,047 | 124,124 | 5,923 | 5% | 121,554 |
| Income from operations | 53,003 | 67,286 | 14,283 | 27% | 56,289 |
| Depreciation | 70,822 | 70,822 | - | - | 67,568 |
| Operating income (loss) | \$ (17,819) | \$ (3,536) | \$ 14,283 | 80% | \$ (11,279) |

Nonoperating Revenues & Expenses for the Ten Months Ended April 30, 2016 (Unaudited)

| (In thousands) | Budget | Actual | Variance Favorable (Unfavorable) | % Change | Prior Year |
|--|------------------|------------------|--|-------------|-----------------|
| Nonoperating revenues (expenses): | | | | | |
| Passenger facility charges | \$ 31,906 | \$ 32,845 | \$ 939 | 3% | \$ 30,967 |
| Customer facility charges (Rental Car Center) | 27,556 | 27,672 | 116 | - | 26,475 |
| Quieter Home Program, net | (2,740) | (3,557) | (817) | (30)% | (2,396) |
| Interest income | 4,009 | 4,888 | 879 | 22% | 4,853 |
| BAB interest rebate | 3,859 | 3,872 | 13 | - | 3,859 |
| Interest expense & debt issuance costs | (48,024) | (48,368) | (344) | (1)% | (51,531) |
| Bond amortization | 3,542 | 3,542 | - | - | 3,614 |
| Other nonoperating revenue (expenses) | (8) | 5,005 | 5,013 | - | 1,194 |
| Nonoperating revenue, net | 20,100 | 25,899 | 5,799 | 29% | 17,035 |
| Change in Net Position before grant contributions | 2,281 | 22,363 | 20,082 | 881% | 5,756 |
| Capital grant contributions | 11,521 | 10,435 | (1,086) | (9)% | 3,894 |
| Change in Net Position | \$ 13,802 | \$ 32,798 | \$ 18,996 | 138% | \$ 9,650 |



Statements of Net Position (Unaudited)
April 30, 2016 and 2015

Statements of Net Position (Unaudited)

As of April 30, 2016 and 2015

(In Thousands)

| | <u>2016</u> | <u>2015</u> |
|--|-----------------------------|-----------------------------|
| Current assets: | | |
| Cash and investments | \$ 74,079 | \$ 65,660 |
| Tenant lease receivable, net of allowance of 2016: (\$224,404) and 2015: (\$60,384) | 5,538 | 8,991 |
| Grants receivable | 6,276 | 4,295 |
| Notes receivable-current portion | 1,609 | 1,528 |
| Prepaid expenses and other current assets | 7,359 | 6,228 |
| Total current assets | <u>94,861</u> | <u>86,702</u> |
| Cash designated for capital projects and other | <u>\$ 36,924</u> | <u>\$ 22,095</u> |

Statements of Net Position (Unaudited)

As of April 30, 2016 and 2015

(In Thousands)

Restricted assets:

Cash and investments:

| | <u>2016</u> | <u>2015</u> |
|---|--------------------------|--------------------------|
| Bonds reserve | \$ 56,868 | \$ 54,943 |
| Passenger facility charges and interest unapplied | 67,702 | 63,138 |
| Customer facility charges and interest applied | 36,557 | 41,791 |
| SBD bond guarantee | 4,000 | 4,000 |
| Bond proceeds held by trustee | 183,201 | 330,897 |
| Passenger facility charges receivable | 4,185 | 3,504 |
| Customer facility charges receivable | 5,632 | 3,215 |
| OCIP insurance reserve | 3,610 | 5,433 |
| Total restricted assets | <u>\$ 361,754</u> | <u>\$ 506,921</u> |

Statements of Net Position (Unaudited)

As of April 30, 2016 and 2015

(In Thousands)

Noncurrent assets:

Capital assets:

Land and land improvements
 Runways, roads and parking lots
 Buildings and structures
 Machinery and equipment
 Vehicles
 Office furniture and equipment
 Works of art
 Construction-in-progress

Less: accumulated depreciation

Total capital assets, net

| | <u>2016</u> | <u>2015</u> |
|--|---------------------|---------------------|
| | \$ 109,265 | \$ 72,217 |
| | 589,529 | 587,071 |
| | 1,397,878 | 1,099,114 |
| | 45,367 | 14,593 |
| | 14,588 | 5,521 |
| | 32,395 | 32,546 |
| | 9,535 | 3,424 |
| | 147,580 | 363,579 |
| | <u>2,346,137</u> | <u>2,178,065</u> |
| | (802,402) | (724,403) |
| | <u>\$ 1,543,735</u> | <u>\$ 1,453,662</u> |

Statements of Net Position (Unaudited)

As of April 30, 2016 and 2015

(In Thousands)

Other assets:

Notes receivable - long-term portion

Investments - long-term portion

Net pension asset

Security deposit

Total other assets

| | <u>2016</u> | <u>2015</u> |
|--|---------------------|---------------------|
| | \$ 35,415 | \$ 37,089 |
| | 131,644 | 96,912 |
| | - | 6,418 |
| | 350 | 500 |
| | <u>167,409</u> | <u>140,919</u> |
| | | |
| | 5,959 | - |
| | <u>\$ 2,210,642</u> | <u>\$ 2,210,299</u> |

Deferred outflows of resources:

Deferred pension contributions:

Total assets and deferred outflows of resources

Statements of Net Position (Unaudited)

As of April 30, 2016 and 2015

(In Thousands)

| | <u>2016</u> | <u>2015</u> |
|--|-------------------------|-------------------------|
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 48,935 | \$ 69,466 |
| Deposits and other current liabilities | 8,226 | 4,669 |
| Total current liabilities | <u>57,161</u> | <u>74,135</u> |
| | | |
| Current liabilities payable from restricted assets: | | |
| Current portion of long-term debt | 11,090 | 10,695 |
| Accrued interest on bonds and variable debt | 21,969 | 22,090 |
| Total liabilities payable from restricted assets | <u>\$ 33,059</u> | <u>\$ 32,785</u> |

Statements of Net Position (Unaudited)

As of April 30, 2016 and 2015

(In Thousands)

| | <u>2016</u> | <u>2015</u> |
|--|-----------------------------------|-----------------------------------|
| Long-term liabilities: | | |
| Variable debt | \$ 38,705 | \$ 44,884 |
| Other long-term liabilities | 5,550 | 14,021 |
| Long-term debt - bonds net of amortized premium | 1,292,457 | 1,307,804 |
| Total long-term liabilities | <u>1,336,712</u> | <u>1,366,709</u> |
| Total liabilities | <u>1,426,932</u> | <u>1,473,629</u> |
| Deferred inflows of resources | | |
| Deferred pension investment gains | 8,168 | - |
| Total liabilities and deferred inflows of resources | <u><u>\$ 1,435,100</u></u> | <u><u>\$ 1,473,629</u></u> |

Statements of Net Position (Unaudited)

As of April 30, 2016 and 2015

(In Thousands)

| | <u>2016</u> | <u>2015</u> |
|---|-----------------------------|-----------------------------|
| Net Position: | | |
| Invested in capital assets, net of related debt | \$ 376,867 | \$ 420,242 |
| Other restricted | 178,008 | 175,074 |
| Unrestricted: | | |
| Designated | 36,925 | 27,685 |
| Undesignated | 183,742 | 113,669 |
| | <u> </u> | <u> </u> |
| Total net position | <u>\$ 775,542</u> | <u>\$ 736,670</u> |



Questions?



Item 3

San Diego County Regional Airport Authority

Review of the Authority's Investment Report As of April 30, 2016



Presented by: Geoff Bryant
Manager, Airport Finance

June 13, 2016

This report is prepared for the San Diego County Regional Airport Authority (the "Authority") in accordance with California Government Code Section 53646, which states that "the treasurer or chief fiscal officer may render a quarterly report to the chief executive officer, the internal auditor, and the legislative body of the local agency within 30 days following the end of the quarter covered by the report."

The investment report was compiled in compliance with California Government Code Section 53646 and the Authority's approved Investment Policy. All investment transactions made in the Authority's portfolio during this period were made on behalf of the Authority. Sufficient liquidity and anticipated revenue are available to meet expenditure requirements for the next six months.



Scott Brickner, C.P.A.
V.P. Finance & Asset Management / Treasurer
San Diego County Regional Airport Authority

Total Portfolio Summary

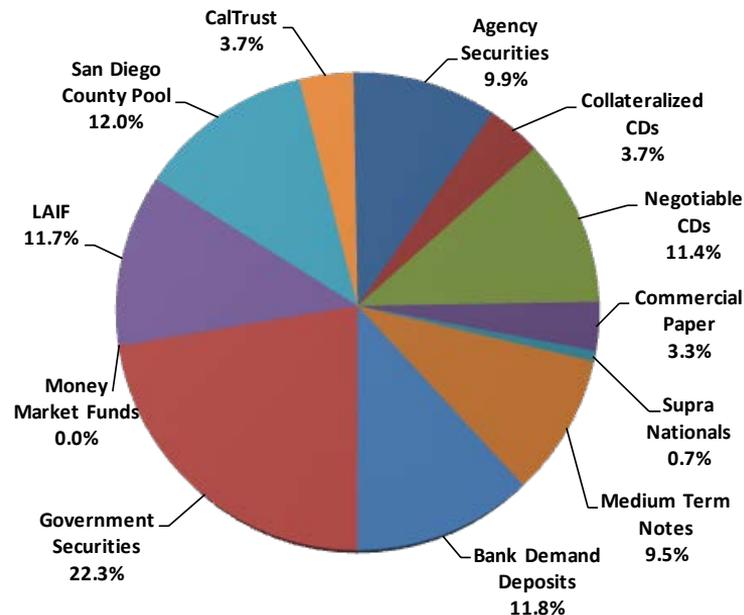
| | Current Period | Prior Period | Change From |
|---|----------------|----------------|---------------|
| | April 30, 2016 | March 31, 2016 | Prior |
| Book Value (1) | \$407,754,000 | \$399,146,000 | \$8,608,000 |
| Market Value (1) | \$408,419,000 | \$400,851,000 | \$7,568,000 |
| Market Value% | 100.16% | 100.43% | (0.27%) |
| Unrealized Gain / (Loss) | \$665,000 | \$1,705,000 | (\$1,040,000) |
| Weighted Average Maturity (Days) | 381 days | 370 days | 11 |
| Weighted Average Yield as of Period End | 0.86% | 0.84% | 0.02% |
| Cash Interest Received- Current Month | \$303,000 | \$263,000 | \$40,000 |
| Cash Interest Received- Year-to-Date | \$2,111,000 | \$1,808,000 | \$303,000 |
| Accrued Interest | \$557,000 | \$579,000 | (\$22,000) |

Notes:

(1) Increase in portfolio value is primarily due to operating receipts exceeding operating expenditures.

Portfolio Composition by Security Type

| | April 30, 2016 | | March 31, 2016 | | Permitted by Policy |
|-----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------------|
| | Market Value | Percent of Portfolio | Market Value | Percent of Portfolio | |
| Agency Securities | \$ 40,631,000 | 9.9% | \$ 33,664,000 | 8.4% | 100% |
| Collateralized CDs | 15,295,000 | 3.7% | 15,289,000 | 3.8% | 30% |
| Negotiable CDs | 46,511,000 | 11.4% | 46,508,000 | 11.6% | 30% |
| Commercial Paper | 13,454,000 | 3.3% | 13,473,000 | 3.4% | 25% |
| Supra Nationals | 2,989,000 | 0.7% | - | 0.0% | 30% |
| Medium Term Notes | 38,663,000 | 9.5% | 38,674,000 | 9.6% | 15% |
| Bank Demand Deposits | 47,434,000 | 11.8% | 53,902,000 | 13.5% | 100% |
| Government Securities | 91,239,000 | 22.3% | 86,383,000 | 21.5% | 100% |
| Money Market Funds | 179,000 | 0.0% | 140,000 | 0.0% | 20% |
| LAIF | 47,819,000 | 11.7% | 47,767,000 | 11.9% | \$65 million ⁽¹⁾ |
| San Diego County Pool | 49,061,000 | 12.0% | 49,916,000 | 12.5% | \$65 million ⁽²⁾ |
| CalTrust | 15,144,000 | 3.7% | 15,135,000 | 3.8% | \$65 million ⁽³⁾ |
| Total: | \$ 408,419,000 | 100.0% | \$ 400,851,000 | 100.0% | |

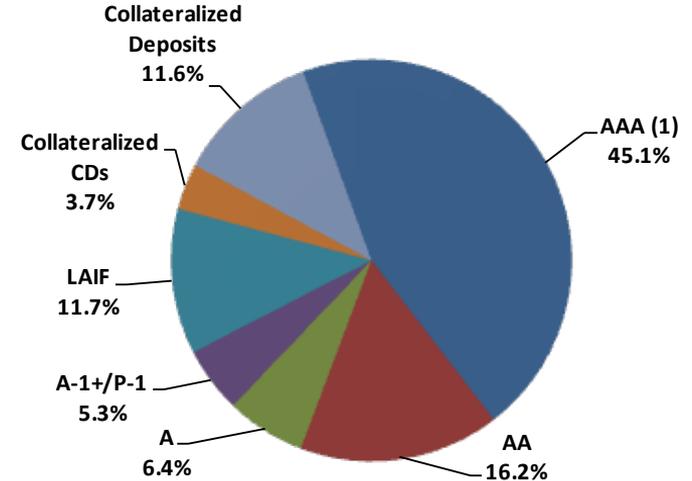


Notes:

- 1.) The \$65 million limit on LAIF is a non-statutory LAIF internal limit. It does not apply to bond proceeds.
- 2.) The San Diego County Investment Pool mirrors the LAIF internal limit and does not apply to bond proceeds.
- 3.) The CalTrust mirrors the LAIF internal limit and does not apply to bond proceeds.

Portfolio Composition by Credit Rating

| | April 30, 2016 | | March 31, 2016 | |
|-------------------------|-----------------------|----------------------|-----------------------|----------------------|
| | Market Value | Percent of Portfolio | Market Value | Percent of Portfolio |
| AAA ⁽¹⁾ | \$ 184,098,000 | 45.1% | \$ 170,102,000 | 42.5% |
| AA | 66,069,000 | 16.2% | 62,071,000 | 15.5% |
| A | 26,249,000 | 6.4% | 30,246,000 | 7.5% |
| A-1+/P-1 | 21,455,000 | 5.3% | 21,474,000 | 5.4% |
| LAIF | 47,819,000 | 11.7% | 47,767,000 | 11.9% |
| Collateralized CDs | 15,295,000 | 3.7% | 15,289,000 | 3.8% |
| Collateralized Deposits | 47,434,000 | 11.6% | 53,902,000 | 13.4% |
| Total: | \$ 408,419,000 | 100.0% | \$ 400,851,000 | 100.0% |

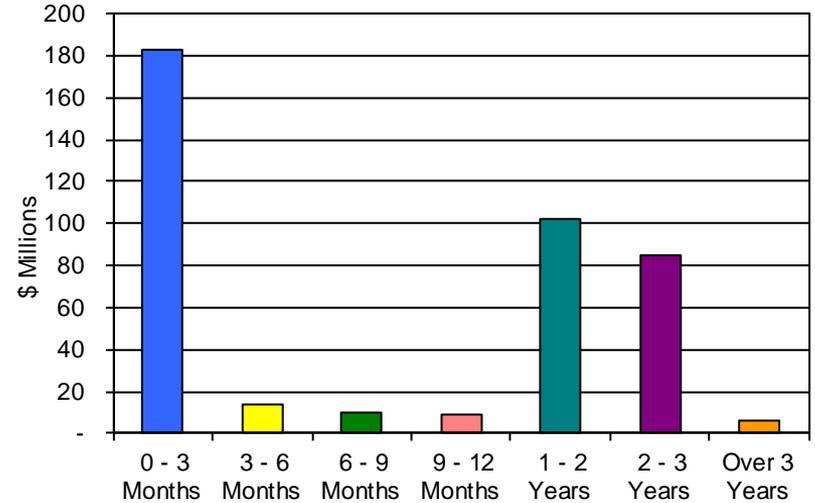


Notes:

1.) Includes investments that have split ratings between S&P (AA+), Moodys (AAA) and Fitch (AAA)

Portfolio Composition by Maturity ⁽¹⁾

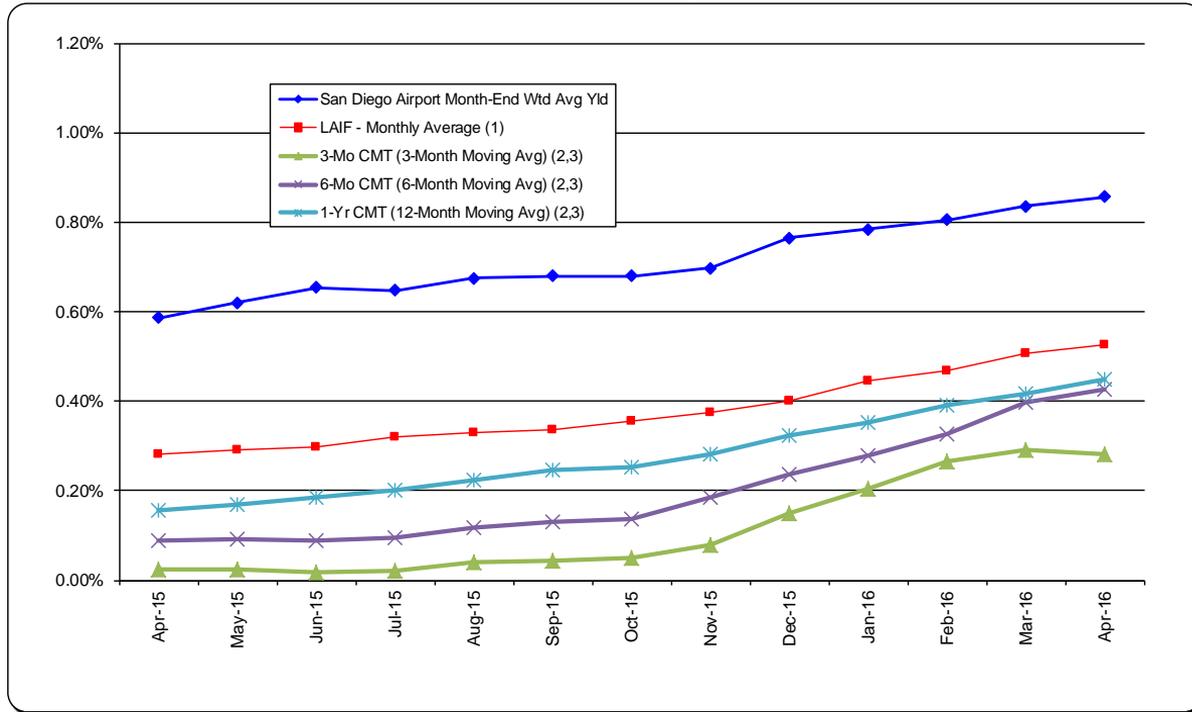
| | April 30, 2016 | | March 31, 2016 | |
|---------------|-----------------------|----------------------|-----------------------|----------------------|
| | Market Value | Percent of Portfolio | Market Value | Percent of Portfolio |
| 0 - 3 Months | \$ 183,135,000 | 44.9% | \$ 189,095,000 | 47.2% |
| 3 - 6 Months | 13,995,000 | 3.4% | 19,259,000 | 4.8% |
| 6 - 9 Months | 9,777,000 | 2.4% | 798,000 | 0.2% |
| 9 - 12 Months | 9,000,000 | 2.2% | 5,004,000 | 1.2% |
| 1 - 2 Years | 101,831,000 | 24.9% | 85,785,000 | 21.4% |
| 2 - 3 Years | 84,654,000 | 20.7% | 86,876,000 | 21.7% |
| Over 3 Years | 6,027,000 | 1.5% | 14,034,000 | 3.5% |
| Total: | \$ 408,419,000 | 100.0% | \$ 400,851,000 | 100.0% |



Notes:

1.) The 0-3 Quarter category includes investments held in the LAIF, CalTrust, and the San Diego County Investment Pool.

Benchmark Comparison



Notes:

- 1.) Benchmark data for LAIF is the average monthly effective yield.
- 2.) CMT stands for Constant Maturity Treasury. This data is published in Federal Reserve Statistical Release H.15 and represents an average of all actively traded Treasury securities having that time remaining until maturity. This is a standard industry benchmark for Treasury securities.
- 3.) The CMT benchmarks are moving averages. The 3-month CMT is the daily average for the previous 3 months, the 6-month CMT is the daily average for the previous 6 months, and the 1-year CMT is the daily average for the previous 12-months.

Detail of Security Holdings As of April 30, 2016

| Settlement Date | Security Description | Coupon | Maturity Date | Next Call Date | Par Value | Purchase Price | Book Value | Market Price | Market Value | Days to Maturity | Yield to Maturity |
|---------------------------------|----------------------|--------|---------------|----------------|-------------------|----------------|-------------------|--------------|-------------------|------------------|-------------------|
| 10/16/15 | FNMA | 1.125 | 10/19/18 | 10/19/18 | 5,000,000 | 100.550 | 5,027,500 | 100.55 | 5,027,650 | 902 | 0.939 |
| 04/20/16 | FHLB | 0.625 | 10/26/17 | 10/26/17 | 4,000,000 | 99.795 | 3,991,800 | 99.82 | 3,992,680 | 544 | 0.761 |
| 01/30/13 | FNMA | 1.030 | 01/30/18 | 04/30/16 | 3,500,000 | 99.990 | 3,499,650 | 99.82 | 3,493,595 | 640 | 1.032 |
| 12/10/13 | FHLB | 0.625 | 12/28/16 | 12/28/16 | 5,000,000 | 99.816 | 4,990,800 | 100.06 | 5,003,150 | 242 | 0.438 |
| 02/03/16 | FNMA | 1.375 | 01/28/19 | 01/28/19 | 6,000,000 | 100.842 | 6,050,520 | 101.09 | 6,065,580 | 1003 | 1.088 |
| 03/30/16 | FHLB | 1.125 | 04/15/19 | 04/15/19 | 5,000,000 | 100.217 | 5,010,850 | 100.25 | 5,012,591 | 1080 | 1.052 |
| 04/20/16 | FHLB | 1.125 | 04/15/19 | 04/15/19 | 3,000,000 | 100.319 | 3,009,570 | 100.41 | 3,012,289 | 1080 | 1.016 |
| 02/25/16 | FHLB | 0.875 | 03/19/18 | 03/19/18 | 3,500,000 | 100.021 | 3,500,735 | 100.12 | 3,504,060 | 688 | 0.865 |
| 09/08/14 | FNMA | 1.000 | 09/27/17 | 09/27/17 | 5,500,000 | 99.722 | 5,484,710 | 100.36 | 5,519,800 | 515 | 1.093 |
| Agency Total | | | | | 40,500,000 | | 40,566,135 | | 40,631,395 | 742 | 0.924 |
| 07/02/15 | East West Bk CD | 0.600 | 07/02/16 | | 10,285,022 | 100.000 | 10,285,022 | 100.00 | 10,285,022 | 63 | 0.600 |
| 04/25/16 | East West Bk CD | 0.500 | 10/24/16 | | 5,010,398 | 100.000 | 5,010,398 | 100.00 | 5,010,398 | 177 | 0.500 |
| Collateralized CDs Total | | | | | 15,295,420 | | 15,295,420 | | 15,295,420 | 100 | 0.567 |
| 09/11/14 | US Bank CD | 1.375 | 09/11/17 | | 4,000,000 | 100.000 | 3,993,560 | 100.27 | 4,010,600 | 499 | 1.430 |
| 03/09/16 | US Bank CD | 1.060 | 03/09/18 | | 4,000,000 | 100.000 | 4,000,000 | 100.00 | 4,000,000 | 678 | 1.060 |
| 11/17/15 | SKANDINAV ENSKD CD | 1.480 | 11/16/17 | | 4,500,000 | 100.000 | 4,500,000 | 100.00 | 4,500,000 | 565 | 1.480 |
| 11/18/15 | HSBC BK C/D | 0.954 | 11/17/17 | | 4,000,000 | 100.000 | 4,000,000 | 100.00 | 4,000,000 | 566 | 0.954 |
| 04/10/15 | CANADIAN IMP CD | 1.010 | 04/06/17 | | 5,000,000 | 100.000 | 5,000,000 | 100.00 | 5,000,000 | 341 | 1.010 |
| 03/16/16 | Toronto Dominion CD | 1.720 | 03/14/18 | | 5,000,000 | 100.000 | 5,000,000 | 100.00 | 5,000,000 | 683 | 1.720 |
| 04/27/15 | RABOBANK CD | 1.070 | 04/21/17 | | 4,000,000 | 100.000 | 4,000,000 | 100.00 | 4,000,000 | 356 | 1.070 |
| 05/29/15 | NORDEA BK CD | 1.150 | 05/26/17 | | 4,000,000 | 100.000 | 4,000,000 | 100.00 | 4,000,000 | 391 | 1.150 |
| 03/15/16 | ROYAL BK CDA Y C/D | 1.700 | 03/09/18 | | 4,000,000 | 100.000 | 4,000,000 | 100.00 | 4,000,000 | 678 | 1.700 |
| 08/11/15 | CREDIT SUISSE CD | 0.670 | 05/06/16 | | 4,000,000 | 100.000 | 4,000,000 | 100.01 | 4,000,280 | 6 | 0.670 |
| 08/19/14 | Goldman Sachs CD | 0.900 | 08/12/16 | | 4,000,000 | 100.000 | 4,000,000 | 100.00 | 4,000,000 | 104 | 0.900 |
| Negotiable CDs Total | | | | | 46,500,000 | | 46,493,560 | | 46,510,880 | 447 | 1.205 |

Detail of Security Holdings As of April 30, 2016

| Settlement Date | Security Description | Coupon | Maturity Date | Next Call Date | Par Value | Purchase Price | Book Value | Market Price | Market Value | Days to Maturity | Yield to Maturity |
|-------------------------------|-------------------------|--------|---------------|----------------|-------------------|----------------|-------------------|--------------|-------------------|------------------|-------------------|
| 04/08/16 | BNP PARIBAS FIN DC/P | 1.030 | 01/03/17 | | 4,000,000 | 99.228 | 3,969,100 | 99.32 | 3,972,960 | 248 | 1.038 |
| 03/24/16 | BANK OF TOKYO MITS DC/P | 0.880 | 09/23/16 | | 5,000,000 | 99.553 | 4,977,633 | 99.70 | 4,984,800 | 146 | 0.884 |
| 12/31/15 | TOYOTA MTR CRED DC/P | 0.800 | 06/22/16 | | 4,500,000 | 99.566 | 4,481,800 | 99.92 | 4,496,490 | 53 | 0.803 |
| Commercial Paper Total | | | | | 13,500,000 | | 13,428,533 | | 13,454,250 | 145 | 0.902 |
| 04/21/16 | INTER-AMER DEV BANK | 1.000 | 05/13/19 | | 3,000,000 | 99.714 | 2,991,420 | 99.64 | 2,989,230 | 1108 | 1.095 |
| Commercial Paper Total | | | | | 3,000,000 | | 2,991,420 | | 2,989,230 | 1108 | 1.095 |
| 05/12/15 | APPLE INC NOTES | 1.000 | 05/03/18 | | 4,000,000 | 99.121 | 3,964,840 | 100.04 | 4,001,680 | 733 | 1.302 |
| 01/15/15 | BERKSHIRE HATHAWAY | 0.553 | 01/12/18 | | 5,000,000 | 100.000 | 5,000,000 | 99.97 | 4,998,350 | 622 | 0.554 |
| 07/18/14 | WELLS FARGO CO Notes | 3.678 | 06/15/16 | | 4,700,000 | 105.559 | 4,961,273 | 100.35 | 4,716,497 | 46 | 0.737 |
| 07/17/15 | GECC MTN | 1.625 | 04/02/18 | | 4,950,000 | 105.364 | 4,968,018 | 101.17 | 5,008,064 | 702 | 1.487 |
| 12/28/15 | JPM CHASE & CO NT | 1.800 | 01/25/18 | | 5,000,000 | 99.888 | 4,994,400 | 100.63 | 5,031,500 | 635 | 1.855 |
| 11/19/14 | CHEVRON CORP | 1.345 | 11/15/17 | | 5,000,000 | 100.199 | 5,009,950 | 100.57 | 5,028,650 | 564 | 1.345 |
| 02/29/16 | CISCO SYSTEMS | 1.600 | 02/28/19 | | 3,000,000 | 100.330 | 3,009,900 | 101.29 | 3,038,730 | 1034 | 1.487 |
| 02/24/16 | IBM CORP NOTES | 1.800 | 05/17/19 | | 3,000,000 | 100.119 | 3,003,570 | 101.27 | 3,038,010 | 1112 | 1.761 |
| 09/14/15 | AMERICAN EXPRESS MTN | 1.800 | 07/31/18 | | 2,980,000 | 99.759 | 2,972,818 | 100.70 | 3,000,800 | 822 | 1.886 |
| 11/01/13 | COCA COLA CORP NOTE | 0.750 | 11/01/16 | | 800,000 | 100.080 | 799,080 | 100.06 | 800,456 | 185 | 0.789 |
| Medium Term Notes | | | | | 38,430,000 | | 38,683,849 | | 38,662,737 | 640 | 1.318 |
| 02/26/15 | U.S. Treasury | 0.750 | 02/28/18 | | 6,115,000 | 99.203 | 6,063,960 | 99.99 | 6,114,266 | 669 | 1.015 |
| 12/23/15 | U.S. Treasury | 1.500 | 12/31/18 | | 15,200,000 | 100.516 | 15,295,391 | 101.65 | 15,451,104 | 975 | 1.325 |
| 04/01/15 | U.S. Treasury | 0.750 | 03/31/18 | | 16,050,000 | 99.477 | 15,965,988 | 99.98 | 16,046,951 | 700 | 0.927 |
| 11/13/15 | U.S. Treasury | 1.250 | 11/30/18 | | 11,000,000 | 100.234 | 11,002,578 | 100.98 | 11,107,470 | 944 | 1.242 |
| 02/03/16 | U.S. Treasury | 1.375 | 02/28/19 | | 2,950,000 | 100.988 | 2,979,154 | 101.32 | 2,988,940 | 1034 | 1.047 |
| 02/25/16 | U.S. Treasury | 0.750 | 10/31/17 | | 3,470,000 | 100.020 | 3,470,678 | 100.06 | 3,472,186 | 549 | 0.738 |
| 12/30/14 | U.S. Treasury | 0.750 | 12/31/17 | | 6,600,000 | 98.730 | 6,528,242 | 100.01 | 6,600,792 | 610 | 1.182 |
| 06/10/15 | U.S. Treasury | 1.000 | 05/31/18 | | 15,000,000 | 99.762 | 14,964,258 | 100.40 | 15,060,300 | 761 | 1.082 |
| 04/20/16 | U.S. Treasury | 1.000 | 09/15/18 | | 4,900,000 | 100.367 | 4,917,992 | 100.37 | 4,918,179 | 868 | 0.845 |
| 03/04/16 | U.S. Treasury | 1.625 | 03/31/19 | | 5,850,000 | 101.793 | 5,954,889 | 102.03 | 5,968,814 | 1065 | 1.031 |
| 06/18/14 | U.S. Treasury | 0.875 | 06/15/17 | | 3,500,000 | 99.967 | 3,488,516 | 100.26 | 3,509,030 | 411 | 0.987 |
| Government Total | | | | | 90,635,000 | | 90,631,646 | | 91,238,031 | 805 | 1.084 |

Detail of Security Holdings As of April 30, 2016

| Settlement Date | Security Description | Coupon | Maturity Date | Next Call Date | Par Value | Purchase Price | Book Value | Market Price | Market Value | Days to Maturity | Yield to Maturity |
|-----------------|-----------------------------|--------|---------------|----------------|-----------------------|----------------|-----------------------|---------------|-----------------------|------------------|-------------------|
| | East West Bank | | | | 104,001 | 100.000 | 104,001 | 100.00 | 104,001 | 1 | 0.350 |
| | East West Bank | | | | 21,248,681 | 100.000 | 21,248,681 | 100.00 | 21,248,681 | 1 | 0.350 |
| | US Bank General Acct | | | | 21,018,604 | 100.000 | 21,018,604 | 100.00 | 21,018,604 | 1 | 0.000 |
| | Torrey Pines Bank | | | | 5,063,163 | 100.000 | 5,063,163 | 100.00 | 5,063,163 | 1 | 0.400 |
| | Bank Demand Deposits | | | | 47,434,448 | | 47,434,448 | | 47,434,448 | 1 | 0.200 |
| | DREYFUS GOVT INVEST | | | | 178,552 | 100.000 | 178,552 | 100.00 | 178,552 | 1 | 0.000 |
| | Money Market Fund | | | | 178,552 | | 178,552 | | 178,552 | 1 | 0.000 |
| | Local Agency Invstmnt Fd | | | | 47,808,452 | 100.000 | 47,808,452 | 100.02 | 47,819,009 | 1 | 0.525 |
| | San Diego County Inv Pool | | | | 49,097,367 | 100.000 | 49,097,367 | 99.93 | 49,060,592 | 1 | 0.760 |
| | CalTrust | | | | 15,144,234 | 100.000 | 15,144,234 | 100.00 | 15,144,234 | 1 | 0.710 |
| | Grand Total | | | | \$ 407,523,473 | 100.13 | \$ 407,753,616 | 100.16 | \$ 408,418,778 | 381 | 0.857 |

Portfolio Investment Transactions

From April 1st, 2016 - April 30th, 2016

| Settle Date | Security Description | Security Type | CUSIP | Coupon | Mature Date | Call Date | Unit Price | Amount |
|--|----------------------|---------------|-----------|--------|-------------|-----------|------------|---------------|
| PURCHASES | | | | | | | | |
| 04/08/16 | BNP PARIBAS FIN DC/P | CP | 09659BN30 | 1.030 | 01/03/17 | -- | 1.038 | \$ 3,969,100 |
| 04/20/16 | FHLB | AGCY | 3130A6LZ8 | 0.625 | 10/26/17 | -- | 99.795 | 4,003,883 |
| 04/20/16 | FHLMC MTN | AGCY | 3137EADZ9 | 1.125 | 04/15/19 | -- | 100.319 | 3,012,289 |
| 04/20/16 | US TREAS NTS | US TREAS NTS | 912828L40 | 1.000 | 09/15/18 | -- | 100.367 | 4,922,786 |
| 04/21/16 | INTER AMER DEV BK | SUPRANAT | 458182DX7 | 1.000 | 05/13/19 | -- | 99.714 | 2,992,170 |
| | | | | | | | | \$ 18,900,228 |
| CALLS | | | | | | | | |
| | | | | | | | | \$ - |
| MATURITIES | | | | | | | | |
| 07/15/15 | BNP PARIBAS FIN DC/P | CP | 09659BD80 | 0.880 | 04/08/16 | -- | 99.590 | \$ 3,983,027 |
| | | | | | | | | \$ 3,983,027 |
| WITHDRAWALS / SALES / TRANSFERS | | | | | | | | |
| | | | | | | | | \$ - |

Bond Proceeds Summary

SUMMARY OF 2010, 2013 & 2014 BOND PROCEEDS*

As of: April 30, 2016

(in thousands)

| | Series 2010 | Series 2013 | Series 2014 | Total | Yield | Rating |
|---|-------------|-------------|-------------|------------|---------------------|--------|
| <u>Project Fund</u> | | | | | | |
| SDCIP | \$ - | \$ 13,008 | \$ 22,987 | \$ 35,995 | 0.76% ¹⁾ | AAAf |
| | \$ - | \$ 13,008 | \$ 22,987 | \$ 35,995 | | |
| <u>Debt Service Reserve & Coverage Funds</u> | | | | | | |
| SDCIP | \$ 30,334 | \$ 33,391 | \$ 28,760 | \$ 92,485 | 0.76% ¹⁾ | AAAf |
| East West Bank CD | 20,894 | - | - | 20,894 | 0.80% | N/R |
| | \$ 51,228 | \$ 33,391 | \$ 28,760 | \$ 113,379 | | |
| | \$ 51,228 | \$ 46,399 | \$ 51,747 | \$ 149,374 | 0.77% | |

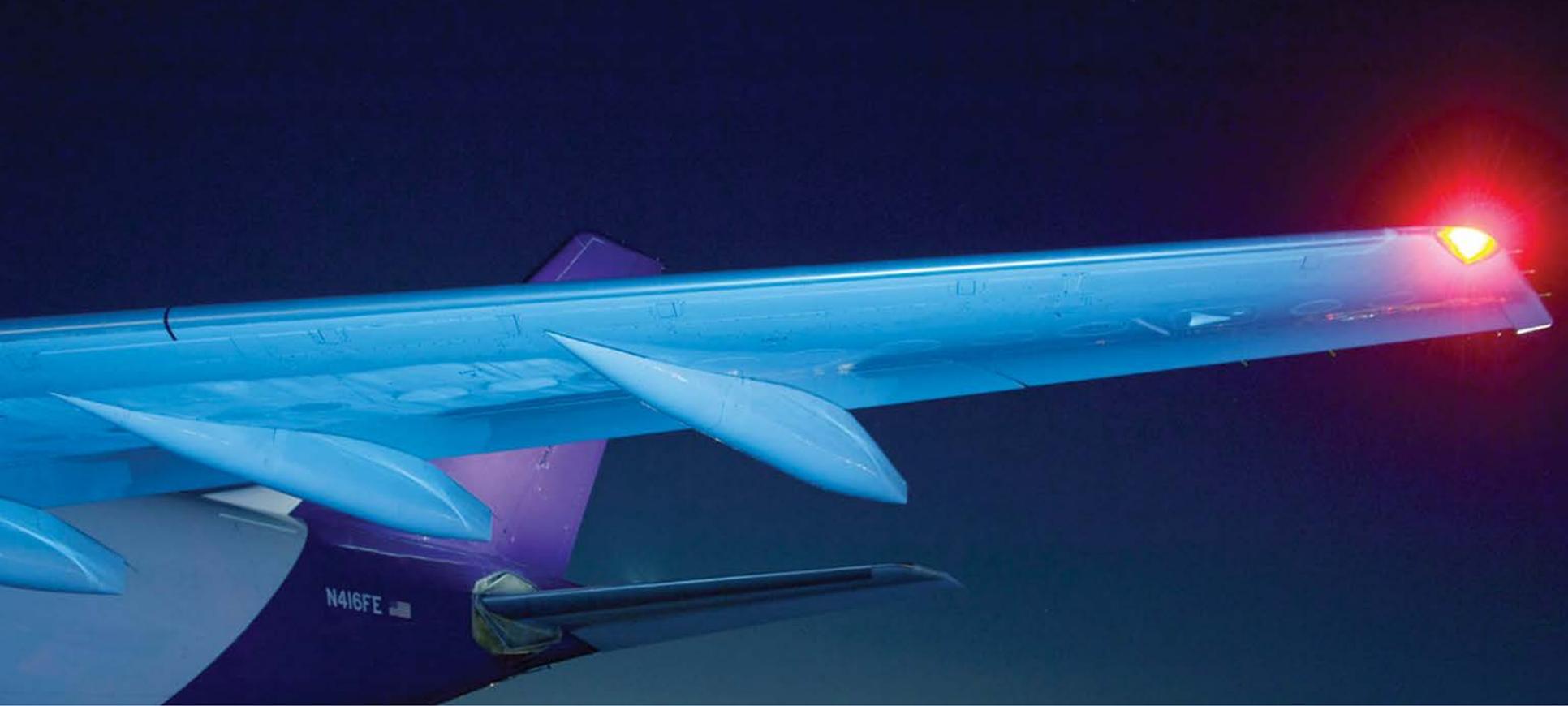
*Bond proceeds are not included in deposit limits as applied to operating funds

1) SDCIP Yield as of 3/31/2016

Bond Proceeds Investment Transactions

From April 1st, 2016 - April 30th, 2016

| Settle Date | Description | Security Type | CUSIP | Coupon | Mature Date | Call Date | Unit Price | Amount |
|----------------------------|--------------------|---------------|-------|--------|-------------|-----------|------------|--------------|
| PURCHASES | | | | | | | | |
| | | | | | | | \$ | - |
| CALLS | | | | | | | | |
| | | | | | | | \$ | - |
| MATURITIES | | | | | | | | |
| | | | | | | | \$ | - |
| DEPOSITS | | | | | | | | |
| | | | | | | | \$ | - |
| WITHDRAWALS / SALES | | | | | | | | |
| 4/18/2016 | SDCIP (2013 Bonds) | SDCIP | | 0.76 | -- | | 1.000 | \$ 7,463,069 |
| | | | | | | | \$ | 7,463,069 |



Questions ?

STAFF REPORT

Meeting Date: **JUNE 13, 2016**

Subject:

Pre-Approval of Travel Requests and Approval of Business and Travel Expense Reimbursement Requests for Board Members, the President/CEO, the Chief Auditor and General Counsel

Recommendation:

Pre-approve Travel Requests and approve Business and Travel Expense Reimbursement Requests.

Background/Justification:

Authority Policies 3.30 (2)(b) and (4)(b) require that business expenses reimbursements of Board Members, the President/CEO, the Chief Auditor and the General Counsel be approved by the Executive Committee and presented to the Board for its information at its next regularly scheduled meeting.

Authority Policy 3.40 (2)(b) and (3)(b) require that travel expense reimbursements of Board Members, the President/CEO, the Chief Auditor and the General Counsel be approved by the Executive Committee and presented to the Board for its information at its next regularly scheduled meeting.

The attached reports are being presented to comply with the requirements of Policies 3.30 and 3.40.

Fiscal Impact:

Funds for Business and Travel expenses are included in the FY 2015-2016 Budget.

Environmental Review:

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not applicable

Prepared by:

TONY R. RUSSELL
DIRECTOR, CORPORATE & INFORMATION GOVERNANCE/AUTHORITY CLERK

TRAVEL REQUEST

THELLA F. BOWENS

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST

GENERAL INSTRUCTIONS:

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

1. TRAVELER:

Travelers Name: THELLA F. BOWENS Dept: 6

Position: Board Member President/CEO Gen. Counsel Chief Auditor

All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 5/17/16 PLANNED DATE OF DEPARTURE/RETURN: 7/7/16 / 7/8/16

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):

Destination: Glendale, CA

Purpose: Attend California Airports Council Board Meeting

Explanation: _____

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

| | |
|--|------------------|
| • AIRFARE | \$ |
| • OTHER TRANSPORTATION (Taxi, Train, Car Rental) | \$ 141.00 |
| B. LODGING | \$ 225.00 |
| C. MEALS | \$ 100.00 |
| D. SEMINAR AND CONFERENCE FEES | \$ |
| E. ENTERTAINMENT (If applicable) | \$ |
| F. OTHER INCIDENTAL EXPENSES | \$ 50.00 |
| TOTAL PROJECTED TRAVEL EXPENSE | \$ 516.00 |

CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 5/17/16

CERTIFICATION BY ADMINISTRATOR (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, _____, hereby certify that this document was approved
(Please leave blank. Whoever clerk's the meeting will insert their name and title.)

by the Executive Committee at its _____ meeting.

(Leave blank and we will insert the meeting date.)

TRAVEL EXPENSE

THELLA F. BOWENS

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

TRAVEL EXPENSE REPORT

(To be completed within 30 days from travel return date)

TRAVELER: Thella F. Bowens DEPT. NAME & NO. Executive Office/BU 6
 DEPARTURE DATE: 4/29/2016 RETURN DATE: 4/30/2016 REPORT DUE: 5/30/16
 DESTINATION: Overland Park, KS

Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.

| | Authority Expenses (Prepaid by Authority) | Employee Expenses | | | | | | | | |
|---|--|-------------------|-------------|-------------|-------------|-------------|-------------------|---------------------|--|--------------|
| | | SUNDAY | MONDAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY 4/29/16 | SATURDAY 4/30/16 | TOTALS | |
| Air Fare, Railroad, Bus (attach copy of itinerary w/charges) | | | | | | | | | 0.00 | |
| Conference Fees (provide copy of flyer/registration expenses) | | | | | | | | | 0.00 | |
| Rental Car* | | | | | | | | | 0.00 | |
| Gas and Oil* | | | | | | | | | 0.00 | |
| Garage/Parking* | | | | | | | | | 0.00 | |
| Mileage - attach mileage form* | | | | | | | | | 0.00 | |
| Taxi and/or Shuttle Fare (include tips pd.)* | | | | | | | | | 0.00 | |
| Hotel* | | | | | | | | | 0.00 | |
| Telephone, Internet and Fax* | | | | | | | 14.10 | | 14.10 | |
| Laundry* | | | | | | | | | 0.00 | |
| Tips - separately paid (maids, bellhop, other hotel srvs.) | | | | | | | | | 0.00 | |
| Meals (include tips pd.) | | | | | | | | | 0.00 | |
| Breakfast* | | | | | | | | | | |
| Lunch* | | | | | | | 18.87 | | 18.87 | |
| Dinner* | | | | | | | | | 0.00 | |
| Other Meals* | | | | | | | | | 0.00 | |
| <i>Alcohol is a non-reimbursable expense</i> | | | | | | | | | | |
| Hospitality ¹ * | | | | | | | | | 0.00 | |
| Miscellaneous: | | | | | | | | | 0.00 | |
| | | | | | | | | | 0.00 | |
| | | | | | | | | | 0.00 | |
| *Provide detailed receipts | | | | | | | | | 0.00 | |
| Total Expenses prepaid by Authority | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 32.97 | 0.00 | 32.97 | |
| Explanation: | | | | | | | | | Total Expenses Prepaid by Authority | 0.00 |
| | | | | | | | | | Total Expenses Incurred by Employee (Including cash advances) | 32.97 |
| | | | | | | | | | Grand Trip Total | 32.97 |
| | | | | | | | | | Less: Cash Advance (attach copy of Authority ck) | |
| | | | | | | | | | Less Expenses Prepaid by Authority | 0.00 |
| | | | | | | | | | Due Traveler (positive amount) ² | |
| | | | | | | | | | Due Authority (negative amount) ³ | 32.97 |
| | | | | | | | | | <i>Note: Send this report to Accounting even if the amount is \$0.</i> | |

¹ Give names and business affiliations of any persons whose meals were paid by traveler.
² Prepare Check Request
³ Attach personal check payable to SDCRAA

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy⁴ and 3.30 - Business Expense Reimbursement Policy⁵ and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.

Prepared By: Kim Ayers Ext.: 2447
 Traveler Signature: *Thella F. Bowens* Date: 5/31/16
 Approved By: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE (To be certified if used by President/CEO, Gen. Counsel, or Chief Auditor)

I, _____ hereby certify that this document was approved by the Executive Committee at its _____ meeting.
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)
 (Leave blank and we will insert the meeting date.)

Failure to attach required documentation will result in the delay of processing reimbursement. If you have any questions, please see your department Administrative Assistant or call Accounting at ext. 2806.



GUEST FOLIO

OVERLAND PARK MARRIOTT

810 BOWENS/THELLA .00 04/30/16 12:00 [REDACTED]
 ROOM NAME RATE DEPART TIME ACCT#
 DXK TUSKEGEE AIRMEN 04/29/16 16:47
 TYPE ARRIVE TIME
 50
 ROOM CLERK PAYMENT RWD#:

| DATE | ADDRESS | REFERENCE | CHARGES | CREDITS | BALANCE DUE |
|-------|----------|-----------|---------|---------|-------------|
| 04/29 | TELECOMM | BASEHSIA | 12.95 | | |
| 04/29 | ST TAX | BASEHSIA | 1.15 | | |
| 04/30 | AX CARD | | | \$14.10 | |

TO BE SETTLED TO: AMERICAN EXPRESS CURRENT BALANCE .00

THANK YOU FOR CHOOSING MARRIOTT! TO EXPEDITE YOUR CHECK-OUT, PLEASE DIAL "0" AND AN AT YOUR SERVICE AGENT WILL BE DELIGHTED TO ASSIST YOU. THANK YOU

WANT YOUR FINAL HOTEL BILL BY EMAIL? JUST ASK THE FRONT DESK! SEE "INTERNET PRIVACY STATEMENT" ON MARRIOTT.COM



OVERLAND PARK MARRIOTT
10800 METCALF AVENUE
OVERLAND PARK, KS 66210

This statement is your only receipt. You have agreed to pay in cash or by approved personal check or to authorize us to charge your credit card for all amounts charged to you. The amount shown in the credits column opposite any credit card entry in the reference column above will be charged to the credit card number set forth above. (The credit card company will bill in the usual manner.) If for any reason the credit card company does not make payment on this account, you will owe us such amount. If you are direct billed, in the event payment is not made within 25 days after check-out, you will owe us interest from the check-out date on any unpaid amount at the rate of 1.5% per month (ANNUAL RATE 18%), or the maximum allowed by law, plus the reasonable cost of collection, including attorney fees.

Signature X _____

**RECEIPTS FOR TUSKEGEE AIRMEN CHARTER LUNCH
OVERLAND PARK, KS
APRIL 29-30, 2016 - THELLA F. BOWENS**

SALT LICK BBQ
DNC Travel Hospitality Services
DFW Terminal A

SALT LICK BBQ
DNC Travel Hospitality Services
DFW Terminal A

Sale Terminal:1
***** **

Auth:551700 Ref: 140038
Tbl:0 Time:11:44 am
Date:4/29/2016 Name:Mena
Invoice:1010599

Approved - Thank You

Amount: \$18.87

MID: 372048307881

Cardholder agrees to pay issuer
such total in accordance with
issuer's agreement with
cardholder.

Signature _____
THELLA F BOWENS

CUSTOMER COPY

Tbl:0 Ref:140038
Chk:140038
Mena 4/29/2016 11:43 am

| | |
|-----------------|-------|
| Brisket Platter | 15.35 |
| Bottled Water | 2.25 |
| <hr/> | |
| SubTotal | 17.60 |
| State Tax | 1.27 |
| <hr/> | |
| Total | 18.87 |
| ***** | 18.87 |
| <hr/> | |
| Amount Paid | 18.87 |

*** Quality IS what we are all about

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST**

GENERAL INSTRUCTIONS:

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

1. TRAVELER:

Travelers Name: Thella F. Bowens Dept: 6

Position: Board Member President/CEO Gen. Counsel Chief Auditor

All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 2/16/16 PLANNED DATE OF DEPARTURE/RETURN: 4/29/16 / 4/30/16

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):

Destination: Overland Park, KS Purpose: Keynote Speaker at Tuskegee Almen Annual Charter Lunch

Explanation:

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

- AIRFARE \$ 500.00
- OTHER TRANSPORTATION (Taxi, Train, Car Rental) \$ 100.00

B. LODGING \$ COMP

C. MEALS \$ _____

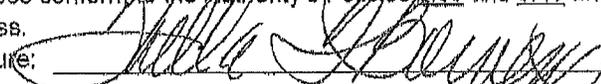
D. SEMINAR AND CONFERENCE FEES \$ _____

E. ENTERTAINMENT (If applicable) \$ _____

F. OTHER INCIDENTAL EXPENSES \$ 50.00

TOTAL PROJECTED TRAVEL EXPENSE \$ 650.00

CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 2/17/2016

CERTIFICATION BY ADMINISTRATOR (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

1. Tony R Russell, Authority Clerk, hereby certify that this document was approved
(Please leave blank. Whoever clerk's the meeting will insert their name and title.)

by the Executive Committee at its 3/1/16 meeting.
(Leave blank and we will insert the meeting date.)

MARK BURCHYETT

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

TRAVEL EXPENSE REPORT

(To be completed within 30 days from travel return date)

TRAVELER: Mark Burchyett DEPT. NAME & NO. Chief Auditor - 016
 DEPARTURE DATE: 5/21/2016 RETURN DATE: 5/25/2016 REPORT DUE: 6/24/16
 DESTINATION: Austin, Texas - Association of Local Government Auditors (ALGA) Annual Conference

Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.

| | Authority Expenses (Prepaid by Authority) | Employee Expenses | | | | | | | TOTALS |
|---|--|-------------------|---------------|---------------|--------------|-------------|-------------|---------------|-----------------|
| | | SUNDAY | MONDAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY | SATURDAY | |
| | | 5/22/16 | 5/23/16 | 5/24/16 | 5/25/16 | | | 5/21/16 | |
| Air Fare, Railroad, Bus (attach copy of itinerary w/charges) | 322.96 | | | | | | | | 0.00 |
| Conference Fees (provide copy of flyer/registration expenses) | 450.00 | | | | | | | | 0.00 |
| Rental Car* | | 52.40 | 52.40 | 52.40 | 52.37 | | | 52.40 | 261.97 |
| Gas and Oil* | | | | | 9.40 | | | | 9.40 |
| Garage/Parking* | | 22.00 | 22.00 | 22.00 | | | | 22.00 | 88.00 |
| Mileage - attach mileage form* | | | | | | | | | 0.00 |
| Taxi and/or Shuttle Fare (include tips pd.)* | | | | | | | | | 0.00 |
| Hotel* | | 157.07 | 157.07 | 157.07 | | | | 157.07 | 628.28 |
| Telephone, Internet and Fax* | | | | | | | | | 0.00 |
| Laundry* | | | | | | | | | 0.00 |
| Tips - separately paid (maids, bellhop, other hotel svcs.) | | | | | 4.00 | | | 4.00 | 8.00 |
| Meals (include tips pd.) | Breakfast* | 1.89 | | | 22.42 | | | | 24.31 |
| | Lunch* | | | | | | | | 0.00 |
| | Dinner* | 31.84 | 25.86 | 20.08 | | | | 17.53 | 95.31 |
| | Other Meals* | | | 7.80 | | | | | 7.80 |
| <i>Alcohol is a non-reimbursable expense</i> | | | | | | | | | |
| Hospitality ¹ * | | | | | | | | | 0.00 |
| Miscellaneous: Baggage Fees | | | | | | | | | 0.00 |
| | | | | | | | | | 0.00 |
| | | | | | | | | | 0.00 |
| *Provide detailed receipts | | | | | | | | | 0.00 |
| Total Expenses prepaid by Authority | 772.96 | 265.20 | 257.33 | 259.35 | 88.19 | 0.00 | 0.00 | 253.00 | 1,123.07 |

| | | |
|--|---|-----------------|
| Explanation: | Total Expenses Prepaid by Authority | 772.96 |
| | Total Expenses Incurred by Employee (including cash advances) | 1,123.07 |
| | Grand Trip Total | 1,896.03 |
| | Less Cash Advance (attach copy of Authority ck) | |
| | Less Expenses Prepaid by Authority | 772.96 |
| | Due Traveler (positive amount)² | |
| | Due Authority (negative amount)³ | 1,123.07 |
| <i>Note: Send this report to Accounting even if the amount is \$0.</i> | | |

¹ Give names and business affiliations of any persons whose meals were paid by traveler.
² Prepare Check Request
³ Attach personal check payable to SDCRAA

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy⁴ and 3.30 - Business Expense Reimbursement Policy⁵ and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.

Prepared By: Mark Burchyett Ext.: 2435
 Traveler Signature: _____ Date: 6/2/16
 Approved By: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE (To be certified if used by President/CEO, Gen. Counsel, or Chief Auditor)

I, _____ hereby certify that this document was approved by the Executive Committee at its _____ meeting.
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)
 (Leave blank and we will insert the meeting date.)

Failure to attach required documentation will result in the delay of processing reimbursement. If you have any questions, please see your department Administrative Assistant or call Accounting at ext. 2806.

Electronic Invoice

Prepared For:
BURCHYETT/MARK A

Ref: DEPT 16

| | |
|--------------------|-------------|
| SALES PERSON | GM |
| INVOICE NUMBER | 5372915 |
| INVOICE ISSUE DATE | 23 Feb 2016 |
| RECORD LOCATOR | IGJASO |
| CUSTOMER NUMBER | 0000SDCRAA |

Client Address
SAN DIEGO COUNTY REG AIRPORT AUTHORITY
PO BOX 82776
SAN DIEGO CA 92138-2776

Notes

YOUR CONFIRMATION IS ** R S 6 C U 7 **

DATE: Sat, May 21

Flight: SOUTHWEST AIRLINES 2935

| | | | |
|--------------------|-----------------|---------|---------|
| From | SAN DIEGO, CA | Departs | 10:35am |
| To | AUSTIN, TX | Arrives | 3:20pm |
| Departure Terminal | 1 | | |
| Duration | 2hr(s) 45min(s) | Class | Economy |
| Type | BOEING 737-700 | Meal | |
| | JET | | |
| Stop(s) | Non Stop | | |

DATE: Wed, May 25

Flight: SOUTHWEST AIRLINES 3079

| | | | |
|----------|-------------------|------------------|---------|
| From | AUSTIN, TX | Departs | 12:50pm |
| To | ST LOUIS INTL, MO | Arrives | 2:45pm |
| | | Arrival Terminal | 2 |
| Duration | 1hr(s) 55min(s) | Class | Economy |
| Type | BOEING 737-700 | Meal | |
| | JET | | |
| Stop(s) | Non Stop | | |

DATE: Mon, Nov 21

Others
AUSTIN
THANK YOU FOR
YOUR BUSINESS

Ticket Information

| | | | | | |
|---------------|---------------|------------|----------------------------|-----|----------|
| Ticket Number | WN 2185862627 | Passenger | BURCHYETT M | | |
| | | Billed to: | AX XXXXXXXXXXXX [REDACTED] | USD | * 292.96 |
| Service Fee | XD 0672731965 | Passenger | BURCHYETT MARK A | | |
| | | Billed to: | AX XXXXXXXXXXXX [REDACTED] | USD | * 30.00 |

| | |
|-------------------------|--------------|
| SubTotal | USD 322.96 |
| Net Credit Card Billing | * USD 322.96 |
| Total Amount Due | USD 0.00 |

ITINERARY NOTES:

THIS TICKET IS NON-REFUNDABLE.
SOUTHWEST AIRLINES CONFIRMATION NUMBER - RS6CU7
FOR EMERGENCY SERVICE FROM UNITED STATES - 888-221-6043

The carriage of certain hazardous materials, like aerosols, fireworks, and flammable liquids, aboard the aircraft is forbidden. If you do not understand these restrictions, further information may be obtained from your airline.

Your travel arranger provides the information contained in this document. If you have any questions about the content, please contact your travel arranger. For Credit Card Service fees, please see eTicket receipt for total charges.

OR599



ALGA

INVOICE

Thursday, February 11, 2016
 Invoice No: 904

Bill To:

San Diego County Regional Airport Authority
 Attn: Mark Burchyett
 Office of the Chief Auditor
 P.O. Box 82776
 San Diego, CA 92138-2776

Remit Payment To:
 ALGA
 449 Lewis Hargett Circle,
 Suite 290
 Lexington, KY 40503

Federal Tax ID Number: 23-2539807

Member Number: 1624

| DESCRIPTION | UNIT PRICE | QTY | AMOUNT |
|--|------------|-----|-----------|
| Event Registration Primary: Mark Burchyett - All Days | \$500.00 | 1 | \$500.00 |
| Event Registration Tracks/Sessions: Day 1 Concurrent Sessions: 9:50 - 10:40 for day: 1 - \$0.00 | \$0.00 | 1 | \$0.00 |
| Event Registration Tracks/Sessions: Day 1 Concurrent Sessions: 10:50 - 11:40 for day: 5 - \$0.00 | \$0.00 | 1 | \$0.00 |
| Event Registration Tracks/Sessions: Day 1 Concurrent Sessions: 12:30 - 1:20 for day: 9 - \$0.00 | \$0.00 | 1 | \$0.00 |
| Event Registration Tracks/Sessions: Day 1 Concurrent Sessions: 1:30 - 2:20 for day: 10 - \$0.00 | \$0.00 | 1 | \$0.00 |
| Event Registration Tracks/Sessions: Day 1 Concurrent Sessions: 2:40 - 3:30 for day: 15 - \$0.00 | \$0.00 | 1 | \$0.00 |
| Event Registration Early Bird Discount: - (\$50.00) | (\$50.00) | 1 | (\$50.00) |
| Event Registration Tracks/Sessions: Day 1 Concurrent Sessions: 3:40 - 4:30 for day: 18 - \$0.00 | \$0.00 | 1 | \$0.00 |
| Event Registration Tracks/Sessions: Day 2 Concurrent Sessions: 9:50 - 10:40 for day: 19 - \$0.00 | \$0.00 | 1 | \$0.00 |
| Event Registration Tracks/Sessions: Day 2 Concurrent Sessions: 10:50 - 11:40 for day: 23 - \$0.00 | \$0.00 | 1 | \$0.00 |
| Event Registration Tracks/Sessions: Day 2 Concurrent Sessions: 12:30 - 1:20 for day: 26 - \$0.00 | \$0.00 | 1 | \$0.00 |
| Event Registration Tracks/Sessions: Day 2 Concurrent Sessions: 1:30 - 2:20 for day: 28 - \$0.00 | \$0.00 | 1 | \$0.00 |
| Event Registration Tracks/Sessions: Day 2 Concurrent Sessions: 2:40 - 3:30 for day: 31 - \$0.00 | \$0.00 | 1 | \$0.00 |

TERMS: Due Upon Receipt

| | |
|------------------|-----------------|
| Subtotal | \$450.00 |
| Sales Tax | \$0.00 |
| Prior Payments | \$0.00 |
| TOTAL DUE | \$450.00 |

Notes:

Event: 2016 ALGA Annual Conference
 Time: Monday, May 23, 2016 at 08:00 AM
 Location: 701 East 11th Street Austin, TX, 78701

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST**

GENERAL INSTRUCTIONS:

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

1. TRAVELER:

Travelers Name: Mark Burchyett Dept: 016
 Position: Board Member President/CEO Gen. Counsel Chief Auditor
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 2/3/2016 PLANNED DATE OF DEPARTURE/RETURN: 5/21/2016 / 5/25/2016

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip-- continue on extra sheets of paper as necessary):

Destination: Austin, Texas Purpose: 2016 Association of Local Govt Conference
 Explanation: _____

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

| | | |
|--|----|--------------|
| • AIRFARE | \$ | 400 |
| • OTHER TRANSPORTATION (Taxi, Train, Car Rental) | \$ | 280 |
| B. LODGING | \$ | 540 |
| C. MEALS | \$ | 200 |
| D. SEMINAR AND CONFERENCE FEES | \$ | 450 |
| E. ENTERTAINMENT (If applicable) | \$ | |
| F. OTHER INCIDENTAL EXPENSES | \$ | 100 |
| TOTAL PROJECTED TRAVEL EXPENSE | \$ | 1,970 |

CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature: _____ Date: 2/3/16

CERTIFICATION BY ADMINISTRATOR (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

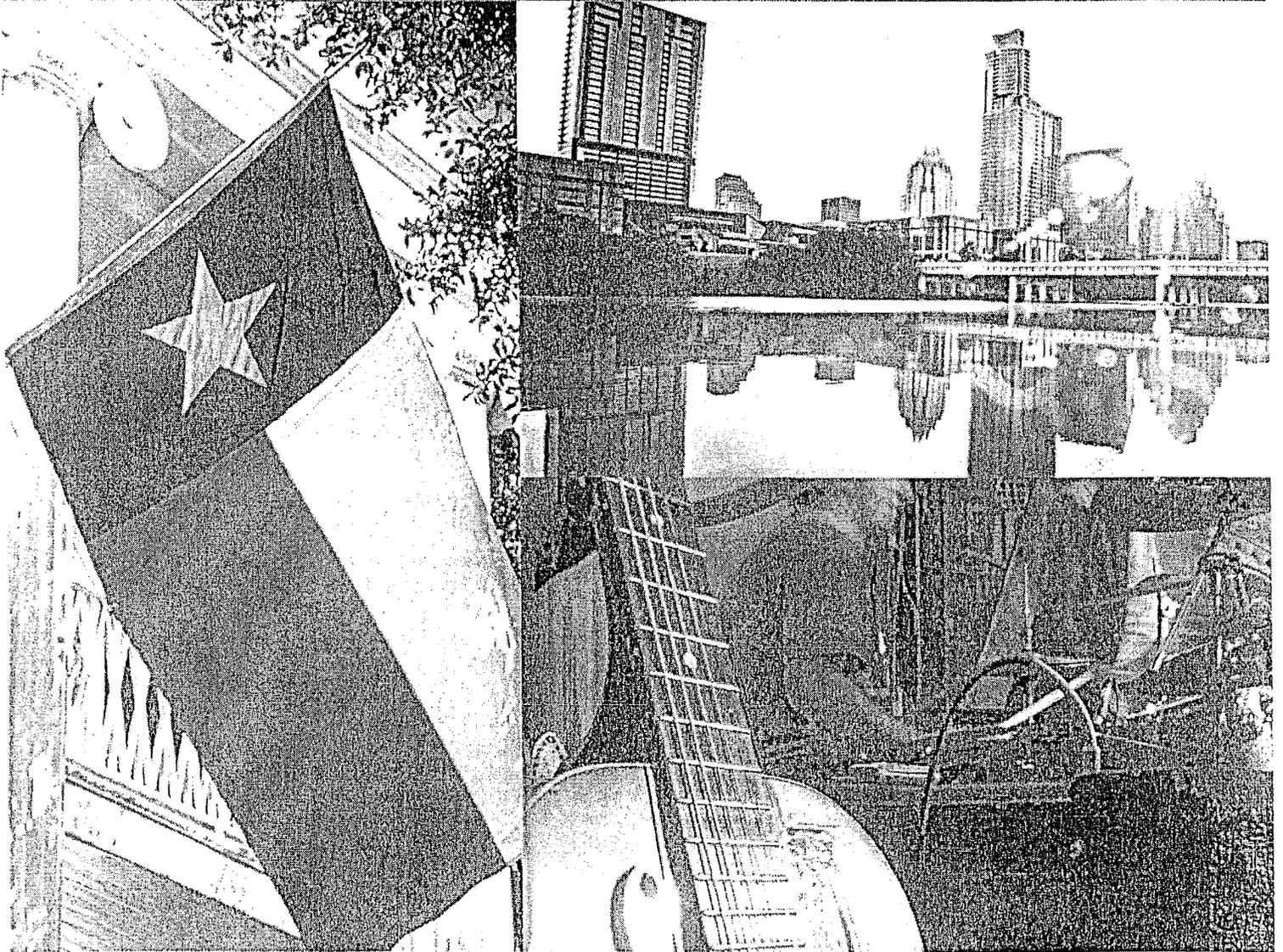
Administrator's Signature: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

Heather Hablen, Assistant Authority Clerk hereby certify that this document was approved
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)
 by the Executive Committee at its 2-8-16 meeting.
 (Leave blank and we will insert the meeting date.)

Austin

2016 ALGA ANNUAL CONFERENCE



Presented by the Association of Local Government Auditors

May 23-24, 2016 | Austin, Texas | The Sheraton Austin Hotel at the Capitol

Conference Agenda

Saturday, May 21

8:30 a.m. – 5:00 p.m.

ALGA BOARD MEETING

8:30 a.m. – 5:00 p.m.

PEER REVIEW COMMITTEE MEETING

Sunday, May 22

8:00 a.m. – 4:30 p.m.

PRE-CONFERENCE WORKSHOP

WS#1. Peer Review Workshop

Current and previous members of the Peer Review Committee will teach you how to prepare for and conduct peer reviews assessing compliance with Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States. In addition to instruction on peer review preparation and performance, this popular workshop includes exercises and case studies to help participants gauge their own readiness for peer review participation. Two concurrent sessions of this workshop will be offered. *Continental breakfast and lunch will be provided.*

Paul Geib, Performance Audit Manager, Milwaukee Public Schools (WI)

Mike Edmonds, Retired

Stan Sewell, City Auditor, City of Chattanooga (TN)

Amanda Noble, Deputy City Auditor, City of Atlanta (GA)

8:00 a.m. – 12:00 p.m.

PRE-CONFERENCE WORKSHOP

WS#2. Creating Graphs and Visuals 101

Our brains process images faster than text - all the more reason to use visuals in our audit reports to get the point across! In this workshop you'll learn what makes graphs and visuals interesting and impactful as well as get hands-on experience creating them in Excel and Piktochart. Seating is limited, so sign up early! Participants should plan to bring a laptop. *Continental breakfast will be provided.*

Caroline Kirschner, Senior Auditor, City of Austin (TX)

Olga Ovcharenko, Quality Assurance Coordinator, City of Austin (TX)

Justin Wiesenfeld, Piktochart

8:00 a.m. – 12:00 p.m.

PRE-CONFERENCE WORKSHOP

WS#3. Lean For Auditors: Introduction to Basic Lean & Kaizen Tools with Discussion of Auditor's Role

Government agencies throughout the US are making efforts to introduce lean and Kaizen principles in the office. Over the past three years the Washington State Auditor's Office has funded on-site Rapid Office Kaizen (ROK) training for cities and counties to plant seeds of process improvement, we will use a high energy, participatory simulation to show how some of the key lean tools work. As time allows the discussion will extend to the role of auditor with lean process improvement. Seating is limited, so sign up early! *Continental breakfast will be provided.*

Tom Nosack, Senior Management Analyst, Clark County (WA)

1:00 – 5:00 p.m.

PRE-CONFERENCE WORKSHOP

WS#4. Strong Team, Strong Shop: Activities You Can Use to Build an "A" Team

Office team building activities are a good way to improve communication, increase collaboration, and motivate employees. This workshop will give you an opportunity to experience various team building activities that you can use in your office. Seating is limited, so sign up early! *Afternoon break will be provided.*

Andrew Keegan, Supervising Senior Auditor, City of Austin (TX)

1:00 – 5:00 p.m.

PRE-CONFERENCE WORKSHOP

WS#5. Emerging Issues in Government Auditing

Given the magnitude and breadth of current and anticipated budget reductions, coupled with increasing citizen demands for tighter fiscal accountability, government at all levels is permanently changing. This requires the government auditing profession to reach deep for answers that go beyond strengthening controls or improving processes. This session will focus on identifying and responding to critical emerging issues both within the auditing profession and the surrounding environment. Seating is limited, so sign up early! *Afternoon break will be provided.*

Stephen Morgan, President, Excellence in Government Accountability and Performance Practices

8:00 – 8:30 p.m.

WELCOME RECEPTION

Monday, May 23

7:00 – 8:00 a.m.

BREAKFAST

8:00 – 8:45 a.m.

WELCOME AND AWARDS

Kymer Waltmunson, County Auditor, King County (WA), and President of ALGA

Ben Thompson, Deputy County Auditor, King County (WA), and Chair of ALGA's Awards Committee

8:45 – 9:35 a.m.

GENERAL SESSION

GS#1. In the Arena: Revisiting the Activist Auditor After 25 Years

Ed Wheat's article, "The Activist Auditor: A New Player in State and Local Politics," published in *Public Administration Review* in 1991, was extremely controversial among auditors at the time. They were appalled at the thought of being seen as political players. Our speaker will re-examine this issue through the lens of his experience of the last 25 years, including serving as mayor of Kansas City. He will also consider the issue within the context of the evolution of ALGA, which was a tiny, new organization then, having been founded two years prior in 1989.

Mark Funkhouser, Ph. D. Publisher *GOVERNING Magazine*

Conference Agenda

9:50 – 10:40 a.m.

CONCURRENT SESSIONS

CS#1. IT Vendor Management

Many entities will outsource a portion or all of their IT function to third parties, but this does not relieve their responsibilities. Hear items to consider when managing IT vendors to ensure that services paid for are received and that sensitive information is protected.

David Schroth, CISA, Managing Director, Design Compliance and Security, LLC

CS#2. Innovative Reporting

Are decision-makers and citizens praising your audit reports? Are you aware of innovative reporting formats and techniques being used in the audit world? Let's talk about the future of audit reporting and how it will affect you!

Ross Tate, Director of Internal Audit, Maricopa County (AZ)
Peter Heineccius, Senior Management Auditor, King County (WA)

CS#3. FAST Audit to Go Edition

We're combining two new ALGA conference traditions into one: FAST, a five-minute presentation style with automatically advancing slides will be combined with Audits To Go, where presenters give a brief message about an interesting audit. This year, presenters will discuss audits on Lean, a courthouse fire, and department consolidation, among others.

Kevin Barthold, City Auditor, City of San Antonio (TX)
Jennifer Foliard, Audit Manager, Milwaukee County Office of the Comptroller (WI)
Elise Garvey, Management Auditor, King County (WA)
Mike Taylor, Director of Internal Audit, Hanover County (VA)
Emily Jacobson, Communications Specialist, City of Denver (CO)

10:50 – 11:40 a.m.

CONCURRENT SESSIONS

CS#4. Medicaid: Auditing in the Managed Care Era

In FY 2013, Medicaid Fraud Control Units nationwide reported a total of 1,341 criminal convictions in cases involving Medicaid fraud and patient abuse and neglect, and criminal recoveries reached nearly \$1 billion. This session will examine key steps audit teams can take to be better equipped to work with government auditing agencies in their efforts to detect fraud, waste, and abuse in the Medicaid program.

Stuart Bowen, Inspector General, Texas Health & Human Services Commission
Darnell Dent, President and CEO, FirstCare Health Plans

CS#5. Not Beyonding the Wounded: Achieving a Balanced Approach to the Internal Audit Function

As auditors we are often feared, loathed, and usually avoided like the plague. Effectively being both "internal" and "auditor" presents a unique set of challenges. This session will combine an overview of strategies for winning the trust and confidence of management with a roundtable discussion of what participants are doing.

Eric Spivak, County Auditor, Jackson County (OR)

CS#6. Roundtable: Chief Audit Executives

Come to the chief audit executive (CAE) roundtable prepared to discuss your ideas and experiences with leading audit shops and hear lessons learned from other participants.

Kymber Waltmunson, County Auditor, King County (WA)

11:40 a.m. – 12:30 p.m.

LUNCH

12:30 – 1:20 p.m.

CONCURRENT SESSIONS

CS#7. Reports and Certifications for Third-Party Assurance

Third-party assurance certificates and reports can sometimes resemble alphabet soup: SOC, ISO, AT, etc. Knowing the main aim of each, along with the right questions to ask, can go a long way in ensuring your enterprise is as secure as it should be.

Adam Fowler, Director, Design Compliance and Security, LLC

CS#8. Improving Group Decision Making

Have you ever been on a team that just cannot seem to make good decisions? This session will focus on techniques to make better decisions when working in teams. We will discuss common decision-making mistakes teams make, how to avoid them, and how these techniques can apply to individuals as well.

Ben Thompson, Deputy County Auditor, King County (WA)

CS#9. Making a Difference: Measuring the Performance of Our Performance Audits

How do we know whether our recommendations are having an impact? Can we use empirical research to create outcome-based performance metrics for ourselves? We will share our experience in developing a practical framework to enhance our impact based on a data-supported understanding of how recommendations get implemented in King County, Washington.

Chelsea Lei, Management Auditor, King County (WA)
Peter Heineccius, Senior Management Auditor, King County (WA)

1:30 – 2:20 p.m.

CONCURRENT SESSIONS

CS#10. Communicating Audit Results to Decision-Makers and the Public

ALGA member offices produce excellent audit reports, but making sure they impact decision-makers and the public remains challenging. This session will describe tools and techniques to help your audit results resonate with your audience, and better ensure that audit reports both inform the public and enhance decision-making. We'll propose that releasing an audit report is just the first step in making positive differences in our communities. If you are interested in enhancing the lasting impact of your audit reports, you won't want to miss this session!

Drummond Kahn, Director of Audit Services, City of Portland (OR)

CS#11. Using Control Self-Assessment in the Audit Office
Control Self-Assessment (CSA) is another tool for the audit office to use for assisting its organization to develop a better understanding of risks and a strong control environment. Because CSA is a non-audit service, it also has the potential to help build goodwill toward the audit function. This session covers the basics of CSA and offers a case study approach in how CSA can be deployed successfully.

Chris Horton, Audit Manager, Fairfax County Public Schools (VA)

Conference Agenda

CS#12. Roundtable: Audit Impact

Come to the audit impact roundtable prepared to discuss your ideas and experiences with audit impact and hear lessons learned from other participants. Topics will be generated by attendees.

Peter Heineccius, Senior Management Auditor, King County (WA)
Chelsea Lei, Management Auditor, King County (WA)

2:40 – 3:30 p.m.

CONCURRENT SESSIONS

CS#13. SharePoint: A Solution for Managing Audits and Workpapers

A possible solution to managing audit work for the small to medium audit shop. This highly customizable workspace sharing solution is the bridge between a paper-based or semi-electronic audit system and the expensive audit management software system. We will show you the SharePoint site we've developed, how we use it to manage our audits and workpapers, and explain how it can work for you.

Mimi Nguyen, Senior Performance Auditor, City of Palo Alto (CA)

CS#14. Beyond GAS: Rising Above the Floor of Audit Performance

Former Comptroller General David Walker often reminded us that the yellow book represents the floor for auditor performance. If the standards are the floor, what makes for optimal performance? Is it more independence, more peer reviews, more supervision, more documentation, more words in the audit report, or maybe more CPE? Or, is it something else? In this session, we will explore ways that an audit organization can pick itself up off the floor and rise above minimum expectations.

Jerome Heer, Director of Audits, County of Milwaukee (WI)
Mike Taylor, Director of Internal Audit, Hanover County (VA)

CS#15. Creating a Great Office Culture

The #1 challenge facing organizations is employee engagement and culture, according to a 2015 report from Deloitte. This session will explain what organizational culture is, why it's important, and describe the ways Austin's Office of the City Auditor have made their office an even better place to work.

Jason Hadavi, Deputy City Auditor, City of Austin (TX)
Andrew Keegan, Supervising Senior Auditor, City of Austin (TX)

3:40 – 4:30 p.m.

CONCURRENT SESSIONS

CS#16. How Audits Become Investigations

This session will use case studies to discuss how audits become investigations of fraud, waste, or abuse, and vice versa. We will highlight useful methods for proper evidence collection during audits and investigations to ensure a relevant and useful outcome. We will additionally discuss the City of Austin's fraud brainstorming processes that enable identification and reporting of potential fraud-related issues within the planning, fieldwork, and reporting stages of audits.

Matt Clifton, Senior Investigator, Office of the City Auditor, Integrity Unit, City of Austin (TX)
Nathan Wiebe, Chief of Investigations, Office of the City Auditor, Integrity Unit, City of Austin (TX)

CS#17. Knighton Award Winners (Part 1)

Hear from Knighton winners about their award-winning reports, useful project approaches, and successful audit processes.

CS#18. So You Want to Survey? Yes/No

So you think you want to conduct a survey, but are not quite sure what things you should consider before embarking on this adventure? In this session, presenters discuss questions to ask and options to consider regarding surveys, along with a few case studies and useful tips.

Bob MacKay, Senior Management Auditor, City of Portland (OR)
Harriet Richardson, City Auditor, City of Palo Alto (CA)

4:45 – 5:30 p.m.

GENERAL SESSION

GS#2. Collaborating for Success: Leveraging Local Expertise

This session will provide insight and examples of how the Texas Department of Transportation Audit and Compliance function engages local stakeholders and auditors to provide transparency and value when delivering audit results. This will include examples of establishing relationships, determining reliance on local audit professionals' work and communicating results.

Benito Ybarra, Chief Audit & Compliance Officer, Texas Department of Transportation

6:30 – 9:30 p.m.

DINNER & ENTERTAINMENT AT SCHOLZ GARDEN

Tuesday, May 24

7:00 – 8:00 a.m.

BREAKFAST

8:00 – 8:50 a.m.

BUSINESS MEETING

8:50 – 9:40 a.m.

GENERAL SESSION

GS# 3. When No One Calls: Understanding Why Hotline Reporting Programs Fail

The mandates to have a hotline reporting program are numerous, overlapping and broad. From the U.S. based Federal Sentencing Guidelines and Sarbanes-Oxley Act to international guidelines posed by the European Union, Stock Exchanges and even the United Nations; reporting hotlines are deemed as a necessary and good business practices. Unfortunately, there is a huge difference between having a hotline reporting program and having an effective, trusted, hotline reporting program. How the program is designed, the experience level of the investigators, and how employees are treated can impact whether employees decide to come forward or not. This interactive presentation will explore the top 10 factors that lead to a lack of trust in hotline reporting programs, discuss how a lack of trust can impact the entire organization, and highlight opportunities where organizations can create trusted and effective hotline reporting programs.

Ryan C. Hubbs, Senior Manager, Fraud Investigation & Dispute Services, Ernst & Young LLP, Houston TX

Conference Agenda

9:50 – 10:40 a.m.

CONCURRENT SESSIONS

CS#19. Writing Reader Friendly Audit Reports

The Oregon Secretary of State's Audits Division is trying to write more engaging reports that connect with the public and policymakers. Scott Learn, a performance auditor and former newspaper reporter, will detail the division's efforts, using examples from recent audit reports and emphasizing practical solutions.

Scott Learn, Performance Auditor, Oregon Audits Division

CS#20. Scrum Project Management for Auditing

Scrum, an incremental project management approach, focuses on the usability of its end products and the iterative process to create that end product. This session is intended to give attendees an introductory lesson and examples of using the Scrum framework to manage audit projects.

Elise Garvey, Management Auditor, King County (WA)

CS#21. Roundtable: Risk Assessment

Come to the risk assessment roundtable prepared to discuss your ideas and experiences with risk assessment and hear lessons learned from other participants

Carmelina DiMondo, Director, Forensic Unit, Auditor General's Office, City of Toronto (ON)

10:50 a.m. – 11:40 p.m.

CONCURRENT SESSIONS

CS#22. Hidden in Plain Sight: Investigating on the Internet

Investigators need to bring to bear all the tools they can to gather information on suspects and possible fact witnesses. The internet and social media have become some of the most valuable powerful and productive tools there are for this.

Allan Bachman, Education Manager, Association of Certified Fraud Examiners

CS#23. Common ALGA Peer Review Pitfalls and How to Avoid Them

Come learn about common findings identified during Yellow Book and Red Book peer reviews conducted by ALGA teams as well as the processes ALGA shops have developed to address these challenges.

Corrie Stokes, City Auditor, City of Austin (TX)
Bill Greene, City Auditor, City of Phoenix (AZ)

CS#24. Roundtable: Construction

Come to the construction roundtable prepared to discuss your ideas and experiences with construction audits and oversight and hear lessons learned from other participants. Topics will be generated by attendees.

Alan Pennington, Senior Vice President, Matrix Consulting

11:40 a.m. – 12:30 p.m.

LUNCH

12:30 – 1:20 p.m.

CONCURRENT SESSIONS

CS#25. How Audit Shops Can Use Tableau for Analysis and Reporting

This session will provide examples from the experience of two audit shops using Tableau to conduct analysis and share results by creating modern graphics and providing web-based reports.

Elise Garvey, Management Auditor, King County (WA)
Annamarie McNeil, Senior Management Auditor, Multnomah County (OR)

CS#26. Standards Update

When it comes to standards, there's always something changing. During this session, the GASB will provide an overview of key changes in government accounting and discuss future projects. Also, ALGA's Professional Issues Committee will highlight areas of the new Uniform Administrative Requirements for federal grants and common questions. Finally, the GAO will discuss their recent activities and share their perspective on the direction of government auditing standards.

Jan Sylvis, Vice Chair, Governmental Accounting Standards Board
Representative, U.S. Government Accountability Office
Sean Walker, Principal, CliftonLarsonAllen

CS#27. Roundtable: Managing From the Middle

Without formal decision-making authority, experienced auditors face unique challenges in managing audit projects while also fulfilling a critical leadership role within an office. This roundtable will host a discussion to gather input from participants about how experienced audit staff can manage projects, foster and execute new initiatives, and mentor less experienced staff without a formal managerial role.

Rebecca Takahashi, Senior Performance Auditor, Office of the City Auditor, San Diego (CA)
Katie Houston, Assistant City Auditor, Office of the City Auditor, City of Austin (TX)

1:30 – 2:20 p.m.

CONCURRENT SESSIONS

CS#28. Pictures Worth a Thousand Words: Using Infographics to Drive Audit Messages

If pictures are worth a thousand words, it would really tighten up our audit reports to include some high-potency graphics. Join a technical expert from Piktochart, an online infographic tool, and an experienced user to get the inside scoop. We'll give tips and tools for developing effective infographics that could help you show processes, concepts, timelines, decision trees, technical information, and more. We'll also call out common pitfalls and how to avoid them.

Justin Anderson, Senior Management Auditor King County Auditor's Office (WA)
Jacqueline Jensen, Piktochart

Conference Agenda

CS#29. The "Skata" In Trying to Deliver Audits

Welcome to Liz and Pam's world of audit "skata" (loosely translated from Greek meaning "poop") – a large municipality, ever changing Audit Committee members, and the challenges of delivering more audits than ever before on time, on budget and full of quality insights. We will share different solutions and initiatives we've implemented to keep the "skata" under control and to drive continuous improvement in our audit team's processes.

Liz Ormsby, Deputy City Auditor, City of Calgary (AB)
Pam Lewis, Deputy City Auditor, City of Calgary (AB)

CS#30. Knighton Award Winners (Part 2)

Hear from Knighton winners about their award-winning reports, useful project approaches, and successful audit processes.

2:40 – 3:30 p.m.

CONCURRENT SESSIONS

CS#31. Open Government is Accountable Government

The standard for government transparency has changed dramatically in the past few years. Simply posting financial documents is no longer enough – taxpayers are demanding more, be it in the form of downloadable datasets, new visual representations of information, or even simple bulleted lists of key figures. The Texas Comptroller's office seeks to evolve with the changing times with our new local transparency initiative, which recognizes local governments for going above and beyond previous standards for open government.

Haley Wynn, Transparency Division Manager, Comptroller of Public Accounts (TX)

CS#32. Connecting the Left Brain and Right Brain: What Innovation and Performance can Offer One Another

For the past few decades, governments at all levels have increasingly focused on managing and improving the performance of public programs—making them more efficient and more effective. More recently, cities like Austin have launched innovation efforts not only to improve what exists, but to do their work in new and better ways. These two areas are not unlike how we often talk about the human brain—one part focused on structure, logic, and analysis (performance); the other focused on free-flow, imagination, and intuition (innovation). And like the human brain, we in government need both of these not only to function, but to adapt in the face of complex challenges. In this session, the City of Austin's Innovation Office will share practices and stories of how the "hemispheres" of performance management and innovation can leverage what one another offers—all toward the common goal of making government better and more responsive to its people.

Daniel Honker, Innovation Office, City of Austin (TX)

CS#33. Roundtable: Small Audit Shops

Come to the small shop roundtable prepared to discuss your ideas and experiences with managing or working in a small shop and hear lessons learned from other participants.

Arlene Sones, City Auditor, City of Corpus Christi (TX)

3:40 – 4:30 p.m.

GENERAL SESSION

GS#4. A Demographic Snapshot of Austin: Sustained Explosive Growth, Profound Diversification, and Stubborn Socioeconomic Separations

Austin's demographic story continues to revolve around the three major themes of rapid, sustained job and population growth, profound diversification, and, stubborn socioeconomic separations. Leaders at Austin's City Hall are beginning to realize that being the fastest growing large city in the country year after year has become a bit of a dubious honor as this enormous growth drives and exacerbates our two biggest communitywide challenges: mobility and affordability.

Diversification of the urban region has gone way beyond demographics as Austin is now a far more economically, culturally and politically diverse community than it was twenty years ago. And yet, is Austin as integrated as it is diverse or is it as inclusive as it is tolerant? And finally, this analysis looks at other Texas cites and urban regions and attempts to put Austin's success as a place into perspective.

Ryan Robinson, City Demographer, City of Austin (TX)

4:45 p.m.

ALGA BOARD MEETING

Wednesday, May 25

8:00 a.m. – 4:00 p.m.

POST-CONFERENCE WORKSHOP

WS#6. The GAO's Green Book: Internal Control Workshop
How do you make sure bad things don't happen? Controls! In this workshop, learn how to define risks and apply controls to mitigate the risks without creating a burdensome bureaucracy. The class will work through a relevant case study based on the GAO's Standards for Internal Control in the Federal Government (the Green Book). The Green Book is based on the 2013 COSO model. *Continental breakfast and lunch will be provided.*

Leita Hart-Fanta, Audit Instructor and Founder of Yellowbook-CPE.com

8:00 a.m. - 12:00 p.m.

POST-CONFERENCE WORKSHOP

WS#7. Deception Detection: The Art of Insightful Interviewing
In this session, our goal is to teach auditors how to identify signs of deception on the part of the interviewee. We will discuss techniques focused on observing and interpreting verbal, nonverbal, and paralinguistic communication. We will also cover indicative behaviors that range from cadence and word selection to posture and hand gestures. Finally, we will finish with recommendations on how to respond to interviewees who have displayed signs of deceptive communication. *Continental breakfast will be provided.*

Brian Molloy, Senior Investigator, City of Austin (TX)
Mary Dory, Senior Auditor, City of Austin (TX)

Welcome to Shell
900 East Ave
Austin Tx 78701

SHELL
900 EAST AVE
AUSTIN, TX
78701
57545831802
05/25/2016 962574335
11:08:44 AM

PUMP# 5
REGULAR 4.4786
PRICE/GAL \$2.099
FUEL TOTAL \$ 9.40
CREDIT \$ 9.40

XXXX XXXX XXXX
VISA
AUTH # 02405C
INV # 506592

Bonus Savings
Save \$0.25/gal! Join
Fuel Rewards today
at fuelrewards.com
Offer ends 6/5/16.
Terms and conditions
apply.

Diesel fuel contains up to 5% Biodiesel
State diesel tax \$0.19 per gallon
Please come again

THRIFTY RENT A CAR
AUSTIN, TX 512-530-0811
RA# U60845002
RENTER MARK A BURCHYETT
OUT 06/21/2016 03:46 PM
IN 05/25/2016 11:24 AM
UNIT # 95068-0957282 CLASS :
FCAR
Miles OUT 2635
Miles IN 2734
Miles DRIVEN 99
FUEL OUT F
FUEL IN F
TOTAL CHARGES 261.97
RATE CHARGE 160.00
SURCHARGE 23.60
CUSTOMER FACILITY CHARGE 23.80
DROP TO AUSTIN 0.00
STATE RENTAL TAX 22.78
AP ACCESS FEE 20.40
CITY RENTAL TAX 11.39
BILL TO VI XXXX
CHECKED IN BY CONNOR

This is your receipt
No other copies will be provided
Closed rental subject to final audit

Sheraton Austin
 701 East 11th Street
 Austin, TX 78701
 United States
 Tel: 512-478-1111 Fax: 512-478-3700



Sheraton

Mark Burchyett
 2722 Truxtun Rd
 San Diego, CA 92106
 United States

Page Number : 1
 Guest Number : 802985
 Folio ID : A
 Arrive Date : 21-MAY-16 16:38
 Depart Date : 25-MAY-16 15:22
 No. Of Guest : 2
 Room Number : 810
 Club Account :

Tax Invoice

Tax ID : 46-5365229

Sheraton Austin 25-MAY-16 15:30 AUDREY

| Date | Reference | Description | Charges (USD) | Credits (USD) |
|-----------|-----------|--------------------------|---------------|---------------|
| 21-MAY-16 | RT810 | Room Charge | 135.00 | |
| 21-MAY-16 | RT810 | Hotel State Tax | 8.10 | |
| 21-MAY-16 | RT810 | Hotel City Tax | 12.15 | |
| 21-MAY-16 | RT810 | Parking Self - Overnight | 22.00 | |
| 21-MAY-16 | RT810 | Sales Tax | 1.82 | |
| 22-MAY-16 | RT810 | Room Charge | 135.00 | |
| 22-MAY-16 | RT810 | Hotel State Tax | 8.10 | |
| 22-MAY-16 | RT810 | Hotel City Tax | 12.15 | |
| 22-MAY-16 | RT810 | Parking Self - Overnight | 22.00 | |
| 22-MAY-16 | RT810 | Sales Tax | 1.82 | |
| 23-MAY-16 | RT810 | Room Charge | 135.00 | |
| 23-MAY-16 | RT810 | Hotel State Tax | 8.10 | |
| 23-MAY-16 | RT810 | Hotel City Tax | 12.15 | |
| 23-MAY-16 | RT810 | Parking Self - Overnight | 22.00 | |
| 23-MAY-16 | RT810 | Sales Tax | 1.82 | |
| 24-MAY-16 | RT810 | Room Charge | 135.00 | |
| 24-MAY-16 | RT810 | Hotel State Tax | 8.10 | |
| 24-MAY-16 | RT810 | Hotel City Tax | 12.15 | |

Continued on the next page

Sheraton Austin
 701 East 11th Street
 Austin, TX 78701
 United States
 Tel: 512-478-1111 Fax: 512-478-3700



Sheraton

Mark Burchyett
 2722 Truxtun Rd
 San Diego, CA 92106
 United States

Page Number : 2
 Guest Number : 802985
 Follo ID : A
 Arrive Date : 21-MAY-16 16:38
 Depart Date : 25-MAY-16 15:22
 No. Of Guest : 2
 Room Number : 810
 Club Account :

| Date | Reference | Description | Charges (USD) | Credits (USD) |
|-----------|-----------|--------------------------|---------------|---------------|
| 24-MAY-16 | RT810 | Parking Self - Overnight | 22.00 | |
| 24-MAY-16 | RT810 | Sales Tax | 1.82 | |
| 25-MAY-16 | VI | Visa [REDACTED] | | -716.28 |

For Authorization Purpose Only

| Date | Code | Authorized |
|-----------|--------|------------|
| 21-MAY-16 | 04766C | 783 |

Approve EMV Receipt for VI [REDACTED]
 TC:345D71F637FA3AA5 TVR:0080008000 AID:A0000000031010
 Application Label:CHASE VISA

** Total 716.28 -716.28
 *** Balance 0.00

With more than 70 destinations worldwide, Sheraton Resorts help you reboot, recharge and get the most out of your stay. Relax, play and experience what the world has to offer. Book your next vacation at www.sheraton.com/resorts

Continued on the next page

Sheraton Austin
701 East 11th Street
Austin, TX 78701
United States
Tel: 512-478-1111 Fax: 512-478-3700



Sheraton

Mark Burchyett
2722 Truxtun Rd
San Diego, CA 92106
United States

| | | | |
|--------------|---|-----------|-------|
| Page Number | : | 3 | |
| Guest Number | : | 802985 | |
| Folio ID | : | A | |
| Arrive Date | : | 21-MAY-16 | 16:38 |
| Depart Date | : | 25-MAY-16 | 15:22 |
| No. Of Guest | : | 2 | |
| Room Number | : | 810 | |
| Club Account | : | | |

Tell us about your stay. www.sheraton.com/reviews

Thank you for choosing the Sheraton Austin Hotel at the Capitol. Be our fan on Facebook & follow us on www.twitter.com/sheratonAustin!

\$13.49

x 8.390 Tax

\$1.12 Tax

13.49

14.61

2.92 20%

Tip

\$17.53



Pelons/508 512-243-7874
LIKE us on Facebook@PelonsAustin
802 Red River

Server: Mando
06:09 PM
Table 330/1

DOB: 05/21/2016
05/21/2016
6/60023

SALF

VISA 6291470
Card #XXXXXXXXXXXXXXXXXXXX
Magnetic card present: BURCHLETT MARK
Card Entry Method: S

Approval: 08669C

PELONS

Pelons/508 512-243-7874
LIKE us on Facebook@PelonsAustin
802 Red River

Amount: \$ 29.21
+ Tip: 6
= Total: 35.21

Server: Corina 05/21/2016
Table 330/1 6:03 PM
Guests: 0 60023

I agree to pay the above
total amount according to the
card issuer agreement.

Grilled Zucchini 13.49
~~Combo Enchilada 13.49~~

Subtotal 26.98
Tax 2.23

Total 29.21

Balance Due 29.21

Visit PelonsTexMex.com
Happy Hour M-F 2pm - 7pm
May We Suggest
(18%): \$ 4.86
(20%): \$ 5.40
(25%): \$ 6.75

X _____

Visit PelonsTexMex.com
Happy Hour M-F 2pm - 7pm
May We Suggest
(18%): \$ 4.86
(20%): \$ 5.40
(25%): \$ 6.75

Pelons Tex-Mex Cantina
508 Tequila House
LIKE us on Facebook@PelonsAustin
Visit us at PelonsAustin.com
Happy Hour M-F 2pm - 7pm
Late Nite Happy Hour M-F 10pm - Close

Thanks! Come again.

P. Terry 's
 1.75
 X .083 Tax
 1.15
 1.75
 \$1.89

Roaring Fork
 \$24.50
 .083 Tax
 2.03
 24.50
 26.53
 5.31 Tip 20%
 \$31.84



515 Congress Ave.
 Austin, TX 78701

128 Cecilia

Chk 9710 May 22 16 10:31A Gst 0

DINE IN
 1 EGG BURGER 1.75
 SAUSAGE 0.85
 REGULAR
 1 EGG BURGER 1.75
 REGULAR
 BACON 0.85
 XXXXXXXXX [REDACTED]
 VISA 5.63
 Subtotal 5.20
 Tax 0.43
 Payment 5.63

Thank You for dining with us!
 Order number 10

The Roaring Fork
 (512) 583-0000
 701 Congress
 Austin, TX 78701

Server: Joseph DOB: 05/22/2015
 06:35 PM 05/22/2016
 Table 42/1 4/40003

The Roaring Fork
 (512) 583-0000
 701 Congress
 Austin, TX 78701

Server: Joseph 05/22/2015
 Table 42/1 6:35 PM
 Guests: 2 40003

Iced Tea (2 @2.50) 5.00
 Bacon Wrapped Pork Tender (2 @22.0) 44.00
 Subtotal 49.00
 Tax 4.04
 Total 53.04
 Balance Due 53.04

SALE

VISA 4194306
 Card #XXXXXXXXXX [REDACTED]
 Magnetic card present: BURCHYETT MARK
 Card Entry Method: S
 Approval: 08065C

Amount: \$ 53.04
 + Tip: 11-
 = Total: 64.04

I agree to pay the above
 total amount according to the
 card issuer agreement.

Please join us for
 Happy Hour in the Lounge
 4pm to 7pm every day!!
 www.roaringfork.com

Y'all come back soon!

\$19.90
 X.083 Tax
 1.65
 19.90
 21.55
 4.31 Tip 20%
\$25.86

801 Red River

Server: Lucias DOB: 05/23/2016
 05:58 PM 05/23/2016
 Table 13/1 2/20056

SALE

VISA 2097206
 Card #XXXXXXXXXX
 Magnetic card present: BURCHYETT MARK
 Card Entry Method: S

Approval: 00196C

801 Red River

Server: Lucias 05/23/2016
 Table 13/1 5:58 PM
 Guests: 11 20056
 Reprint #: 1

Club's Miner (2 @16.35) 33.90
 Iced Tea 2.95

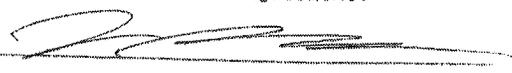
 Subtotal 36.85
 Tax 3.04

 Total 39.89

Balance Due 39.89

Amount: \$ 39.89
 + Tip: 7.00
 = Total: 46.89

I agree to pay the above total amount according to the card issuer agreement.

X 

Suggested tip amounts provided
 for your convenience
 (20%) = 7.37
 (18%) = 6.63
 (15%) = 5.53

Suggested tip amounts provided
 for your convenience
 (20%) = 7.37
 (18%) = 6.63
 (15%) = 5.53

Thanks! Come again.

\$15.45
 X .083 Tax

 1.28
 15.45

 16.73
 3.35 Tip 20%

\$20.08

6550 Comanche Tr.
The Oasis

Servers: Kevin
 Table 192/1
 Guests: 2
 05/24/2016 3:54 PM 80014
 ICED TEA (2 @3.50) 7.00
 Dinner Burger 11.95
 MEDIUM
 \$ American Chz 1.05
~~Dinner Peter Choice Salad 14.95~~
 Complete Subtotal 39.95
 4 items
 Subtotal 39.95
 Tax Tax 2.90
 Total Tax 2.90
 Total 39.95
 Balance Due 39.95

For parties of 7 or more, an 18% gratuity has been added. Please feel free to raise, lower or remove based on your service experience.
 Thank you! The Oasis

6550 Comanche Tr.

Server: Kevin
 04505 PM
 Table 192/1
 Date: 05/24/2016
 05:24:20 PM
 8780014

SALE

VISA 3291476
 Card XXXXXXXXXX
 Magnetic card presents BURCHYETT MARK
 Card Entry Method: S

Approval: 034400

Amount: \$ 39.95
 - Tip: 8-
 = Total: 46.05

I agree to pay the above total amount according to the card issuer agreement.

[Signature]

For parties of 7 or more, an 18% gratuity has been added. Please feel free to raise, lower or remove based on your service experience.
 Thank you! The Oasis

Merchant Copy

6.00
 X .083 Tax

 6.50
 6.00

 6.50
 1.30 Tip

\$7.80

THE DRISKILL
 1886 CAFE
 (512) 439-1234

502 ADAM

CHK 1322 MAY24'16 7:12PM

DINING

THE DRISKILL
 1886 CAFE
 604 Brazos Street
 Austin, TX 78701
 (512) 439-1234

1 Cinnamon Roll 6.00
 1 Danish Cream Chz 4.50

 FOOD SALES 10.50
 *TAX 0.87
 TOTAL DUE \$11.37

CHECK: 1322
 SERVER: 502 ADAM
 DATE: MAY24'16 7:15PM
 CARD TYPE: VISA \$
 ACCT #: XXXXXXXXXXXX
 EXP DATE: XX/XX
 AUTH CODE: 05114C
 000000000000VN59 0
 052416191504

Tip: _____
 Total: _____
 Room: _____
 Name: _____
 Signature: _____

MARK BURCHYETT

SUBTOTAL: 11.37
 TIP: 2.50
 TOTAL: 13.87
 SIGNATURE: _____

Earn or Redeem Points for Dining
 Gold Passport#:
 Last Name:
 Offer code(s):
 Redemption Eligible; 11.37 USD
 *Not point earning eligible.
 #Not point redemption eligible.

I agree to pay the above total
 amount according to cardholder
 agreement.

GRATUITY INCL. FOR PARTIES OF 6
 OR MORE

\$17.25
 X .083 TAX

 1.43
 17.25

 18.68
 3.74 Tip 20%

 \$22.42

Sheraton Austin Capitol
 701 E 11th Street
 Austin, TX 78701

Sheraton Austin Capitol
 701 E 11th Street
 Austin, TX 78701
 Contact: (512) 478-1111
 5/25/2016 9:09 AM

Contact: (512) 478-1111
 930790021 Maria V.
 Check 33334 23
 5/25/2016 8:43 AM

Check: 33334
 Server: 930790021 Maria V.
 Card Type: Visa
 Acct Num: *****
 Auth Code: 07512C

| | |
|-------------------------|----------------|
| 2 Eggs Your Way @ 14.00 | 28.00 |
| 1 Reg Coffee | 3.25 |
| Subtotal | \$31.25 |
| Sales Tax | \$0.27 |
| Food Tax | \$2.31 |
| Total Due | \$33.83 |

Amount: \$33.83
 Gratuity: 7.50
 Grand Total: 40.83

FOR ROOM CHARGES ONLY
 GRATUITY: _____
 TOTAL: _____
 ROOM # _____
 PRINT NAME _____
 SIGNATURE _____
 Thank you for dining with us!!!

X _____
 Cardmember agrees to pay the Grand Total
 in
 accordance with agreement governing
 use of such card.
 Thank you, please come visit
 with us again!!!

BRETON K. LOBNER

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
TRAVEL EXPENSE REPORT**

(To be completed within 30 days from travel return date)

TRAVELER: Breton Lobner DEPT. NAME & NO. General Counsel
 DEPARTURE DATE: 5/3/2016 RETURN DATE: 5/7/2016 REPORT DUE: 6/6/16
 DESTINATION: Portland, OR

Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.

| | Authority Expenses (Prepaid by Authority) | Employee Expenses | | | | | | | TOTALS |
|---|--|-------------------|-------------|-------------------|---------------------|--------------------|------------------|--------------------|-----------------|
| | | SUNDAY | MONDAY | TUESDAY 5/3/16 | WEDNESDAY 5/4/16 | THURSDAY 5/5/16 | FRIDAY 5/6/16 | SATURDAY 5/7/16 | |
| Air Fare, Railroad, Bus (attach copy of Itinerary w/charges) | 253.46 | | | | | | | | 0.00 |
| Conference Fees (provide copy of flyer/registration expenses) | 825.00 | | | | | | | | 0.00 |
| Rental Car* | | | | | | | | | 0.00 |
| Gas and Oil* | | | | | | | | | 0.00 |
| Garage/Parking* | | | | | | | | | 0.00 |
| Mileage - attach mileage form* | | | | | | | | | 0.00 |
| Taxi and/or Shuttle Fare (include tips pd.)* | | | | 2.50 | | | | | 2.50 |
| Hotel* | | | | 308.67 | 296.56 | 296.45 | 296.56 | | 1,198.24 |
| Telephone, Internet and Fax* | | | | | | | | | 0.00 |
| Laundry* | | | | | | | | | 0.00 |
| Tips - separately paid (maids, bellhop, other hotel srvs.) | | | | 2.00 | | | 2.00 | | 4.00 |
| Meals (include tips pd.) | Breakfast* | | | | | | | | 0.00 |
| | Lunch* | | | 12.30 | | 13.80 | | | 26.10 |
| | Dinner* | | | 71.40 | 40.00 | 59.00 | 54.99 | | 225.39 |
| | Other Meals* | | | | | | | | 0.00 |
| <i>Alcohol is a non-reimbursable expense</i> | | | | | | | | | |
| Hospitality ^{1*} | | | | | | | | | 0.00 |
| Miscellaneous | | | | | | 6.75 | | | 6.75 |
| Baggage fee | | | | | | | | | 0.00 |
| *Provide detailed receipts | | | | | | | | | 0.00 |
| Total Expenses prepaid by Authority | 1,078.46 | 0.00 | 0.00 | 396.87 | 336.56 | 376.00 | 363.55 | 0.00 | 1,462.98 |

| | | |
|--|--|-----------------|
| Explanation: | Total Expenses Prepaid by Authority | 1,078.46 |
| | Total Expenses Pd. by Employee (Including cash advances) | 1,462.98 |
| | Grand Trip Total | 2,541.44 |
| | Less Cash Advance (attach copy of Authority ck) | |
| | Less Expenses Prepaid by Authority | 1,078.46 |
| | Due Traveler (positive amount)² | 1,462.98 |
| | Due Authority (negative amount)³ | 1,462.98 |
| <i>Note: Send this report to Accounting even if the amount is \$0.</i> | | |

¹ Give names and business affiliations of any persons whose meals were paid by traveler.
² Prepare Check Request
³ Attach personal check payable to SDCRAA

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy⁴ and 3.30 - Business Expense Reimbursement Policy⁵ and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.

Prepared By: Kerdy Rios Ext.: x2424
 Traveler Signature: Breton Lobner Date: 5-18-16
 Approved By: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE (To be certified if used by President/CEO, Gen. Counsel, or Chief Auditor)

I, _____ hereby certify that this document was approved by the Executive Committee at its _____ meeting.
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)
 (Leave blank and we will insert the meeting date.)

Failure to attach required documentation will result in the delay of processing reimbursement. If you have any questions, please see your department Administrative Assistant or call Accounting at ext. 2806.

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST**

GENERAL INSTRUCTIONS:

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

1. TRAVELER:

Travelers Name: Bretton K. Lobner Dept: 15

Position: Board Member President/CEO Gen. Counsel Chief Auditor

All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 1-13-2016 **PLANNED DATE OF DEPARTURE/RETURN:** 5/3/2016 / 5/7/16

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip- continue on extra sheets of paper as necessary):

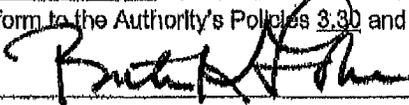
Destination: Portland, OR Purpose: 2016 Legal Affairs Conference & Exhibition
Explanation: Legal Affairs Conference

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

| | |
|--|------------|
| • AIRFARE | \$ 400.00 |
| • OTHER TRANSPORTATION (Taxi, Train, Car Rental) | \$ 0.00 |
| B. LODGING | \$ 1100.00 |
| C. MEALS | \$ 150.00 |
| D. SEMINAR AND CONFERENCE FEES | \$ 825.00 |
| E. ENTERTAINMENT (If applicable) | \$ |
| F. OTHER INCIDENTAL EXPENSES | \$ |
| TOTAL PROJECTED TRAVEL EXPENSE | \$ |

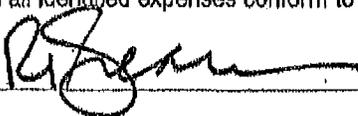
CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 2-23-16

CERTIFICATION BY ADMINISTRATOR (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

- 1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
- 2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
- 3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature:  Date: 2.11.16

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

_____, hereby certify that this document was approved
(Please leave blank. Whoever clerk's the meeting will insert their name and title.)

by the Executive Committee at its _____ meeting.

(Leave blank and we will insert the meeting date.)



Traveltrust Corporation
 374 North Coast Hwy 101, Suite F
 Encinitas, CA 92024
 Phone: (760) 635-1700

ADD TO OUTLOOK

Wednesday, 13APR 2016 07:24 PM EDT

Passengers: BRETON LOBNER (19)

Agency Reference Number: NRWWDZ

Click here to view your current Itinerary or ETicket receipt on-line: tripcase.com

Southwest Airlines Confirmation 9ZB5DU

Please review your itinerary and report any discrepancies to Traveltrust within 24hrs of receipt
 Be sure to visit www.traveltrust.com for additional travel information

You are a valued client and we want to do everything possible to make your trip enjoyable and worry free.
 Because the unexpected can occur, we offer the Travel Insured Plan. It has excellent
 benefits and combines insurance coverage with Emergency Hotline Services. Please click the following link
 for a free quote or more information. [Click Here](#) (Currently Available For U.S. Departures Only)

AIR Tuesday, 3MAY 2016

Southwest Airlines
From: San Diego CA, USA
To: Portland OR, USA
Stops: 1
 Sacramento CA, USA

Flight Number: 1981
Depart: 11:50 AM
Arrive: 03:15 PM
Duration: 2 hour(s) 55 minute(s)

 **Class:** T-Coach/Economy

Status: CONFIRMED **Miles:** 947 / 1515 KM

Equipment: Boeing 737-700 Jet
 DEPARTS SAN TERMINAL 1
 FREQUENT FLYER NUMBER [REDACTED]
Southwest Airlines Confirmation number is 9ZB5DU

AIR Saturday, 7MAY 2016

Southwest Airlines
From: Portland OR, USA
To: San Diego CA, USA
Stops: Nonstop

Flight Number: 0622
Depart: 02:15 PM
Arrive: 04:40 PM
Duration: 2 hour(s) 25 minute(s)
Status: CONFIRMED

 **Class:** S-Coach/Economy

Miles: 934 / 1494 KM

Equipment: Boeing 737-700 Jet
 ARRIVES SAN TERMINAL 1
 FREQUENT FLYER NUMBER [REDACTED]
Southwest Airlines Confirmation number is 9ZB5DU

A PORTION OF THIS TRIP MAY BE REFUNDABLE. PLEASE RETURN
 UNUSED PORTIONS TO TRAVELTRUST FOR POSSIBLE REFUND.
 SOUTHWEST AIRLINES CONFIRMATION NUMBER - 9ZB5DU
 FOR EMERGENCY SERVICE FROM UNITED STATES - 888-221-6043

Ticket/Invoice Information

Ticket for: BRETON LOBNER

Ticket Nbr: WN2401258716 Electronic Tkt: No Amount: 223.46
Base: 177.92 Tax: 45.54
Charged to: AX*****[REDACTED]

Service fee: BRETON LOBNER
Date issued: 4/13/2016
Document Nbr: XD0674859423 Amount: 30.00
Charged to: AX*****[REDACTED]

Total Tickets: 223.46
Total Fees: 30.00
Total Amount: 253.46

Click here 24 hours in advance to obtain boarding passes:
[SOUTHWEST](#)

Click here to review Baggage policies and guidelines:
[SOUTHWEST](#)

TSA Guidance- a government issued photo id is needed for checkin.
Please allow minimum 3 hour check-in for International flights and 2 hours for Domestic.
For Additional security information visit www.tsa.gov.

Thank you for choosing TravelTrust!

Our Business Hours are 1am-5:30pm Pacific Monday - Friday.

Saturday from 9am-1pm Pacific.

For EMERGENCY AFTERHOURS assistance in the US, please call 888-221-6043 and use VIP Code SJE72.

You can also use the Direct Dial Number 682-233-1914 or the collect number 682-647-0061.

Each call is billable at a minimum \$25.00.

The Nines
 525 SW Morrison
 Portland, OR 97204
 United States
 Tel: 503-222-9996 Fax: 503-222-9997



Breton Lobner
 120 29TH PL
 MANHATTAN BCH, CA 90266-2026
 United States

Page Number : 1
 Guest Number : 661954
 Folio ID : A
 Arrive Date : 03-MAY-16 16:38
 Depart Date : 07-MAY-16 11:17
 No. Of Guest : 1
 Room Number : 810
 Club Account : SPG [REDACTED]

Tax Invoice

Tax ID : 20-4185118

The Nines 07-MAY-16 11:17 SUZARAN

| Date | Reference | Description | Charges (USD) | Credits (USD) |
|-----------|-----------|-----------------------------|---------------|---------------|
| 03-MAY-16 | 5160 | Urban Farmer | 10.00 | |
| 03-MAY-16 | 5160 | Urban Farmer | 2.00 | |
| 03-MAY-16 | RT810 | Room Charge | 259.00 | |
| 03-MAY-16 | RT810 | Lodging Tax | 32.38 | |
| 03-MAY-16 | RT810 | Portland Tourism Assessment | 5.18 | |
| 04-MAY-16 | RT810 | Room Charge | 259.00 | |
| 04-MAY-16 | RT810 | Lodging Tax | 32.38 | |
| 04-MAY-16 | RT810 | Portland Tourism Assessment | 5.18 | |
| 05-MAY-16 | RT810 | Room Charge | 259.00 | |
| 05-MAY-16 | RT810 | Lodging Tax | 32.38 | |
| 05-MAY-16 | RT810 | Portland Tourism Assessment | 5.18 | |
| 06-MAY-16 | RT810 | Room Charge | 259.00 | |
| 06-MAY-16 | RT810 | Lodging Tax | 32.38 | |
| 06-MAY-16 | RT810 | Portland Tourism Assessment | 5.18 | |
| 07-MAY-16 | AX | American Express-8586 | | -1198.24 |

For Authorization Purpose Only

[REDACTED]
 Date Code Authorized

Continued on the next page

The Nines
525 SW Morrison
Portland, OR 97204
United States
Tel: 503-222-9996 Fax: 503-222-9997



Breton Lobner
120 29TH PL
MANHATTAN BCH, CA 90266-2026
United States

Page Number : 2
Guest Number : 661954
Folio ID : A
Arrive Date : 03-MAY-16 16:38
Depart Date : 07-MAY-16 11:17
No. Of Guest : 1
Room Number : 810
Club Account : SPG - Axxxxxx [REDACTED]

| | | |
|-----------|--------|---------|
| 03-MAY-16 | 326082 | 1126.65 |
| 03-MAY-16 | 266497 | 375.55 |

| | | |
|-------------|---------|----------|
| ** Total | 1198.24 | -1198.24 |
| *** Balance | 0.00 | |

As a Starwood Preferred Guest you have earned at least 2096 Starpoints for this visit Axxxxxx [REDACTED]

Tell us about your stay. www.luxurycollection.com/reviews

Rios Kendy

From: meetings@aci-na.org
Sent: Friday, February 12, 2016 1:41 PM
To: Lobner Breton
Cc: Rios Kendy
Subject: 2016 Legal Affairs Spring Conference Registration Details

**Airports Council International - North America
REGISTRATION CONFIRMATION & RECEIPT**

2016 Legal Affairs Spring Conference
Wednesday, May 4, 2016 through Saturday, May 7, 2016
The Nines
525 SW Morrison
Portland OR, 97204

Confirmation #81870

| Registrant Information | | |
|---|---|--|
| Badge | Bret Breton K. Lobner General Counsel San Diego County Regional Airport Authority San Diego, CA | Address 3225 N. Harbor Drive San Diego, CA 92101 USA Phone: (619) 400-2424 Email: blobner@san.org |
| Attendee Type(s) | Member Airport | |
| Total Registration | | |
| | Total Registration Fees | \$ 825.00 |
| | Amount Paid -- Thank You | \$ 825.00 |
| | Balance Due | \$ 0.00 |
| Basic Registration Fees | | |
| | Conference Registration Fee | \$ 825.00 |
| Additional Information | | |
| 2016 Legal Affairs Spring Conference May 4-7, 2016 | | |

Bret's lunch \$12.30

Train
\$1 2.50



THE COUNTER

San Diego Intl Airport
San Diego, CA 92101
619-220-0368
San Diego Terminal 1 Rotunda

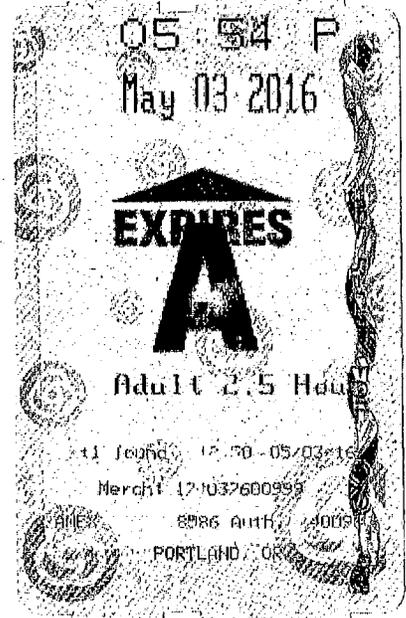
1280 Donna D

Chk 2815 BRET
 May03'16 11:01AM

| | |
|--|-------|
| 1 ANGUS BEEF - American - Brioche Bun | 9.95 |
| 1 Btl Water | 2.71 |
| XXXXXXXXXX AMER EXPRESS | 12.30 |

| | |
|----------|-------|
| FOOD | 9.95 |
| BEVERAGE | 2.71 |
| 10 % | |
| 10% DISC | 1.27 |
| TAX | 0.91 |
| PAYMENT | 12.30 |

-----1450 Check Closed-----
-----May03'16 11:05AM-----



5/3

Dinner \$71.40

Port of Portland 5.3 Individual Itemized Receipt
ANDINA
1314 NW GLISAN
503-228-9535

Server: Matthew 05/03/2016
Table 6000/1 10:48 PM
Guests: 1 40016

TRES SALSAS CON PAN 1.50
3 COURSE PRIX FIXE MENU 58.00

Subtotal 59.50

Total 59.50
Gratuity 20.00% 11.90
Total 71.40

Muchas Gracias
Bar Mestizo features live
Latin music 7 days a week

Dinner
Bret's share
40

Little Bird
219 SW 8th
Portland, OR 97204
ph 503-688-5952

Guest Check
Thank You for Visiting

TABLE: 41 - 4 Guests
Your Server was Eric
5/4/2016 9:57:28 PM
Sequence #: 0000082
ID #: 0222719

| ITEM | QTY | PRICE |
|---|--|----------|
|  |  | |
| Coconut Cream Cake | 1 | \$10.00 |
| Coq Au Vin | (2@) | \$27.00 |
| Daily Fish | 1 | \$5.00 |
| Matello, Caprice, (BTL) | (2@) | \$40.00 |
| Trout | 1 | \$26.00 |
| Subtotal | | \$226.00 |
| Grand Total | | \$226.00 |
| Amount Due: | | \$226.00 |

MERCI
Guest Check

5/5
Lunch \$13.80

5/5
Dinner
Bret's share \$59.00

red hills market

Order #30-658 May 5, 2016, 1:30 PM
Sale Served by Whitney
Transaction #0172073005051612639

1 x COBB 12.00
1 x TO GO 0.00

Subtotal 12.00
Total 12.00

Name LOBNER/BRET
Approval Code 73718

Amount 12.00
Tip 1.8
Total Charged 13.8

I agree to pay the above total amount according to the card issuer agreement.

Signature Bret

155 SW 7th Street
Dundee, OR 97115
United States
971.832.8414
info@redhillsmarket.com
redhillsmarket.com

OINK!



13

THE
JOEL PALMER
HOUSE

Order# 957
Seat Count-1
Table: 14
Date: 5/5/16, 6:18 PM

3 course \$59.00
Coffee \$3.00
18% Service Charge \$25.56

Subtotal: \$167.56
Total Tax: \$0.00

Total: \$167.56

Order Balance due: \$167.56

Service Charge has been added in lieu of gratuity
Feel free to adjust this amount as you deem appropriate.

The Nines, Portland Business Center Receipt

Thank you for your purchase.

Computer Usage

15 minutes at \$5.95 per 15 minutes: \$5.95

Printing

5 grayscale pages free: \$0.00

2 grayscale pages at \$0.40 per page: \$0.80

Total Payment: \$6.75

Payment Method: American Express, ***[REDACTED]

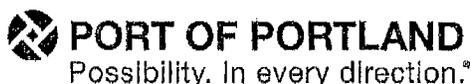
Payment Date: Thursday, May 05, 2016 11:19:54 PM

Thank you for using the Business Center at The Nines, Portland.



ACI-NA Legal Affairs Spring Conference May 4 – 7, 2016 • The Nines • Portland, OR

Host Airport



Sponsors



Wednesday, May 4, 2016

- 8:00am – 5:00pm **Registration**
Nines Ballroom Foyer (6th floor); The Nines
- 9:30am – 12:00pm **Steering Group Meeting (Steering Group Members only)**
Gallery 1 & 2; The Nines
- 12:45pm – 5:00pm **GENERAL SESSION**
All General Session Presentations will take place in the Fashion/Culture Ballroom
- 12:45pm – 1:00pm **Welcome and Introduction -- Moderator: Tom Devine, ACI-NA General Counsel;**
Speakers: Wendy Hain, Assistant General Counsel, Port of Portland, Portland International Airport ; Vince Granato, Chief Operating Officer, Port of Portland.
- 1:00pm – 1:30pm **FAA Perspective on Big Picture Issues – Moderator: Tom Devine, ACI-NA General Counsel;**
Speaker Eddie Angeles, FAA Associate Administrator for Airports. FAA Reauthorization, including PFCs and AIP issues, drones, land use, and more.
- 1:30pm – 2:30pm **Airport Development Part I: Legal Counsel Roles and Issues in Financing Transactions, and Airport Development Projects**
1:30-1:35pm Intro by Moderators Emily Neuberger, Senior Vice President & General Counsel, Wayne County Airport Authority, Detroit Metro Airport; Jeff Letwin, Partner, Saul Ewing LLP (Outside General Counsel, Allegheny County Airport Authority – Pittsburgh International Airport).
1:35-2:00pm Dave Bannard (Partner, Foley & Lardner); and Cindy Nichol (CFO, Port of Portland). Legal counsel roles and issues in the issuance of Airport Revenue Bonds for airport capital development;

2:00-2:15pm *Brandon Davis (Attorney, Nossaman LLP). LAX LAMP program;*

2:15-2:30pm *Carlene McIntyre, Assistant General Counsel Port Authority of New York and New Jersey LaGuardia Airport P3 redevelopment project.*

2:30pm – 2:45pm

Break
Nines Ballroom Foyer; The Nines

2:45pm – 4:00pm

Airport Development Part II: Legal Counsel Roles and Issues in Financing Transactions, Large Capital Improvement Programs and Airport Hotel Projects

2:45-3:15pm *Ann Morgan (Partner, Fenemore Craig Jones Vargas, outside general counsel, Reno Tahoe Airport Authority) and Tina Iftiger (Vice President of Economic Development, Reno Tahoe Airport Authority) Reno Tahoe Airport development project;*

3:15-3:30pm *Steve Michoulas (Director, Legal Services & Legal Counsel, Vancouver Airport Authority) Vancouver Non-Aeronautical Development project;*

3:30-3:45pm *Paul Tomme (Legal Counsel, Dallas/Fort Worth International Airport) DFW hotel financing;*

3:45-4:00pm *Brian Sadek (Assistant General Counsel, Wayne County Airport Authority) DTW Westin Hotel refinancing and renegotiation of Starwood Hotel Management.*

4:00pm – 5:00pm

Litigation Update (Closed Session. No one representing interests adverse to airports on topics being discussed may attend during that discussion) – Moderator: Joe Messina, Divisional Deputy City Solicitor, City of Philadelphia Law Department, Philadelphia International Airport. Dallas Love Field-related cases, Tampa PFC litigation, Phoenix Next Gen litigation (*Eric Pilsk, Kaplan Kirsch & Rockwell*), Part 16 skydiving cases (*Dave Bannard, Foley & Lardner, Eric Pilsk, Kaplan, Kirsch & Rockwell*); *Mocek v. City of Albuquerque* (10th Circuit case affirming the qualified immunity dismissal of lawsuit against arresting Aviation police officers, and discussing retaliatory arrests and First and Fourth Amendment concepts in an airport forum) (*Peter Pierotti, Assistant City Attorney, Aviation, Albuquerque International Sunport*); implications for other airports of FAA's position on the reversion of federal interest, the implications of grant amendments, and the duty to enter into long term leases in ongoing litigation involving Santa Monica; the settlement of the LA/ONT case and related PFC issues (*Scott Lewis, Anderson & Kreiger*).

5:30pm – 7:00pm

Welcome Reception sponsored by Miller Nash Graham & Dunn LLP
111 SW Fifth Avenue, Suite 3400 | Portland, OR 97204

The reception will be held just four blocks away at the landmark U.S. Bancorp Tower, referred to as "Big Pink" due to its unique coloring. Please proceed up the middle bay of elevators to the law offices of our sponsor Miller Nash Graham & Dunn LLP on the 34th floor.

**MILLER
NASH** | **GRAHAM
& DUNN**^{LLP}
ATTORNEYS AT LAW

Thursday, May 5, 2016

- 7:30am – 12:00pm **Registration**
Nines Ballroom Foyer (6th floor); The Nines
- 7:30am – 8:00am **Continental Breakfast**
Nines Ballroom Foyer; The Nines
- 8:00am – 8:30am **Legislative Update: ACI-NA Perspective** *Speaker: Tom Devine, ACI-NA General Counsel, FAA Reauthorization, security legislation, and more.*
- 8:30am – 10:00am **Airport Revenue Use Part I** – *Moderator Dan Reimer, Assistant General Counsel, Denver International Airport. Speakers: Scott Lewis, Anderson & Kreiger; Randy Fiertz, Manager of FAA's Northwest Mountain Region - Airports Division; Joelle Briggs, Manager, Seattle Airports District Office, FAA. Revenue Use and Self-Sustaining requirements for commercial development agreements, property acquisition, usage, leasing, and disposal. When can you do a voluntary transaction and buy a piece of land that someone offers you that is near the airport? What are the implications regarding compatible uses, land banking, etc.?*
- 10:00am – 10:15am **Break**
Nines Ballroom Foyer; The Nines
- 10:15am – 11:15am **Airport Revenue Use Part II** – *Moderator: Wendy Hain, Assistant General Counsel, Port of Portland, Portland International Airport. Speakers: T.J. Roskelly, Partner, Anderson Kreiger; Leila Lahbabi, Senior Assistant City Attorney/Airport Attorney, Charlotte Douglas International Airport; Kristen Rectenwald Senior Assistant City Attorney, Aviation Practice Group, City of Atlanta Department of Law; Randy Fiertz, Manager of FAA's Northwest Mountain Region - Airports Division. How do the Revenue Use requirements apply to payments in lieu of taxes (PILOTS), settlement of lawsuits; payments of project mitigation measures, stormwater fees and leases for USO or Police Protection?*
- 11:15am – 12:00pm **FAA Update** *Moderator Louisa Goldstein. Speaker: Randy Fiertz, Manager of FAA's Northwest Mountain Region - Airports Division - enforcement issues, staffing concerns. FAA response to A4A letter on per turn fees. Possible Rates and Charges Policy changes. Status of ACI-NA initiatives on incentives and land use, and other issues.*
- Noon **Adjourn for the day**

Friday, May 6, 2016

- 8:00am – 4:00pm **Registration**
Nines Ballroom Foyer (6th floor); The Nines
- 8:00am – 9:00am **Continental Breakfast**
Nines Ballroom Foyer; The Nines
- 9:00am – 10:15am **Legal Issues in Hiring Airport CEOs** – *Moderator: Nancy McNair; Speakers Sheryl Bregman, Airport General Counsel, Office of the San Francisco City Attorney San Francisco International Airport; Debra Braga, Chief Legal Officer, Jacksonville Aviation Authority; Ann Morgan, Partner, Fennemore Craig Jones Vargas (Outside General Counsel, Reno Tahoe Airport; Tom Anderson, General Counsel Metropolitan Airports Commission, Minneapolis-St. Paul International Airport, and search firm representative. Many airport CEO positions have recently become, or are anticipated to become, open in the near future. This session will discuss the methods for filling positions and the involvement of airport lawyers, covering topics such as how can airports conduct searches/negotiations in light of*

Open Meetings Act and state/local Open Records/Sunshine Act requirements?

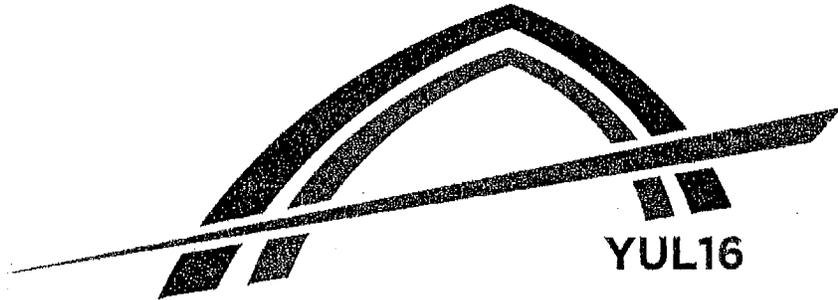
- 10:15am – 10:30am **Break**
Nines Ballroom Foyer; The Nines
- 10:30am – 12:00pm **Cyber Security** – Moderators: *Ann Morgan, Partner, Fennemore Craig Jones Vargas (Outside General Counsel, Reno Tahoe Airport); Bret Lobner, General Counsel, San Diego County Regional Airport Authority. Speaker: Marty Mueller, Director of IT, Reno-Tahoe Airport Authority).* Cautionary tales for airport attorneys concerning cyber security – measures to protect the airport from breaches and how to respond if there is a breach.
- 12:00pm – 1:30pm **Lunch**
Design 1 & 2 Ballrooms; The Nines – Speaker Scott Schickli, Of Counsel, Orrick, Herrington & Sutcliffe – Implications for Airport Bond Issues of Proposed IRS Revision to the Definition of "Political Subdivision."
- 1:30pm – 2:45pm **Airport Legal Ethics Interactive Session Part I** - Speakers *Peter Pierotti, Assistant City Attorney, Aviation, Albuquerque International Sunport; Tim Karaskiewicz, General Mitchell International Airport, Office of the Milwaukee County Corporation Counsel; Dave Mackey Partner, Anderson & Kreiger.*
- 2:45pm – 3:00pm **Break**
Nines Ballroom Foyer; The Nines
- 2:45pm – 4:00pm **Airport Legal Ethics Interactive Session Part II** - Speakers *Peter Pierotti, Assistant City Attorney, Aviation, Albuquerque International Sunport; Tim Karaskiewicz, General Mitchell International Airport, Office of the Milwaukee County Corporation Counsel; Dave Mackey Partner, Anderson & Kreiger.*
- 4:00pm – 5:00pm **Airport Law Roundtable (Closed Session. No one representing interests adverse to airports on topics being discussed may attend during that discussion)** - Moderator: *Tim Abbott, Assistant County Attorney, Dade County (Miami International Airport): Safety Management Systems, Title VI Issues: Contract compliance, non-aeronautical use of hangars, ATC Metroplex issues, Stormwater litigation; proposed new IRS definition of "Political Subdivision" – impact on tax exempt status of some airport bonds; open carry -- guns & dope, other issues.*
- 5:30pm – 6:30pm **Reception hosted by the Port of Portland**
Join ACI-NA and the Port of Portland in **The Nines Ballroom Prefunction on the 6th Floor** for a unique cocktail experience at the host airport reception. The evening will be filled with food, drinks and a chance to network with your peers.



Saturday, May 7, 2016

- 8:00am – 10:00am **Registration**
Nines Ballroom Foyer (6th floor); The Nines
- 8:00am – 8:30am **Continental Breakfast**
Nines Ballroom Foyer; The Nines
- 8:30am – 10:00am **Airline Rates and Charges - Moderator: Pablo Nuesch, Partner, Spiegel & McDiarmid. Speakers: Susana Carbajal, Assistant Director, Austin-Bergstrom International Airport; Dave Bannard, Partner, Foley & Lardner; Scott Lewis, Partner, Anderson & Kreiger; Peter Kirsch, Partner, Kaplan Kirsch & Rockwell.** Smaller airports seeking to negotiate a use and lease agreement with a per turn fee for low frequency carriers are getting vigorous push-back from legacy carriers. What is the impact of FAA's recent response to the A4A letter on this issue? How can airports reasonably accommodate different airlines operating under vastly different business models? Discussion of the Austin P3 project for an ultra-low cost carrier terminal. Legal and policy reasons for airports to consider rates by ordinance/resolution if airlines won't agree to reasonable terms in an agreement.
- 10:00am – 10:45am **TSA Update - Moderator: Bob Watson, Senior Vice President & CLO, Metropolitan Nashville Airport Authority; Speaker: Francine Kerner, Chief Counsel, Transportation Security Administration.** Topics include insider threat: employee/concessionaire screening, enforcement of Real ID laws, TSA regulation by Security Directives, and other airport security issues.
- 10:45am – 11:00am **Break**
Nines Ballroom Foyer; The Nines
- 11:00am – 12:30pm **Unmanned and Unregulated Aeronautical Vehicles - Moderator: Tom Anderson, General Counsel Metropolitan Airports Commission, Minneapolis-St. Paul International Airport. Speakers Jonathan Cross, Senior Attorney for Airport Certification, FAA Office of the Chief Counsel; Eric Smith, Partner, Kaplan, Kirsch & Rockwell.** The role of airports in addressing unmanned aeronautical vehicle issues: What to do when FAA asserts jurisdiction but does not regulate to ensure safety? Pre-emption, jurisdiction, local police powers, FAA's B4UFLY app, and more. Who is entitled to make the rules and who enforces them?
- 12:30pm **Conference Adjourns**

Mark your calendars!



YUL16

**2016 ACI-NA/World
Annual Conference/World
Annual General Assembly**
September 25-28, 2016 | Montréal

<http://annual.aci-na.org>

BUSINESS EXPENSE

THELLA F. BOWENS

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
BUSINESS EXPENSE REIMBURSEMENT REPORT

April/May 2016

Period Covered

| DATE | G/L Account | Description | AMOUNT |
|--------------|-------------|---|----------------|
| 4/22/16 | 66290 | Parking for meeting at SD Chamber of Commerce | \$ 20.00 |
| 5/13/2016 | 66240.100 | Business meeting lunch with Clay Pasley to discuss P3 Programming Potential | \$ 50.22 |
| TOTAL | | | \$70.22 |

I acknowledge that I have read, understand and agree to Authority *Policy 3.30 - Business Expense Reimbursement Policy and that any purchases that are not allowed will be my responsibility. I further certify that this report of business expenses were incurred in connection with official Authority business and is true and correct.

* Policy 3.30



NAME Thella Bowens

DATE 5/31/2016

APPROVED:

NAME

DATE

SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

DRAFT
BOARD
AGENDA

Thursday, June 23, 2016
9:00 A.M.

San Diego International Airport
SDCRAA Administration Building – Third Floor
Board Room
3225 N. Harbor Drive
San Diego, California 92101

Board Members

Robert H. Gleason
Board Chair

C. April Boling

Greg Cox

Jim Desmond

Lloyd B. Hubbs

Jim Janney

Mark Kersey

Paul Robinson

Mary Sessom

Ex-Officio Board Members

Laurie Berman

Eraina Ortega

Col. Jason Woodworth

President / CEO

Thella F. Bowens

Live webcasts of Authority Board meetings can be accessed at
<http://www.san.org/Airport-Authority/Meetings-Agendas/Authority-Board>

This Agenda contains a brief general description of each item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. ***Please note that agenda items may be taken out of order.*** If comments are made to the Board without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law.

Staff Reports and documentation relating to each item of business on the Agenda are on file in Corporate & Information Governance and are available for public inspection.

NOTE: Pursuant to Authority Code Section 2.15, all Lobbyists shall register as an Authority Lobbyist with the Authority Clerk within ten (10) days of qualifying as a lobbyist. A qualifying lobbyist is any individual who receives \$100 or more in any calendar month to lobby any Board Member or employee of the Authority for the purpose of influencing any action of the Authority. To obtain Lobbyist Registration Statement Forms, contact the Corporate & Information Governance/Authority Clerk Department.

PLEASE COMPLETE A "REQUEST TO SPEAK" FORM PRIOR TO THE COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE AUTHORITY CLERK. ***PLEASE REVIEW THE POLICY FOR PUBLIC PARTICIPATION IN BOARD AND BOARD COMMITTEE MEETINGS (PUBLIC COMMENT) LOCATED AT THE END OF THE AGENDA.***

The Authority has identified a local company to provide oral interpreter and translation services for public meetings. If you require oral interpreter or translation services, please telephone the Corporate & Information Governance /Authority Clerk Department with your request at (619) 400-2400 at least three (3) working days prior to the meeting.

CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

ROLL CALL:

PRESENTATIONS:

REPORTS FROM BOARD COMMITTEES, AD HOC COMMITTEES, AND CITIZEN COMMITTEES AND LIAISONS:

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:**
Committee Members: Gleason, Hollingworth, Hubbs, Robinson (Chair), Sessom, Tartre, Van Sambeek
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**
Committee Members: Gleason, Hubbs (Chair), Janney, Robinson
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Committee Members: Boling, Cox, Desmond (Chair), Hubbs, Sessom
- **FINANCE COMMITTEE:**
Committee Members: Boling (Chair), Cox, Janney, Sessom

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:**
Liaison: Robinson (Primary), Boling
- **ART ADVISORY COMMITTEE:**
Committee Member: Gleason

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN:**
Liaison: Janney
- **CALTRANS:**
Liaison: Berman
- **INTER-GOVERNMENTAL AFFAIRS:**
Liaison: Cox

- **MILITARY AFFAIRS:**
Liaison: Woodworth
- **PORT:**
Liaisons: Boling, Cox, Gleason (Primary), Robinson
- **WORLD TRADE CENTER:**
Representatives: Gleason (Primary)

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
Representatives: Boling (Alternate), Janney (Primary)

CHAIR’S REPORT:

PRESIDENT/CEO’S REPORT:

NON-AGENDA PUBLIC COMMENT:

Non-Agenda Public Comment is reserved for members of the public wishing to address the Board on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Board. Please submit a completed speaker slip to the Authority Clerk. ***Each individual speaker is limited to three (3) minutes. Applicants, groups and jurisdictions referring items to the Board for action are limited to five (5) minutes.***

Note: Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board.

CONSENT AGENDA (Items 1-12):

The consent agenda contains items that are routine in nature and non-controversial. Some items may be referred by a standing Board Committee or approved as part of the budget process. The matters listed under 'Consent Agenda' may be approved by one motion. Any Board Member may remove an item for separate consideration. Items so removed will be heard before the scheduled New Business Items, unless otherwise directed by the Chair.

1. APPROVAL OF MINUTES:

The Board is requested to approve minutes of prior Board meetings.
RECOMMENDATION: Approve the minutes of the April 21, 2016 regular meeting and May 19, 2016 regular meeting.

2. ACCEPTANCE OF BOARD AND COMMITTEE MEMBERS WRITTEN REPORTS ON THEIR ATTENDANCE AT APPROVED MEETINGS AND PRE-APPROVAL OF ATTENDANCE AT OTHER MEETINGS NOT COVERED BY THE CURRENT RESOLUTION:

The Board is requested to accept the reports.

RECOMMENDATION: Accept the reports and pre-approve Board member attendance at other meetings, trainings and events not covered by the current resolution.

(Corporate & Information Governance: Tony Russell, Director/Authority Clerk)

3. AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM APRIL 25, 2016 THROUGH MAY 26, 2016 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM APRIL 25, 2016 THROUGH MAY 26, 2016:

The Board is requested to receive the report.

RECOMMENDATION: Receive the report.

(Procurement: Jana Vargas, Director)

4. JUNE 2016 LEGISLATIVE REPORT:

The Board is requested to approve the report.

RECOMMENDATION: Adopt Resolution No. 2016-___, approving the June 2016 Legislative Report.

(Inter-Governmental Relations: Michael Kulis, Director)

5. APPOINTMENT OF PUBLIC MEMBER TO THE AUDIT COMMITTEE:

The Board is requested to approve the re-appointment.

RECOMMENDATION: Adopt Resolution No. 2016-___, appointing Andrew Hollingworth to a new term as a Public Member to the Audit Committee.

(Corporate & Information Governance: Tony Russell, Director/Authority Clerk)

6. APPOINTMENT OF MEMBER TO THE ART ADVISORY COMMITTEE:

The Board is requested to approve the appointment.

RECOMMENDATION: Adopt Resolution No. 2016-_____, approving the appointment of Indra Gardiner and Michael Soriano to a new term on the Art Advisory Committee.

(Vision, Voice & Engagement: Diana Lucero, Director)

CLAIMS

COMMITTEE RECOMMENDATIONS

7. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2016:

The Board is requested to accept the report.

RECOMMENDATION: Accept the report.

(Finance and Asset Management: Kathy Kiefer, Senior Director)

8. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF MARCH 31, 2016:

The Board is requested to accept the report.

RECOMMENDATION: Accept the report.

(Business and Financial Management: Geoff Bryant, Manager)

CONTRACTS AND AGREEMENTS

9. AWARD A CONTRACT TO UNIVERSAL COATINGS, INC. FOR AIR FREIGHT BUILDING ROOF REPLACEMENT AT SAN DIEGO INTERNATIONAL AIRPORT:

The Board is requested to approve a contract.

RECOMMENDATION: Adopt Resolution No. 2016-____, awarding a contract to Universal Coatings, Inc., in the amount of \$312,700 for Project No. 104191, Air Freight Building Roof Replacement at San Diego International Airport.

(Facilities Development: Iraj Ghaemi, Director)

10. AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE SAN DIEGO CITY EMPLOYEE RETIREMENT SYSTEM (SDCERS) FOR RETIREE BENEFITS BILLING ADMINISTRATION:

The Board is requested to authorize a Memorandum of Understanding.

RECOMMENDATION: Approval of Resolution 2016-____, authorizing the President/CEO to execute the Memorandum of Understanding and perform any and all other actions necessary to establish retiree benefits billing administration by the San Diego City Employee Retirement System.

(Talent, Culture & Capability: Kurt Gering, Director)

11. APPROVE A TASK AUTHORIZATION TO DENOVO VENTURES, LLC, UTILIZING ON-CALL PROFESSIONAL AND TECHNICAL E1 SUPPORT SERVICES AGREEMENT:

The Board is requested to approve an agreement.

RECOMMENDATION: Adopt Resolution No. 2016-____, approving a Task Authorization to Denovo Ventures, LLC utilizing On-Call Professional & Technical E1 Support Services Agreement for an Amount not-to-exceed \$550,000 for Implementation and Configuration of the JD Edwards EnterpriseOne (E1) Capital Asset Management Services.

(Information & Technology Services: Rick Belliotti, Director)

12. APPROVE A TASK AUTHORIZATION TO TEL TECH PLUS, INC. UTILIZING ON-CALL LOW-VOLTAGE AND FIBER OPTIC INSTALLATION AND REPAIR SERVICES AGREEMENT:

The Board is requested to approve an agreement.

RECOMMENDATION: Adopt Resolution No. 2016-____, approving a Task Authorization to Tel Tech Plus utilizing On-Call Low-Voltage and Fiber Optic Installation and Repair Services Agreement for an Amount not-to-exceed \$230,000 for Data, Fiber and Electrical Installation for the Build-Out of the Innovation Lab.

(Information & Technology Services: Rick Belliotti, Director)

CONTRACTS AND AGREEMENTS AND/OR AMENDMENTS TO CONTRACTS AND AGREEMENTS EXCEEDING \$1 MILLION

PUBLIC HEARINGS:

OLD BUSINESS:

13. UPDATE ON NOISE ISSUES AND AMEND AUTHORITY POLICY 9.20 – SAN DIEGO INTERNATIONAL AIRPORT NOISE ADVISORY COMMITTEE:

The Board is requested to receive the update and amend the policy.

RECOMMENDATION: Adopt Resolution No. 2016-____, accepting the update on noise issues and the amendment of Authority Policy 9.20 – San Diego International Airport Noise Advisory Committee.

(Airport Planning & Noise Mitigation: Keith Wilschetz, Director)

NEW BUSINESS:

14. AIRPORT PARKING MANAGEMENT AND PARKING SHUTTLE AGREEMENTS:

The Board is requested to authorize issuance of requests for proposals.
RECOMMENDATION: Adopt Resolution No. 2016-0048, authorizing the President/CEO to proceed with issuance of Requests for Proposals (“RFP”) for provision of Airport Parking Management and Airport Parking Shuttle Services. Selection and implementation of the Airport Parking Management and Airport Parking Shuttle agreements shall coincide with the termination of the existing agreements.

(Ground Transportation: David Boenitz, Director)

15. TRANSPORTATION NETWORK COMPANY (TNC) PILOT PROGRAM UPDATE:

The Board is requested to accept the update.
RECOMMENDATION: Accept the update.

(Ground Transportation: David Boenitz, Director)

16. UPDATE ON THE SAN DIEGO INTERNATIONAL AIRPORT TRANSIT PLAN:

The Board is requested to accept the update.
RECOMMENDATION: Accept the update.

(Development: Jeffrey Woodson, Vice President)

17. APPROVAL AND ADOPTION OF THE OPERATING BUDGET FOR FISCAL YEAR 2017, THE CAPITAL PROGRAM FOR FISCAL YEARS 2017-2021, AND CONCEPTUAL APPROVAL OF THE OPERATING BUDGET FOR FISCAL YEAR 2018:

The Board is requested to approve the operating budget and capital program.
RECOMMENDATION: Adopt Resolution No. 2016-____, approving and adopting the Authority’s Annual Operating Budget for Fiscal Year 2017, the Capital Program for Fiscal Years 2017-2021, and conceptually approving the Operating Budget for Fiscal Year 2018.

(Finance & Asset Management: Scott Brickner, Vice President/ Treasurer)

18. GRANT A 5-YEAR CONCESSION LEASE TO SFS BEAUTY CA, LLC TO DESIGN, BUILD AND OPERATE A TOP RANKED PRESTIGE COSMETICS RETAIL MODULAR UNIT WITHIN TERMINAL 2 WEST:

The Board is requested to approve the lease.
RECOMMENDATION: Adopt Resolution No. 2016-____, awarding a five-year concession lease to SFS Beauty CA, LLC to Design, Build and Operate a Top Ranked Prestige Cosmetics Retail Modular Unit within Terminal 2 West at San Diego International Airport and authorizing the President/CEO to take all necessary actions to execute the concession lease.

(Real Property and Concessions: Eric Podnieks, Program Manager)

CLOSED SESSION:

19. **CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
(Cal. Gov. Code § 54956.9(a) and (d)(1).)
Diego Concession Group, Inc. v. San Diego County Regional Airport Authority,
San Diego Superior Court Case No. 37-2012-00088083-CU-BT-CTL

20. **CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
(Cal. Gov. Code § 54956.9(a) and (d)(1).)
Dryden Oaks, LLC v. San Diego County Regional Airport Authority, et al.,
San Diego Superior Court, North County, Case No. 37-2014-00004077-CU-EI-NC

21. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal. Gov. Code § 54956.9(a)):
Maria Paula Bermudez v. San Diego County Regional Airport Authority,
American Airlines, Inc., et al.
San Diego Superior Court Case No. 37-2015-00022911-CU-PO-CTL

22. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal. Gov. Code §54956.9(a) and (d)(1))
Stanley Moore v. San Diego County Regional Airport Authority, et al.,
San Diego Superior Court Case No. 37-2015-00030676-CU-OE-CTL

23. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
Cal. Gov. Code § 54956.9(a) and (d).
In the matter of the Petition of San Diego County Regional Airport Authority for
Review of Action by the California Regional Water Quality Control Board in
Issuing Order No. R9-2013-0001, as amended by Orders Nos. R9-2015-0001
and R9-2015-0100 (NPDES NO. CAS0109266) [Water Code §§ 13320(a) and
13321(a)]

24. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9 (b) and 54954.5.)
Re: Investigative Order No. R9-2012-0009 by the California Regional Water Quality Control Board regarding submission of technical reports pertaining to an investigation of bay sediments at the Downtown Anchorage Area in San Diego.
Number of potential cases: 1

25. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Initiation of litigation pursuant to Cal. Government Code § 54956.9(d).)
Number of cases: 2

REPORT ON CLOSED SESSION:

NON-AGENDA PUBLIC COMMENT:

Non-Agenda Public Comment is reserved for members of the public wishing to address the Board on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Board. Please submit a completed speaker slip to the Authority Clerk. ***Each individual speaker is limited to three (3) minutes. Applicants, groups and jurisdictions referring items to the Board for action are limited to five (5) minutes.***

Note: Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board.

GENERAL COUNSEL REPORT:

BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REPORTS FOR BOARD MEMBERS, PRESIDENT/CEO, CHIEF AUDITOR AND GENERAL COUNSEL WHEN ATTENDING CONFERENCES, MEETINGS, AND TRAINING AT THE EXPENSE OF THE AUTHORITY:

BOARD COMMENT:

ADJOURNMENT:

Policy for Public Participation in Board, Airport Land Use Commission (ALUC), and Committee Meetings (Public Comment)

- 1) Persons wishing to address the Board, ALUC, and Committees shall complete a “Request to Speak” form prior to the initiation of the portion of the agenda containing the item to be addressed (e.g., Public Comment and General Items). Failure to complete a form shall not preclude testimony, if permission to address the Board is granted by the Chair.
- 2) The Public Comment Section at the beginning of the agenda is limited to eighteen (18) minutes and is reserved for persons wishing to address the Board, ALUC, and Committees on any matter for which another opportunity to speak is not provided on the Agenda, and on matters that are within the jurisdiction of the Board. A second Public Comment period is reserved for general public comment later in the meeting for those who could not be heard during the first Public Comment period.
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- 5) Pursuant to Authority Policy 1.33 (8), recognized groups must register with the Authority Clerk prior to the meeting.
- 6) After a public hearing or the public comment portion of the meeting has been closed, no person shall address the Board, ALUC, and Committees without first obtaining permission to do so.

Additional Meeting Information

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UPCOMING MEETING SCHEDULE

| <i>Date</i> | <i>Day</i> | <i>Time</i> | <i>Meeting Type</i> | <i>Location</i> |
|-------------|------------|-------------|---------------------|-----------------|
| July 21 | Thursday | 9:00 AM | Regular | Board Room |

SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

DRAFT
AIRPORT LAND USE COMMISSION
AGENDA

Thursday, June 23, 2016
9:00 A.M. or immediately following the Board Meeting

San Diego International Airport
SDCRAA Administration Building – Third Floor
Board Room
3225 N. Harbor Drive
San Diego, California 92101

Board Members

Robert H. Gleason
Board Chair

C. April Boling

Greg Cox

Jim Desmond

Lloyd B. Hubbs

Jim Janney

Mark Kersey

Paul Robinson

Mary Sessom

Ex-Officio Board Members

Laurie Berman

Eraina Ortega

Col. Jason Woodworth

President / CEO

Thella F. BOWENS

Live webcasts of Authority Board meetings can be accessed at
<http://www.san.org/Airport-Authority/Meetings-Agendas/ALUC>

Pursuant to California Public Utilities Code §§ 21670-21679.5, the Airport Land Use Commission ("Commission") is responsible for coordinating the airport planning of public agencies within San Diego County. The Commission has the legal responsibility to formulate airport land use compatibility plans ("ALUCPs") that will (a) provide for the orderly growth of each public airport and the areas surrounding the airport within the County and (b) safeguard the general welfare of the inhabitants within the vicinity of each airport and the public in general. Pursuant to §21670.3, the San Diego County Regional Airport Authority serves as the Commission.

This Agenda contains a brief general description of each item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. **Please note that agenda items may be taken out of order.** If comments are made to the Commission without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law.

Staff Reports and documentation relating to each item of business on the Agenda are on file in the Corporate & Information Governance/Authority Clerk Department and are available for public inspection.

NOTE: Pursuant to Authority Code Section 2.15, all Lobbyists shall register as an Authority Lobbyist with the Authority Clerk within ten (10) days of qualifying as a lobbyist. A qualifying lobbyist is any individual who receives \$100 or more in any calendar month to lobby any Commission Member or employee of the Authority for the purpose of influencing any action of the Authority. To obtain Lobbyist Registration Statement Forms, contact the Corporate & Information Governance/Authority Clerk Department.

PLEASE COMPLETE A "REQUEST TO SPEAK" FORM PRIOR TO THE COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE AUTHORITY CLERK. **PLEASE REVIEW THE POLICY FOR PUBLIC PARTICIPATION IN BOARD AND BOARD COMMISSION MEETINGS (PUBLIC COMMENT) LOCATED AT THE END OF THE AGENDA.**

CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

ROLL CALL:

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CONSENT AGENDA (Items 1-3):

The Consent Agenda contains items that are routine in nature and non-controversial. It also contains consistency determinations that have been deemed consistent or conditionally consistent. The matters listed under 'Consent Agenda' may be approved by one motion. Any Commission Member may remove an item for separate consideration. Items so removed will be heard before the scheduled New Business items, unless otherwise directed by the Chair.

1. APPROVAL OF MINUTES:

The Airport Land Use Commission is requested to approve minutes of prior Commission meetings.

RECOMMENDATION: Approve the minutes of May 19, 2016 meeting.

CONSISTENCY DETERMINATIONS

**2. CONSISTENCY DETERMINATION – MARINE CORPS AIR STATION
MIRAMAR AIRPORT LAND USE COMPATIBILITY PLAN – GENERAL PLAN
AMENDMENT & ZONE RECLASSIFICATION TO CONSTRUCT 260
RESIDENTIAL UNITS AND LEASABLE COMMERCIAL SPACE AT 9850
CARROLL CANYON ROAD, CITY OF SAN DIEGO**

The Commission is requested to make a consistency determination on a proposed project in the City of San Diego.

RECOMMENDATION: Adopt Resolution No. 2016-____ ALUC, making the determination that the project is conditionally consistent with the Marine Corps Air Station Miramar Airport Land Use Compatibility Plan.

(Airport Planning: Angela Jamison, Manager)

3. CONSISTENCY DETERMINATION – SAN DIEGO INTERNATIONAL AIRPORT - AIRPORT LAND USE COMPATIBILITY PLAN – CONSTRUCTION OF A DETACHED RESIDENTIAL UNIT AT 2320 ETIWANDA STREET, CITY OF SAN DIEGO

The Commission is requested to make a consistency determination on a proposed project in the City of San Diego.

RECOMMENDATION: Adopt Resolution No. 2016-____ ALUC, making the determination that the project is conditionally consistent with the San Diego International Airport - Airport Land Use Compatibility Plan.

(Airport Planning: Angela Jamison, Manager)

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

4. STATUS UPDATE AND POSSIBLE POLICY DIRECTION ON AIRPORT LAND USE COMPATIBILITY PLANS.

The Commission is requested to receive a status update presentation on Airport Land Use Compatibility Plans.

RECOMMENDATION: Receive the presentation and possibly provide policy direction to staff.

(Airport Planning: Angela Jamison, Manager)

COMMISSION COMMENT:

ADJOURNMENT:

Policy for Public Participation in Board, Airport Land Use Commission (ALUC), and Committee Meetings (Public Comment)

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UPCOMING MEETING SCHEDULE

| <i>Date</i> | <i>Day</i> | <i>Time</i> | <i>Meeting Type</i> | <i>Location</i> |
|-------------|------------|-------------|---------------------|-----------------|
| July 21 | Thursday | 9:00 a.m. | Regular | Board Room |

STAFF REPORT

Meeting Date: **JUNE 13, 2016**

Subject:

Approve and Adopt a Mid-year Adjustment of the Capital Program Budget for Fiscal Years 2016-2020 to Fund an Increase in the Terminal 2 Parking Plaza Program Budget; and Approve and Authorize the President/CEO to Negotiate and Execute a First Amendment to the Swinerton Builders, Inc., Agreement to Establish a Maximum Contract Value and to Negotiate and Execute Future Work Authorizations and a Future Guaranteed Maximum Price Amendment

Recommendation:

Adopt Resolution No. 2016-0046, approving and adopting a mid-year adjustment to the Fiscal Year 2016-2020 Capital Program Budget to fund an increase in the Terminal 2 Parking Plaza budget of \$45,720,000 for a Validated Program budget of \$127,800,000.

Adopt Resolution No. 2016-0047, approving and authorizing the President/CEO to negotiate and execute: 1) a First Amendment (the "Validation Amendment") to the Agreement with Swinerton Builders, Inc., establishing a Maximum Project Budget of \$99,800,000 and a Master Project Schedule for the design and construction of the Terminal 2 Parking Plaza; 2) Work Authorizations and a Second Amendment ("Guaranteed Maximum Price Amendment") within the Maximum Project Budget after the issuance of the Validation Amendment in order to allow completion of 100% design and construction; and 3) future change orders using uncommitted funds within the Validated Program Budget of \$127,800,000.

Background/Justification:

Previous San Diego County Regional Airport Authority ("Authority") Board ("Board") Actions relating to the Construction of a Terminal 2 Parking Plaza:

- July 7, 2014 – (1) Providing direction to the staff for construction of a Terminal 2 Parking Plaza ("Parking Plaza") of up to 5,000 parking spaces and up to five stories in height to be located in the Terminal 2 surface parking lot and constructed in one or more phases with the initial phase consisting of 3,000 parking spaces in a building three stories high; (2) Providing direction that the design, construction and operation of the proposed project shall be conducted in accordance with the mitigation measures adopted for the Airport Master Plan; (3) prepare and submit an application for a coastal development permit to the California Coastal Commission.
- A preliminary Parking Plaza budget of \$82,080,000 was included in the Board approved FY2015- FY2019 Capital Program Budget.
- September 17, 2015 – Authorizing the President/CEO to (1) execute a Contractor Agreement with Swinerton Builders, Inc. ("Swinerton"); and (2) negotiate and execute Work Authorizations for validation phase services, additional design and early construction work with Swinerton, in an amount not-to-exceed \$12,000,000.

- April 28, 2016 Board Capital Improvement Program Oversight Committee (“CIPOC”) meeting. Staff presented a Terminal 2 Parking Plaza update to the CIPOC.

The CIPOC passed a motion to forward to the full Board, without a recommendation, the proposed increase to the Capital Program Budget for the Parking Plaza and the proposed Validation Amendment to the Swinerton Contractor Agreement.

CIPOC members also requested additional information on the changes in the assumed costs from the 2014 preliminary budget to the current proposed budget, including quantification of cost increases from:

1. Advancements in customer service technology;
2. Site impacts not previously evaluated;
3. Enabling works not previously included; and
4. Other cost increase factors

CIPOC members Alvarez, Gleason, and Janney voted for the motion. CIPOC members Hubbs and Robinson voted against the motion, instead expressing a preference to forward a recommendation to the full Board.

Parking Needs

Past parking need analyses by the Authority Planning Department and its consultants have concluded that 7,000 total parking spaces will be required within walking distance of the San Diego International Airport (“SDIA”) terminals by 2035 and that 3,000 spaces are needed for Terminal 2 customers immediately. SDIA Customers regularly express frustration that there is insufficient close-in parking in front of the SDIA terminals. This is reflected in SDIA’s quarterly air passenger satisfaction surveys, which show that passengers regularly rate satisfaction of SDIA parking well below overall ratings for customer satisfaction.

The current capacity of the Terminal 2 close-in surface parking lot is approximately 1,400 parking spaces (1,244 general spaces and 160 spaces serving the USO and parking management offices), leaving a current deficiency of 1,600 spaces. Analysis by the Authority Planning Department and its consultants presented to the Board in July of 2014 have further concluded that this current close-in parking deficiency increases traffic congestion on North Harbor Drive due to passengers being dropped off and picked up by third parties. The additional parking capacity created by the Parking Plaza provides the opportunity for more passengers and meeters and greeters to park at SDIA.

The Parking Plaza will increase the parking capacity in front of Terminal 2 by building vertically. This optimizes the utilization of the 661 acres available at SDIA and preserves land for other uses. In addition, the Parking Plaza creates approximately 2,000 covered garage parking spaces, a highly desirable option not currently available at SDIA.

The Parking Plaza will also provide needed parking capacity during any future reconstruction of the aging Terminal 1 facilities, such as those anticipated in the Airport Development Plan (“ADP”). As experienced by the recent Green Build construction, which required the multi-year closure of the Terminal 2 parking lot, construction activities related to reconstruction of Terminal 1 will likely have significant impacts on the Terminal 1 surface parking lot. The Parking Plaza will help to mitigate that anticipated parking loss during ADP construction and maintain the highest possible level of customer service at SDIA.

Programmatic Phase

In October 2014, Authority staff proceeded with the development of a Programmatic Document for the Parking Plaza. The Programmatic Document is a statement of requirements and considerations upon which the design will be based. The Programmatic Document includes quantified technical and functional requirements including performance criteria that establish the parameters for how the building will serve its intended purpose.

Stakeholder involvement informed by input from industry experts was the core process for the development of the Program. Stakeholder meetings were held with Authority staff, outside agency staff and San Diego Gas and Electric representatives to develop a vision for the Parking Plaza. The resulting vision focuses on providing an exceptional customer experience, complements the Green Build design, respects the views of San Diego Bay and downtown and utilizes advanced parking technologies to enable passengers to submit payments in a variety of ways and locate available spaces quickly and efficiently, thereby reducing carbon emissions.

Validation Phase

In October 2015, the Swinerton design-build team began the process of reviewing and validating the project requirements, performing site investigations and developing a concept design, budget and schedule as well as a number of other Validation Phase deliverables required by the contract.

As the Swinerton design-build team began to convert the requirements of the Programmatic Document into preliminary design concepts and quantifiable construction elements it soon became apparent that the cost of the project, with the scope as currently conceived, would exceed the approved budget. In order to establish a realistic target budget that could serve as the basis for completing a viable conceptual design and developing a realistic and responsible cost model and schedule, the team undertook an analysis and prioritization of the assumptions that were driving the costs.

From February to April 2016, the team continued with development of the design while working through multiple cost iterations, ultimately arriving at the current proposal that reflects the project team's recommendation for the best balance of scope vs. cost, including contingencies for future market escalation and a less advantageous bidding environment.

The final design preserves essential programmatic elements while eliminating those elements that do not provide the best value in light of the budget pressures.

The table below lists cost items that were not covered by the original budget but were either non-discretionary or judged essential to the success of the project.

Scope / Cost Increases to Preliminary Budget

| Changes in Assumed Costs | | Total Program Cost |
|---|--|-----------------------|
| Proposed Validated Program Budget | | \$ 127,800,000 |
| Approved Budget | | \$ 82,080,000 |
| Proposed Increase to Budget | | \$ 45,720,000 |
| Added Costs | | |
| Customer Service and Advanced Technologies | | |
| | Advanced Parking and Revenue Control / Parking Guidance System | \$ 4,286,000 |
| | Public Wi-Fi and other Technologies | \$ 4,350,000 |
| | Enhanced Way-Finding | \$ 1,789,000 |
| | Other Customer Service Enhancements (stair canopies, walkways) | \$ 1,625,000 |
| Site Impacts | | |
| | Poor Soil Conditions (deep foundations and structural) | \$ 7,510,000 |
| | Contaminated Soils | \$ 417,000 |
| | Other unforeseen site conditions (dewatering, demolition) | \$ 2,145,000 |
| Enabling Works | | |
| | Utilities Relocations | \$ 2,738,000 |
| | Reconfiguration of NTC Lot | \$ 1,571,000 |
| Other Items | | |
| | Safety-By-Design (glass elevator enclosures, painted ceilings) | \$ 2,778,000 |
| | Storm Water Reuse | \$ 2,137,000 |
| Total Additional Costs | | \$ 31,346,000 |
| Balance Attributable to Escalation* | | \$ 14,374,000 |
| Total Increase to Budget | | \$ 45,720,000 |

* From 2009 to 2015 construction costs increased 13.7% nation-wide per the Engineering News Record Construction Cost Index. From 2015 to June of 2017 we have assumed a 6% construction cost increase.

In order to arrive at the current proposed Validated Program Budget of \$127.8 million, scope and cost reductions were made totaling approximately \$32 million from an initial total Programmatic Document estimate of \$159.8 million. These reductions are listed in the table below. Going forward, as the design is completed and the early subcontractor bid results are known, the team will be looking for opportunities to reinstate deleted scope on a prioritized basis. This ability to progressively navigate the project toward an optimal outcome is one of the benefits of a collaborative design-build delivery process.

Scope / Cost Reductions From Initial Programmatic Document Estimate

| | |
|--|-----------------------|
| Total Program Cost Estimate | |
| Initial Estimate of Programmatic Document | \$ 159,800,000 |
| Validation Phase Cost Reductions | \$ 32,000,000 |
| Proposed Validated Program Budget | \$ 127,800,000 |
| Validation Phase Cost Reductions | |
| Eliminated Elements on the Roof | \$ 5,300,000 |
| Reduced Building Footprint | \$ 7,500,000 |
| Adjusted Building Lifespan (Coatings and Additives in Concrete) | \$ 4,400,000 |
| Adjusted Architectural / Landscape Design | \$ 2,000,000 |
| Adjusted Elevator Size (7,000 to 4,000 lbs.) and Type (1 sided Glass) | \$ 2,700,000 |
| Adjusted Enhanced Lighting Levels (5fc at parking and 10 fc at pedestrian areas) | \$ 2,300,000 |
| Alternate Deep Foundation | \$ 800,000 |
| Adjusted Information Technology Systems (DAS, FIDS, CUSS, Geofencing) | \$ 4,700,000 |
| Eliminate Multi-level Walkways in Light Wells | \$ 1,100,000 |
| Misc. Cost Reductions | \$ 1,200,000 |
| Total Savings | \$ 32,000,000 |

As an outcome of the iterative design-to-budget process described above, Swinerton has submitted a revised Maximum Project Budget proposal. The Authority has, (with the help of independent estimators) reviewed and validated Swinerton's revised proposed Maximum Project Budget of \$99.8 million for design and construction of Parking Plaza.

The Authority has, (with the help of independent schedulers) reviewed and validated Swinerton's proposed construction duration of 21 months followed by a 5 month closeout period in their Master Project Schedule. A summary of key project milestones is presented in the table below, reflecting the substantial completion date included in Swinerton's Master Project Schedule.

| Anticipated Milestone Event | Planned Date |
|--|--------------------|
| Final Coastal Commission Approval | July 2016 |
| T2 Parking Lot Closure | August 2016 |
| Construction Start | September 2016 |
| Construction Substantial Completion | May 2018 |
| Parking Plaza Operational | By end of May 2018 |
| Contract Final Acceptance & Completion | October 2018 |

Validated Program Budget:

Based on the validated Maximum Project Budget and Master Project Schedule, Authority staff has prepared a fully validated program budget. The validated program budget has increased by \$45.7 million from the preliminary budget of \$82.1 million for a total amount of \$127.8 million, after cost reducing measures totaling \$32 million from the initial Programmatic Document estimate of \$159,800,000. The validated program budget includes Swinerton's design and construction costs as well as the Authority's management cost, owner provided insurance, public art budget and program contingency as detailed in the following table:

| Description | Budget Amount |
|--|---------------|
| Swinerton's Maximum Project Budget | \$ 99,800,000 |
| Public Art Budget | \$1,700,000 |
| Airport: Management, Insurance and Permit Fees | \$19,300,000 |
| Subtotal – Validated Budget | \$120,800,000 |
| Program Contingency (owner controlled) | \$7,000,000 |
| Validated Program Budget | \$127,800,000 |

Authority Policy 8.50 requires that two percent of construction costs of eligible projects be allocated to public art. The program budget of \$127.8 million includes an increase in eligible costs equal to \$25.0 million, resulting in a \$500,000 increase to the public art budget.

Based on the validated program budget as described above, staff requests Board authorization for approval of a mid-year adjustment to the FY2016-FY2020 Capital Budget to fund an increase in the Terminal 2 Parking Plaza program budget of \$45,720,000 for a validated program budget of \$127,800,000.

Requested Contract Amendments and Authorizations

The Contractor Agreement contains provisions that allow the Authority to set the validated contractor proposed Maximum Project Budget as the contractor's maximum contract value (price). Specifically, the agreement states:

***“Maximum Project Budget:** Proposed by the Contractor during the Validation Phase prior to negotiation of the GMP and agreed upon by the Airport Authority as the maximum amount that the Airport Authority will pay for the Contract Price.”*

[Section 1.2.1.43 Terminal 2 Parking Plaza Contractor Agreement]

***“Validation Amendment:** Issued upon the Airport Authority's approval of the Validation Phase deliverables and triggers the commencement of the Post-Validation Phase.”*

[Section 1.2.1.70 Terminal 2 Parking Plaza Contractor Agreement]

“Following this Validation Phase, the Contractor shall assume and accept all risks, costs, and responsibilities associated with any scope issues arising from or relating to the Contract Documents or site conditions that could have been reasonably identified or anticipated based on the information reviewed and the site investigations performed during this period.”

[Section 3.2.1.3 Terminal 2 Parking Plaza Contractor Agreement]

Staff recommends that the Board approve and authorize the President/CEO to negotiate and execute a Validation Amendment to the Contractor Agreement to establish the Maximum Project Budget of \$99,800,000 for the design and construction of the current validated scope for the Parking Plaza.

The Contractor Agreement contains provisions that allow the contractor to commence construction with the Authority's issuance of a Work Authorization. Specifically, the agreement states:

“The construction services will commence upon the Airport Authority’s issuance of a Work Authorization for a single or multiple Construction Package(s).”

[Section 3.4.1.1 Terminal 2 Parking Plaza Contractor Agreement]

“Work Authorization: *A written authorization from the Airport Authority to the Contractor authorizing the Contractor to proceed with a portion of the Work.”*

[Section 1.2.1.75 Terminal 2 Parking Plaza Contractor Agreement]

Work on the Parking Plaza will proceed with the issuance of work authorizations for portions of the work as they are procured on a progressive basis that will subsequently be included in a Guaranteed Maximum Price Amendment (“GMP”).

The Contractor Agreement contains provisions that allow the Authority to convert the delivery of work from a progressive work authorization basis to a GMP to gain overall price and schedule certainty at any time that is in the best interest of the project and agreed to by both parties. Specifically, the agreement states:

“Guaranteed Maximum Price (GMP) Amendment: *An Amendment to the Contract, that may be executed at any time by the Airport Authority and the Contractor, should the parties determine that it is in the best interest of the Project to establish a GMP for the Work. The GMP Amendment shall identify all documents, including plans, specifications, assumptions, qualifications, exclusions, conditions, Contractor Controlled Contingency, bid items, estimated quantities, unit prices, and alternates that form the basis for the GMP.”*

[Section 1.2.1.37 Terminal 2 Parking Plaza Contractor Agreement]

“The GMP Amount shall not exceed the Maximum Project Budget Amount without the Airport Authority’s prior approval.”

[Section 11.7.1.2 Terminal 2 Parking Plaza Contractor Agreement]

The GMP Amount establishes the Contractor’s maximum total compensation for the scope and services defined in the Contract and the GMP Amendment. The Contractor guarantees Final Acceptance and Completion of the Project at or less than the GMP amount and agrees that it will be responsible for any difference between the actual Cost of the Work and the GMP Amount.

[Section 11.7.1.2 Terminal 2 Parking Plaza Contractor Agreement]

Authority staff anticipates that Swinerton will submit a GMP proposal within approximately 120 days of the construction start date at a time when the design has reached a minimum of 60% level of completion. The proposed GMP amounts will include the contractor contingency and allowances based upon specific assumptions and clarifications regarding the Work and final design of the Work, which may include incentive provisions.

The Authority will review, negotiate, and validate Swinerton's GMP proposal so that it is in the best interest of the project. Policy 5.02(4)(b)(iii) requires Board approval for any increase in the contract amount should that amount exceed 4% of the contract value-- \$99,800,000 if the Board authorizes the action described in this staff report or the amount of the GMP Amendment once it is established. Staff requests that the Board authorize the President/CEO to negotiate and execute, without further Board approval, amendments/increases to the contract price using remaining uncommitted funds in an amount up to \$127,800,000, the Board approved program budget, to fund unanticipated costs arising from scope changes (examples include, but are not limited to, unknown existing conditions, changes in security, operations, maintenance and/or customer services). Change Orders to the GMP without Board action up to \$127.8 million are consistent with the President/CEO authorizations from previous construction programs like the Green Build and Rental Car Center, where the President/CEO had authority up to the entire program budget amounts.

Staff recommends that the Board approve and authorize the President/CEO to negotiate and execute work authorizations and a GMP amendment with Swinerton after the issuance of the Validation Amendment in order to allow Swinerton to proceed with the completion of 100% design and construction. Staff also recommends that the Board authorize the President/CEO to negotiate and execute change orders, without further Board action, that increase the GMP using remaining uncommitted funds in an amount up to \$127,800,000.

Fiscal Impact:

Prioritization and planning for the Capital Improvement Program ("CIP") is accomplished using a comprehensive approach that involves both the current 5-Year CIP and the long-range 20-Year Capital Plan. Projects are identified by critical need using a tiered ranking system. This ensures that essential projects necessary for operation of the airport receive funding priority.

The Parking Plaza is classified within the ranking structure as being an essential component of preserving Airport access, roadways and parking. In addition to enhanced customer service benefits, the Parking Plaza will generate immediate positive cash flows once the facility opens.

The \$127.8 million cost of the Parking Plaza is accommodated within the 5-Year CIP, funded with Authority cash and up to \$90 million in variable rate debt. All projects determined to be essential in both the 5-Year CIP and the 20-Year Capital Plan are fundable based on the proposed Plan of Finance for FY 2017-2021 currently before the Board for approval. Furthermore, the estimated \$10-13 Million incremental revenue generated by the Parking Plaza will increase debt capacity by up to \$50 Million. This enhances the Authority's ability to fund the ADP.

The incremental revenue also provides cash flows (in excess of those used for debt service) that will assist the Authority's liquidity and ability to fund "pay-as-you-go" projects. In addition to boosting the Authority's debt capacity, the Parking Plaza provides flexibility during the ADP construction to mitigate parking revenue losses as a result of parking lot closures in front of Terminal 1 and, to a lesser extent, the closures of the long term parking to the east of the current Administration offices. During Terminal 1 and Long Term Lot 1 (Harbor Drive) closures, potential lost revenues of \$5-8 Million per year may be preserved due to the additional parking capacity and terminal proximity that the Parking Plaza affords

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. CEQA: The proposed Parking Plaza was evaluated subject to CEQA, Pub. Res. Code Section 21065 as a project component of the San Diego International Airport Master Plan Final Environmental Impact Report (SCH # 2005091105; SDCRAA #EIR-06-01) certified May 1, 2008, and in an Addendum that was approved July 7, 2014.
- B. California Coastal Act Review: The proposed Parking Plaza was reviewed and approved by the California Coastal Commission in accordance with the California Coastal Act. On August 13, 2015, a Notice of Intent to Issue Permit was granted for CDP No. 6-14-1886, subject to special conditions.

Application of Inclusionary Policies:

The Authority has the following inclusionary programs/policies: a Disadvantaged Business Enterprise (DBE) Program, an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program, Policy 5.12 and Policy 5.14. These programs/policies are intended to promote the inclusion of small, local, service disabled veteran owned, historically underrepresented businesses and other business enterprises, on all contracts. Only one of the programs/policies named above can be used in any single contracting opportunity.

No preferences were applied to the award of the Contractor Agreement with Swinerton; however, Swinerton is required by the contract to work with the Authority in accordance with their small business plan and outreach plan to maximize participation of small, local, historically underutilized and service disabled veteran owned small businesses.

Prepared by:

BOB BOLTON
DIRECTOR, AIRPORT DESIGN & CONSTRUCTION

RESOLUTION NO. 2016-0046

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, APPROVING AND ADOPTING A MID-YEAR ADJUSTMENT TO THE FISCAL YEAR 2016-2020 CAPITAL PROGRAM BUDGET TO FUND AN INCREASE IN THE TERMINAL 2 PARKING PLAZA BUDGET OF \$45,720,000 FOR A VALIDATED PROGRAM BUDGET OF \$127,800,000

WHEREAS, on July 7, 2014, the San Diego County Regional Airport Authority ("Authority") Board ("Board") provided direction to staff: (1) for construction of a Terminal 2 Parking Plaza ("Parking Plaza") of up to 5,000 parking spaces and up to five stories in height to be located in the Terminal 2 surface parking lot and constructed in one or more phases with the initial phase consisting of 3,000 parking spaces in a building three stories high; (2) that the design, construction and operation of the proposed project shall be conducted in accordance with the mitigation measures adopted for the Airport Master Plan; (3) to prepare and submit an application for a coastal development permit to the California Coastal Commission; and

WHEREAS, a preliminary Parking Plaza budget of \$82,080,000 was included in the Board approved FY2015- FY2019 Capital Program Budget; and

WHEREAS, on September 17, 2015, the Board authorized the President/CEO to (1) execute a Contractor Agreement with Swinerton Builders, Inc. ("Swinerton"); and (2) negotiate and execute Work Authorizations for validation phase services, additional design and early construction work with Swinerton, in an amount not-to-exceed \$12,000,000; and

WHEREAS, in October 2015, the Swinerton design-build team began the process of reviewing and validating the project requirements, performing site investigations and developing a concept design, budget and schedule as well as a number of other Validation Phase deliverables required by the contract; and

WHEREAS, from February to April 2016, Authority staff and Swinerton continued with development of the design while working through multiple cost iterations, ultimately arriving at the current proposal that reflects the Authority staff's recommendation for the best balance of scope vs. cost, including contingencies for future market escalation and a less advantageous bidding environment; and

WHEREAS, the Parking Plaza program budget has increased by \$45.7 million from the preliminary budget of \$82.1 million for a total amount of \$127.8 million; and

WHEREAS, the program budget includes Swinerton's design and construction costs as well as the Authority's management cost, owner provided insurance, public art budget and program contingency; and

WHEREAS, Authority Policy 8.50 requires that two percent of construction costs of eligible projects be allocated to public art; and

WHEREAS, the program budget of \$127.8 million includes an increase in eligible costs equal to \$25.0 million, resulting in a \$500,000 increase to the public art budget; and

WHEREAS, the \$127.8 million Parking Plaza is classified within the Capital Improvement Program (CIP) project ranking system as being an essential component of preserving Airport access, roadways and parking; and

WHEREAS, the cost of the Parking Plaza is accommodated within the 5-Year CIP, funded with Authority cash and up to \$90 million in variable rate debt.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and adopts a mid-year adjustment to the Fiscal Year 2016-2020 Capital Program Budget to fund an increase in the Terminal 2 Parking Plaza budget of \$45,720,000 for a Validated Program budget of \$127,800,000; and

BE IT FURTHER RESOLVED that the Board of the San Diego County Regional Airport Authority finds that this Board action is for a project that was evaluated subject to CEQA, Pub. Res. Code Section 21065 as a project component of the San Diego International Airport Master Plan Final Environmental Impact Report (SCH # 2005091105; SDCRAA #EIR-06-01) certified May 1, 2008, and in an Addendum that was approved July, 2014, and was reviewed and approved by the California Coastal Commission in accordance with the California Coastal Act, and on August 13, 2015, a Notice of Intent to Issue Permit was granted for CDP No. 6-14-1886, subject to special conditions.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a special meeting this 13th day of June, 2016, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION GOVERNANCE /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

RESOLUTION NO. 2016-0047

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE: 1) A FIRST AMENDMENT (THE "VALIDATION AMENDMENT") TO THE AGREEMENT WITH SWINERTON BUILDERS, INC., ESTABLISHING A MAXIMUM PROJECT BUDGET OF \$99,800,000 AND A MASTER PROJECT SCHEDULE FOR THE DESIGN AND CONSTRUCTION OF THE TERMINAL 2 PARKING PLAZA; 2) WORK AUTHORIZATIONS AND A SECOND AMENDMENT ("GUARANTEED MAXIMUM PRICE AMENDMENT") WITHIN THE MAXIMUM PROJECT BUDGET AFTER THE ISSUANCE OF THE VALIDATION AMENDMENT IN ORDER TO ALLOW COMPLETION OF 100% DESIGN AND CONSTRUCTION; AND 3) FUTURE CHANGE ORDERS USING UNCOMMITTED FUNDS WITHIN THE VALIDATED PROGRAM BUDGET OF \$127,800,000

WHEREAS, on July 7, 2014, the San Diego County Regional Airport Authority("Authority") Board ("Board") provided direction to staff: (1) for construction of a Terminal 2 Parking Plaza ("Parking Plaza") of up to 5,000 parking spaces and up to five stories in height to be located in the Terminal 2 surface parking lot and constructed in one or more phases with the initial phase consisting of 3,000 parking spaces in a building three stories high; (2) that the design, construction and operation of the proposed project shall be conducted in accordance with the mitigation measures adopted for the Airport Master Plan; (3) to prepare and submit an application for a coastal development permit to the California Coastal Commission; and

WHEREAS, on September 17, 2015, the Board authorized the President/CEO to (1) execute a Contractor Agreement with Swinerton Builders, Inc. ("Swinerton"); and (2) negotiate and execute Work Authorizations for validation phase services, additional design and early construction work with Swinerton, in an amount not-to-exceed \$12,000,000; and

WHEREAS, in October 2015, the Swinerton design-build team began the process of reviewing and validating the project requirements, performing site investigations and developing a concept design, budget and schedule as well as a number of other Validation Phase deliverables required by the Contractor Agreement; and

WHEREAS, from February to April 2016, Authority staff and Swinerton continued with development of the design while working through multiple cost iterations, ultimately arriving at the current proposal that reflects the Authority staff's recommendation for the best balance of scope vs. cost, including contingencies for future market escalation and a less advantageous bidding environment; and

WHEREAS, Swinerton has submitted a revised Maximum Project Budget proposal, and the Authority has, (with the help of independent estimators), reviewed and validated Swinerton's revised proposed Maximum Project Budget of \$99,8000,000 for design and construction of Parking Plaza; and

WHEREAS, the Authority has, (with the help of independent schedulers), reviewed and validated Swinerton's proposed construction duration of 21 months from September 2016 in their Master Project Schedule; and

WHEREAS, the Master Project Schedule includes a 5 month closeout period with contract Final Acceptance and Completion occurring in October 2018; and

WHEREAS, the Contractor Agreement contains provisions that allow the Authority to set the validated contractor proposed Maximum Project Budget as the contractor's maximum contract value (price); and

WHEREAS, the Contractor Agreement contains provisions that allow the contractor to commence construction with the Authority's issuance of a Work Authorization; and

WHEREAS, work on the Parking Plaza will proceed with the issuance of progressive work authorizations that will subsequently be included in a Guaranteed Maximum Price Amendment ("GMP"); and

WHEREAS, the Contractor Agreement contains provisions that allow the Authority to convert the delivery of work from a progressive work authorization basis to a GMP to gain overall price and schedule certainty at any time that is in the best interest of the Authority and agreed to by both parties; and

WHEREAS, Authority staff anticipates that Swinerton will submit a GMP proposal within approximately 120 days of the construction start date at a time when the design has reached a minimum of 60% level of completion. The proposed GMP amounts will include the contractor contingency and allowances based upon specific assumptions and clarifications regarding the Work and final design of the Work, which may include incentive provisions; and

WHEREAS, the Authority staff will review, negotiate, and validate Swinerton's GMP proposal so that it is in the best interest of the project; and

WHEREAS, the Board finds it in the best interest of the Authority to authorize the President/CEO to negotiate and execute a GMP Amendment within the Maximum Project Budget of \$98,800,000; and

WHEREAS, Authority Policy 5.02(4)(b)(iii) requires Board approval of any increase in contract value in excess of 4% of the contract amount; and

WHEREAS, Authority staff recommends that the Board authorize the President/CEO to negotiate and execute, without further Board action, change orders not to exceed \$127,800,000, which is the Board approved Program Budget, to fund unanticipated costs arising from scope changes.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and authorizes the President/CEO to negotiate and execute a First Amendment (the "Validation Amendment") to the Agreement with Swinerton Builders, Inc., establishing a Maximum Project Budget of \$99,800,000 and a Master Project Schedule of twenty six (26) months beginning in September 2016 and resulting in Final Completion and Acceptance no later than October 2018; and

BE IT FURTHER RESOLVED that the Board hereby approves and authorizes the President/CEO to execute Work Authorizations and a Second Amendment ("Guaranteed Maximum Price Amendment") within the Maximum Project Budget after the issuance of the Validation Amendment in order to allow completion of 100% design and construction; and

BE IT FURTHER RESOLVED that the Board finds it is in the best interest of the Authority to authorize the President/CEO to negotiate and execute future change orders, without further Board action, in an amount not to exceed \$127,800,000, which is the Program Budget; and

BE IT FURTHER RESOLVED that the Board of the San Diego County Regional Airport Authority finds that this Board action is for a project that was evaluated subject to CEQA, Pub. Res. Code Section 21065 as a project component of the San Diego International Airport Master Plan Final Environmental Impact Report (SCH # 2005091105; SDCRAA #EIR-06-01) certified May 1, 2008, and in an Addendum that was approved July, 2014, and was reviewed and approved by the California Coastal Commission in accordance with the California Coastal Act, and on August 13, 2015, a Notice of Intent to Issue Permit was granted for CDP No. 6-14-1886, subject to special conditions.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a special meeting this 13th day of June, 2016, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION GOVERNANCE /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL



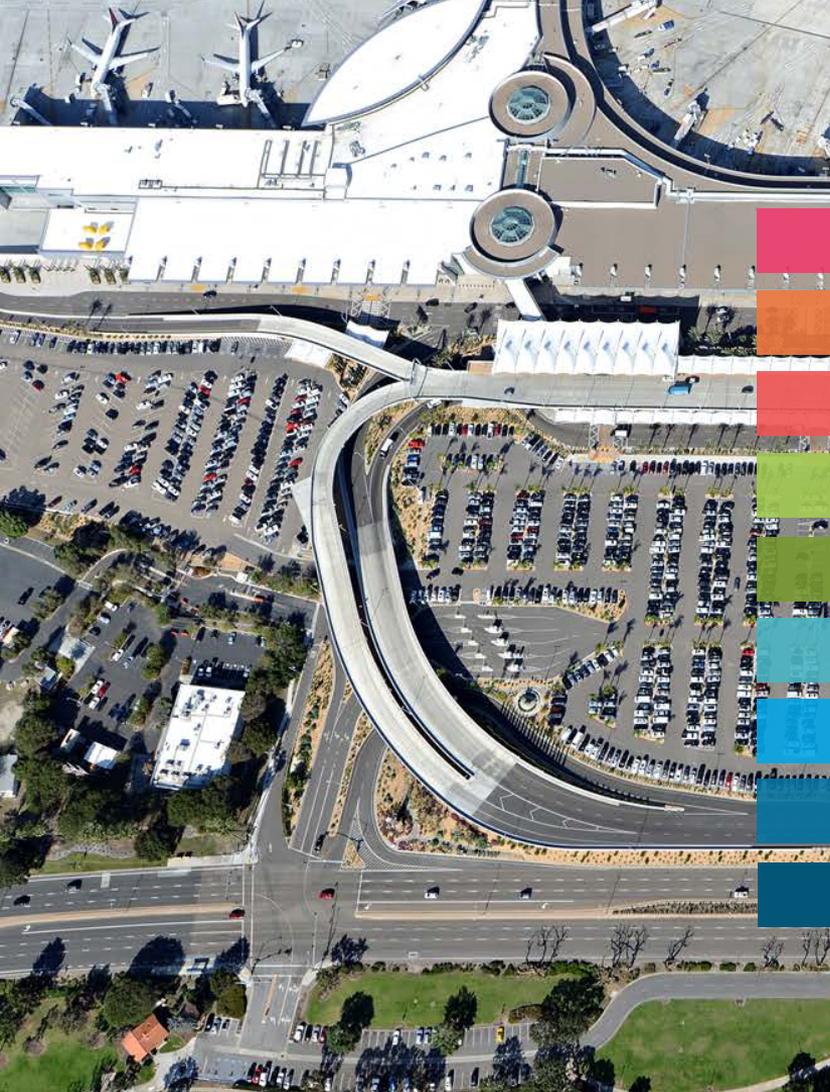
Approve and Adopt a Mid-year Adjustment of the Capital Program Budget for Fiscal Years 2016-2020 to Fund an Increase in the Terminal 2 Parking Plaza Program Budget; and Approve and Authorize the President/CEO to Negotiate and Execute a First Amendment to the Swinerton Builders, Inc., Agreement to Establish a Maximum Contract Value and to Negotiate and Execute Future Work Authorizations and a Future Guaranteed Maximum Price Amendment

June 13, 2016

Presented by:

Bob Bolton

Director, Airport Design & Construction



Presentation Topics

Terminal 2 Parking Plaza

Justification

Key Project Milestones

Project Site & Phasing

Unique Features

Program Evolution

Program Budget / Metrics

Small / Local Business Participation

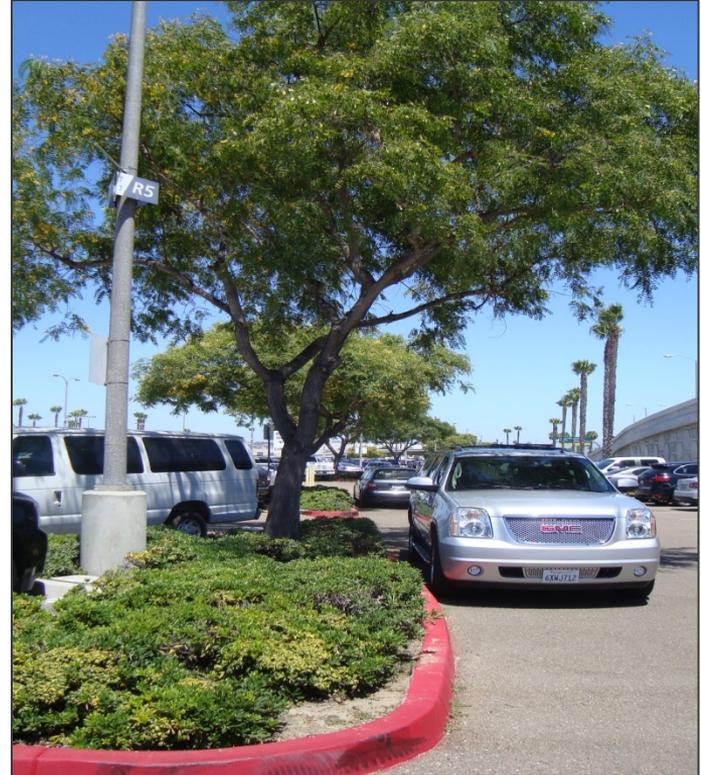
Financial Update

Next Steps & Board Actions



Terminal 2 Close-in Parking

SDIA Has Observable Close-In Parking Problem



SDIA Has Observable Close-In Parking Problem



Parking Analysis Concludes Demand for Terminal-Area Parking

- 7,000 total public spaces required within walking distance of the terminals by 2035
- 3,000 parking spaces needed for T2 customers immediately
- Passenger surveys demonstrate the need for additional close-in parking
- Traffic impacts would be minimal due to additional parking
- Parking Structure fits in plan of finance (CIP)

Parking Plaza Justification

- **Building vertically optimizes airport's land use of 661 acres and provides additional close-in parking**
- **Additional close-in parking is convenient and preferred by customers**
- **Convenient parking enhances customer service and generates additional revenue**
- **Structured parking creates a new category of "Covered Parking"**
- **Additional parking capacity is needed to minimize impacts during construction of the replacement of Terminal 1 (ADP)**

A Parking Plaza at Terminal 2 Can Mitigate Loss of Terminal 1 Spaces During ADP Construction

ADP will likely displace part or all of 1,300-spaces in T1 Lot



Previous Board Approvals

- **July 7, 2014 Board Meeting:**

- Prepare & submit Coastal Commission development permit application
- Commence steps toward project design and construction of:
 - 3 story parking plaza
 - 3,000 parking space capacity
 - Located in Terminal 2 Parking Lot

- **September 17, 2015 Board Meeting:**

- Execute a Design-Build Agreement with Swinerton Builders
- Execute Work Authorization with Swinerton Builders for a not-to-exceed amount of \$12 Million for validation phase services, additional design and early construction work

Coastal Commission Approval

- **August 13, 2015 California Coastal Commission Approved Coastal Development Permit for the Parking Plaza**
 - Following Conditions must be met before the permit is issued
 1. Final Plans
 2. Public Transit Outreach Program
 3. Annual Progress Report on Public Transit Improvements
 4. Future Coastal Development Permit Submittals
 5. Erosion Control and Construction BMP's Plan
 6. Water Quality Technical Report
 7. Operation And Maintenance Plan
 8. Staging Area and Public Access Plan
 9. Final Landscape Plans
 - Final Permit is anticipated to be issued in July 2016

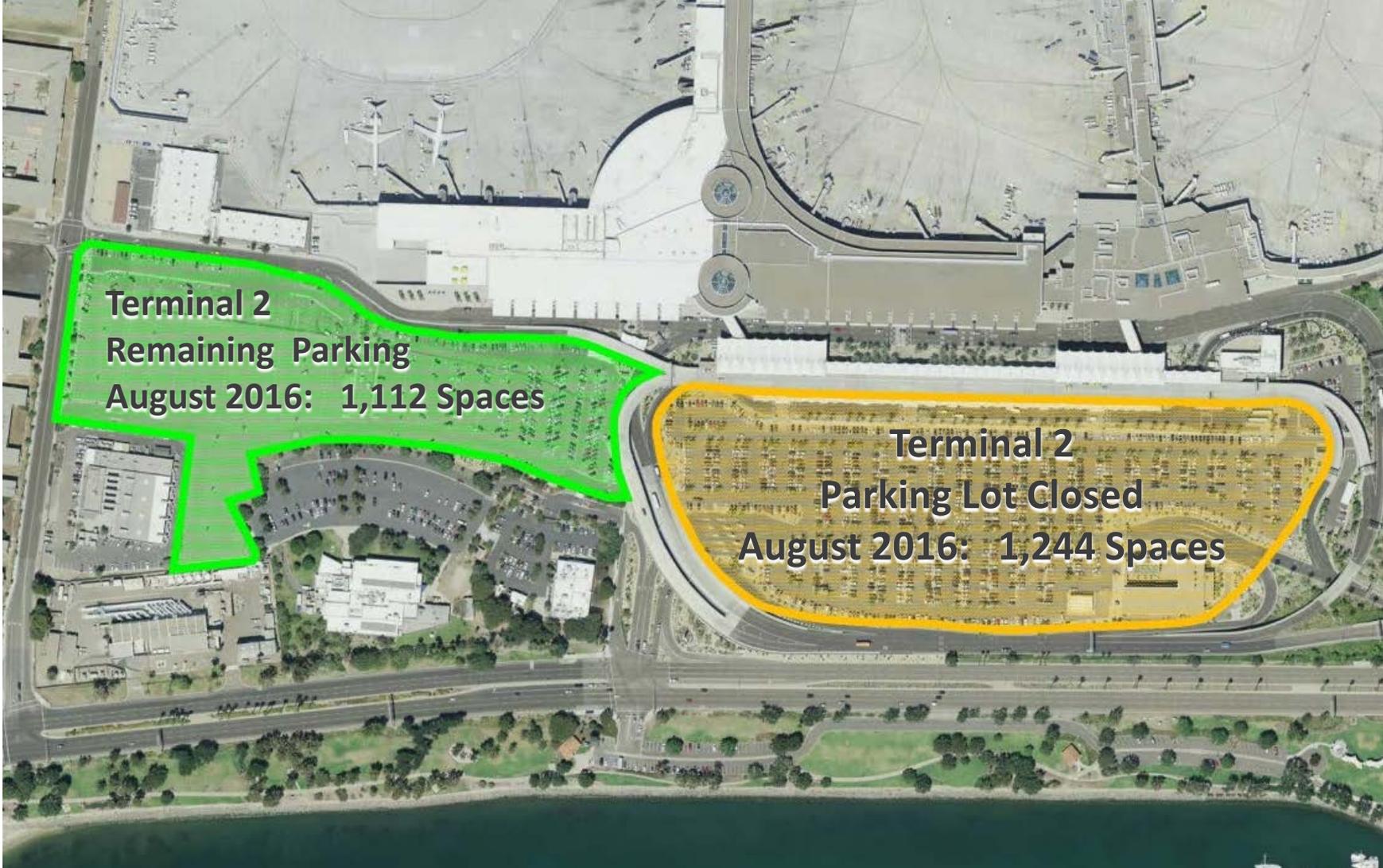
Key Project Milestones

| Anticipated Milestone Events | Planned Dates |
|--|----------------------|
| Schematic Design Completion | May 09, 2016 |
| Enabling Work | June 2016 - Sep 2016 |
| Request Board Approval of Validated Program Budget & Maximum Project Budget for Design-Builder | June 13, 2016 |
| Coastal Development Permit to be Issued | July 2016 |
| T2 Parking Lot Closure Start | August 01, 2016 |
| Construction Start | September 2016 |
| Construction Substantial Completion | May 2018 |
| Parking Plaza Operational | End of May 2018 |
| Contract Final Acceptance & Completion | October 2018 |

Parking Plaza Site



T2 Close-in Parking



**Terminal 2
Remaining Parking
August 2016: 1,112 Spaces**

**Terminal 2
Parking Lot Closed
August 2016: 1,244 Spaces**



Public Outreach Sustained Program (September-ongoing)

- Communication plan
- Construction hotline
- Construction alert system
- Milestone media relations

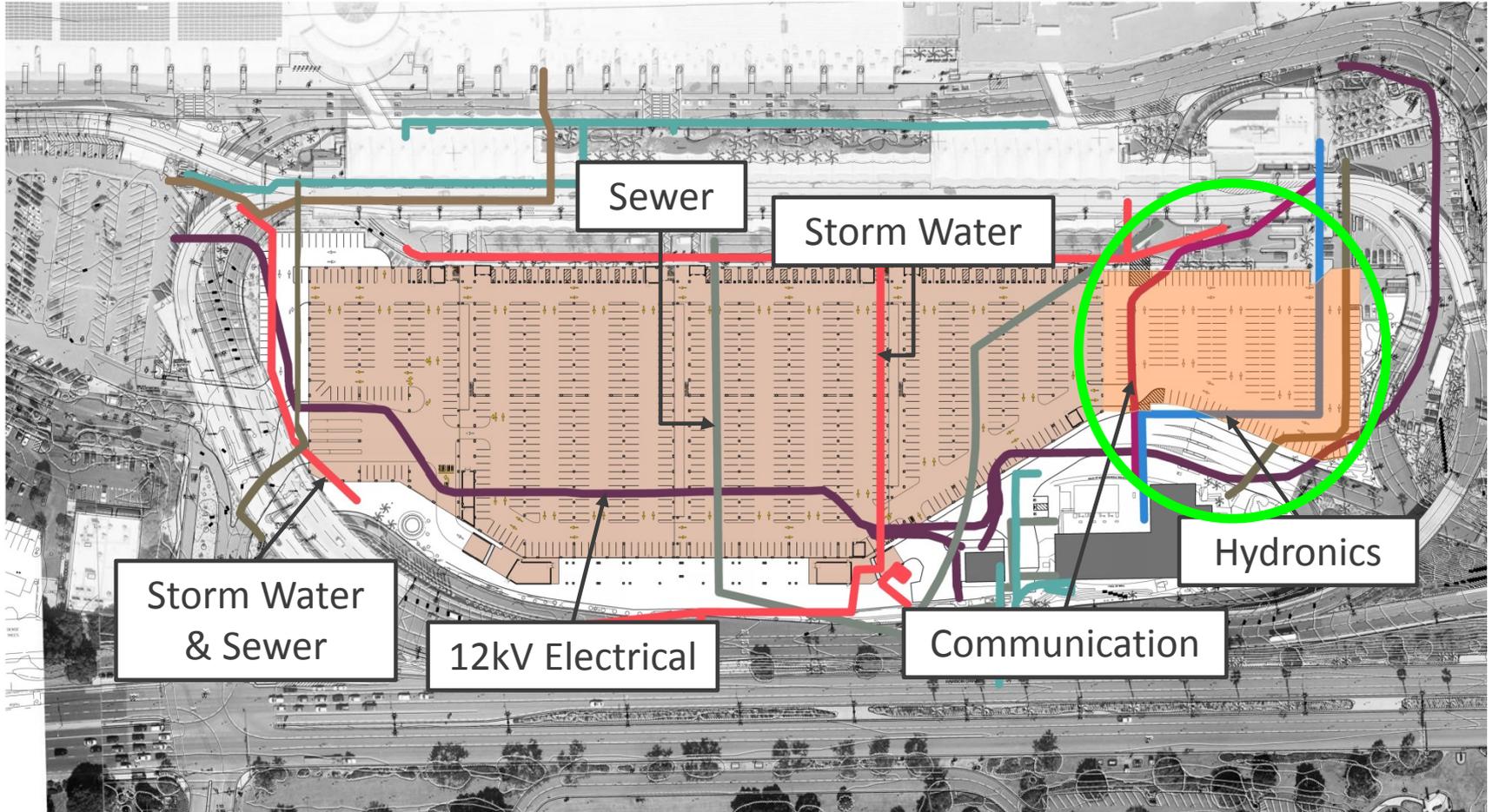
T2 Close-in Parking



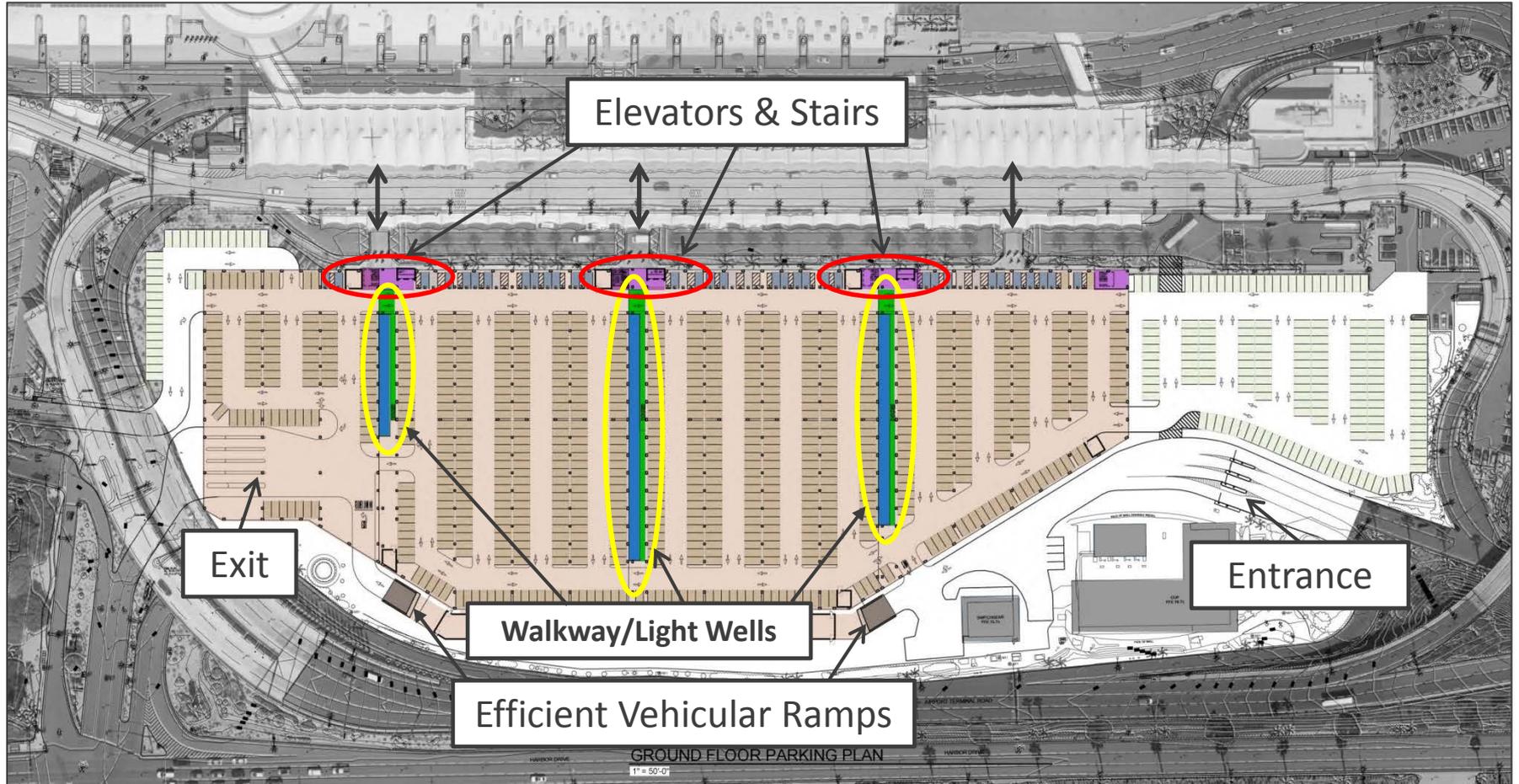
**Terminal 2
Surface Parking
May 2018: 1,112 Spaces**

**Terminal 2
Parking Plaza Open
May 2018: 2,901 Spaces
(1,657 Additional)**

Parking Plaza - Existing Utilities



Parking Plaza - 2901 Parking Stalls





Walkways & Open Stairs in the Light Wells



Parking Access & Revenue Control System



Parking Guidance System

Unique Features

View from Elevated Road



Unique Features - Glass Elevators

Harbor Drive View



Unique Features - Landscaping & Balcony

Parking Plaza - North Elevation



2 Public Art Opportunities



3 Elevator Lobbies
(3 Art Locations)



3 Light Wells
(3 Art Locations)

Program Evolution

- **Basis for Preliminary \$82 Million Program Budget:**
 - Budget Based on 2009 Green Build Cost Metrics
 - Favorable construction period
 - As part of larger program
 - Construction team already onsite
 - Basic Parking Structure
 - Assumed Construction Cost: \$20,000 / Parking Space
 - Customer service technology has advanced
 - Site impacts were not fully evaluated
 - Enabling works were not included
 - Pre-dates Programming Effort Completed in 2015

Program Evolution

- **Design Builder Selected – September 2015**
 - Preliminary Program and Budget Were Evaluated
- **Program Validation Phase – Oct. 2015 to Feb. 2016**
 - Included Preliminary Design Effort
 - Construction Industry Input
 - Specific Site Investigation Effort
- **Maximum Project Budget Developed – March 2016**
 - Independent Cost Estimate Solicited and Obtained by the Authority
 - Allocated Budget for Risk Mitigation

Program Evolution - Cost Refinements

- **Changes to Preliminary Program Budget**
 - Market Escalation: Since Budget was set in 2009
 - Forecast Continuing Market Escalation
 - Less Competitive Bidding Environment
- **Technology**
 - Advanced Parking Access and Revenue Control System
 - Advanced Parking Guidance System (PGS)
 - Enhanced Public Wi-Fi System

Program Evolution - CIPOC

- **April 28, 2016**
 - CIPOC requested more detail about what caused the budget increase?
 - What scope was removed to reduce the budget?

Program Evolution - Scope/Budget Increase

- Soil Conditions/Liquefaction – Deep Foundations
- Environmental Mitigation – Contaminated Soil (Not Uniform)
- Seismic Zone – Enhanced Structure
- Utilities Relocation
- Reconfiguration of Adjacent Parking Lot
- Multiple Elevator Lobbies
- Multiple Light Wells
- Safety by Design
- Compliance With New Storm Water Permit

Program Evolution

Scope / Cost Increases to Preliminary Budget

| Changes in Assumed Costs | Total Program Cost |
|---|--------------------|
| Approved Budget (Basic Garage) | \$ 82,080,000 |
| Proposed Increase to Budget | \$ 45,720,000 |
| Proposed Validated Program Budget (Enhanced Garage) | \$ 127,800,000 |

Scope / Cost Increases to Preliminary Budget

| Changes in Assumed Costs | Budget |
|---|--|
| 1. Customer Service & Advanced Technology: <ul style="list-style-type: none"> - Advanced Revenue Control and Parking Guidance - Advanced Technologies Including Public Wi-Fi - Enhanced Way-finding - Enhanced Customer Service Elements (Architectural) | <ul style="list-style-type: none"> \$ 4,195,000 \$ 4,508,000 \$ 1,715,000 \$ 1,590,000 |
| 2. Site Impacts: <ul style="list-style-type: none"> - Poor Soil Conditions (Deep Foundations/Structural) - Contaminated Soils / Unforeseen Conditions | <ul style="list-style-type: none"> \$ 7,350,000 \$ 2,507,000 |
| 3. Enabling Works: <ul style="list-style-type: none"> - Utilities Relocation - Reconfiguration of NTC Lot | <ul style="list-style-type: none"> \$ 2,699,000 \$ 1,645,000 |
| 4. Other items: <ul style="list-style-type: none"> - Safety by Design - Storm Water Reuse - Escalation (Attributable Balance) | <ul style="list-style-type: none"> \$ 2,719,000 \$ 2,197,000 \$ 14,559,000 |
| Changes in Budget | \$ 45,720,000 |

Program Evolution

Validation Phase Scope / Cost Reductions

| Scope / Cost Reductions From Initial Program Estimate | |
|--|-----------------------|
| Initial Validated Cost Estimate of Total Program | \$ 159,800,000 |
| Proposed Validated Program Budget | \$ 127,800,000 |
| Validation Phase Cost Reductions | \$ 32,000,000 |

Program Evolution

Scope / Cost Reductions

| Validation Phase Cost Reductions | Full Cost Savings |
|---|--------------------------|
| Eliminated Elements on the Roof | \$ 5,300,000 |
| Adjusted Building Footprint size | \$ 7,500,000 |
| Adjusted Building Lifespan (Coatings and Additives in Concrete) | \$ 4,400,000 |
| Architectural / Landscape Design Scenarios | \$ 2,000,000 |
| Adjusted Elevator Size (7,000 to 4,000 lbs.) and Type (3 to 1 sided Glass) | \$ 2,700,000 |
| Adjusted Enhanced Lighting Levels (5fc at parking and 10 fc at pedestrian areas) | \$ 2,300,000 |
| Alternate Deep Foundation | \$ 800,000 |
| Adjusted Information Technology Systems (DAS, FIDS, CUSS, Geofencing) | \$ 4,700,000 |
| Eliminate Multi-level Walkways in Light Wells | \$ 1,100,000 |
| Miscellaneous Cost Reductions | \$ 1,200,000 |
| Savings in Construction Cost Scenarios | \$ 32,000,000 |

Validated Program Budget

| Description | Validated Program Budget |
|---|--|
| <ul style="list-style-type: none"> • Design Build Contractor Costs: <ul style="list-style-type: none"> - Construction Budget - Design Budget | <p>\$ 89,900,000</p> <p>\$ 9,900,000</p> |
| Contract Value (Design Builder's Maximum Project Budget) | \$ 99,800,000 |
| <ul style="list-style-type: none"> • Authority Cost: <ul style="list-style-type: none"> - Public Art Budget - PM/CM, Insurance & Permit Fees | <p>\$ 1,700,000</p> <p>\$ 19,300,000</p> |
| Subtotal – Validated Budget | \$ 120,800,000 |
| Authority Program Contingency (5.8%) | \$ 7,000,000 |
| TOTAL: | \$ 127,800,000 |

Parking Structure

Construction Cost Comparison (Benchmark)

Costs have been adjusted for escalation and location factors

Does not include cost of enabling work, utilities relocation and soft costs (industry standard)

| Construction Cost Comparison | Status | Number of Stalls | Cost per Stall |
|--|----------------------|------------------|------------------|
| Wichita (ICT) | Open May 2015 | 1600 | \$ 28,812 |
| SAN Parking Plaza | Design | 2901 | \$ 29,689 |
| Austin Bergstrom Int. Airport (AUS) | Planning | 5000 | \$ 29,822 |
| San Francisco (SFO) | Design | 3600 | \$ 30,397 |

Parking Structure Comparative Metrics

| Airport Parking Structures In Past 2 Years | Range | SAN |
|---|------------------------|-----------------|
| Design Cost (10.5%) | \$5M to \$13M | \$9.1M |
| Construction Cost (Adjusted for Escalation and Location) | \$46M to \$182M | \$86.1M* |
| Square Foot/Parking Stall | 326 to 420 sft | 338 sft |
| Cost/Square Foot | \$80 to \$96 | \$94.30 |

* \$86.1M Parking Plaza + \$3.8M enabling & utilities relocation = Total of \$89.9M
DB's Construction Budget

Design & Pre-Construction Local & Small Business Participation

(Dollars Awarded to Date)

| Overall | Dollars |
|-------------------------------|---------------|
| Total Dollars Awarded to Date | \$3.9 million |
| Local Business Participation | \$2.4 million |
| Small Business Participation | \$1.9 million |

Local & Small Business Outreach Milestones

| Anticipated Milestone Events | Planned Dates |
|---|------------------------|
| Lunch and Learn Outreach Event | December 2015 |
| Update SDCRAA's Subcontracting Webpage | January 2016 |
| Create a Swinerton T2PP Project Website | January 2016 |
| Create a Portal for SDCRAA Vendors | January 2016 |
| T2PP Small Business Kick-off Event | February 2016 |
| E-blast to SDCRAA Vendors | March 2016 |
| Submit Updated Outreach Plan | April 2016 |
| Four Regional Opportunity Awareness Events (South, East, North, Central) | May – June 2016 |
| Training Workshops | June 2016 |
| Partnering Event for Electrical Package | June 2016 |

Financial Analysis

Major Assumptions

- Total Parking Spaces – 2901
- Project Costs - \$127.8 million
- Funding: Up to \$90 million of variable rate debt. Balance in cash.
- Scenario 1 – Low Utilization
- Scenario 2 – High Utilization

Financial Analysis

| Scenario Assumptions & Metrics | Scenario 1 Low Utilization | Scenario 2 High Utilization |
|--|-------------------------------|--------------------------------|
| Average Plaza Utilization | 68% | 79% |
| Average Annual Incremental Revenue | \$9.8 million | \$13.2 million |
| Average Annual Debt Service (10 Years) | \$9.7 million | \$9.7 million |
| Average Annual Net Incremental Revenue | \$0.1 million | \$3.5 million |
| Payback Period | 15.5 years | 12.1 years |
| Net Present Value | Break Even – \$0.0 million | \$45.8 million |

Parking Plaza

Actual costs as of April 30, 2016

(amounts expressed in thousands)

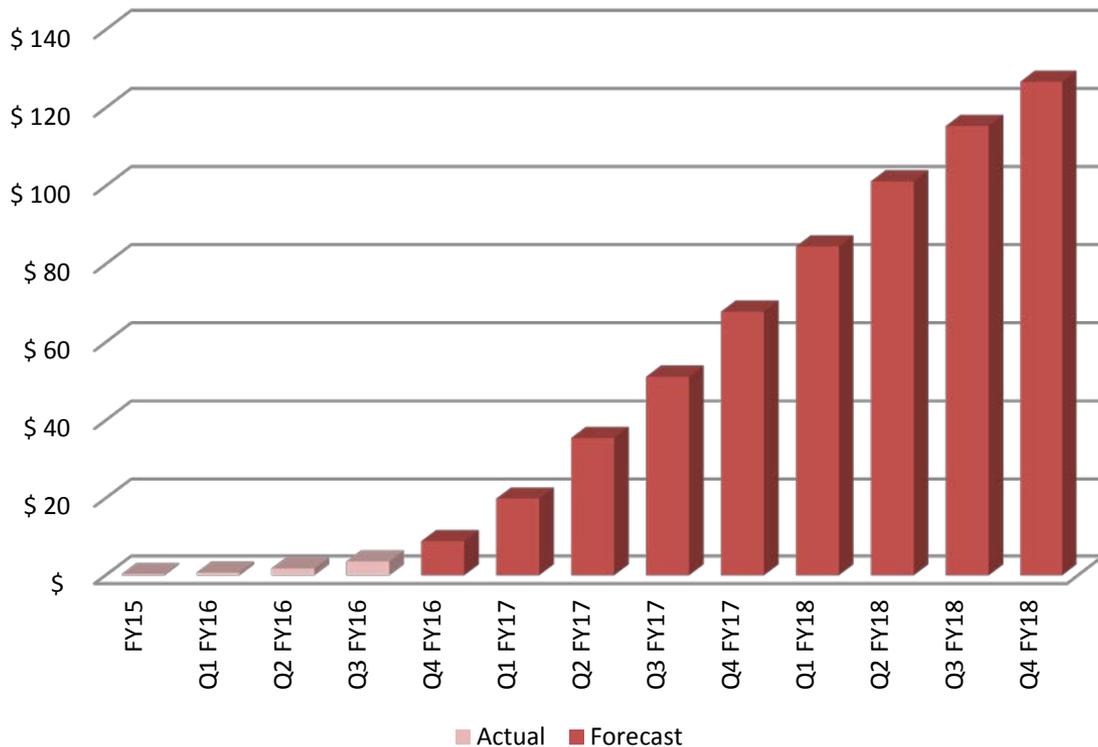
| Parking Plaza Project | Proposed Project Costs | Actual Costs | Remaining Unspent |
|-----------------------|------------------------------|-----------------|----------------------|
| Totals | \$ 127,800 | \$ 6,468 | \$ 121,332 |
| Grand Total | \$ 127,800 | \$ 6,468 | \$ 121,332 |

Parking Plaza Cost Trend

As of April 30, 2016

(amounts expressed in millions)

Parking Plaza Cost Trend¹



Recommendation for Board Approval

Approving and authorizing adoption of a mid-year adjustment to the Fiscal Year 2016-2020 Capital Program Budget to fund an increase in the Terminal 2 Parking Plaza budget of \$45,720,000 for a Validated Program budget of \$127,800,000.

Approving and authorizing the President/CEO to negotiate and execute: 1) a First Amendment (“Validation Amendment”) to the Agreement with Swinerton Builders, Inc., establishing a Maximum Project Budget of \$99,800,000 and a Master Project Schedule for the design and construction of the Terminal 2 Parking Plaza; 2) Work Authorizations and a Second Amendment (“Guaranteed Maximum Price Amendment”) within the Maximum Project Budget after the issuance of the Validation Amendment in order to allow completion of 100% design and construction; and 3) future changes orders using uncommitted funds within the Validated Program Budget of \$127,800,000.

Next Steps







San Diego County Regional Airport Authority FY 2017 Proposed Budget & FY 2018 Proposed Conceptual Budget

Budget Workshop

Presented by:
Scott Brickner, Vice President
Finance & Asset Management/Treasurer



Agenda

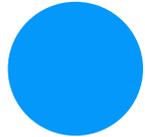
- 1. Organizational Strategies**
- 2. Organizational Initiatives**
- 3. Economic, Industry and Credit Overview**
- 4. Budget Objectives**
- 5. Budget Process**
- 6. Budget Overview**
 - Revenue
 - Expense
- 7. Capital Program Budget**
- 8. Plan of Finance FY 2017-2021**
- 9. Conclusion**
- 10. Appendix**
 - Expense Overview
 - Division Expense Budgets
 - Capital Program



Organizational Strategies



Strategies



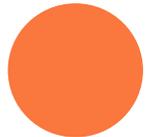
Community

Be a trusted and highly responsive agency



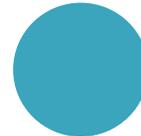
Financial

Enhance the financial position of the Airport Authority



Customer

Achieve the highest level of internal and external customer satisfaction



Operations

Operate our airport in a safe, secure, environmentally sound, effective and efficient manner



Employee

Achieve the highest level of employee commitment and performance



Organizational Initiatives

Sustainable Organization

Our Commitment:

Plan and build an enduring and resilient customer-focused enterprise by effectively managing our financial; social; and environmental risks, obligations and opportunities



FY 2017 Initiatives

Develop a five-year strategic plan to include the following three sustainable elements:



Maintain a Sustainable Long Term Capital Plan



Focus on Revenue Generation and Cost Control



Strategically Engage Our Employees in Sustainable Business Practices



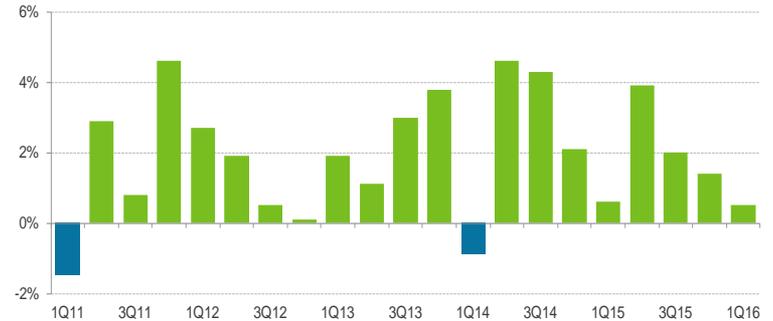


Economic Industry and Credit Overview

US Economy Growth

- Main economic indicators all showed growth through 2015:
 - U.S. GDP grew 2.4%
 - Equity markets:
 - DJIA: -2.2%
 - S&P 500: -0.7%
 - U.S. unemployment declined from 5.6% to 5.0%
 - San Diego unemployment declined from 5.4% to 4.8%
- YTD 2016 equity markets have followed a V-pattern, first dropping substantially and then recovering in recent weeks

U.S. Gross Domestic Product



Dow Jones Industrial Avg. and S&P 500 Indices



U.S. Unemployment Rates



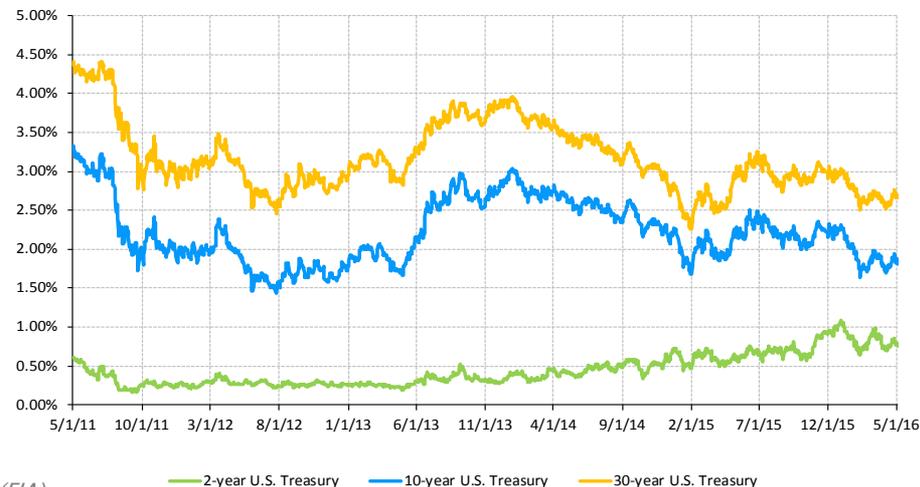
Oil Prices & Interest Rates Remain Near Recent Historical Lows

- Crude oil prices fell 24.3% in the last 12 months
- Current oil price trades in the \$40+/- range (i.e., the middle of its 52-week range of \$26 - \$61)
- 30-year U.S. Treasury Rate increased 26 bps in 2015
- 30-year U.S. Treasury Rate (YTD) the rate has decreased 35 bps (as of May 3, 2016)

WTI Crude Oil Price (Per Barrel)



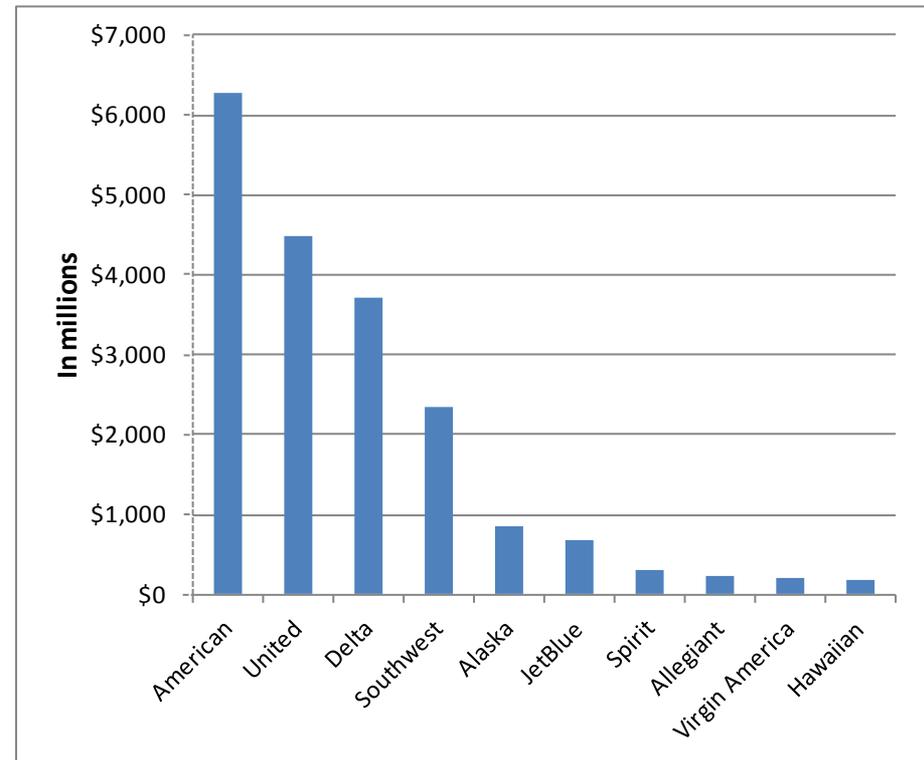
U.S. Treasury Yields



Airline Industry Overview

- All major US airlines recorded a profit in 2015 and the domestic industry collectively realized a \$19.3B profit (excluding special items), up from \$11.7B in 2014
- Main drivers of profit growth include booming domestic demand, sharply lower oil prices and continued pricing power due to industry consolidation
- Load factors remain at record highs as aircraft are increasingly full for most US airlines
- Network and Fleet Restructuring: Airlines are continuing to pare down service to smaller and unprofitable airports and focus on ordering large, fuel efficient aircraft to replace aging fleets

2015 Net Income (excluding Special Items)



Moody's U.S Airports 2016 Outlook

Remains Positive

Key drivers are:

- Enplanement growth
- Airlines expected to expand their seat capacity between 3% and 4.5% by adding larger planes and /or seat densification
- Continued U.S. economic expansion
- Higher parking and concession revenues
- Continued low fuel prices

SDCRAA Strong Credit

Fitch affirms A+ Senior and A Subordinate ratings with a stable outlook

Moody's affirms A1 Senior and A2 Subordinate ratings and revises the outlook from stable to positive

Moody's affirms A3 rating with stable outlook on special facility bonds

Key Rating Rationale:

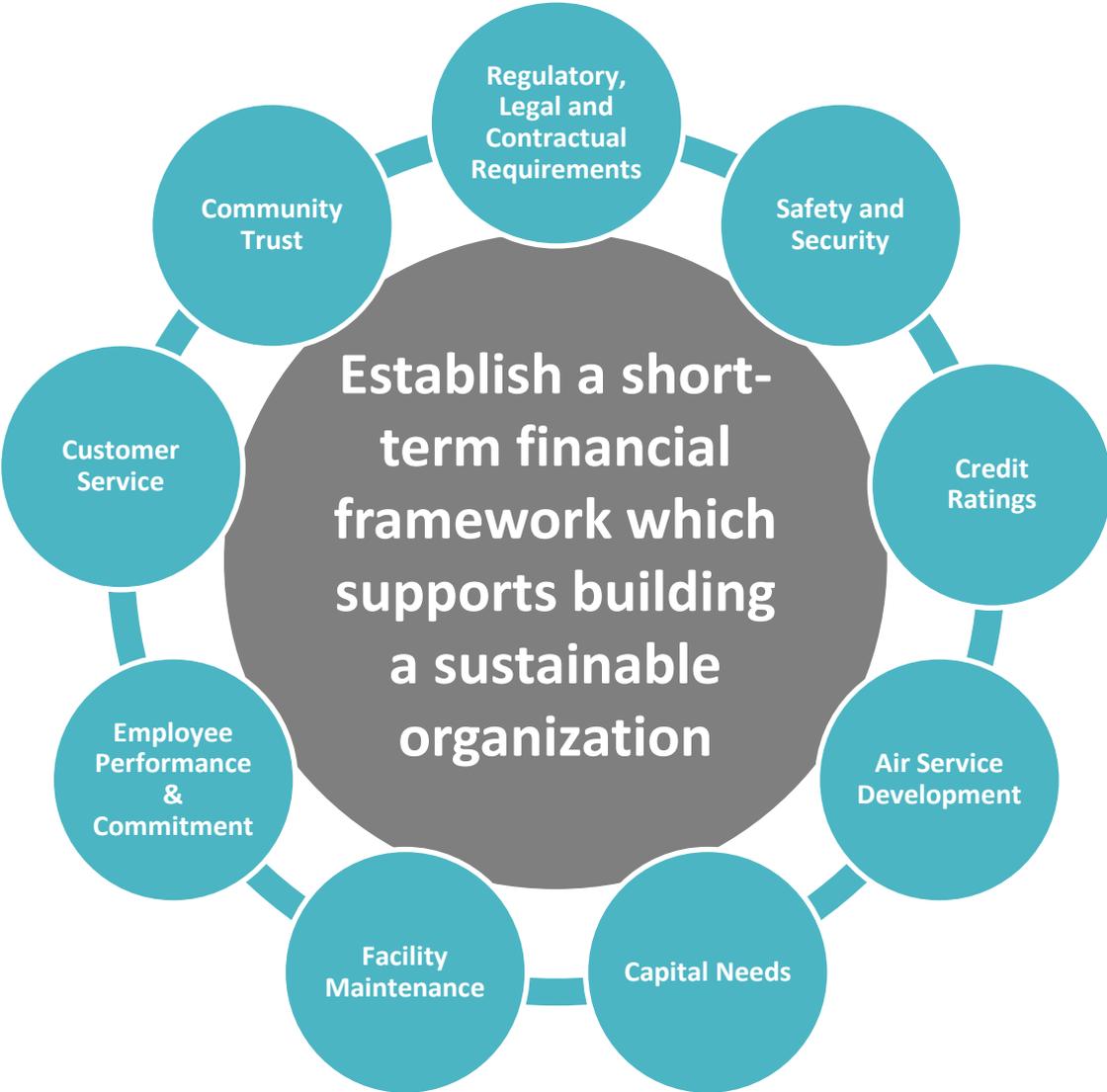
- Strong Service Area: The airport's strong enplanement base is serviced by a diverse group of airlines and benefits San Diego county's service area.
- Robust enplanement growth
- Favorable Hybrid Airline Agreement: The airport has a hybrid use and lease agreement, which is residual on the airfield and compensatory in the terminal.
- Conservative Fixed Rate Debt Profile
- Strong Debt Service Coverage and liquidity ratios



Budget Objectives



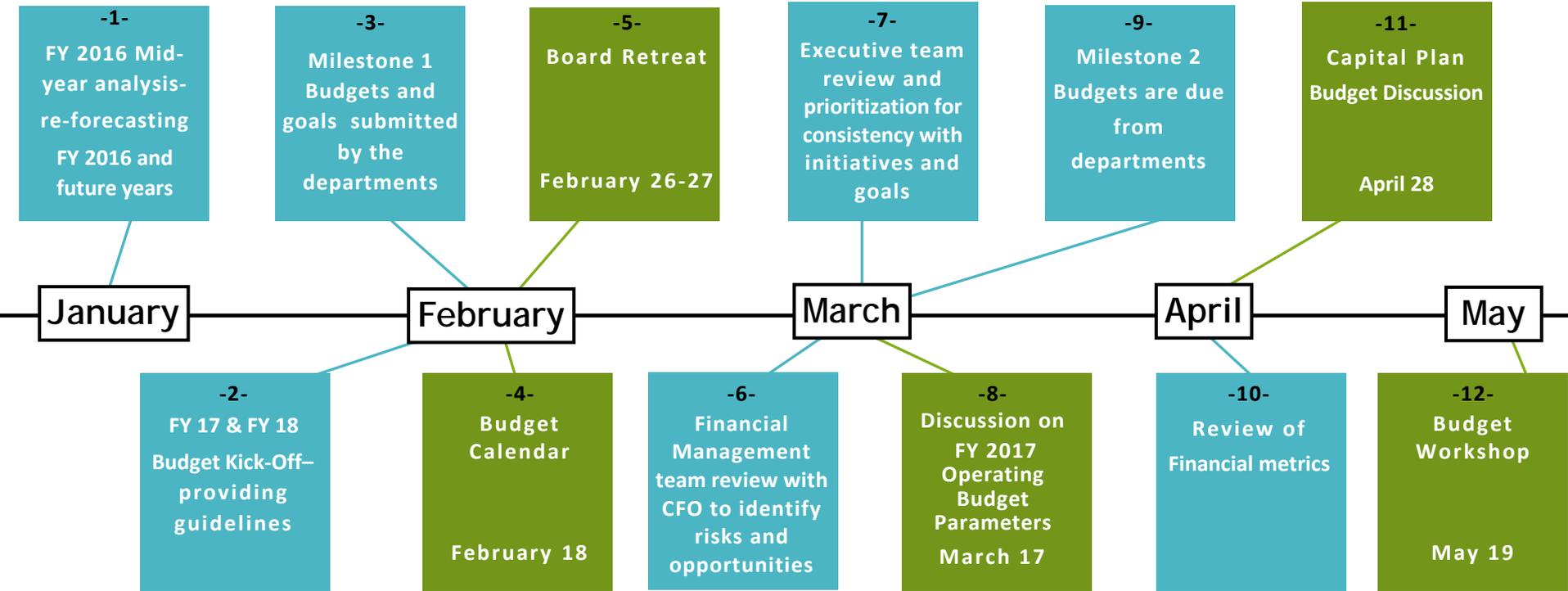
Budget Objective





Budget Process

Budget Process



Budget Process

FY 2017 Expenses Milestone 2 vs. Milestone 1

| | FY 2017 M1 Budget | FY 2017 Proposed Budget | Inc / (Dec) FY 2017 M2 vs FY 2017 M1 |
|---|-------------------------|-------------------------------|--|
| Operating Expenses: | | | |
| Total Personnel Expenses | \$47,070,663 | \$45,555,883 | \$ (1,514,781) |
| Non-Personnel Expenses | | | |
| Contractual Services | 46,543,344 | 44,698,463 | (1,844,880) |
| Safety and Security | 28,850,700 | 29,061,387 | 210,687 |
| Space Rental | 10,191,450 | 10,191,450 | - |
| Utilities | 13,309,309 | 12,903,213 | (406,096) |
| Maintenance | 15,530,767 | 14,665,767 | (865,000) |
| Operating Equipment & Systems | 453,383 | 365,314 | (88,069) |
| Operating Supplies | 464,557 | 446,912 | (17,645) |
| Insurance | 1,012,758 | 1,012,758 | - |
| Employee Programs | 1,355,538 | 1,328,398 | (27,140) |
| Business Development | 2,655,618 | 2,564,368 | (91,250) |
| Equipment Rentals & Repairs | 2,906,395 | 2,727,672 | (178,723) |
| Tenant Improvements | 900,000 | 900,000 | - |
| Total Non-Personnel Expenses | 124,173,819 | 120,865,702 | (3,308,117) |
| Total Operating Expenses | 171,244,482 | 166,421,585 | (4,822,897) |
| Non-Operating Expenses: | | | |
| Joint Studies/Sound Attenuation | 14,834,811 | 14,834,811 | - |
| Debt Service | 81,147,636 | 80,841,954 | (305,681) |
| Legal Settlements Expense | 10,000 | 10,000 | - |
| Total Non-Operating Expenses | 95,992,447 | 95,686,765 | (305,681) |
| Total Expenses | 267,236,929 | 262,108,350 | (5,128,579) |
| Equipment Outlay | 2,405,000 | 1,525,650 | (879,350) |
| Total Authority Expenses incl Equip Outlay | \$ 269,641,929 | \$ 263,634,000 | \$ (6,007,929) |



Budget Overview

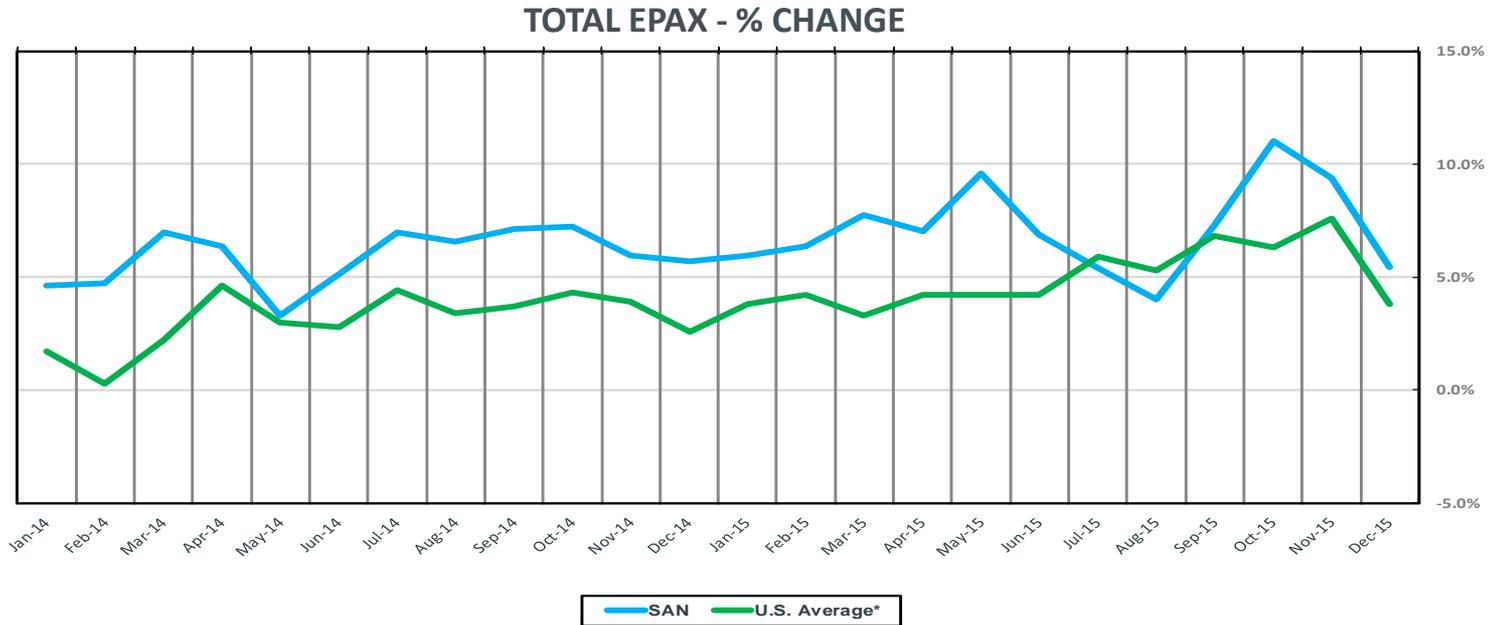


Revenue Budget Overview

Revenue Budget Assumptions

SDIA Passenger Traffic

SDIA Traffic growth has outperformed national average



* U.S. Average is based on T-100 Market Reporting Data from the DOT Bureau of Transportation Statistics.

Revenue Budget Assumptions

● Enplanements

- FY 2017 Proposed Budget of 10.6M, 2.5% increase over FY 2016 Forecast of 10.4M
- FY 2018 Proposed Conceptual Budget of 10.8M, 2.0% increase over FY 2017 Proposed Budget of 10.6M

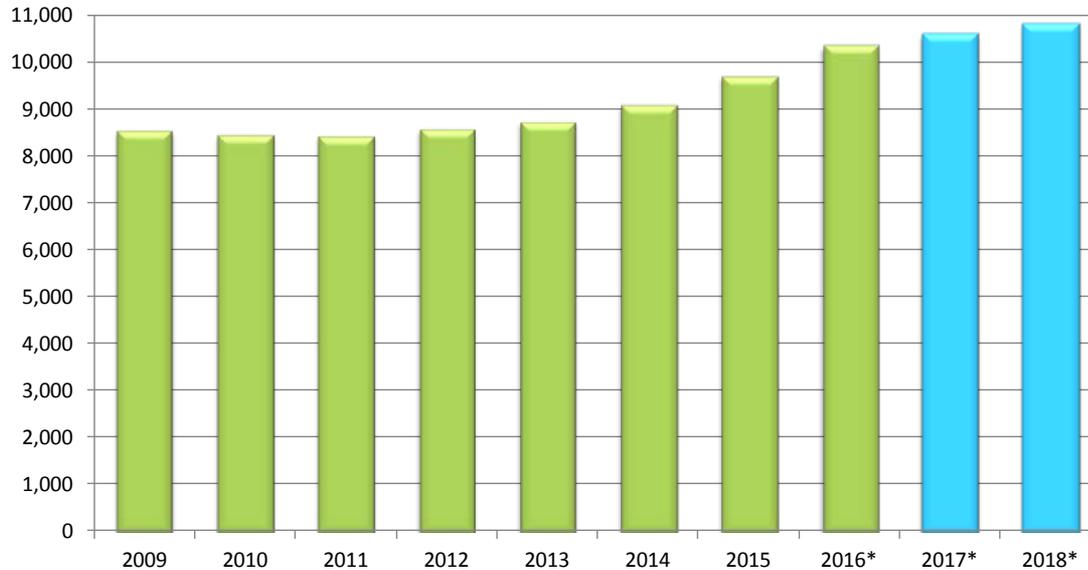
(in thousands)

| Fiscal Year | FY 16 Budget Enplanements | % Change Year over Year | FY 17 Budget Enplanements | % Change Year over Year | Change vs FY 16 Budget |
|------------------------|---------------------------|-------------------------|---------------------------|-------------------------|------------------------|
| 2015 Actuals | 9,713 | – | 9,713 | – | – |
| 2016 Budget / Forecast | 9,828 | 1.2% | 10,352 | 6.6% | 524 |
| 2017 | 9,995 | 1.7% | 10,611 | 2.5% | 616 |
| 2018 | 10,125 | 1.3% | 10,823 | 2.0% | 698 |

Revenue Budget Assumptions

Annual Enplaned Passenger Traffic

(in thousands)

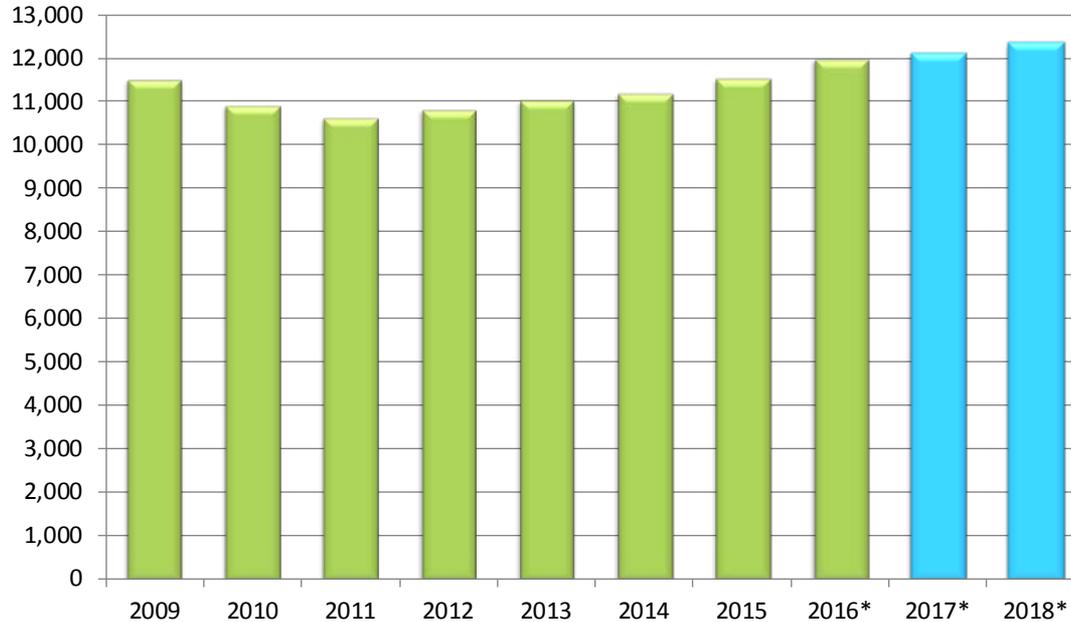


| <u>Fiscal Year</u> | <u>Enplaned Passengers</u> | <u>% Change</u> |
|--------------------|----------------------------|-----------------|
| 2009 | 8,536 | -9.1% |
| 2010 | 8,454 | -1.0% |
| 2011 | 8,441 | -0.2% |
| 2012 | 8,575 | 1.6% |
| 2013 | 8,738 | 1.9% |
| 2014 | 9,082 | 3.9% |
| 2015 | 9,713 | 6.9% |
| 2016* | 10,352 | 6.6% |
| 2017* | 10,611 | 2.5% |
| 2018* | 10,823 | 2.0% |

Revenue Budget Assumptions

● Landed Weight

(in millions)



| Fiscal Year | Landed Weight | % Change |
|-------------|---------------|----------|
| 2009 | 11,497 | -8.0% |
| 2010 | 10,893 | -5.3% |
| 2011 | 10,606 | -2.6% |
| 2012 | 10,820 | 2.0% |
| 2013 | 11,016 | 1.8% |
| 2014 | 11,187 | 1.6% |
| 2015 | 11,524 | 3.0% |
| 2016* | 11,979 | 3.9% |
| 2017* | 12,108 | 1.1% |
| 2018* | 12,350 | 2.0% |

Revenue Budget Assumptions

- **Airline Revenue - recovery methodology remains the same**

| <u>Fiscal Year</u> | <u>Airfield</u> | <u>Terminal</u> | <u>Security</u> | <u>CUPPS</u> |
|--------------------|-----------------|-----------------|-----------------|--------------|
| FY 2017 | 100% | 70% | 95% | 100% |
| FY 2018 | 100% | 70% | 95% | 100% |

- **Terminal Concessions**

- FY 2017 – FY 2018 revenue reflects current actual Sales per Enplaned Passenger (SEP) rate which is higher than budgeted in FY 2016

- **Car Rental License Fees**

- FY 2017 - FY 2018 revenue reflects current actual SEP rate which is lower than budgeted in FY 2016
- Full year of RCC expense cost recovery

Revenue Budget Assumptions *(Cont'd)*

● Parking Revenue

- Parking Plaza construction expected to begin in August 2016, and continue for 21 months
- Assuming a drop in T2 parking activity due to construction
- Valet revenue increase during construction
- Scheduled FY 2017 Parking rate increase for Short-Term lots and Valet

● Ground Rentals

- Full year of Rental Car Center (RCC)

● Ground Transportation

- Cost recovery methodology

● Non-Operating Revenue: Customer Facility Charges (CFC)

- CFC increases from \$7.50 to \$9.00 per day in January 2017

Ground Transportation Cost Recovery Methodology

- Trip fees and permit fees will be established and set for FY 17 and FY 18
- Trip fees and permit fees adjusted for incentive plan
 - Reduced user fees – 25% discount for all converted vehicles
 - Increased user fees – 75% premium in FY 2017 and 100% premium in FY 2018 for non-converted vehicles



Ground Transportation Expenses

FY 2015 – FY 2018

| Ground Transportation Costs | FY 2015 Actual | FY 2016 Forecast | FY 2017 Proposed Budget | FY 2018 Proposed Conceptual Budget |
|---|-------------------|---------------------|----------------------------|---------------------------------------|
| Operating & Maintenance Expenses | | | | |
| Airport Traffic Officers (ATOs) | \$ 5.1 | \$ 5.2 | \$ 5.4 | \$ 5.5 |
| Customer Service Representatives (CSRs) | 0.8 | 0.8 | 0.8 | 0.9 |
| Ground Transportation departmental costs | 0.9 | 1.0 | 1.0 | 1.0 |
| Roadways maintenance & landscaping | 0.9 | 1.0 | 1.1 | 1.2 |
| Hold lot O&M costs | 0.3 | 0.3 | 0.3 | 0.3 |
| Subtotal | \$ 8.0 | \$ 8.3 | \$ 8.6 | \$ 8.9 |
| General and Administrative (G&A) % | 19.9% | 20.6% | 20.2% | 20.5% |
| SDCRAA G&A costs | \$ 1.6 | \$ 1.7 | \$ 1.7 | \$ 1.8 |
| Depreciation of roadway assets | 4.2 | 4.2 | 4.6 | 4.6 |
| Total | \$ 13.8 | \$ 14.2 | \$ 14.9 | \$ 15.3 |

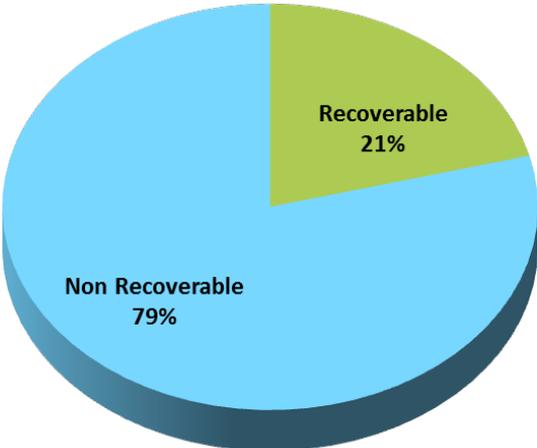
Trips by Mode - Methodology

- Enplanement growth used to increase trips for modes for FY 2016 through FY 2018
- FY 2017 TNC trips based on FY 2016 YTD trips - Taxi, shuttle and private vehicles modes adjusted for TNC effect
- FY 2016 estimates compared to FY 2016 YTD actuals for reasonableness for taxis, shuttles and courtesy

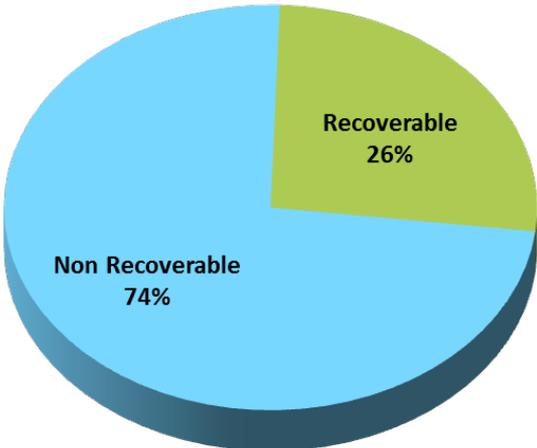
| Mode <i>(in thousands)</i> | Actual FY 2015 | Estimated Trips FY 2016 | Estimated Trips FY 2017 | Estimated Trips FY 2018 |
|--|-------------------|----------------------------|----------------------------|----------------------------|
| Recoverable Modes | | | | |
| Taxicabs | 903 | 830 | 825 | 841 |
| TNC | - | 600 | 646 | 659 |
| Off-airport parking | 251 | 204 | 208 | 212 |
| Hotel / Motel shuttles | 161 | 166 | 170 | 173 |
| Limousines | 97 | 103 | 106 | 108 |
| Vehicles for hire | 111 | 101 | 96 | 98 |
| Sub-Total | 1,523 | 2,004 | 2,050 | 2,091 |
| Non-Recoverable Modes | | | | |
| Private vehicles | 4,200 | 4,116 | 4,214 | 4,291 |
| Public transit, Authority and airport vehicles | 835 | 888 | 830 | 846 |
| Rental car shuttles | 575 | 455 | 336 | 343 |
| Airport parking shuttles | 135 | 144 | 148 | 151 |
| Charter buses | 3 | 3 | 3 | 3 |
| Sub-Total | 5,748 | 5,607 | 5,531 | 5,634 |
| TOTAL | 7,271 | 7,612 | 7,581 | 7,726 |

Ground Transportation Expense Cost Recovery

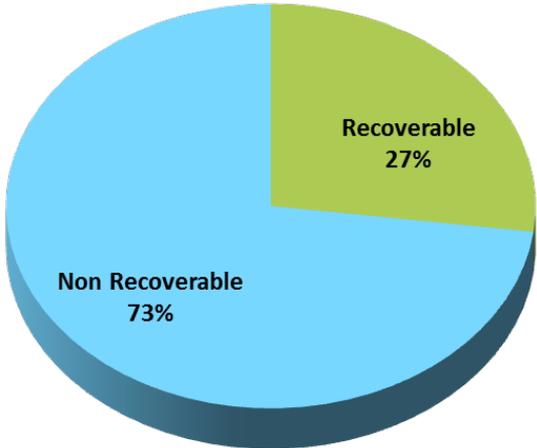
FY 2015



FY 2016



FY 2017 - FY 2018



Vehicles Mode Cost Allocation – FY 2017

(in thousands)

| Mode | Estimated FY 2017 Trips (a) | FY 2017 Share of Trips | Total O&M Costs | G&A (20.2%) | Total Depreciation | FY 2017 Allocated Costs (b) | FY 2017 User Fee (b/a) |
|--|-----------------------------------|------------------------------|--------------------|-----------------|-----------------------|-----------------------------------|------------------------------|
| Recoverable Modes | | | | | | | |
| Taxicabs | 825 | 10.9% | \$ 1,952 | \$ 394 | \$ 838 | \$ 3,185 | \$ 3.86 |
| TNC | 646 | 8.5% | 906 | 183 | 345 | 1,434 | 2.22 |
| Off-airport parking | 208 | 2.7% | 214 | 43 | 133 | 390 | 1.87 |
| Hotel / Motel shuttles * | 170 | 2.2% | 174 | 35 | 108 | 318 | 4,476 |
| Limousines | 106 | 1.4% | 109 | 22 | 68 | 198 | 1.87 |
| Vehicles for hire | 96 | 1.3% | 165 | 33 | 95 | 293 | 3.06 |
| Sub-Total | 2,050 | 27.0% | \$ 3,520 | \$ 711 | \$ 1,588 | \$ 5,818 | |
| Non-Recoverable Modes | | | | | | | |
| Private vehicles | 4,214 | 55.6% | \$ 3,835 | \$ 775 | \$ 2,254 | \$ 6,864 | |
| Public transit, Authority and airport vehicles | 830 | 10.9% | 755 | 153 | 444 | 1,352 | |
| Rental car shuttles | 336 | 4.4% | 306 | 62 | 180 | 547 | |
| Airport parking Shuttles | 148 | 2.0% | 152 | 31 | 94 | 277 | |
| Charter buses | 3 | 0.0% | 3 | 1 | 2 | 5 | |
| Sub-Total | 5,531 | 73.0% | \$ 5,051 | \$ 1,020 | \$ 2,974 | \$ 9,045 | |
| TOTAL | 7,581 | 100.0% | \$ 8,571 | \$ 1,731 | \$ 4,561 | \$ 14,864 | |

Vehicles Mode Trip Fee – FY 2017

| Mode | FY 2017 Base User Fee | 25% Incentive Plan Reduced User Fee | 75% Incentive Plan Increased User Fee |
|-------------------------------------|-----------------------------|---|---|
| Recoverable Modes | | | |
| Taxicabs | \$ 3.86 | \$ 2.90 | \$ 6.76 |
| TNC ¹ | 2.22 | 1.67 | 3.89 |
| Off-airport parking | 1.87 | 1.40 | 3.28 |
| Hotel / Motel shuttles ² | 4,476 | 3,357 | 7,834 |
| Limousines | 1.87 | n/a | n/a |
| Vehicles for hire | 3.06 | 2.30 | 5.36 |

¹ TNCs are not reporting converted vehicles and are paying premium user fees

² User fee based on permit fee; estimated vehicles in this mode total 71 vehicles

Vehicles Mode Cost Allocation - FY 2018

(in thousands)

| Mode | Estimated FY 2018 Trips (a) | FY 2018 Share of Trips | Total O&M Costs | G&A (20.5%) | Total Depreciation | FY 2018 Allocated Costs (b) | FY 2018 User Fee (b/a) |
|--|-----------------------------------|------------------------------|--------------------|-----------------|-----------------------|-----------------------------------|------------------------------|
| Recoverable Modes | | | | | | | |
| Taxicabs | 841 | 10.9% | \$ 2,007 | \$ 412 | \$ 822 | \$ 3,241 | \$ 3.85 |
| TNC | 659 | 8.5% | 938 | 192 | 349 | 1,480 | 2.25 |
| Off-airport parking | 212 | 2.7% | 221 | 45 | 134 | 401 | 1.89 |
| Hotel / Motel shuttles * | 173 | 2.2% | 180 | 37 | 109 | 327 | 4,602 |
| Limousines | 108 | 1.4% | 113 | 23 | 68 | 204 | 1.89 |
| Vehicles for hire | 98 | 1.3% | 170 | 35 | 95 | 300 | 3.07 |
| Sub-Total | 2,091 | 27.1% | \$ 3,629 | \$ 744 | \$ 1,579 | \$ 5,951 | |
| Non-Recoverable Modes | | | | | | | |
| Private vehicles | 4,291 | 55.5% | \$ 3,980 | \$ 816 | \$ 2,276 | \$ 7,072 | |
| Public Transit, Authority and Airport vehicles | 846 | 11.0% | 785 | 161 | 449 | 1,395 | |
| Rental car shuttles | 343 | 4.4% | 318 | 65 | 182 | 565 | |
| Airport parking shuttles | 151 | 2.0% | 157 | 32 | 95 | 285 | |
| Charter buses | 3 | 0.0% | 3 | 1 | 2 | 6 | |
| Sub-Total | 5,634 | 72.9% | \$ 5,243 | \$ 1,075 | \$ 3,003 | \$ 9,322 | |
| TOTAL | 7,726 | 100.0% | \$ 8,872 | \$ 1,819 | \$ 4,582 | \$ 15,273 | |

Vehicles Mode Trip Fee – FY 2018

| Mode | FY 2018 Base User Fee | 25% Incentive Plan Reduced User Fee | 100% Incentive Plan Increased User Fee |
|-------------------------------------|-----------------------------|---|--|
| Recoverable Modes | | | |
| Taxicabs | \$ 3.85 | \$ 2.89 | \$ 7.70 |
| TNC ¹ | 2.25 | 1.68 | 4.49 |
| Off-airport parking | 1.89 | 1.41 | 3.77 |
| Hotel / Motel shuttles ² | 4,602 | 3,451 | 9,204 |
| Limousines | 1.89 | n/a | n/a |
| Vehicles for hire | 3.07 | 2.30 | 6.14 |

¹ TNCs are not reporting converted vehicles and are paying premium user fees

² User fee based on permit fee; estimated vehicles in this mode total 71 vehicles

User Fees Comparison

| Mode | Base user fee | | | AFV ¹ 25% reduced user fee | | | Non AFV Premium user fee | | |
|----------------------------|---------------|---------|---------|--|---------|---------|-----------------------------|---------|---------|
| | FY 2016 | FY 2017 | FY 2018 | FY 2016 | FY 2017 | FY 2018 | 50% | 75% | 100% |
| | | | | | | | FY 2016 | FY 2017 | FY 2018 |
| Taxicabs | \$3.61 | \$3.86 | \$3.85 | \$2.71 | \$2.90 | \$2.89 | \$5.41 | \$6.76 | \$7.70 |
| Shuttles | \$2.36 | \$3.06 | \$3.07 | \$1.77 | \$2.30 | \$2.30 | \$3.54 | \$5.36 | \$6.14 |
| Limousines | \$1.90 | \$1.87 | \$1.89 | n/a | n/a | n/a | n/a | n/a | n/a |
| Hotel/Motel | \$3,412 | \$4,476 | \$4,602 | \$2,559 | \$3,357 | \$3,451 | \$5,118 | \$7,834 | \$9,204 |
| Off-Airport Parking | \$1.90 | \$1.87 | \$1.89 | \$1.42 | \$1.40 | \$1.41 | \$2.85 | \$3.28 | \$3.77 |
| TNC | \$1.84 | \$2.22 | \$2.25 | \$1.38 | \$1.67 | \$1.68 | \$2.76 | \$3.89 | \$4.49 |

FY 2017 Proposed – FY 2018 Proposed Conceptual Revenue Budget Summary

| | FY 2015 Actuals | FY 2016 Budget | FY 2017 Conceptual Budget | FY 2017 Proposed Budget | Inc / (Dec) FY 17 vs FY 16 Budget | % Change | Inc / (Dec) FY 17 Proposed vs FY17 Conceptual | % Change | FY 2018 Conceptual Budget | Inc / (Dec) FY 18 Conceptual vs FY 17 Budget | % Change |
|---|-----------------------|-----------------------|---------------------------------|-------------------------------|---|--------------|---|--------------|---------------------------------|--|--------------|
| Operating Revenue: | | | | | | | | | | | |
| Airline Revenue | | | | | | | | | | | |
| Landing Fees | \$ 21,390,056 | \$ 24,612,835 | \$ 26,210,325 | \$ 26,620,940 | \$ 2,008,105 | 8.2% | \$ 410,615 | 1.6% | \$ 28,740,510 | \$ 2,119,569 | 8.0% |
| Aircraft Parking Fees | 2,715,854 | 2,875,302 | 3,039,706 | 2,907,647 | 32,345 | 1.1% | (132,059) | -4.3% | 3,123,922 | 216,275 | 7.4% |
| Building Rentals | 50,206,093 | 53,222,551 | 56,288,056 | 54,924,548 | 1,701,997 | 3.2% | (1,363,508) | -2.4% | 58,566,935 | 3,642,387 | 6.6% |
| Common Use System Support Charges | 1,254,818 | 1,206,527 | 1,206,527 | 1,245,131 | 38,604 | 3.2% | 38,604 | 3.2% | 1,248,913 | 3,782 | 0.3% |
| Other Aviation Revenue | 1,584,599 | 1,587,163 | 1,590,358 | 1,619,773 | 32,610 | 2.1% | 29,415 | 1.8% | 1,623,620 | 3,847 | 0.2% |
| Security Surcharge | 25,179,679 | 27,684,810 | 29,219,841 | 29,857,549 | 2,172,739 | 7.8% | 637,707 | 2.2% | 30,949,428 | 1,091,880 | 3.7% |
| Total Airline Revenue | 102,331,098 | 111,189,189 | 117,554,814 | 117,175,589 | 5,986,400 | 5.4% | (379,225) | -0.3% | 124,253,328 | 7,077,740 | 6.0% |
| Non-Airline Revenue | | | | | | | | | | | |
| Terminal rent non-Airline | 1,506,604 | 1,428,694 | 1,442,961 | 1,241,740 | (186,955) | -13.1% | (201,221) | -13.9% | 1,257,243 | 15,503 | 1.2% |
| Terminal concessions | 21,961,517 | 21,323,828 | 21,746,728 | 23,856,777 | 2,532,949 | 11.9% | 2,110,049 | 9.7% | 24,405,854 | 549,077 | 2.3% |
| Rental Car License Fees | 26,209,701 | 25,812,269 | 27,411,065 | 28,683,541 | 2,871,273 | 11.1% | 1,272,477 | 4.6% | 29,262,688 | 579,146 | 2.0% |
| License Fees Other | 4,325,175 | 4,475,900 | 4,551,800 | 4,339,300 | (136,600) | -3.1% | (212,500) | -4.7% | 4,399,400 | 60,100 | 1.4% |
| Parking Revenue | 38,614,429 | 38,161,518 | 37,931,821 | 40,577,290 | 2,415,772 | 6.3% | 2,645,469 | 7.0% | 41,019,488 | 442,198 | 1.1% |
| Ground Transportation Permits and Citations | 3,018,101 | 4,179,037 | 4,571,791 | 6,242,148 | 2,063,110 | 49.4% | 1,670,357 | 36.5% | 6,781,490 | 539,342 | 8.6% |
| Ground Rentals | 11,567,849 | 13,798,184 | 17,865,342 | 18,582,841 | 4,784,657 | 34.7% | 717,499 | 4.0% | 18,453,066 | (129,775) | -0.7% |
| Grant Reimbursements | 291,930 | 292,000 | 292,000 | 219,900 | (72,100) | -24.7% | (72,100) | -24.7% | 219,900 | - | 0.0% |
| Other Operating Revenue * | 678,870 | 473,304 | 475,118 | 752,288 | 278,984 | 58.9% | 277,170 | 58.3% | 757,539 | 5,251 | 0.7% |
| Total Non-Airline Revenue | 108,174,175 | 109,944,735 | 116,288,625 | 124,495,825 | 14,551,091 | 13.2% | 8,207,200 | 7.1% | 126,556,668 | 2,060,843 | 1.7% |
| Total Operating Revenue | 210,505,274 | 221,133,924 | 233,843,439 | 241,671,414 | 20,537,490 | 9.3% | 7,827,975 | 3.3% | 250,809,997 | 9,138,583 | 3.8% |
| Interest Income | 5,747,326 | 4,724,296 | 4,922,502 | 6,535,556 | 1,811,260 | 38.3% | 1,613,054 | 32.8% | 6,574,972 | 39,416 | 0.6% |
| Non-Operating Revenue | | | | | | | | | | | |
| Passenger facility charges | 38,517,355 | 39,261,900 | 39,929,000 | 41,924,100 | 2,662,200 | 6.8% | 1,995,100 | 5.0% | 42,761,700 | 837,600 | 2.0% |
| Customer facility charges (Rental Car Center) | 32,464,843 | 33,070,709 | 36,995,921 | 37,286,862 | 4,216,153 | 12.7% | 290,941 | 0.8% | 41,489,264 | 4,202,401 | 11.3% |
| Quieter Home Program | 12,073,809 | 11,627,849 | 11,627,849 | 11,627,849 | - | 0.0% | - | 0.0% | 11,627,849 | - | 0.0% |
| BAB Interest Rebate | 4,631,219 | 4,631,219 | 4,631,219 | 4,631,219 | (0) | 0.0% | - | 0.0% | 4,631,219 | - | 0.0% |
| Capital grant contributions | 10,764,946 | 11,592,103 | 4,610,070 | 1,350,000 | (10,242,103) | -88.4% | (3,260,070) | -70.7% | 9,135,000 | 7,785,000 | 576.7% |
| Other Nonoperating Revenue | 1,372,370 | - | - | - | - | 0.0% | - | - | - | - | 0.0% |
| Total Non-Operating Revenue | 99,824,543 | 100,183,780 | 97,794,059 | 96,820,030 | (3,363,750) | -3.4% | (974,029) | -1.0% | 109,645,031 | 12,825,001 | 13.2% |
| Total Revenue | \$ 316,077,143 | \$ 326,042,000 | \$ 336,560,000 | \$ 345,027,000 | \$ 18,985,000 | 5.8% | \$ 8,467,000 | 2.5% | \$ 367,030,000 | \$ 22,003,000 | 6.4% |

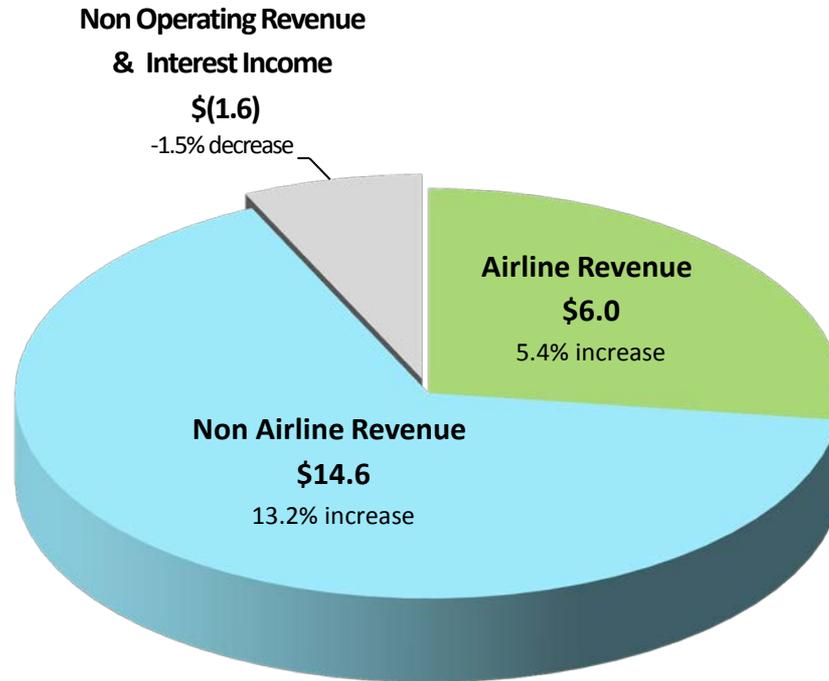
*Other Operating Revenue includes: Finger Printing Fees, Utilities Reimbursements, Service Charges, Equipment Rental and Miscellaneous Revenues



FY 2017 Budget Revenue Increase vs. FY 2016 Budget

\$19.0M (5.8%)

(in millions)



FY 2017 Airline Revenue Increase

\$6.0M (5.4%)

Net increase in airline revenue primarily reflects:

- Increase of \$2.2M in security surcharge reflecting an increase in Harbor Police cost, contract security services, access control maintenance cost and an increase in security checkpoints rent due to higher terminal rate
- Increase of \$2.0M in landing fees reflecting an increase in amortization for new airfield projects funded with cash
- Increase of \$1.7M in building rentals reflecting, increase in terminal major maintenance, increase in debt service and an increase in amortization for new terminal projects funded with cash

FY 2017 Non Airline Revenue Increase

\$14.6M (13.2%)

Net increase in non-airline revenue primarily reflects:

- Increase of \$4.8M in ground rents revenue primarily due to Rental Car Center (RCC) full year ground rent
- Increase of \$2.9M in rental car license fees revenue due to higher enplanements and RCC expense cost recovery
- Increase of \$2.5M in concession revenue due to higher enplanements and higher Sales per Enplaned Passenger (SEP)
- Increase of \$2.4M in parking revenue due to increases in enplanements and rate increases for short-term lots. These increases are partially offset by decrease in transactions caused by parking plaza construction
- Increase of \$2.1M in ground transportation permits and citations revenue due to increased expenses, increased trips by commercial operators and increased premium on user fees for non-converted vehicles

Parking Revenue

(in millions)

| | |
|---|-----------------------------|
| FY 2016 Budget | \$38.2 |
| Estimated increase in FY 2016 | <u>3.7</u> |
| FY 2016 Forecast | 41.9 |
| FY 2017 increase due to enplanements and rate increase | 1.7 |
| FY 2017 decrease due to parking plaza construction | (3.0) |
| FY 2017 Parking Revenue | <u><u>\$40.6</u></u> |
| <i>Increase vs. FY 2016 Budget</i> | \$2.4 |
| <i>Decrease vs. FY 2016 Forecast</i> | (\$1.3) |

FY 2017 Interest Income & Non-Operating Revenue Decrease **(\$1.6M) (-1.5%)**

Interest income increase of \$1.8M due to increase in interest rates and cash balances

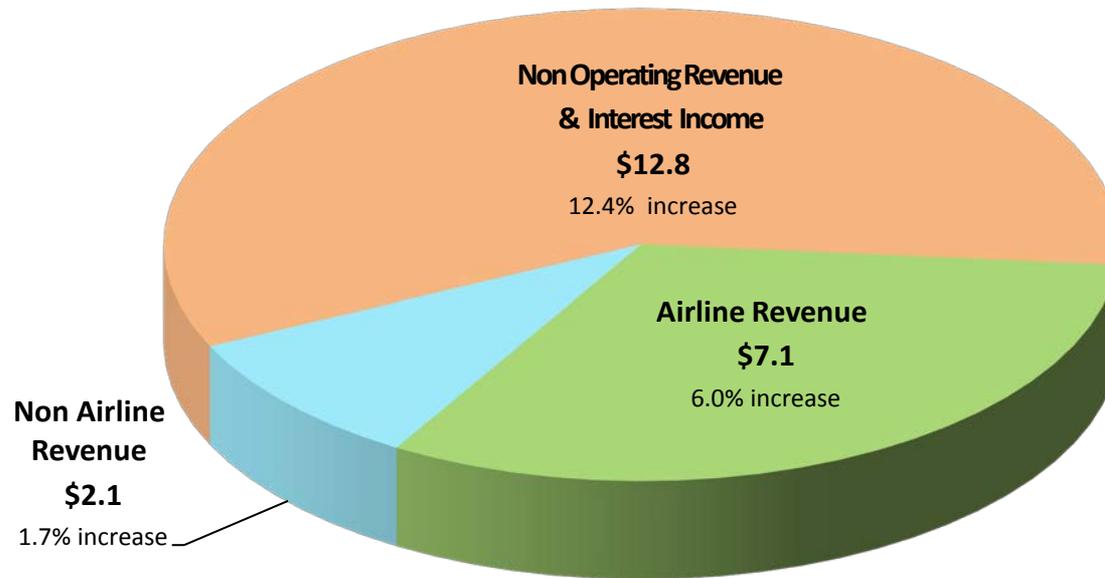
Net decrease in non-operating revenue primarily reflects:

- Increase of \$4.2M in Customer Facility Charges (Rental Car Center fees) primarily due to higher enplanements and increase in CFC rate from \$7.50 to \$9.00 in January 2017 (6 months in FY 2017)
- Increase of \$2.6M in Passenger Facility Charges due to higher enplanements
- Decrease of \$10.2M in capital grant contributions due to timing of grant eligible projects

FY 2018 Budget Revenue Increase vs. FY 2017 Budget

\$22.0M (6.4%)

(in millions)



FY 2018 Airline Revenue Increase

\$7.1M (6.0%)

Net increase in airline revenue primarily reflects:

- Increase of \$3.6M in building rentals due to increase in utilities cost and increase in amortization for new terminal projects funded with cash
- Increase of \$2.1M in landing fees reflecting increase in utilities, ARFF costs, oval striping and increase in amortization for new airfield projects funded with cash
- Increase of \$1.1M in security surcharge reflecting increase in harbor police cost, contract security services, access control maintenance cost and increase in security checkpoints rent due to higher terminal rate

FY 2018 Non-Airline Revenue Increase

\$2.1M (1.7%)

Net increase in non-airline revenue primarily reflects:

- Increase of \$0.6M in rental car license fees revenue due to higher enplanements
- Increase of \$0.5M in concession revenue due to higher enplanements
- Increase of \$0.5M in ground transportation permits and citations revenue due to increased premium on user fees for non-converted vehicles
- Increase of \$0.4M in parking revenue due to increase in enplanements. This increase is partially offset by a decrease in transactions due to parking plaza construction

FY 2018 Interest Income & Non-Operating Revenue Increase

\$12.8M (12.4%)

Interest income is flat due to decrease in cash balances

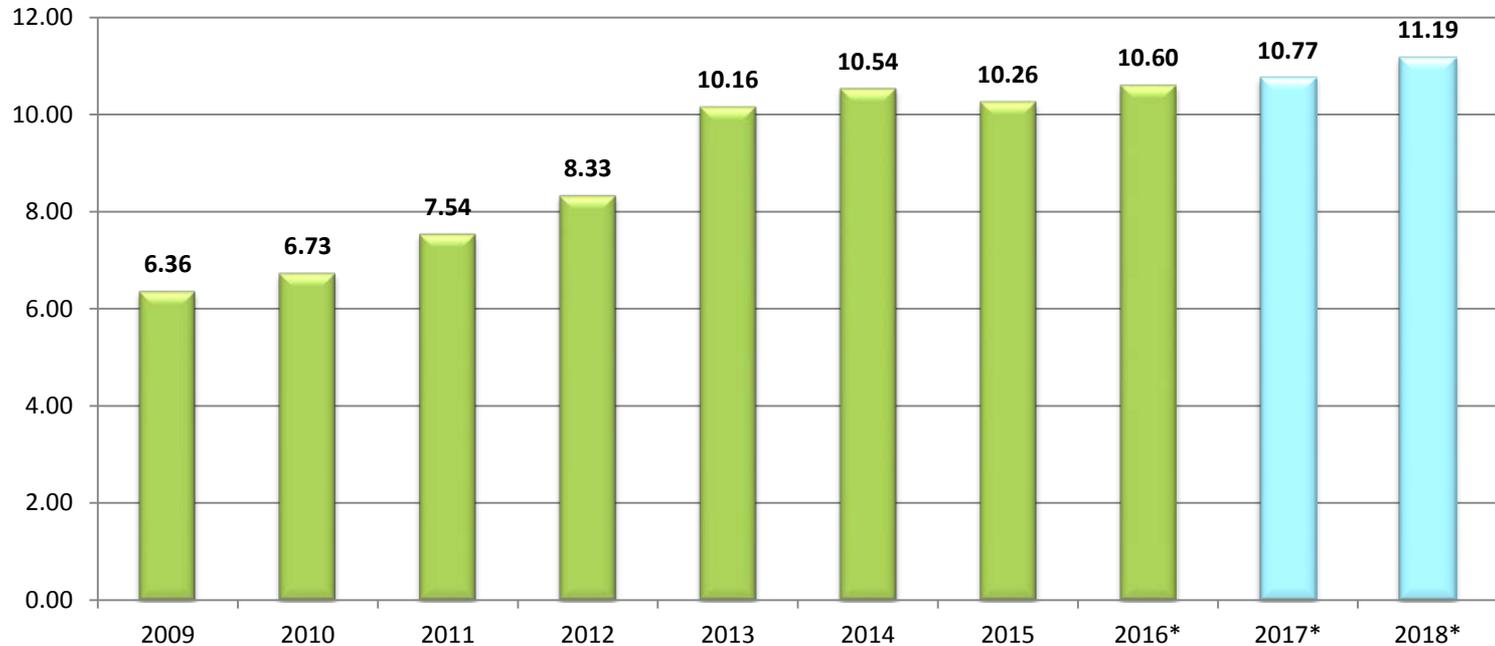
Net increase in non-operating revenue primarily reflects:

- Increase of \$4.2M in Customer Facility Charges (Rental Car Center fees) primarily due to higher enplanements and a full year at the \$9.00 rate
- Increase of \$0.8M in Passenger Facility Charges due to higher enplanements
- Increase of \$7.8M in capital grant contributions due to timing of grant eligible projects

Airline Cost Per Enplaned Passenger

Airline derived cost per enplaned passenger includes landing fees, aircraft parking fees, terminal rents, Common Use System Support charges and security surcharge

(in dollars)



Airline Cost Per Enplaned Passenger

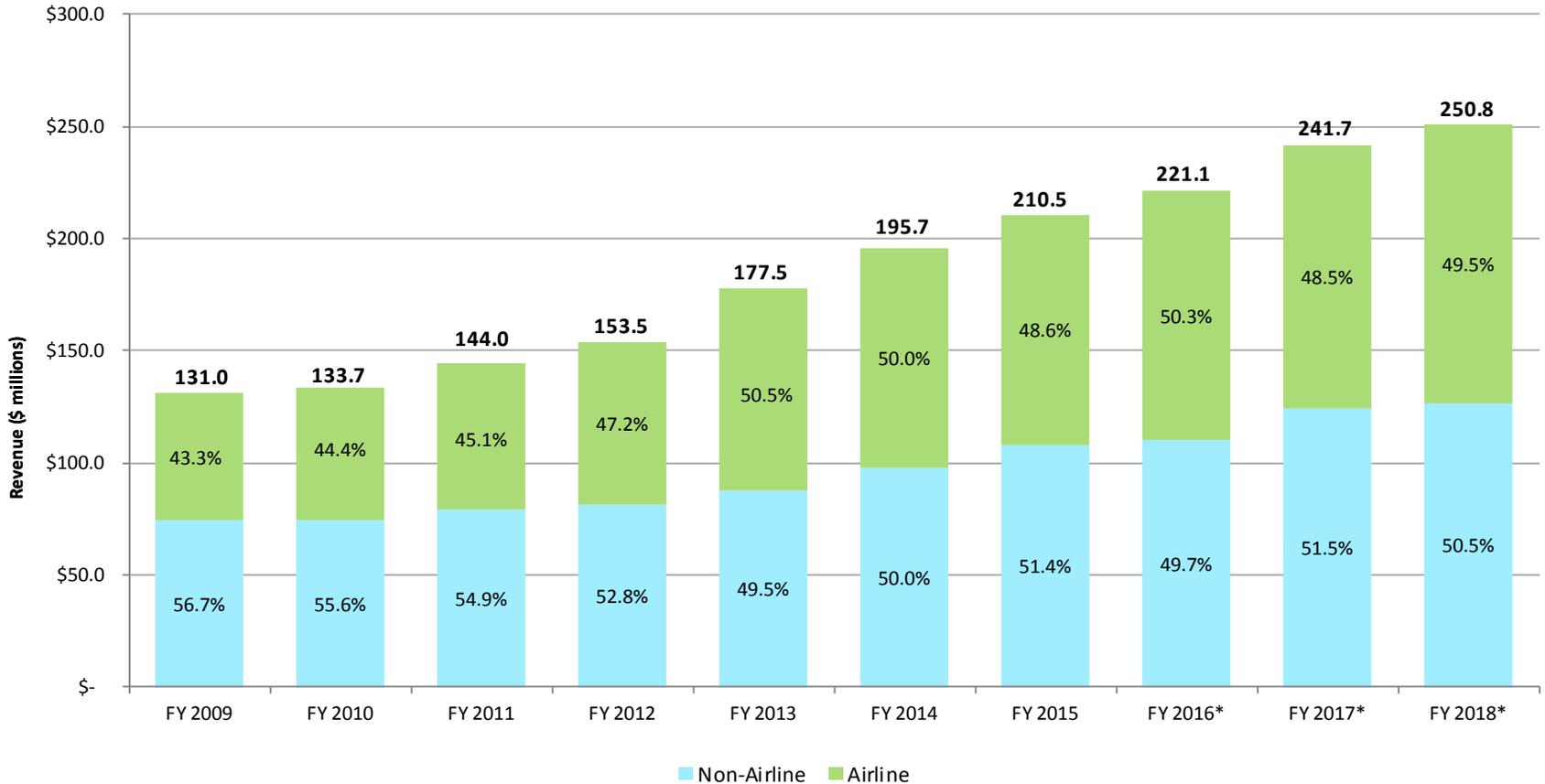
by Select Airports



Median (\$11.48) for the above selected Moody's rated airports

Source: Moody's Investor Service, MFRA Database, as of April 2016

Operating Revenue FY 2009 – FY 2018



* Budgeted FY 2016, FY 2017 & FY 2018



Expense Budget Overview

Expense Assumptions

Personnel

● Salary and Wages

- FY 2017-2018 include same assumptions as approved in FY 2017 Conceptual Budget
- Pay-for-performance
- Contractually required union increases

● Health and Dental Benefits

- Health: FY 2017-2018 Budget 9.0% renewal rate
- Dental: FY 2017 no increase in rate
FY 2018 Budget 6.0% renewal rate

● Retirement Benefits

- FY 2017 Budget actuarial rate 12.9%
- FY 2018 Budget actuarial rate 12.7%

Expense Assumptions *(Cont'd)*

Non-Personnel

- Rental Car Center (RCC) busing costs (paid with CFCs)
- Environmental regulatory requirements increase
- Major maintenance increase due to Facility Condition Assessment results
- Harbor Police increased costs

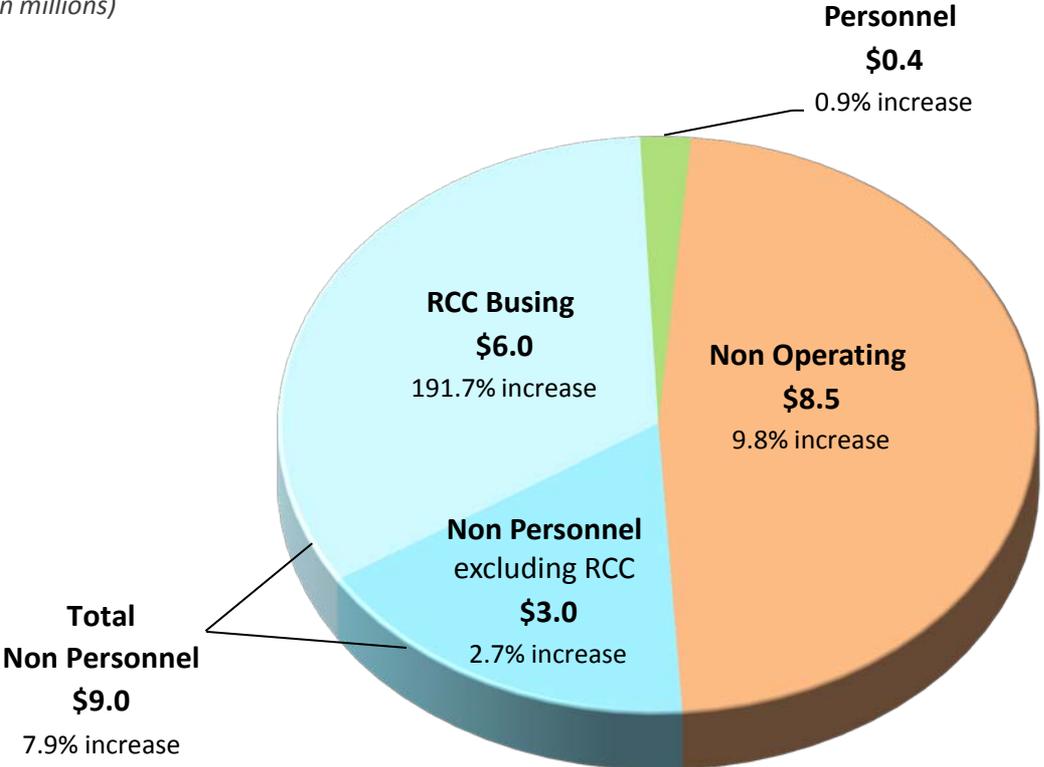
FY 2017 Proposed – FY 2018 Proposed Conceptual Budget Expense Summary

| | FY 2015 Actuals | FY 2016 Budget | FY 2017 Conceptual Budget | FY 2017 Proposed Budget | Inc / (Dec) FY 17 Proposed vs FY 16 Budget | % Change | Inc / (Dec) FY 17 Proposed vs FY 17 Conceptual | % Change | FY 2018 Proposed Conceptual Budget | Inc / (Dec) FY 18 Conceptual vs FY 17 Budget | % Change |
|---|-----------------------|-----------------------|---------------------------------|-------------------------------|--|-------------|--|--------------|--|--|--------------|
| Operating Expenses: | | | | | | | | | | | |
| Personnel Expenses | | | | | | | | | | | |
| Salaries and Wages | \$ 31,121,811 | \$ 33,804,959 | \$ 35,101,263 | \$ 35,094,014 | \$ 1,289,055 | 3.8% | \$ (7,249) | 0.0% | \$ 36,950,799 | \$ 1,856,784 | 5.3% |
| Premium Overtime | 861,308 | 699,500 | 701,000 | 664,500 | (35,000) | -5.0% | (36,500) | -5.2% | 664,500 | - | 0.0% |
| Employee Benefits | 13,436,749 | 17,275,552 | 18,508,792 | 16,293,173 | (982,379) | -5.7% | (2,215,619) | -12.0% | 17,164,628 | 871,456 | 5.3% |
| Subtotal | 45,419,868 | 51,780,011 | 54,311,055 | 52,051,687 | 271,676 | 0.5% | (2,259,368) | -4.2% | 54,779,927 | 2,728,240 | 5.2% |
| Less: Capitalized Labor | (5,424,186) | (5,936,320) | (6,071,838) | (5,833,173) | 103,147 | -1.7% | 238,664 | -3.9% | (6,244,809) | (411,635) | 7.1% |
| Less: QHP - Labor/Burden/Labor Overhead | (784,323) | (674,897) | (703,408) | (662,631) | 12,265 | -1.8% | 40,776 | -5.8% | (684,707) | (22,075) | 3.3% |
| Total Personnel Expenses | 39,211,360 | 45,168,794 | 47,535,810 | 45,555,883 | 387,088 | 0.9% | (1,979,928) | -4.2% | 47,850,412 | 2,294,529 | 5.0% |
| Non-Personnel Expenses | | | | | | | | | | | |
| Contractual Services | 32,422,051 | 38,273,668 | 41,307,797 | 44,698,463 | 6,424,796 | 16.8% | 3,390,666 | 8.2% | 44,825,395 | 126,932 | 0.3% |
| Safety and Security | 24,156,148 | 27,054,383 | 28,399,553 | 29,061,387 | 2,007,004 | 7.4% | 661,834 | 2.3% | 29,917,194 | 855,807 | 2.9% |
| Space Rental | 10,433,251 | 10,428,514 | 10,191,450 | 10,191,450 | (237,064) | -2.3% | - | 0.0% | 10,191,450 | - | 0.0% |
| Utilities | 10,151,923 | 13,121,913 | 14,804,627 | 12,903,213 | (218,700) | -1.7% | (1,901,414) | -12.8% | 13,611,308 | 708,094 | 5.5% |
| Maintenance | 13,824,283 | 13,303,671 | 14,136,099 | 14,665,767 | 1,362,096 | 10.2% | 529,668 | 3.7% | 15,279,164 | 613,397 | 4.2% |
| Operating Equipment & Systems | 1,811,565 | 573,065 | 466,025 | 365,314 | (207,751) | -36.3% | (100,711) | -21.6% | 375,192 | 9,878 | 2.7% |
| Operating Supplies | 481,494 | 416,210 | 420,788 | 446,912 | 30,702 | 7.4% | 26,124 | 6.2% | 441,899 | (5,012) | -1.1% |
| Insurance | 1,145,376 | 1,322,477 | 1,405,457 | 1,012,758 | (309,719) | -23.4% | (392,699) | -27.9% | 1,045,818 | 33,060 | 3.3% |
| Employee Programs | 1,117,914 | 1,339,274 | 1,358,810 | 1,328,398 | (10,876) | -0.8% | (30,411) | -2.2% | 1,297,687 | (30,711) | -2.3% |
| Business Development | 2,484,624 | 2,777,327 | 2,766,134 | 2,564,368 | (212,959) | -7.7% | (201,766) | -7.3% | 3,282,200 | 717,832 | 28.0% |
| Equipment Rentals & Repairs | 2,214,042 | 2,803,917 | 2,807,924 | 2,727,672 | (76,245) | -2.7% | (80,252) | -2.9% | 2,637,093 | (90,580) | -3.3% |
| Tenant Improvements | 795,723 | 1,050,000 | 1,020,000 | 900,000 | (150,000) | -14.3% | (120,000) | -11.8% | 990,000 | 90,000 | 10.0% |
| Total Non-Personnel Expenses | 101,038,395 | 112,464,418 | 119,084,663 | 120,865,702 | 8,401,284 | 7.5% | 1,781,039 | 1.5% | 123,894,399 | 3,028,697 | 2.5% |
| Total Operating Expenses | 140,249,754 | 157,633,213 | 166,620,473 | 166,421,585 | 8,788,372 | 5.6% | (198,888) | -0.1% | 171,744,811 | 5,323,226 | 3.2% |
| Non-Operating Expenses: | | | | | | | | | | | |
| Joint Studies/Sound Attenuation | 15,025,656 | 14,734,811 | 14,738,811 | 14,834,811 | 100,000 | 0.7% | 96,000 | 0.7% | 14,834,811 | - | 0.0% |
| Debt Service | 71,988,437 | 72,418,977 | 81,150,716 | 80,841,954 | 8,422,977 | 11.6% | (308,761) | -0.4% | 96,086,878 | 15,244,924 | 18.9% |
| Legal Settlements Expense | 800 | 10,000 | 10,000 | 10,000 | - | 0.0% | - | 0.0% | 10,000 | - | 0.0% |
| Total Non-Operating Expenses | 87,019,368 | 87,163,788 | 95,899,527 | 95,686,765 | 8,522,977 | 9.8% | (212,761) | -0.2% | 110,931,689 | 15,244,924 | 15.9% |
| Total Expenses | 227,269,122 | 244,797,001 | 262,520,000 | 262,108,350 | 17,311,350 | 7.1% | (411,650) | -0.2% | 282,676,500 | 20,568,150 | 7.8% |
| Equipment Outlay | 577,955 | 932,000 | 810,000 | 1,525,650 | 593,650 | 63.7% | 715,650 | 88.4% | 1,320,500 | (205,150) | -13.4% |
| Total Authority Expenses incl Equip Outlay | \$ 227,847,077 | \$ 245,729,000 | \$ 263,330,000 | \$ 263,634,000 | \$ 17,905,000 | 7.3% | \$ 304,000 | 0.1% | \$ 283,997,000 | \$ 20,363,000 | 7.7% |

FY 2017 Budget Expense Increase vs. FY 2016 Budget

\$17.9M (7.3%)

(in millions)



FY 2017 Proposed Personnel Summary

by Division

| | FY 2016 | FY 2017 | Total |
|---------------------------------------|----------------|----------------|-----------------|
| | Budget | Budget | Variance |
| Operations | 192 | 195 | 3 |
| Finance & Asset Management | 83 | 83 | 0 |
| Development | 81 | 82 | 1 |
| Executive | 69 | 70 | 1 |
| TOTAL POSITIONS | 425 | 430 | 5 |

FY 2017 Proposed Head Count Changes

| <u>Division</u> | <u>Department</u> | <u>Proposed New Position</u> |
|-------------------------------------|----------------------------|--|
| Operations | Terminals & Tenants | Terminals & Tenants Relations Specialist I (Limited) |
| Operations | Facilities Management | Maintenance Project Inspector |
| Operations | Facilities Management | Maintenance Worker I (Limited) |
| | | 3 |
| Development | Environmental Affairs | Associate Environmental Specialist |
| | | 1 |
| Executive | Risk Management | Safety & Loss Prevention Analyst II |
| Executive | Vision, Voice & Engagement | Airport Art Program Coordinator II |
| | | 2 |
| Executive | Chief Auditor | Auditor (Eliminated) |
| | | -1 |
| Total proposed new positions | | 5 |

Major Drivers of FY 2017 Proposed Budget

| | Total Inc / (Dec) FY 2017 Budget vs. FY 2016 Budget | Expense Category |
|---|---|--|
| Personnel: | | |
| Contracted wage increases and pay-for-performance | \$ 1,021,008 | Salaries & Wages |
| 6 new and 1 eliminated position (salaries & burden) | 406,296 | Salaries & Wages, Employee Benefits |
| Decrease in overtime, capitalized labor and burden (benefits & employer taxes) | (1,040,216) | Salaries & Wages, Overtime, Capitalized Labor and Employee Benefits |
| Total Increase / (Decrease) in Personnel | 387,088 | |
| Non Operating: | | |
| Interest on Special Facility Bonds | 8,170,605 | Debt Service |
| Variable rate debt - Parking Plaza | 126,035 | Debt Service |
| American Disability Act (ADA) program study | 100,000 | Joint Studies |
| Other, net | 126,337 | Debt Service |
| Total Increase / (Decrease) in Non Operating | \$ 8,522,977 | |

Major Drivers of FY 2017 Proposed Budget *(Cont'd)*

| | Total Inc / (Dec) FY 2017 Budget vs. FY 2016 Budget | Expense Category |
|---|--|-------------------------|
| Non Personnel: | | |
| Operations Division | | |
| Rental Car Center (RCC) busing | \$ 5,963,480 | Contractual Services |
| Law enforcement costs - Harbor Police Department | 901,989 | Safety and Security |
| Major maintenance | 750,000 | Maintenance |
| Access control system | 650,000 | Safety and Security |
| Security guard services | 420,000 | Safety and Security |
| Vehicle replacements | 392,000 | Equipment Outlay |
| Hood vent maintenance for concessionaires | 294,342 | Contractual Services |
| Airfield pavement and striping | 243,000 | Maintenance |
| Aircraft Rescue and Fire Fighting (ARFF) contract costs | 230,158 | Safety and Security |
| Fuel and vehicle maintenance | (115,000) | Maintenance |
| RCS radio service | (170,068) | Contractual Services |
| Utilities | (225,195) | Utilities |
| Reduction in shuttle operation hours | \$ (350,910) | Contractual Services |

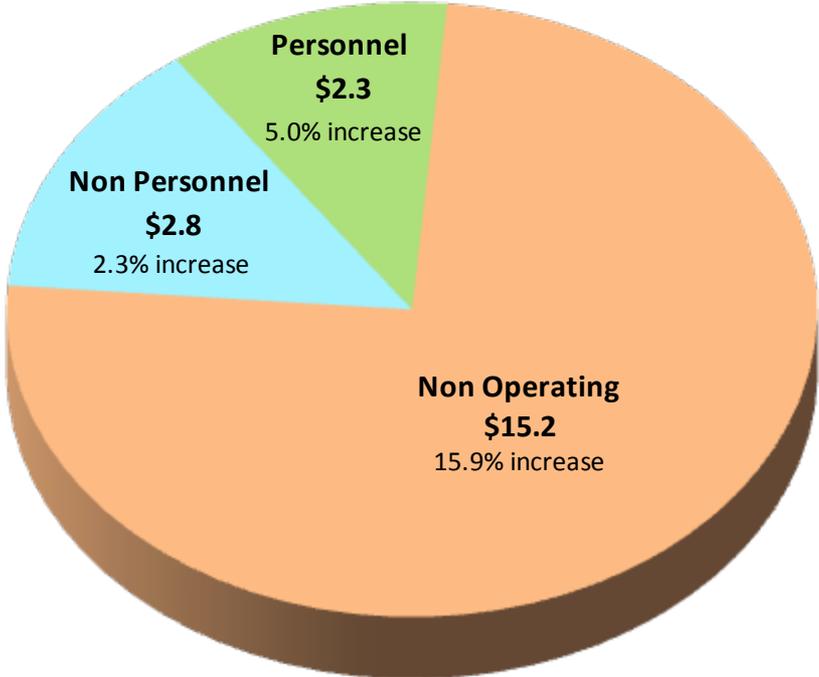
Major Drivers of FY 2017 Proposed Budget *(Cont'd)*

| | Total Inc / (Dec) FY 2017 Budget vs. FY 2016 Budget | Expense Category |
|------------------------------------|---|----------------------|
| Development Division | | |
| Environmental Requirements | \$ 798,000 | Contractual Services |
| Refurbishment of jet bridges | 240,000 | Maintenance |
| Executive Division | | |
| Risk Management safety consultants | 119,222 | Contractual Services |
| Air service marketing incentive | (125,000) | Business Development |
| Property insurance | (309,719) | Insurance |
| Legal services | (375,000) | Contractual Services |
| Finance | | |
| Parking credit card fees | 128,709 | Contractual Services |
| Tenant improvements | (150,000) | Tenant Improvements |
| IT equipment purchases | (175,000) | Equipment Outlay |
| Taxi hold lot lease | (237,064) | Space rental |
| Other, net | 96,990 | |
| Total within divisions | 8,994,934 | |
| Total Increase / (Decrease) | \$ 17,905,000 | |

FY 2018 Proposed Budget Increase vs. FY 2017 Budget

\$20.4M (7.7%)

(in millions)



FY 2018 Proposed Personnel Summary

by Division

| | FY 2017 | FY 2018 | Total |
|---------------------------------------|----------------|----------------|-----------------|
| | Budget | Budget | Variance |
| Operations | 195 | 199 | 4 |
| Development | 82 | 84 | 2 |
| Finance & Asset Management | 83 | 83 | 0 |
| Executive | 70 | 72 | 2 |
| TOTAL POSITIONS | 430 | 438 | 8 |

FY 2018 Proposed Head Count Changes

| Division | Department | Proposed New Position |
|-------------------------------------|---------------------------------|---------------------------------|
| Operations | Aviation Security/Public Safety | Communication Center Specialist |
| Operations | Facilities Management | Contract Administrator |
| Operations | Facilities Management | Inspector, Planner & Estimator |
| Operations | Facilities Management | Project Manager |
| | | 4 |
| Executive | Talent Culture & Capability | Project Manager |
| Executive | Vision, Voice & Engagement | Marketing Specialist II |
| | | 2 |
| Development | Facilities Development | Construction Manager |
| Development | Facilities Development | Senior Construction Inspector |
| | | 2 |
| Total proposed new positions | | 8 |

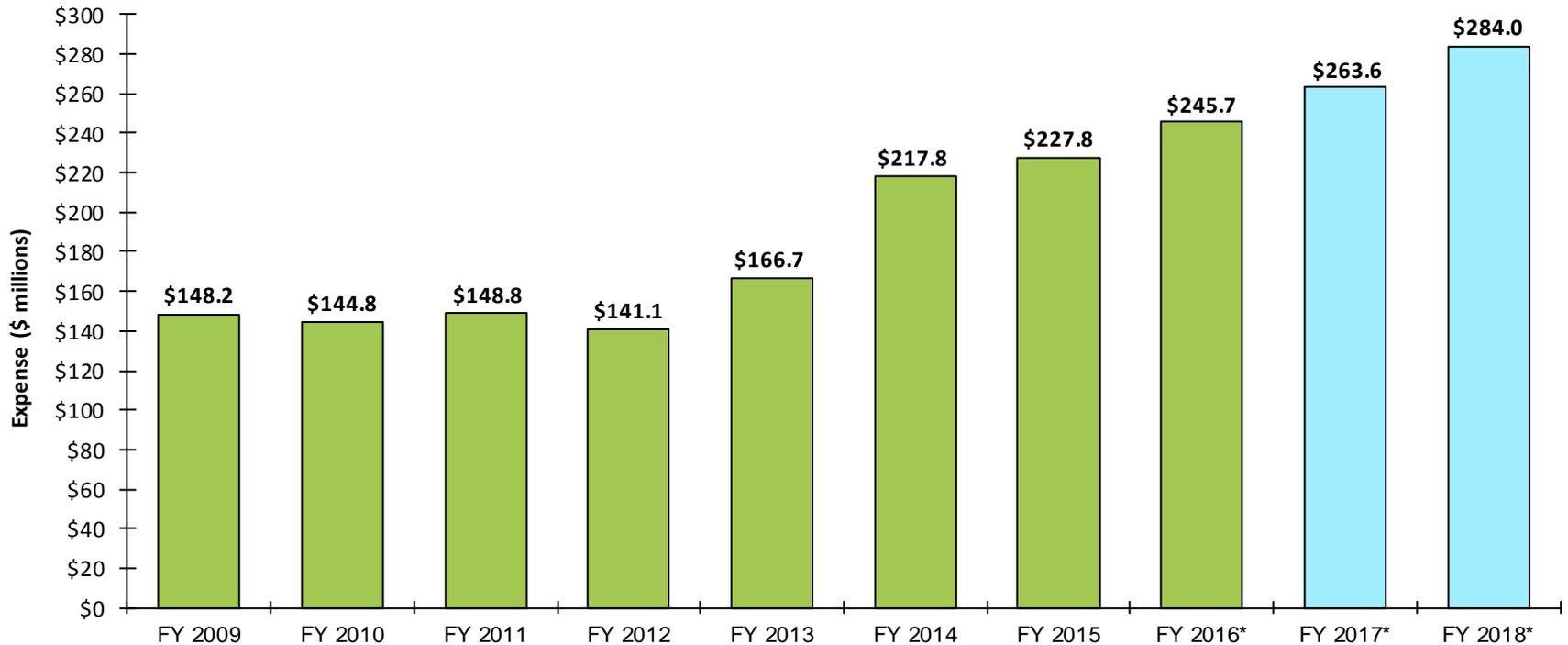
Major Drivers of FY 2018 Proposed Conceptual Budget

| | Total Inc / (Dec) FY 2018 Budget vs. FY 2017 Budget | Expense Category |
|--|--|---|
| Personnel: | | |
| Contracted wage increases and pay-for-performance | \$ 1,078,316 | Salaries and Wages |
| 8 new positions (salaries & burden) | 751,978 | Salaries and Wages, Employee Benefits |
| Increase in Salaries, Capitalized Labor and Burden (benefits & employer taxes) | 464,236 | Salaries & Wages, Overtime, Capitalized Labor and Employee Benefits |
| Total Increase / (Decrease) in Personnel | 2,294,530 | |
| Non Operating: | | |
| Variable rate debt - Parking Plaza | 9,556,456 | Debt Service |
| Principal on Special Facility Bonds | 5,580,000 | Debt Service |
| Other, net | 108,468 | Debt Service |
| Total Increase / (Decrease) in Non Operating | \$ 15,244,924 | |

Major Drivers of FY 2018 Proposed Conceptual Budget (Cont'd)

| | Total Inc / (Dec) FY 2018 Budget vs. FY 2017 Budget | Expense Category |
|---|--|--|
| Non Personnel: | | |
| Operations | | |
| Utilities | \$ 706,094 | Utilities |
| Airfield pavement and striping | 550,000 | Maintenance |
| Law enforcement costs - Harbor Police Department | 546,171 | Safety and Security |
| Parking and shuttle operations | 390,710 | Contractual Services |
| Hood vent maintenance for concessionaires | 166,000 | Contractual Services |
| Aircraft Rescue and Fire Fighting (ARFF) contract costs | 156,862 | Safety and Security |
| Executive | | |
| Sponsorships and marketing activities | 509,650 | Business Development and Contractual Services |
| Other, net | (201,942) | |
| Total Within Divisions | 2,823,547 | |
| Total Increase / (Decrease) | \$ 20,363,000 | |

Total Expenses FY 2009 – FY 2018



* Budgeted FY 2016, FY 2017 & FY 2018



Capital Program Budget Fiscal Years 2017-2021

Capital Program Budget Summary

| | |
|--|-------------------------------------|
| FY 2016 – FY 2020 Capital Program | \$ 491,024,228 |
| Rental Car Center | 316,124,104 |
| The Green Build (T2W Roof & Project Closeout) | <u>7,178,330</u> |
| FY 2016 – FY 2020 Capital Program Budget | \$ 814,326,662 |
| FY 2016 – FY 2020 Project Closeouts / Adjustments | \$ (64,098,948) |
| Proposed Terminal 2 Parking Plaza Adjustment * | <u>45,720,000</u> |
| FY 2016 – FY 2020 Capital Program Balance | \$ 795,947,714 |
| Proposed FY 2017 – FY 2021 Capital Projects/Adjust. | \$ 96,679,419 |
| Proposed Airport Development Plan | <u>54,900,000</u> |
| Proposed FY 2017 – FY 2021 Capital Program Budget | <u><u>\$ 947,527,133</u></u> |

Current CIP Projects

(\$ in millions)

| Project | Status | Budget | Funding Source | Pre FY 17 | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 |
|--|----------|--------|------------------|-----------|-------|-------|-------|-------|-------|
| Strategic Master Drainage Plan | Planning | 0.6 | Bonds | 0.4 | 0.2 | | | | |
| SDIA Airport Development Plan | Planning | 6.5 | PFC | 5.0 | 1.5 | | | | |
| Wind Tunnel South-Facing Wall - Public Art | Planning | 0.3 | Cash | 0.2 | 0.1 | | | | |
| Expand Wi-Fi Coverage in Terminals | Planning | 2.8 | Cash | 0.2 | 2.5 | 0.1 | | | |
| Update IT Master Plan | Planning | 0.3 | Cash | 0.1 | 0.2 | | | | |
| Facilities Condition Assessment | Planning | 0.8 | Cash | 0.3 | 0.5 | | | | |
| Airport Centralized Communication Center | Planning | 0.3 | Cash | | 0.3 | | | | |
| Rehabilitate Runway 9-27 Pavement | Planning | 19.6 | AIP / PFC / Cash | 0.1 | 1.8 | 9.1 | 8.6 | | |
| Rehabilitate Cross Taxiways (B1, B4-B7, C1-C6, D & CT Apron) | Planning | 12.3 | AIP / PFC / Cash | 0.1 | 1.2 | 7.3 | 3.7 | | |
| ADP Phase 1 Programmatic Documents | Planning | 0.5 | Cash | 0.5 | | | | | |
| Ground Transportation Improvements | Planning | 0.8 | Cash | 0.8 | | | | | |
| Ground Transportation Systems-Phase 3 (Virtual Hold Lot) | Planning | 1.1 | Cash | 0.1 | 1.0 | | | | |
| Commuter Terminal 1st Floor Build-out | Planning | 1.5 | Cash | 0.6 | 0.9 | | | | |
| Cargo Development Oversight | Planning | 1.6 | Cash | | 1.3 | 0.3 | | | |

Current CIP Projects

(\$ in millions)

| Project | Status | Budget | Funding Source | Pre FY 17 | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 |
|--|----------|--------|----------------|-----------|-------|-------|-------|-------|-------|
| Cargo Taxiways | Planning | 9.5 | PFC | | 4.7 | 4.8 | | | |
| Environmental Assessment for Taxiway B Relocation | Planning | 0.3 | PFC / Cash | | | 0.3 | | | |
| Relocate Taxiway B - Phase II | Planning | 30.0 | AIP / PFC | | | | | | 30.0 |
| Develop Mitigation Plan for Least Terns | Planning | 2.0 | Cash | | 0.4 | 1.2 | 0.4 | | |
| Reconstruct Aprons at Cargo Terminal and Terminal 1 | Planning | 1.2 | Cash | | | 0.2 | 1.0 | | |
| HVAC Modernization (Pending FCA) | Planning | 16.5 | Cash | 0.1 | 3.0 | 3.0 | 3.0 | 7.4 | |
| Electrical Modernization (Pending FCA) | Planning | 5.6 | Cash | | 1.0 | 1.0 | 1.0 | 2.6 | |
| Modernize Vertical Conveyance T1 & T2W (Pending FCA) | Planning | 4.4 | Cash | | 3.0 | 1.4 | | | |
| Fire Suppression System (Pending FCA) | Planning | 3.0 | Cash | | | 2.9 | 0.1 | | |
| T1 & T2E Roof Replacement (Pending FCA) | Planning | 15.0 | Cash | | | 7.5 | 7.5 | | |
| CT Roof Replacement (Pending FCA) | Planning | 3.0 | Cash | | | 2.7 | 0.3 | | |
| CT – Replace 2 Boilers (Pending FCA) | Planning | 1.5 | Cash | | 1.5 | | | | |
| Replace & Refurbish Passenger Boarding Bridges | Design | 23.3 | PFC / Cash | 1.1 | 4.2 | 14.8 | 3.2 | | |
| Replace Terminal Seating in T1 & T2 | Design | 5.7 | Cash | 0.4 | 5.2 | 0.1 | | | |

Current CIP Projects

(\$ in millions)

| Project | Status | Budget | Funding Source | Pre FY 17 | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 |
|--|--------|--------|----------------|-----------|-------|-------|-------|-------|-------|
| T2E Improvements | Design | 5.6 | Cash | 0.4 | 4.0 | 1.2 | | | |
| Observation Area at Palm Street | Design | 2.2 | Cash | 0.2 | 2.0 | | | | |
| Terminal Paging System Upgrade | Design | 2.3 | Cash | 0.1 | 2.0 | 0.2 | | | |
| Admiral Boland Way Signage & Traffic Analysis | Design | 0.4 | Cash | 0.2 | 0.2 | | | | |
| T2W Restroom Remodel | Design | 2.2 | Cash | 0.4 | 1.5 | 0.3 | | | |
| Replace 2 ARFF Vehicles | Design | 2.6 | PFC / Cash | 0.2 | 0.2 | 2.2 | | | |
| Demolition of World Trade Center | Design | 1.3 | Cash | 0.1 | 1.2 | | | | |
| Clear OFA - Taxiway B | Design | 8.9 | PFC / Cash | 0.8 | 8.1 | | | | |
| Upgrade Remaining 12 Remote Noise Monitoring Poles | Design | 0.7 | PFC / Cash | 0.6 | 0.1 | | | | |
| Air Freight Buildings Roof Replacement | Design | 1.6 | Cash | 0.4 | 1.2 | | | | |
| Solid Waste Disposal and Recycling Facility | Design | 1.7 | Cash | 0.5 | 1.2 | | | | |
| Construct Concessionaire & Janitorial Wash Areas | Design | 0.8 | Cash | 0.2 | 0.6 | | | | |
| Widen Sassafras Street Intersection | Design | 6.0 | CFC | 0.8 | 2.8 | 2.4 | | | |
| CBP Global Entry Enrollment Center | Design | 0.4 | Cash | 0.3 | 0.1 | | | | |

Current CIP Projects

(\$ in millions)

| Project | Status | Budget | Funding Source | Pre FY 17 | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 |
|--|--------------|--------|----------------|-----------|-------|-------|-------|-------|-------|
| Terminal 2 Parking Plaza | Design | 126.6 | VRD* / Cash | 11.9 | 57.0 | 56.8 | 0.9 | | |
| Parking Plaza - Public Art | Design | 1.2 | Cash | 0.2 | 0.4 | 0.4 | 0.2 | | |
| Palm Street Park - Public Art | Design | 0.6 | Cash | 0.4 | 0.2 | | | | |
| Enterprise Content Management System | Construction | 1.5 | Cash | 1.4 | 0.1 | | | | |
| E-Project Management System | Construction | 0.6 | Cash | 0.6 | | | | | |
| Update Ground Transportation Systems - Phase 2 | Construction | 0.8 | Cash | 0.8 | | | | | |
| Update Ground Transportation Software - Phase 2 | Construction | 0.5 | Cash | 0.5 | | | | | |
| CT Exterior East-Facing Wall - Public Art | Construction | 0.3 | Bonds | 0.1 | 0.1 | | | 0.1 | |
| SDIA Wayfinding Signage/Directories - Parking | Construction | 0.7 | Cash | 0.7 | | | | | |
| SDIA Wayfinding Signage/Directories - Terminals/Software | Construction | 0.5 | Cash | 0.5 | | | | | |
| Restaurant Development at RCC | Construction | 6.9 | Cash | 6.9 | | | | | |
| Rehabilitate Cross Taxiway B8 and Terminal Aprons | Construction | 8.5 | PFC / Cash | 8.0 | 0.5 | | | | |
| Develop Administrative Space | Construction | 5.3 | Cash | 4.1 | 1.2 | | | | |
| McCain Road Parking Lot | Construction | 0.7 | Cash | 0.3 | 0.4 | | | | |

Current CIP Projects

(\$ in millions)

| Project | Status | Budget | Funding Source | Pre FY 17 | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 |
|---|--------------|--------|--------------------|-----------|-------|-------|-------|-------|-------|
| Construct Taxi Hold Lot | Construction | 5.7 | Cash | 4.5 | 1.2 | | | | |
| Interim Waste Storage Facility | Construction | 0.6 | Cash | 0.5 | 0.1 | | | | |
| Exhibition Display Equipment - Public Art | Construction | 0.1 | Cash | 0.1 | | | | | |
| T2E Ceiling Art Integration - Public Art | Construction | 0.3 | Cash | 0.3 | | | | | |
| FMD Capital Expenditures - Terminal | Construction | 3.9 | Cash | 3.4 | 0.5 | | | | |
| RCC Small Market-share Build-outs | Closeout | 4.7 | Cash | 4.6 | 0.1 | | | | |
| Runway 9 Displaced Threshold Relocation | Closeout | 5.6 | AIP/PFC/Cash | 5.3 | 0.3 | | | | |
| Interior North Side Road and Utilities | Closeout | 17.8 | Bonds / Cash | 17.8 | | | | | |
| North Side Utility Infrastructure - Storm Drain Trunk | Closeout | 15.9 | AIP/CFC/Bonds/Cash | 15.9 | | | | | |
| Comprehensive Strategic Master Drainage Plan | Closeout | 0.5 | Bonds | 0.5 | | | | | |
| Terminal Link Road | Closeout | 16.6 | CFC/Bonds/Cash | 16.5 | 0.1 | | | | |
| Update Ground Transportation Systems - Phase I | Closeout | 1.9 | Cash | 1.9 | | | | | |
| SDIA Wayfinding Signage/Directories - RCC | Closeout | 1.1 | CFC | 1.1 | | | | | |
| SDIA Wayfinding Signage/Directories - RCC Bus Notification Sys. | Closeout | 0.5 | CFC | 0.5 | | | | | |

Current CIP Projects

(\$ in millions)

| Project | Status | Budget | Funding Source | Pre FY 17 | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 |
|---|----------|--------|----------------|-----------|-------|-------|-------|-------|-----------------|
| | | | | | | | | | |
| SDIA Wayfinding Signage/Directories - RCC Caltrans Freeway Signs | Closeout | 0.6 | CFC | 0.4 | 0.2 | | | | |
| Northside Additional Landscaping | Closeout | 3.9 | CFC / Cash | 3.9 | | | | | |
| Construct North Side Bypass Taxiway | Closeout | 10.0 | AIP / PFC | 9.9 | 0.1 | | | | |
| Reconfigure Security Checkpoint 2 & Refurbish T1 Rotundas & Bag Claim | Closeout | 8.4 | Bonds | 8.4 | | | | | |
| Construct RCC Bus Parking Facility | Closeout | 8.8 | CFC / Cash | 8.8 | | | | | |
| T2E CUPPS Expansion | Closeout | 2.8 | Cash | 2.8 | | | | | |
| Employee Parking Lot 6 Expansion | Closeout | 5.6 | Cash | 5.6 | | | | | |
| Pavement Rehabilitation - Air Freight Bldg. | Closeout | 1.1 | Cash | 1.1 | | | | | |
| East Side Fiber Loop Installation | Closeout | 0.7 | Cash | 0.7 | | | | | |
| Public Art Allowance | Program | 1.4 | Bonds / Cash | | 0.3 | 0.3 | 0.3 | 0.5 | |
| Total FY 2016 – 2020 CIP Program | | | | | | | | | \$ 479.8 |

FY 2017 – 2021 Proposed CIP Projects

(\$ in millions)

| Project | Budget | Funding Source | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 |
|--|----------------|----------------|-------|-------|-------|-------|-------|
| Rehabilitate Gates 40/41 Apron Pavement | 1.2 | Cash | 1.0 | 0.2 | | | |
| Terminal 2 Loop Pavement - Seal coat | 0.8 | Cash | 0.7 | 0.1 | | | |
| Rehabilitate Terminal 1 Loop Pavement | 5.6 | Cash | 1.7 | 3.9 | | | |
| Rehabilitate Northside Vehicle Service Road | 12.2 | Cash | 1.8 | 10.4 | | | |
| Rehabilitate Terminal 2 Apron Pavement | 16.6 | Cash | | | 5.3 | 11.3 | |
| Rehabilitate Terminal 2 Loop Pavement | 2.1 | Cash | | | 1.4 | 0.7 | |
| Rehabilitate South Side Cargo Apron | 7.0 | Cash | | | | 3.1 | 3.9 |
| Replace Sidewalk T2W Existing to Green Build | 1.8 | Cash | 1.7 | 0.1 | | | |
| Admiral Boland Way Entry/Exit Gates | 2.1 | Cash | 1.8 | 0.3 | | | |
| Acquire RCC Buses | 5.0 | CFC | | 5.0 | | | |
| Admiral Boland Way Traffic & Signage Analysis | 0.5 | Cash | 0.5 | | | | |
| Improvements to FIS Facility | 6.3 | Cash | 4.4 | 1.9 | | | |
| Replace Existing Generator at CUP | 6.1 | Cash | | 6.1 | | | |
| Facilities Condition Assessment | 0.8 | Cash | | | | | .8 |
| Total FY2017-2021 Proposed New CIP Projects | \$ 68.1 | | | | | | |

FY 2017 – 2021 Proposed CIP Adjustments

(\$ in millions)

| Project | Budget | Funding Source | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 |
|--|----------------|----------------|-------|-------|-------|-------|-------|
| Replace/Refurbish Passenger Boarding Bridges | 9.0 | Cash | | | | 4.5 | 4.5 |
| SDIA Airport Development Plan | 2.5 | Cash | 1.2 | 1.3 | | | |
| Rehabilitate Runway 9-27 | 1.5 | Cash | 1.5 | | | | |
| Rehabilitate Cross Taxiways & CT Apron | 1.7 | Cash | 1.7 | | | | |
| Capital Project Allowance | 5.0 | Cash | 5.0 | | | | |
| Public Art Allowance | 0.2 | Cash | | 0.3 | | | |
| FMD Capital Allowance | 8.6 | Cash | 1.7 | 1.7 | 1.7 | 1.8 | 1.7 |
| Total FY 2017 – 2021 Proposed Adjustments | \$ 28.6 | | | | | | |
| Total FY 2017 – 2021 Proposed CIP Projects/Adj. | \$ 96.7 | | | | | | |

Airport Development Program (ADP) Projects

(\$ in millions)

| Project | Budget | Funding Source | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 |
|---------------------------|----------------|----------------|-------|-------|-------|-------|-------|
| Programmatic Documents | 18.0 | Cash | 9.0 | 9.0 | | | |
| Construct Taxiway "A" | 36.9 | Cash | | | 11.1 | 25.8 | |
| Total ADP Projects | \$ 54.9 | | | | | | |

FY 2017 – 2021 Capital Program Summary

(\$ in millions)

| Project | Budget |
|--|-----------------------|
| Total FY 2016 – 2020 CIP Program / Closeouts and Adjustments | \$479.8 |
| Rental Car Center * | <u>316.1</u> |
| FY 2016 - FY 2020 Capital Program Balance | 795.9 |
| Total FY 2017 – 2021 Proposed CIP Projects / Adjustments | 96.7 |
| Airport Development Program | 54.9 |
| Grand Total FY 2017 – 2021 Capital Program | <u><u>\$947.5</u></u> |

* CFC funded



Plan of Finance Fiscal Years 2017-2021

Uses of Funds by Location Pre FY 2017 - FY 2021

(in thousands)

| <u>Location</u> | <u>Capital Program</u> |
|------------------------|------------------------|
| Landside and Ancillary | \$ 582,943 |
| Terminal | 123,032 |
| Airside | 194,136 |
| Admin | 47,415 |
| Finance Costs | 69,195 |
| Total | \$ 1,016,723 |

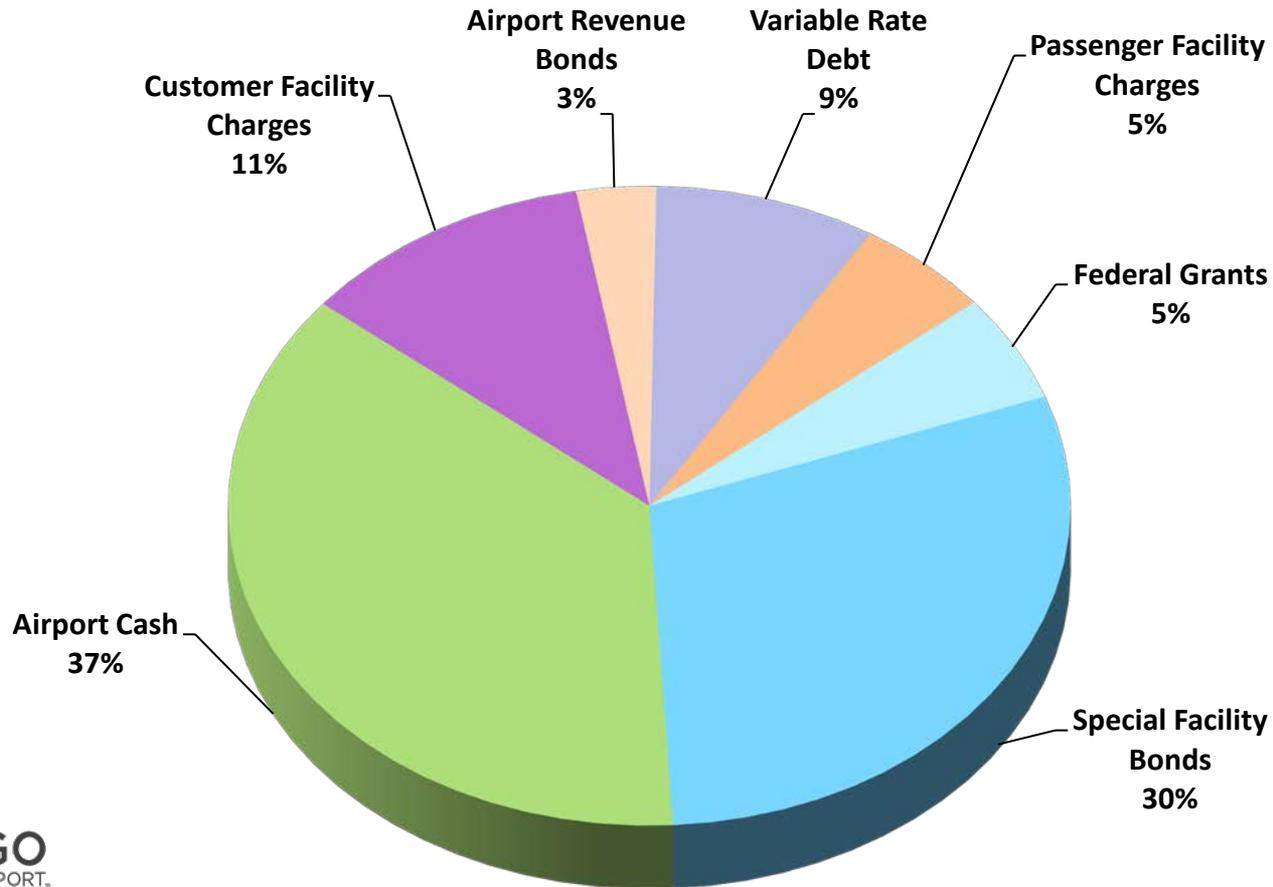
Uses and Sources of Funds

(in thousands)

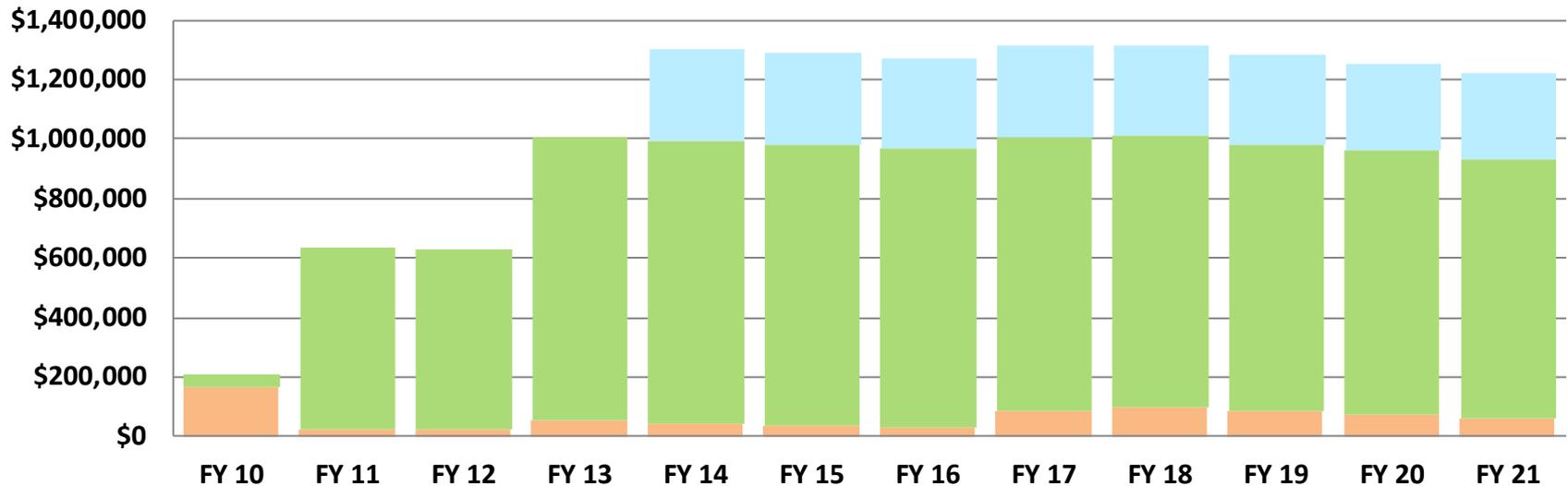
| <u>Total Use of Funds</u> | | | | | | | |
|---------------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|---------------------|
| | Pre FY 2017 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | Total |
| Capital Program | \$ 483,614 | \$ 154,803 | \$ 160,695 | \$ 49,747 | \$ 87,772 | \$ 10,897 | \$ 947,527 |
| Finance Costs | 69,195 | - | - | - | - | - | 69,195 |
| Total | \$ 552,809 | \$ 154,803 | \$ 160,695 | \$ 49,747 | \$ 87,772 | \$ 10,897 | \$ 1,016,723 |

| <u>Total Sources of Funds</u> | | | | | | | |
|-------------------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|---------------------|
| | Pre FY 2017 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | Total |
| Airport Cash | \$88,991 | \$65,691 | \$105,471 | \$48,767 | \$54,272 | \$10,897 | \$374,089 |
| Special Facility Bonds | 301,543 | - | - | - | - | - | 301,543 |
| Customer Facility Charges | 112,138 | 2,925 | - | - | - | - | 115,064 |
| Variable Rate Debt | - | 57,100 | 29,739 | - | - | - | 86,839 |
| Federal Grants | 18,653 | 1,350 | 9,135 | - | 26,000 | - | 55,138 |
| Passenger Facility Charges | 841 | 27,390 | 16,350 | 980 | 7,500 | - | 53,060 |
| Airport Revenue Bonds | 30,643 | 347 | - | - | - | - | 30,990 |
| TOTAL SOURCES OF FUNDS | \$ 552,809 | \$ 154,803 | \$ 160,695 | \$ 49,747 | \$ 87,772 | \$ 10,897 | \$ 1,016,723 |

Total Sources of Funds Pre FY 2017-FY 2021



Aggregate Debt FY 2010 - FY 2021

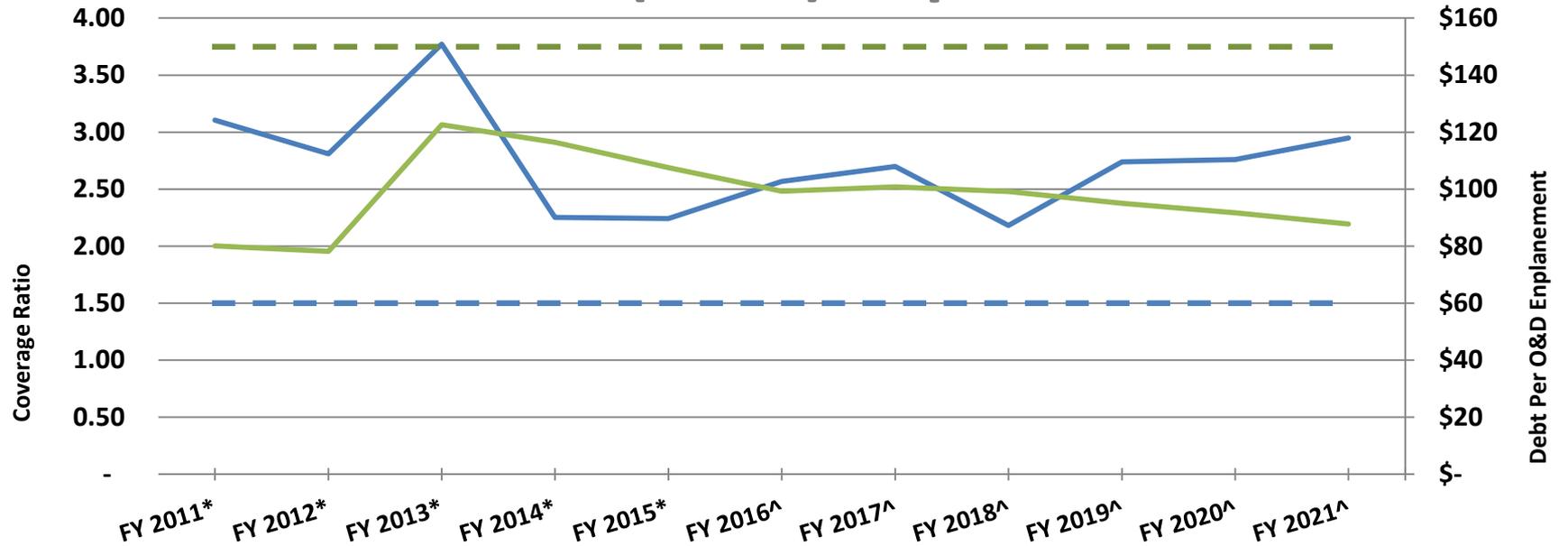


Variable Rate Debt

Airport Revenue Bonds

2014 Special Facility Bonds

Coverage Ratio, Debt Per Origin & Destination (O&D) Enplanement



* Actuals
 ^ Forecast

— Coverage Ratio

— Debt Per O&D Enplanement

— Coverage Ratio Target Minimum - 1.50X

— Debt Per O&D Enplanement Target Maximum - \$150.00

Coverage Ratio, Debt Per Origin & Destination (O&D) Enplanement

| Fiscal Year | Outstanding Debt ¹ (in thousands) | Debt per O&D EPAX ² | Debt Coverage ³ |
|-------------|---|--------------------------------|----------------------------|
| FY 2011* | \$635,298 | 80.07 | 3.11 |
| FY 2012* | \$630,538 | 78.22 | 2.81 |
| FY 2013* | \$1,006,596 | 122.56 | 3.77 |
| FY 2014* | \$994,339 | 116.47 | 2.25 |
| FY 2015* | \$982,375 | 107.60 | 2.24 |
| FY 2016^ | \$965,556 | 99.23 | 2.57 |
| FY 2017^ | \$1,005,293 | 100.80 | 2.70 |
| FY 2018^ | \$1,008,627 | 99.14 | 2.18 |
| FY 2019^ | \$981,369 | 95.04 | 2.68 |
| FY 2020^ | \$958,901 | 91.67 | 2.69 |
| FY 2021^ | \$930,302 | 87.79 | 2.88 |

* Actuals
^ Forecast

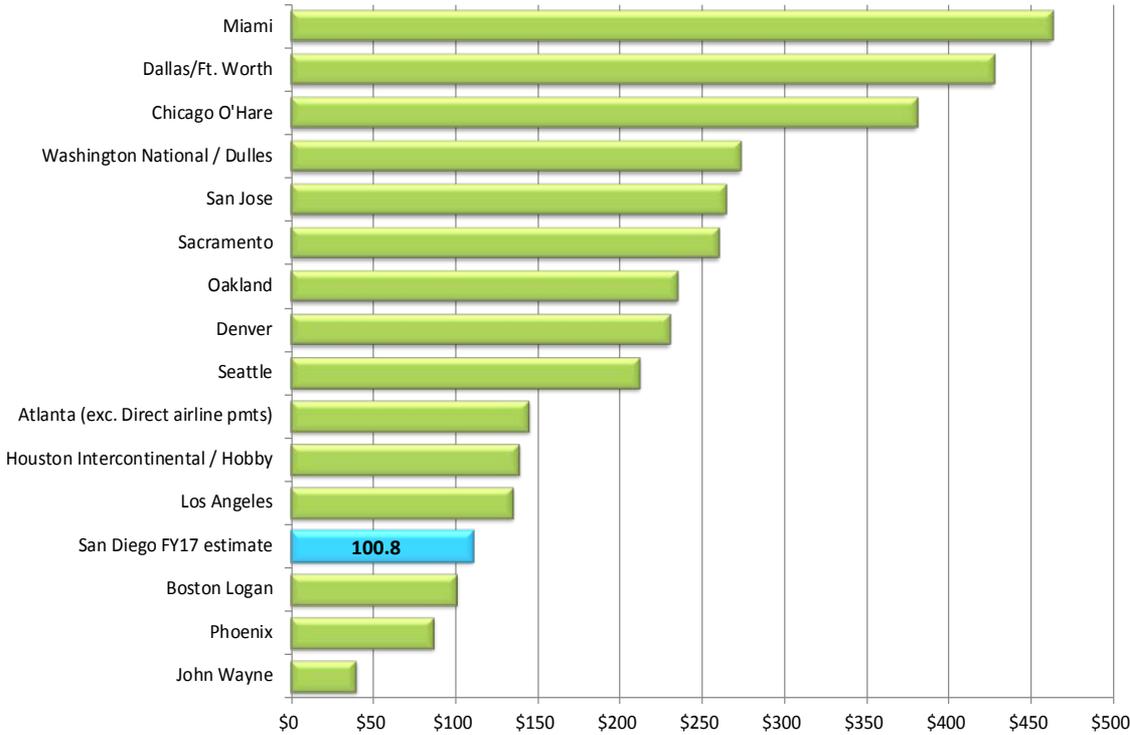
¹ Debt excludes Special Facility bonds

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

³ Target minimum per Debt Policy: 1.50x

Airline Debt Per Origin & Destination (O&D) Enplanements

by Select Airports



Median (\$230.0) for the above selected Moody's rated airports



Source: Moody's Investor Service, MFRA Database, as of April 2016

Conclusion

Conclusion

- Follows the Authority's legislative and regulatory mandates
- Provides necessary resources to accomplish the Authority's Strategies and Initiatives
- Enhances the financial position of the Authority through revenue enhancement and cost reduction / containment
- Demonstrates the discipline necessary to remain a sustainable enterprise
- Supports regional transportation partnerships and community outreach
- Maintains competitive rates for airline tenants and airport users
- Supports continued efforts to create sustainable Long Term Capital Plan and addresses facility maintenance needs

Questions?

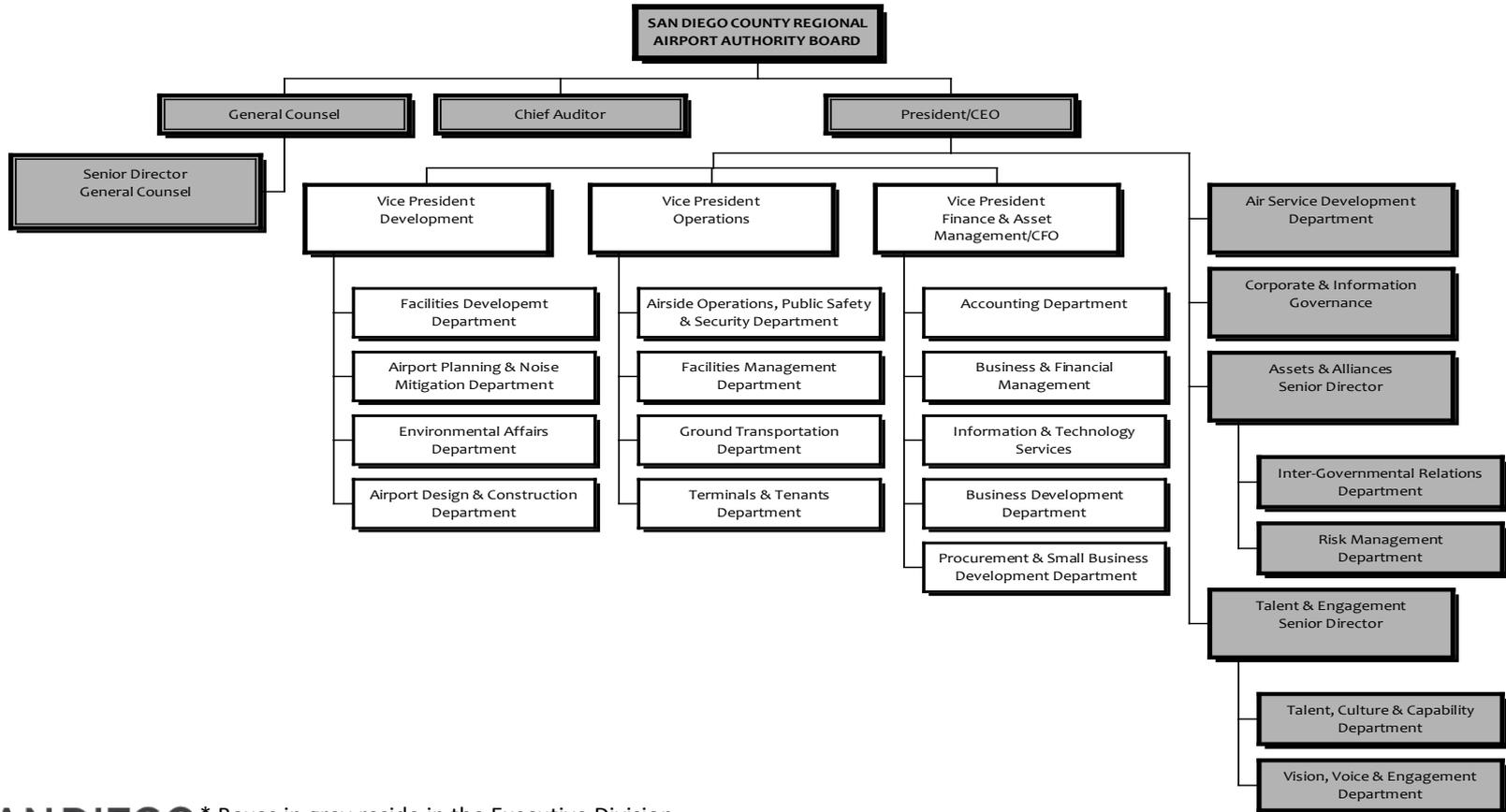


Appendix

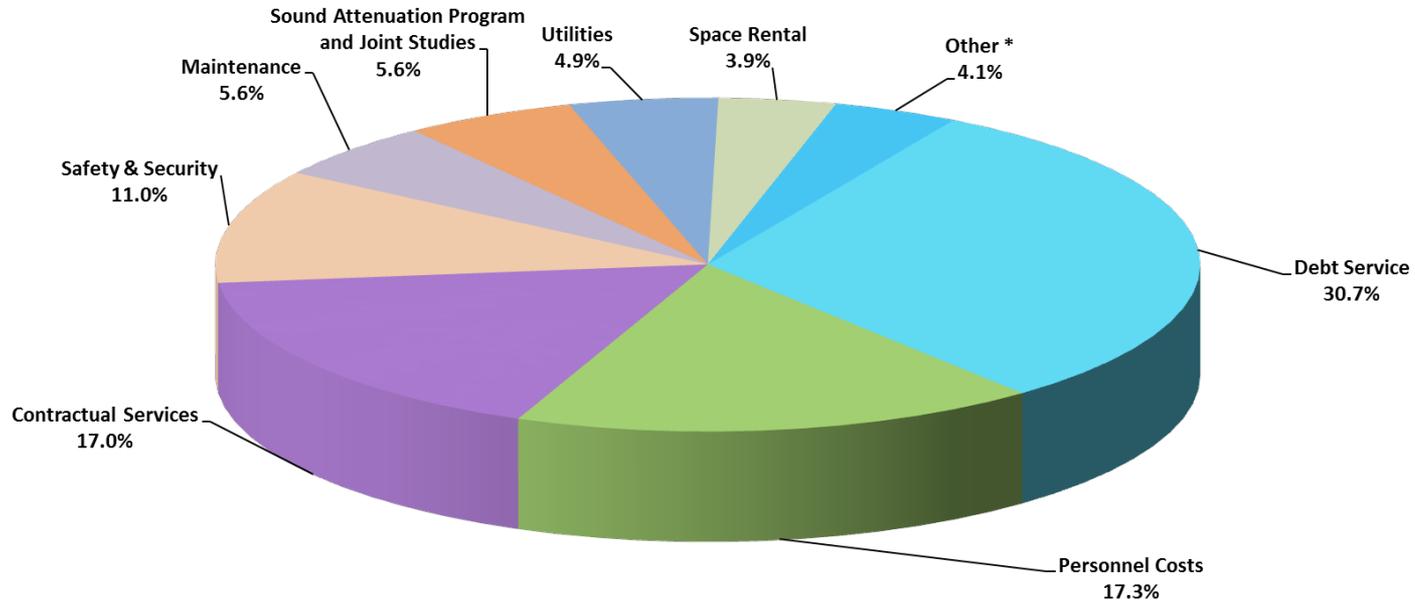


Expense Overview

SDCRAA Organizational Chart



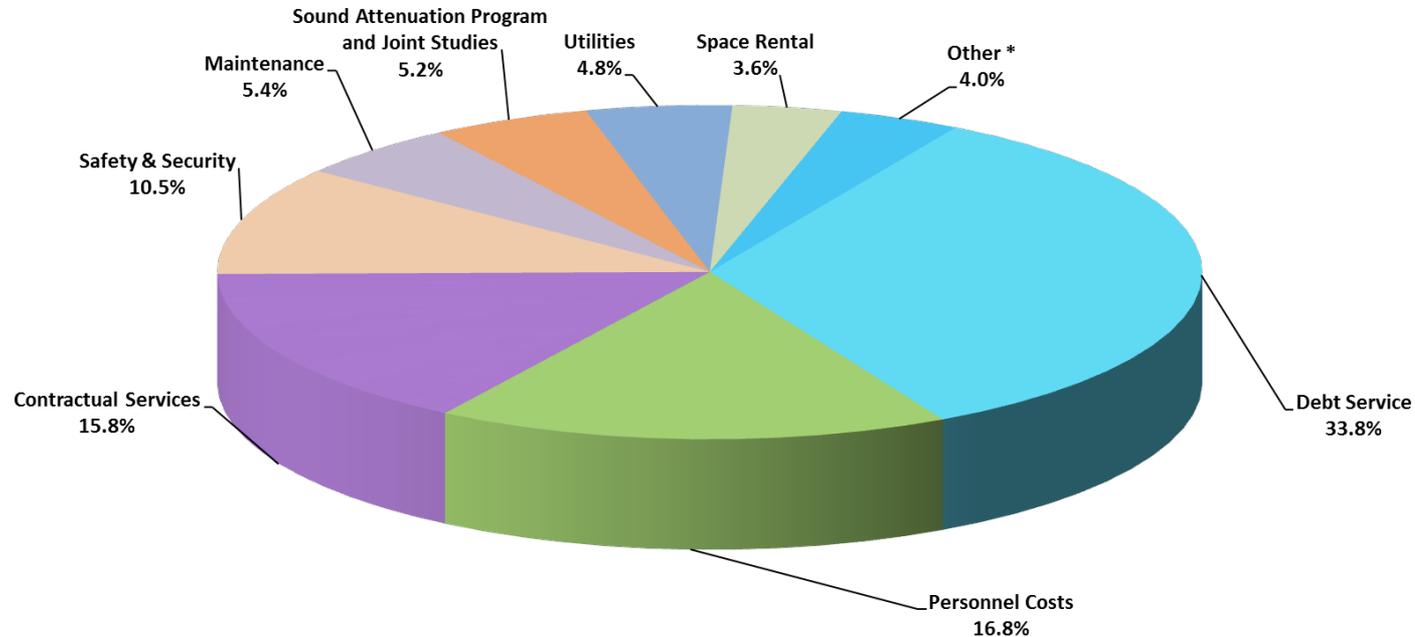
FY 2017 Proposed Expense Budget by Category



* Other includes equipment rental & repair, business development, employee programs, insurance, tenant improvements, operating equipment & supplies and equipment outlay

Total FY 2017 Proposed Budget is \$263.6M

FY 2018 Proposed Conceptual Expense Budget by Category



* Other includes equipment rental & repair, business development, employee programs, insurance, tenant improvements, operating equipment & supplies and equipment outlay

Total FY 2018 Proposed Budget is \$284.0M

FY 2017 Proposed – FY 2018 Proposed Conceptual Budget Expense Summary

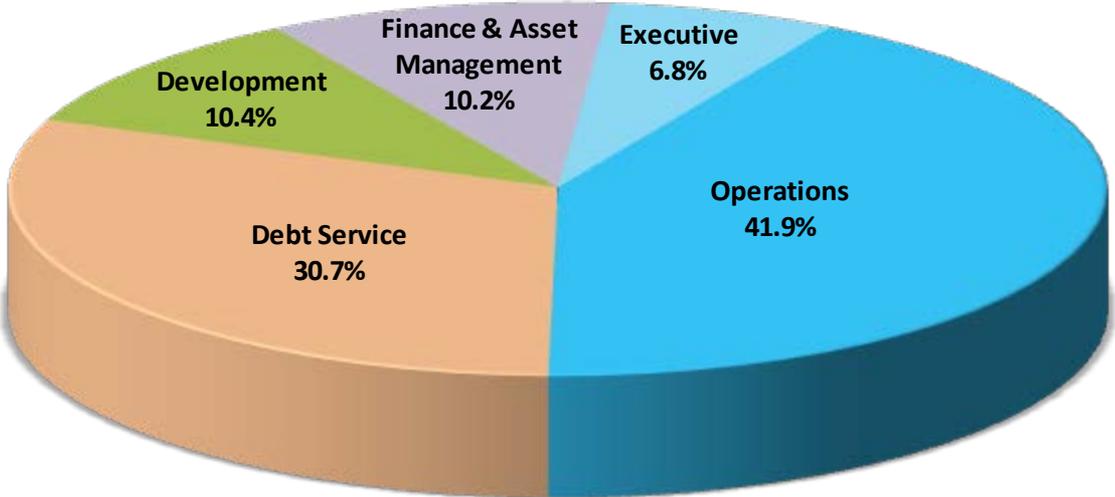
by Department

| Department | FY 2015 Actuals | FY 2016 Budget | FY 2017 Conceptual Budget | FY 2017 Proposed Budget | Inc/(Dec) FY17 Budget vs FY16 Budget | % Change | FY 2018 Proposed Conceptual Budget | Inc/(Dec) FY18 Conceptual vs FY17 Budget | % Change |
|--|-----------------------|-----------------------|---------------------------------|-------------------------------|--|--------------|--|--|--------------|
| Executive Offices | \$ 1,001,459 | \$ 1,120,721 | \$ 1,167,079 | \$ 1,131,124 | \$ 10,403 | 0.93% | \$ 1,175,672 | \$ 44,549 | 3.94% |
| General Counsel | 1,954,520 | 2,595,823 | 2,635,216 | 2,246,277 | (349,546) | -13.47% | 2,270,815 | 24,539 | 1.09% |
| Chief Auditor | 1,186,414 | 1,217,607 | 1,251,038 | 1,209,163 | (8,444) | -0.69% | 1,234,046 | 24,883 | 2.06% |
| Board Services | 162,491 | 181,500 | 185,500 | 165,800 | (15,700) | -8.65% | 165,800 | - | 0.00% |
| Corporate & Information Governance | 1,002,762 | 1,124,650 | 1,126,261 | 985,435 | (139,214) | -12.38% | 1,016,167 | 30,732 | 3.12% |
| Talent Culture & Capability | 2,808,918 | 3,286,749 | 3,403,616 | 3,442,595 | 155,846 | 4.74% | 3,663,548 | 220,953 | 6.42% |
| Vision, Voice & Engagement | 3,425,834 | 3,874,478 | 4,171,858 | 4,236,435 | 361,957 | 9.34% | 4,834,986 | 598,552 | 14.13% |
| Risk Management | 2,059,839 | 2,410,123 | 2,496,630 | 2,414,791 | 4,668 | 0.19% | 2,475,327 | 60,536 | 2.51% |
| Intergovernmental Relations | 780,987 | 896,717 | 912,932 | 764,317 | (132,400) | -14.77% | 774,930 | 10,613 | 1.39% |
| Air Service Development | 1,289,176 | 1,311,382 | 1,377,037 | 1,279,371 | (32,011) | -2.44% | 1,292,493 | 13,122 | 1.03% |
| Executive Division | 15,672,399 | 18,019,750 | 18,727,167 | 17,875,307 | (144,443) | -0.80% | 18,903,784 | 1,028,478 | 5.75% |
| Ground Transportation | 18,307,254 | 22,465,846 | 25,719,225 | 28,073,613 | 5,607,766 | 24.96% | 28,515,280 | 441,667 | 1.57% |
| Terminals & Tenants | 10,839,608 | 11,379,243 | 11,409,701 | 11,771,770 | 392,527 | 3.45% | 12,010,950 | 239,180 | 2.03% |
| Facilities Management | 33,178,785 | 35,008,888 | 38,050,278 | 35,326,089 | 317,201 | 0.91% | 37,502,556 | 2,176,467 | 6.16% |
| Aviation Security/Public Safety | 23,049,333 | 24,855,786 | 25,869,376 | 26,760,600 | 1,904,814 | 7.66% | 27,435,430 | 674,830 | 2.52% |
| Airside Operations | 7,532,185 | 8,410,987 | 8,666,253 | 8,652,915 | 241,928 | 2.88% | 8,917,072 | 264,157 | 3.05% |
| Operations Division | 92,907,165 | 102,120,750 | 109,714,833 | 110,584,986 | 8,464,236 | 8.29% | 114,381,288 | 3,796,303 | 3.43% |
| Environmental Affairs | 3,213,677 | 3,951,622 | 4,093,178 | 5,916,035 | 1,964,413 | 49.71% | 5,794,945 | (121,090) | -2.05% |
| Airport Planning & Noise Mitigation | 17,930,220 | 18,598,486 | 18,669,119 | 18,534,875 | (63,611) | -0.34% | 18,637,608 | 102,733 | 0.55% |
| Facilities Development | 2,274,698 | 2,408,661 | 2,457,694 | 2,663,567 | 254,906 | 10.58% | 2,727,181 | 63,613 | 2.39% |
| Airport Design & Construction | 259,548 | 164,172 | 169,513 | 364,044 | 199,872 | 121.75% | 329,705 | (34,338) | -9.43% |
| Development Division | 23,678,143 | 25,122,942 | 25,389,504 | 27,478,522 | 2,355,580 | 9.38% | 27,489,440 | 10,918 | 0.04% |
| Business Development | 145,760 | 320,903 | 275,873 | 410,660 | 89,757 | 27.97% | 417,923 | 7,263 | 1.77% |
| Information & Technology Services | 7,592,209 | 8,158,588 | 8,387,910 | 7,974,902 | (183,686) | -2.25% | 8,063,781 | 88,878 | 1.11% |
| Business and Financial Management | 15,019,101 | 15,663,745 | 15,623,300 | 15,335,374 | (328,371) | -2.10% | 15,493,983 | 158,609 | 1.03% |
| Accounting | 1,580,225 | 1,593,645 | 1,687,518 | 1,636,204 | 42,559 | 2.67% | 1,653,804 | 17,600 | 1.08% |
| Procurement and Small Business Development | 1,964,782 | 2,127,916 | 2,202,924 | 2,104,394 | (23,522) | -1.11% | 2,160,798 | 56,405 | 2.68% |
| Other * | (2,701,185) | 181,785 | 170,256 | (608,302) | (790,087) | -434.63% | (654,679) | (46,377) | 7.62% |
| Financial & Asset Management Division | 23,600,893 | 28,046,582 | 28,347,781 | 26,853,232 | (1,193,350) | -4.25% | 27,135,610 | 282,378 | 1.05% |
| Debt Service | 71,988,477 | 72,418,977 | 81,150,716 | 80,841,954 | 8,422,977 | 11.63% | 96,086,878 | 15,244,924 | 18.86% |
| Total Budget | \$ 227,847,077 | \$ 245,729,000 | \$ 263,330,000 | \$ 263,634,000 | \$ 17,905,000 | 7.29% | \$ 283,997,000 | \$ 20,363,000 | 7.72% |

* Vacancy savings and workers compensation losses

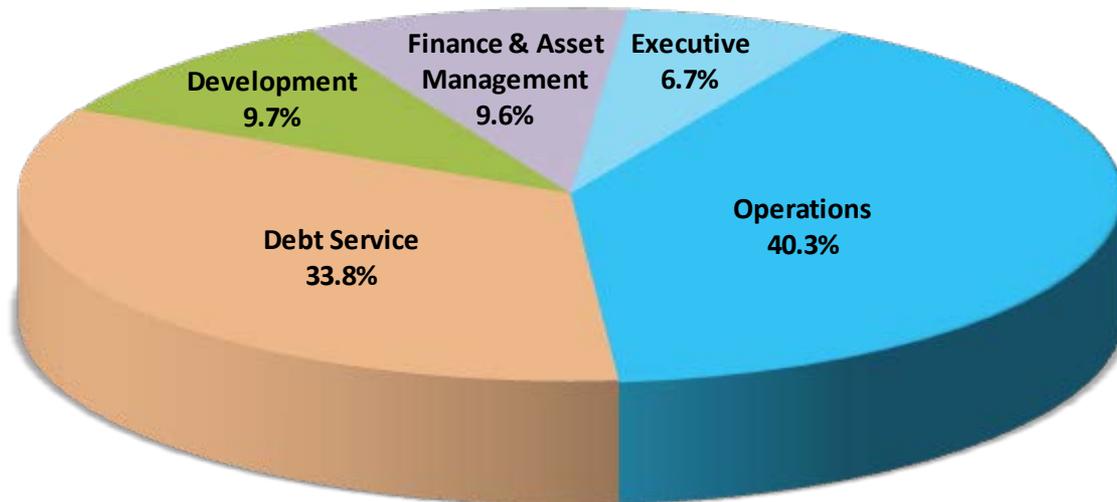
FY 2017 Proposed Expense Budget

by Division



Total FY 2017 Proposed Budget is \$263.6M

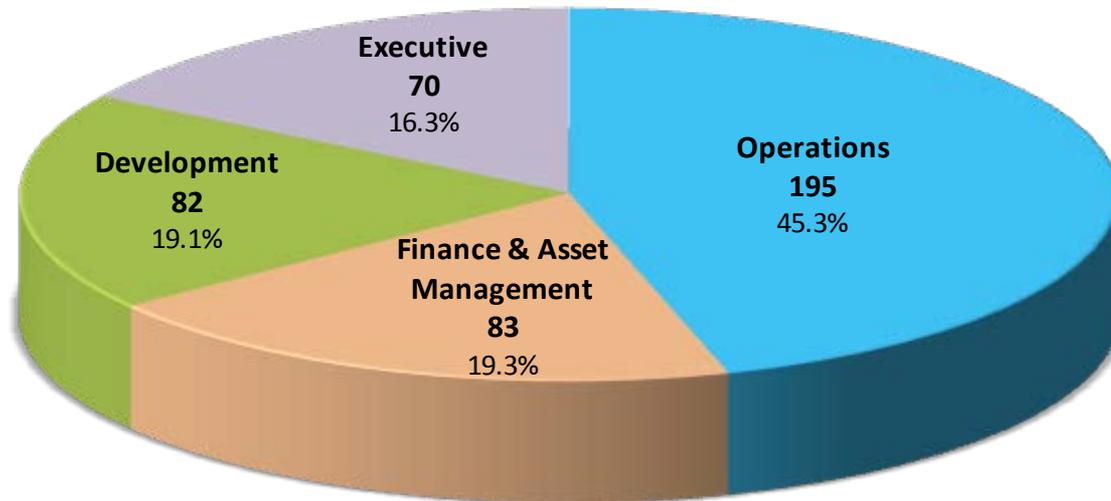
FY 2018 Proposed Conceptual Expense Budget by Division



Total FY 2018 Proposed Budget is \$284.0M

FY 2017 Proposed Budget

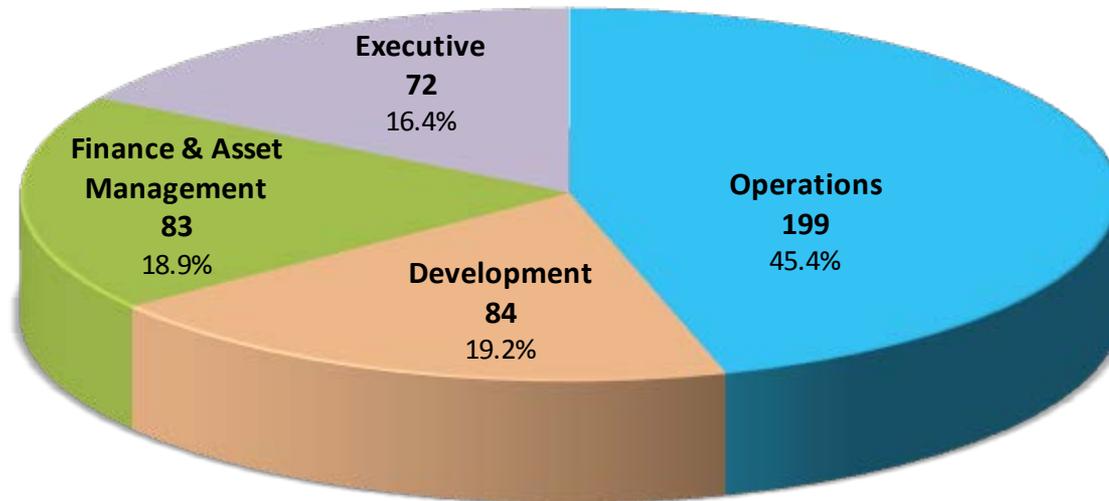
Personnel by Division



Total Proposed Positions are 430

FY 2018 Proposed Conceptual Budget

Personnel by Division



Total Proposed Positions are 438

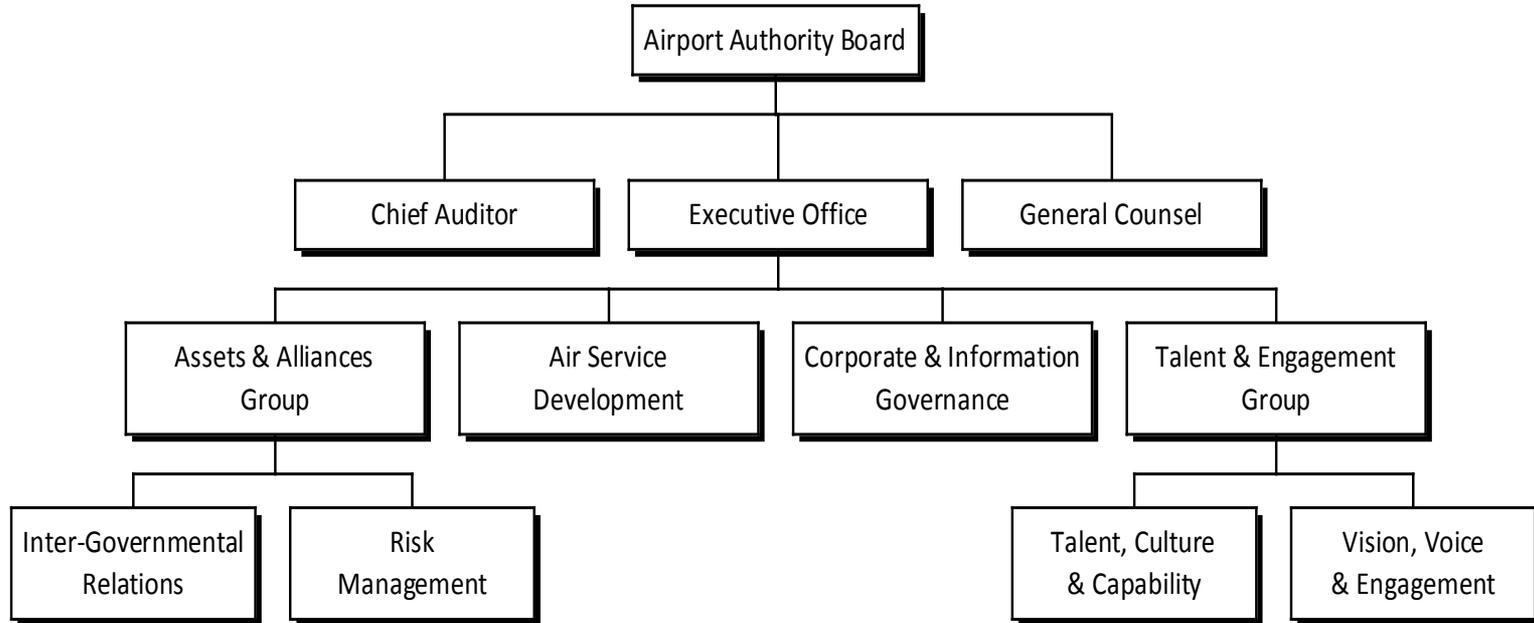


Division Budgets



Executive Division

FY 2016 – 2017 Organizational Structure



FY 2017 Proposed – FY 2018 Proposed Conceptual Budget Expense Summary

| | FY 2015 Actuals | FY 2016 Budget | FY 2017 Conceptual Budget | FY 2017 Proposed Budget | Inc / (Dec) FY 17 Proposed vs FY 16 Budget | % Change | Inc / (Dec) FY 17 Proposed vs FY 17 Conceptual | % Change | FY 2018 Proposed Conceptual Budget | Inc / (Dec) FY 18 Conceptual vs FY 17 Budget | % Change |
|--|----------------------|----------------------|---------------------------------|-------------------------------|--|--------------|--|--------------|--|--|-------------|
| Operating Expenses: | | | | | | | | | | | |
| Personnel Expenses | | | | | | | | | | | |
| Salaries and Wages | \$ 6,110,060 | \$ 6,787,113 | \$ 7,071,943 | \$ 7,221,020 | \$ 433,907 | 6.4% | \$ 149,077 | 2.1% | \$ 7,616,336 | \$ 395,316 | 5.5% |
| Premium Overtime | 2,116 | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Employee Benefits | 2,886,087 | 3,118,540 | 3,350,967 | 3,072,588 | (45,952) | -1.5% | (278,379) | -8.3% | 3,214,589 | 142,001 | 4.6% |
| Subtotal | 8,998,263 | 9,905,654 | 10,422,910 | 10,293,609 | 387,955 | 3.9% | (129,301) | -1.2% | 10,830,925 | 537,317 | 5.2% |
| Less: Capitalized Labor | (26,080) | (103,298) | - | - | 103,298 | -100.0% | - | 0.0% | - | - | 0.0% |
| Less: QHP - Labor/Burden/Labor Overhead | - | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Total Personnel Expenses | 8,972,183 | 9,802,356 | 10,422,910 | 10,293,609 | 491,253 | 5.0% | (129,301) | -1.2% | 10,830,925 | 537,317 | 5.2% |
| Non-Personnel Expenses | | | | | | | | | | | |
| Contractual Services | 3,104,238 | 4,147,350 | 4,191,250 | 4,009,972 | (137,378) | -3.3% | (181,278) | -4.3% | 3,848,522 | (161,450) | -4.0% |
| Safety and Security | - | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Space Rental | 2,800 | 1,200 | 1,200 | 1,200 | - | 0.0% | - | 0.0% | 1,200 | - | 0.0% |
| Utilities | 19,750 | 3,400 | 3,425 | 1,975 | (1,425) | -41.9% | (1,450) | -42.3% | 1,975 | - | 0.0% |
| Maintenance | - | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Operating Equipment & Systems | 11,180 | 86,400 | 36,900 | 23,800 | (62,600) | -72.5% | (13,100) | -35.5% | 34,400 | 10,600 | 44.5% |
| Operating Supplies | 42,340 | 38,935 | 38,035 | 38,025 | (910) | -2.3% | (10) | 0.0% | 38,075 | 50 | 0.1% |
| Insurance | 1,145,376 | 1,322,477 | 1,405,457 | 1,012,758 | (309,719) | -23.4% | (392,699) | -27.9% | 1,045,818 | 33,060 | 3.3% |
| Employee Programs | 500,192 | 591,405 | 595,405 | 582,123 | (9,282) | -1.6% | (13,282) | -2.2% | 600,378 | 18,255 | 3.1% |
| Business Development | 1,762,168 | 1,938,902 | 1,928,085 | 1,706,395 | (232,507) | -12.0% | (221,690) | -11.5% | 2,376,941 | 670,546 | 39.3% |
| Equipment Rentals & Repairs | 102,956 | 72,325 | 69,500 | 95,450 | 23,125 | 114.5% | 25,950 | 126.8% | 80,550 | (14,900) | -68.9% |
| Tenant Improvements | - | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Expenses | - | 8,202,394 | 8,269,257 | 7,471,698 | (730,696) | -8.9% | (797,559) | -9.6% | 8,027,859 | 556,161 | 7.4% |
| Total Operating Expenses | 15,663,182 | 18,004,750 | 18,692,167 | 17,765,307 | (239,443) | -1.3% | (926,860) | -5.0% | 18,858,784 | 1,093,478 | 6.2% |
| Non-Operating Expenses: | | | | | | | | | | | |
| Joint Studies/Sound Attenuation | - | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Debt Service | - | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Legal Settlements Expense | 800 | 10,000 | 10,000 | 10,000 | - | 0.0% | - | 0.0% | 10,000 | - | 0.0% |
| Total Non-Operating Expenses | 800 | 10,000 | 10,000 | 10,000 | - | 0.0% | - | 0.0% | 10,000 | - | 0.0% |
| Total Expenses | 15,663,982 | 18,014,750 | 18,702,167 | 17,775,307 | (239,443) | -1.3% | (926,860) | -5.0% | 18,868,784 | 1,093,478 | 6.2% |
| Equipment Outlay | 8,417 | 5,000 | 25,000 | 100,000 | 95,000 | 1900.0% | 75,000 | 300.0% | 35,000 | (65,000) | -65.0% |
| Total Executive Division Expenses | \$ 15,672,399 | \$ 18,019,750 | \$ 18,727,167 | \$ 17,875,307 | \$ (144,443) | -0.8% | \$ (851,860) | -4.5% | \$ 18,903,784 | \$ 1,028,478 | 5.8% |

FY 2017 Proposed – FY 2018 Proposed Conceptual Executive Division Budget Major Drivers

Executive Division

| | Inc / (Dec) FY 17 vs FY 16 | Inc / (Dec) FY 18 Conceptual vs FY 17 |
|--|----------------------------------|---|
| FY 2016 Budget / FY 2017 Budget | \$ 18,019,750 | \$ 17,875,307 |
| Personnel Costs | | |
| Salary adjustments and pay-for-performance | 357,650 | 200,435 |
| 1 New position of Art Program Coordinator II (salaries & burden) | 106,859 | - |
| 1 New position Safety & Loss Prevention Analyst II (salaries & burden) | 104,691 | - |
| Capitalized labor | 103,298 | - |
| Burden (benefits & employer taxes) for current staff | (78,998) | 76,579 |
| 1 Eliminated position Auditor (salaries & burden) | (102,248) | - |
| 1 New position of Marketing Specialist II (salaries & burden) | - | 115,503 |
| 1 New position of Project Manager (salaries & burden) | - | 144,800 |
| Total Increase / (Decrease) in Personnel Costs | 491,253 | 537,317 |
| Risk management safety consultants | 119,222 | (15,000) |
| Sponsorships and marketing activities | 40,800 | 509,650 |
| Air service marketing incentive | (125,000) | - |
| Property insurance | (309,719) | 33,060 |
| Legal services | (375,000) | - |
| Other, net | 14,001 | (36,549) |
| Total Increase / (Decrease) in Non-Personnel Costs | (635,696) | 491,161 |
| Total Increase / (Decrease) | (144,443) | 1,028,478 |
| FY 2017 Budget / FY 2018 Conceptual Budget | \$ 17,875,307 | \$ 18,903,784 |



Financial & Asset Management Division

FY 2017 – 2018 Organizational Structure



FY 2017 Proposed – FY 2018 Proposed Conceptual Budget Expense Summary

| | FY 2015 Actuals | FY 2016 Budget | FY 2017 Conceptual Budget | FY 2017 Proposed Budget | Inc / (Dec) FY 17 Proposed vs FY 16 Budget | % Change | Inc / (Dec) FY 17 Proposed vs FY 17 Conceptual | % Change | FY 2018 Proposed Conceptual Budget | Inc / (Dec) FY 18 Conceptual vs FY 17 Budget | % Change |
|---|----------------------|----------------------|---------------------------------|-------------------------------|--|--------------|--|---------------|--|--|--------------|
| Operating Expenses: | | | | | | | | | | | |
| Personnel Expenses | | | | | | | | | | | |
| Salaries and Wages | \$ 6,359,890 | \$ 7,055,974 | \$ 7,346,526 | \$ 6,982,534 | \$ (73,440) | -1.0% | \$ (363,992) | -5.0% | \$ 7,166,459 | \$ 183,925 | 2.6% |
| Premium Overtime | 104,879 | 150,000 | 150,000 | 150,000 | - | 0.0% | - | 0.0% | 150,000 | - | 0.0% |
| Employee Benefits | 638,314 | 3,527,243 | 3,792,107 | 2,981,247 | (545,996) | -15.5% | (810,860) | -21.4% | 3,087,061 | 105,814 | 3.5% |
| Subtotal | 7,103,082 | 10,733,217 | 11,288,633 | 10,113,781 | (619,437) | -5.8% | (1,174,853) | -10.4% | 10,403,520 | 289,739 | 2.9% |
| Less: Capitalized Labor | (13,468) | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Less: QHP - Labor/Burden/Labor Overhead | - | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Total Personnel Expenses * | 7,089,614 | 10,733,217 | 11,288,633 | 10,113,781 | (619,437) | -5.8% | (1,174,853) | -10.4% | 10,403,520 | 289,739 | 2.9% |
| Non-Personnel Expenses | | | | | | | | | | | |
| Contractual Services | 2,429,458 | 2,995,831 | 3,012,631 | 3,107,856 | 112,025 | 3.7% | 95,225 | 3.2% | 3,045,170 | (62,686) | -2.0% |
| Safety and Security | - | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Space Rental | 10,430,451 | 10,427,314 | 10,190,250 | 10,190,250 | (237,064) | -2.3% | - | 0.0% | 10,190,250 | - | 0.0% |
| Utilities | 376,911 | 407,200 | 407,200 | 416,900 | 9,700 | 2.4% | 9,700 | 2.4% | 416,900 | - | 0.0% |
| Maintenance | 18,014 | 20,240 | 20,000 | 20,000 | (240) | -1.2% | - | 0.0% | 20,000 | - | 0.0% |
| Operating Equipment & Systems | 1,148,291 | 274,000 | 274,000 | 205,000 | (69,000) | -25.2% | (69,000) | -25.2% | 205,500 | 500 | 0.2% |
| Operating Supplies | 95,248 | 96,950 | 97,600 | 116,400 | 19,450 | 20.1% | 18,800 | 19.3% | 116,400 | - | 0.0% |
| Insurance | - | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Employee Programs | 162,083 | 187,450 | 200,050 | 211,950 | 24,500 | 13.1% | 11,900 | 5.9% | 219,150 | 7,200 | 3.4% |
| Business Development | 95,799 | 152,500 | 147,500 | 137,400 | (15,100) | -9.9% | (10,100) | -6.8% | 137,900 | 500 | 0.4% |
| Equipment Rentals & Repairs | 1,703,280 | 2,226,879 | 2,234,916 | 2,133,695 | (93,184) | -1.0% | (101,221) | -10.1% | 2,155,820 | 22,125 | 1.2% |
| Tenant Improvements | 13,860 | 150,000 | 100,000 | - | (150,000) | -100.0% | (100,000) | -100.0% | - | - | 0.0% |
| Total Non-Personnel Expenses | 16,473,396 | 16,938,365 | 16,684,147 | 16,539,451 | (398,914) | -2.4% | (144,696) | -0.9% | 16,507,090 | (32,361) | -0.2% |
| Total Operating Expenses | 23,563,011 | 27,671,582 | 27,972,781 | 26,653,232 | (1,018,350) | -3.7% | (1,319,549) | -4.7% | 26,910,610 | 257,378 | 1.0% |
| Non-Operating Expenses: | | | | | | | | | | | |
| Joint Studies/Sound Attenuation | - | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Debt Service | - | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Legal Settlements Expense | - | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Other Non-Operating Expense | 4,474 | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | 4,474 | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Total Expenses | 23,567,485 | 27,671,582 | 27,972,781 | 26,653,232 | (1,018,350) | -3.7% | (1,319,549) | -4.7% | 26,910,610 | 257,378 | 1.0% |
| Equipment Outlay | 33,408 | 375,000 | 375,000 | 200,000 | (175,000) | -46.7% | (175,000) | -46.7% | 225,000 | 25,000 | 12.5% |
| Total Finance & Asset Management | \$ 23,600,893 | \$ 28,046,582 | \$ 28,347,781 | \$ 26,853,232 | \$ (1,193,350) | -4.3% | \$ (1,494,549) | -5.3% | \$ 27,135,610 | \$ 282,378 | 1.1% |

* Personnel costs include vacancy savings

FY 2017 Proposed – FY 2018 Proposed Conceptual Budget Major Drivers

Finance & Asset Management Division

| | Inc / (Dec) FY 17 vs FY 16 | Inc / (Dec) FY 18 Conceptual vs FY 17 |
|---|----------------------------------|---|
| FY 2016 Budget / FY 2017 Budget | \$ 28,046,582 | \$ 26,853,351 |
| Personnel Costs | | |
| Salary adjustments and pay-for-performance | (73,440) | 200,445 |
| Burden (benefits & employer taxes) for current staff | (545,996) | 89,294 |
| Total Increase / (Decrease) in Personnel Costs* | (619,437) | 289,739 |
| Parking credit card fees | 128,709 | 12,289 |
| Tenant improvements | (150,000) | - |
| ITS equipment purchases | (175,000) | - |
| Taxi hold lot lease | (237,064) | - |
| Other, net | (140,558) | (19,650) |
| Total Increase / (Decrease) in Non-Personnel Costs | (573,914) | (7,361) |
| Total Increase / (Decrease) | (1,193,350) | 282,378 |
| FY 2017 Budget / FY 2018 Conceptual Budget | \$ 26,853,232 | \$ 27,135,610 |

*Personnel costs include vacancy savings



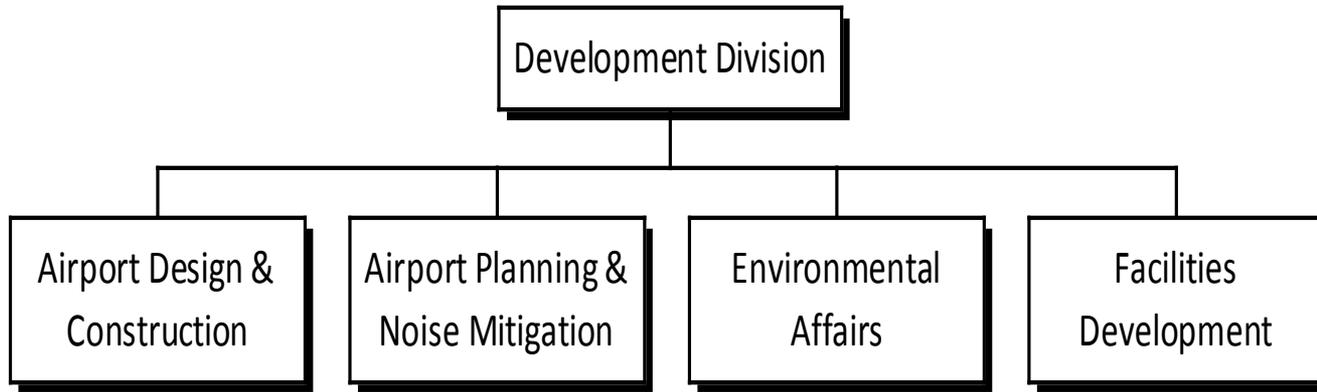
Development Division



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FY 2017 – 2018 Organizational Structure



FY 2017 Proposed – FY 2018 Proposed Conceptual Budget Expense Summary

| | FY 2015 Actuals | FY 2016 Budget | FY 2017 Conceptual Budget | FY 2017 Proposed Budget | Inc / (Dec) FY 17 Proposed vs FY 16 Budget | % Change | Inc / (Dec) FY 17 Proposed vs FY 17 Conceptual | % Change | FY 2018 Proposed Conceptual Budget | Inc / (Dec) FY 18 Conceptual vs FY 17 Budget | % Change |
|--|----------------------|----------------------|---------------------------------|-------------------------------|--|--------------|--|--------------|--|--|--------------|
| Operating Expenses: | | | | | | | | | | | |
| Personnel Expenses | | | | | | | | | | | |
| Salaries and Wages | \$ 6,142,430 | \$ 6,937,067 | \$ 7,138,459 | \$ 7,125,587 | \$ 188,520 | 2.7% | \$ (12,872) | -0.2% | \$ 7,533,737 | \$ 408,150 | 5.7% |
| Premium Overtime | 18,806 | 20,000 | 20,500 | 20,000 | - | 0.0% | (500) | -2.4% | 20,000 | - | 0.0% |
| Employee Benefits | 3,042,173 | 3,404,181 | 3,620,293 | 3,244,931 | (159,250) | -4.7% | (375,362) | -10.4% | 3,423,956 | 179,025 | 5.5% |
| Subtotal | 9,203,409 | 10,361,248 | 10,779,252 | 10,390,518 | 29,270 | 0.3% | (388,734) | -3.6% | 10,977,694 | 587,175 | 5.7% |
| Less: Capitalized Labor | (5,154,224) | (5,733,023) | (5,971,838) | (5,733,173) | (151) | 0.0% | 238,664 | -4.0% | (6,144,809) | (411,635) | 7.2% |
| Less: QHP - Labor/Burden/Labor Overhead | (784,323) | (674,897) | (703,408) | (662,631) | 12,265 | -1.8% | 40,776 | -5.8% | (684,707) | (22,075) | 3.3% |
| Total Personnel Expenses | 3,264,862 | 3,953,329 | 4,104,007 | 3,994,714 | 41,385 | 1.0% | (109,293) | -2.7% | 4,148,179 | 153,465 | 3.8% |
| Non-Personnel Expenses | | | | | | | | | | | |
| Contractual Services | 3,250,511 | 4,076,114 | 4,149,303 | 4,971,143 | 895,029 | 22.0% | 821,840 | 19.8% | 4,947,198 | (23,945) | -0.5% |
| Safety and Security | - | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Space Rental | - | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Utilities | 2,861 | 14,600 | 16,620 | 10,000 | (4,600) | -31.5% | (6,620) | -39.8% | 12,000 | 2,000 | 20.0% |
| Maintenance | 565,968 | 710,000 | 724,200 | 1,984,243 | 1,274,243 | 179.5% | 1,260,043 | 174.0% | 1,880,243 | (104,000) | -5.2% |
| Operating Equipment & Systems | 30,087 | (5,635) | (7,225) | (5,486) | 149 | -2.6% | 1,739 | -24.1% | (7,108) | (1,622) | 29.6% |
| Operating Supplies | 43,640 | 17,975 | 19,753 | 39,497 | 21,522 | 119.7% | 19,744 | 100.0% | 37,644 | (1,852) | -4.7% |
| Insurance | - | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Employee Programs | 285,561 | 280,369 | 284,105 | 292,590 | 12,222 | 4.4% | 8,486 | 3.0% | 230,424 | (62,166) | -21.2% |
| Business Development | 85,534 | 160,830 | 162,354 | 179,219 | 18,389 | 11.4% | 16,866 | 10.4% | 168,819 | (10,400) | -5.8% |
| Equipment Rentals & Repairs | 322,344 | 270,549 | 267,577 | 277,791 | 7,242 | -33.5% | 10,214 | 10.9% | 247,229 | (30,561) | -30.0% |
| Tenant Improvements | 781,863 | 900,000 | 920,000 | 900,000 | - | 0.0% | (20,000) | -2.2% | 990,000 | 90,000 | 10.0% |
| Total Non-Personnel Expenses | 5,368,370 | 6,424,802 | 6,536,685 | 8,648,997 | 2,224,195 | 34.6% | 2,112,311 | 32.3% | 8,506,450 | (142,547) | -1.6% |
| Total Operating Expenses | 8,633,232 | 10,378,131 | 10,640,693 | 12,643,711 | 2,265,580 | 21.8% | 2,003,018 | 18.8% | 12,654,629 | 10,918 | 0.1% |
| Non-Operating Expenses: | | | | | | | | | | | |
| Joint Studies/Sound Attenuation | 15,025,656 | 14,734,811 | 14,738,811 | 14,834,811 | 100,000 | 0.7% | 96,000 | 0.7% | 14,834,811 | - | 0.0% |
| Debt Service | - | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Legal Settlements Expense | - | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | 15,025,656 | 14,734,811 | 14,738,811 | 14,834,811 | 100,000 | 0.7% | 96,000 | 0.7% | 14,834,811 | - | 0.0% |
| Total Expenses | 23,658,888 | 25,112,942 | 25,379,504 | 27,478,522 | 2,365,580 | 9.4% | 2,099,018 | 8.3% | 27,489,440 | 10,918 | 0.0% |
| Equipment Outlay | 19,255 | 10,000 | 10,000 | - | (10,000) | -100.0% | (10,000) | -100.0% | - | - | 0.0% |
| Total Development Division Expenses | \$ 23,678,143 | \$ 25,122,942 | \$ 25,389,504 | \$ 27,478,522 | \$ 2,355,580 | 9.4% | \$ 2,089,018 | 8.2% | \$ 27,489,440 | \$ 10,918 | 0.0% |

FY 2017 Proposed – FY 2018 Proposed Conceptual Budget Major Drivers

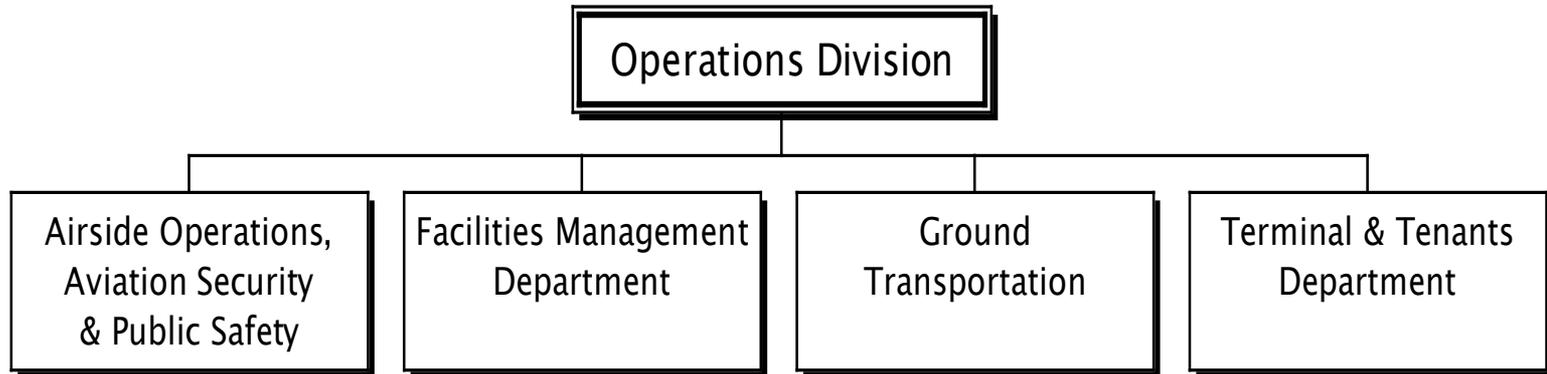
Development Division

| | Inc / (Dec) FY 17 vs FY 16 | Inc / (Dec) FY 18 Conceptual vs FY 17 |
|--|----------------------------------|---|
| FY 2016 Budget / FY 2017 Budget | \$ 25,122,942 | \$ 27,478,522 |
| Personnel Costs | | |
| Salary adjustments and pay-for-performance | 129,387 | 233,710 |
| 1 New position of Assistant Environmental Specialist (salaries & burden) | 80,322 | - |
| Capitalized labor | 12,115 | (433,711) |
| Burden (benefits & employer taxes) for current staff | (180,440) | 117,941 |
| 1 New position of Construction Manager (salaries & burden) | - | 144,800 |
| 1 New position of Senior Construction Inspector (salaries & burden) | - | 90,724 |
| Total Increase / (Decrease) in Personnel Costs | 41,385 | 153,465 |
| Integrated Pest Management (moved from Facilities Management Department) | 1,034,243 | (54,000) |
| Environmental requirements | 798,000 | - |
| Refurbishment of jet bridges | 240,000 | (50,000) |
| American Disability Act (ADA) program study | 100,000 | - |
| Other, net | 141,952 | (38,547) |
| Total Increase / (Decrease) in Non-Personnel Costs | 2,314,195 | (142,547) |
| Total Increase / (Decrease) | 2,355,580 | 10,918 |
| FY 2017 Budget / FY 2018 Conceptual Budget | \$ 27,478,522 | \$ 27,489,440 |



Operations Division

FY 2017 – 2019 Organizational Structure



FY 2017 Proposed – FY 2018 Proposed Conceptual Budget Expense Summary

| | FY 2015 Actuals | FY 2016 Budget | FY 2017 Conceptual Budget | FY 2017 Proposed Budget | Inc / (Dec) FY 17 Proposed vs FY 16 Budget | % Change | Inc / (Dec) FY 17 Proposed vs FY 17 Conceptual | % Change | FY 2018 Proposed Conceptual Budget | Inc / (Dec) FY 18 Conceptual vs FY 17 Budget | % Change |
|---|----------------------|-----------------------|---------------------------------|-------------------------------|--|-------------|--|--------------|--|--|-------------|
| Operating Expenses: | | | | | | | | | | | |
| Personnel Expenses | | | | | | | | | | | |
| Salaries and Wages | \$ 12,509,432 | \$ 13,024,805 | \$ 13,544,335 | \$ 13,764,873 | \$ 740,068 | 5.7% | \$ 220,538 | 1.6% | \$ 14,634,267 | \$ 869,394 | 6.3% |
| Premium Overtime | 735,507 | 529,500 | 530,500 | 494,500 | (35,000) | -6.6% | (36,000) | -6.8% | 494,500 | - | 0.0% |
| Employee Benefits | 6,870,175 | 7,225,587 | 7,745,425 | 6,994,407 | (231,180) | -3.2% | (751,018) | -9.7% | 7,439,022 | 444,615 | 6.4% |
| Subtotal | 20,115,114 | 20,779,892 | 21,820,259 | 21,253,779 | 473,888 | 2.3% | (566,480) | -2.6% | 22,567,788 | 1,314,009 | 6.2% |
| Less: Capitalized Labor | (230,413) | (100,000) | (100,000) | (100,000) | - | 0.0% | - | 0.0% | (100,000) | - | 0.0% |
| Less: QHP - Labor/Burden/Labor Overhead | - | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Total Personnel Expenses | 19,884,701 | 20,679,892 | 21,720,259 | 21,153,779 | 473,888 | 2.3% | (566,480) | -2.6% | 22,467,788 | 1,314,009 | 6.2% |
| Non-Personnel Expenses | | | | | | | | | | | |
| Contractual Services | 23,637,803 | 27,054,373 | 29,954,613 | 32,609,493 | 5,555,120 | 20.5% | 2,654,880 | 8.9% | 32,984,505 | 375,012 | 1.2% |
| Safety and Security | 24,156,148 | 27,054,383 | 28,399,553 | 29,061,387 | 2,007,004 | 7.4% | 661,834 | 2.3% | 29,917,194 | 855,807 | 2.9% |
| Space Rental | - | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Utilities | 9,752,401 | 12,696,713 | 14,377,382 | 12,474,338 | (222,375) | -1.8% | (1,903,044) | -13.2% | 13,180,433 | 706,094 | 5.7% |
| Maintenance | 13,240,302 | 12,573,431 | 13,391,899 | 12,661,524 | 88,093 | 0.7% | (730,375) | -5.5% | 13,378,921 | 717,397 | 5.7% |
| Operating Equipment & Systems | 622,006 | 218,300 | 162,350 | 142,000 | (76,300) | -35.0% | (20,350) | -12.5% | 142,400 | 400 | 0.3% |
| Operating Supplies | 300,266 | 262,350 | 265,400 | 252,990 | (9,360) | -3.6% | (12,410) | -4.7% | 249,780 | (3,210) | -1.3% |
| Insurance | - | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Employee Programs | 170,078 | 280,050 | 279,250 | 241,735 | (38,315) | -13.7% | (37,515) | -13.4% | 247,735 | 6,000 | 2.5% |
| Business Development | 541,124 | 525,095 | 528,195 | 541,354 | 16,259 | 3.1% | 13,159 | 2.5% | 598,540 | 57,186 | 10.6% |
| Equipment Rentals & Repairs | 85,461 | 234,164 | 235,931 | 220,736 | (13,428) | 3162.4% | (15,195) | 3160.8% | 153,493 | (67,243) | -107.4% |
| Tenant Improvements | - | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Expenses | 72,505,589 | 80,898,858 | 87,594,573 | 88,205,556 | 7,306,698 | 9.0% | 610,983 | 0.7% | 90,853,000 | 2,647,444 | 3.0% |
| Total Operating Expenses | 92,390,290 | 101,578,750 | 109,314,833 | 109,359,336 | 7,780,586 | 7.7% | 44,503 | 0.0% | 113,320,788 | 3,961,453 | 3.6% |
| Non-Operating Expenses: | | | | | | | | | | | |
| Joint Studies/Sound Attenuation | - | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Debt Service | - | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Legal Settlements Expense | - | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | - | - | - | - | - | 0.0% | - | 0.0% | - | - | 0.0% |
| Total Expenses | 92,390,290 | 101,578,750 | 109,314,833 | 109,359,336 | 7,780,586 | 7.7% | 44,503 | 0.0% | 113,320,788 | 3,961,453 | 3.6% |
| Equipment Outlay | 516,875 | 542,000 | 400,000 | 1,225,650 | 683,650 | 126.1% | 825,650 | 206.4% | 1,060,500 | (165,150) | -13.5% |
| Total Operations Division Expenses | \$ 92,907,165 | \$ 102,120,750 | \$ 109,714,833 | \$ 110,584,986 | \$ 8,464,236 | 8.3% | \$ 870,153 | 0.8% | \$ 114,381,288 | \$ 3,796,303 | 3.4% |

FY 2017 Proposed – FY 2018 Proposed Conceptual Budget Major Drivers

Operations Division

| | Inc / (Dec) FY 17 vs FY 16 | Inc / (Dec) FY 18 Conceptual vs FY 17 |
|---|----------------------------------|---|
| FY 2016 Budget / FY 2017 Budget | \$ 102,120,750 | \$ 110,584,986 |
| Personnel Costs | | |
| Salary adjustments, contracted wage increases and pay-for-performance | 549,827 | 530,802 |
| 2 New positions of Maintenance Worker I and Project Inspector (salaries & burden) | 126,782 | - |
| 1 New limited position T&T Relations Specialist I (salaries & burden) | 89,889 | - |
| 3 New positions of Inspector, Planner & Estimator, Project Manager & Contract Administrator (salaries & burden) | - | 367,977 |
| 1 New position Communication Center Specialist (salaries & burden) | - | 90,724 |
| Burden (benefits & employer taxes) for current staff | (292,611) | 324,506 |
| Total Increase / (Decrease) in Personnel Costs | 473,888 | 1,314,009 |
| Rental Car Center (RCC) busing | 5,963,480 | (83,423) |
| Law enforcement costs - Harbor Police Department | 901,989 | 546,171 |
| Major maintenance | 750,000 | - |
| Access control system | 650,000 | 50,000 |
| Security guard services | 420,000 | 60,000 |
| Vehicle replacements | 392,000 | - |
| Hood vent maintenance for concessionaires | 294,342 | 166,000 |
| Airfield pavement and striping | 243,000 | 550,000 |
| Aircraft Rescue and Fire Fighting (ARFF) contract costs | 230,158 | 156,862 |
| Fuel and vehicle maintenance | (115,000) | 30,000 |
| RCS radio service | (170,068) | - |
| Utilities | (225,195) | 706,094 |
| Parking and shuttle operations | (350,910) | 390,710 |
| Integrated Pest Management transferred to Environmental Department | (958,213) | - |
| Other, net | (35,235) | (90,122) |
| Total Increase / (Decrease) in Non-Personnel Costs | 7,990,348 | 2,482,294 |
| Total Increase / (Decrease) | 8,464,236 | 3,796,303 |
| FY 2017 Budget / FY 2018 Conceptual Budget | \$ 110,584,986 | \$ 114,381,288 |

Debt Service

FY 2017 Proposed – FY 2018 Proposed Conceptual Budget Expense Summary

| | FY 2015 Actuals | FY 2016 Budget | FY 2017 Conceptual Budget | FY 2017 Budget | Inc/(Dec) FY 17 Budget vs FY 16 | % Change | Inc/(Dec) FY 17 Proposed vs FY 17 Conceptual | % Change | FY 2018 Conceptual Budget | Inc/(Dec) FY 18 Conceptual vs FY 17 Budget | % Change |
|---|---------------------|---------------------|---------------------------------|---------------------|---------------------------------------|--------------|--|--------------|---------------------------------|--|--------------|
| Principal on variable rate debt | \$ 6,179,000 | \$ 6,124,000 | \$ 6,133,000 | \$ 6,123,000 | \$ (1,000) | 0.0% | \$ (10,000) | -0.2% | \$ 14,948,859 | \$ 8,825,859 | 144.1% |
| Principal on Revenue Bonds | 10,695,000 | 11,090,000 | 11,585,000 | 11,585,000 | 495,000 | 4.5% | - | 0.0% | 12,130,000 | 545,000 | 4.7% |
| Principal & Interest Expense - Capitalized Leases | 579,558 | 877,298 | 877,298 | 877,298 | (0) | 0.0% | - | 0.0% | 877,298 | - | 0.0% |
| Interest on Revenue Bonds | 49,959,899 | 49,566,398 | 49,066,198 | 49,066,198 | (500,200) | -1.0% | - | 0.0% | 48,523,498 | (542,700) | -1.1% |
| Interest on variable rate debt | 261,709 | 579,555 | 1,148,350 | 782,725 | 203,170 | 35.1% | (365,625) | -31.8% | 1,674,930 | 892,205 | 114.0% |
| Principal on Special Facility Bonds | - | - | - | - | - | 0.0% | - | 0.0% | 5,580,000 | 5,580,000 | 0.0% |
| Interest on Special Facility Bonds | 8,324,125 | 8,170,605 | 16,341,210 | 16,341,210 | 8,170,605 | 100.0% | - | 0.0% | 16,341,210 | - | 0.0% |
| Fees | 317,486 | 254,370 | 152,772 | 219,636 | (34,734) | -13.7% | 66,864 | 43.8% | 70,312 | (149,324) | -68.0% |
| Amortization of Bond Premium | (4,328,300) | (4,243,249) | (4,153,112) | (4,153,112) | 90,137 | -2.1% | - | 0.0% | (4,059,229) | 93,883 | -2.3% |
| Total Debt Service | \$71,988,477 | \$72,418,977 | \$81,150,716 | \$80,841,954 | \$ 8,422,977 | 11.6% | \$ (308,761) | -0.4% | \$ 96,086,878 | \$ 15,244,924 | 18.9% |



Capital Program

Capital Program Overview

- 5 Year Program
- Approved by the Board Annually- Capital Improvement Program Oversight committee (CIPOC)
- Managed by Capital Improvement Committee (CIC)- CEO & Vice Presidents
- Current Capital Improvement Program (CIP) – 80 Projects – \$807.1 Million
Current The Green Build/T2W Roof – \$7.2 Million
Current Total Capital Program – **\$814.3 Million**

CIP Project Development Process

- **Annual Validation of Current CIP**

- Revisit the projects for purpose and need
- Review scope, schedule and budget
- Develop projects risk profile: assessment, quantification and mitigation plan
- Prepare recommendations to the Board for any project adjustments

- **New CIP Projects**

- **Sponsors submit project requests**

- Project is defined - scope, schedule and budget are developed
- Assessments are conducted with sponsors and stakeholders - financial business case, risk/alternatives identification, planning and environmental impacts, capitalization and O&M costs

CIP Project Development Process

- **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**

Current CIP Projects – Project Status

| Project Location | Planning | Design | Construction | Closeout / Closed | Program* | Total |
|--------------------|-----------|-----------|--------------|-------------------|----------|-----------|
| Airside | 5 | 4 | 1 | 3 | - | 13 |
| Terminal | 6 | 7 | 3 | 7 | 1 | 24 |
| Landside/Ancillary | 4 | 8 | 9 | 10 | - | 31 |
| Administrative | 5 | 2 | 3 | 1 | 1 | 12 |
| Total | 20 | 21 | 16 | 21 | 2 | 80 |

* Public Art allowance and Capital Project allowance

Current/Proposed Capital Program – Project Locations

Capital Program Budget:

\$814,326,662

\$947,527,133

| Project Location | FY 2016 – FY 2020 | FY 2017 – FY 2021 |
|--------------------|-------------------|-------------------|
| Airside | 13 | 16 |
| Terminal | 24 | 20 |
| Landside/Ancillary | 31 | 36 |
| Administrative | 12 | 13 |
| Totals | 80 | 85 |



Capital Program Budget Summary

| | |
|--|-------------------------------------|
| FY 2016 – FY 2020 Capital Program | \$ 491,024,228 |
| Rental Car Center | 316,124,104 |
| The Green Build (T2W Roof & Project Closeout) | <u>7,178,330</u> |
| FY 2016 – FY 2020 Capital Program Budget | \$ 814,326,662 |
| FY 2016 – FY 2020 Project Closeouts / Adjustments | \$ (64,098,948) |
| Proposed Terminal 2 Parking Plaza Adjustment * | <u>45,720,000</u> |
| FY 2016 – FY 2020 Capital Program Balance | \$ 795,947,714 |
| Proposed FY 2017 – FY 2021 Capital Projects/Adjust. | \$ 96,679,419 |
| Proposed Airport Development Plan | <u>54,900,000</u> |
| Proposed FY 2017 – FY 2021 Capital Program Budget | <u><u>\$ 947,527,133</u></u> |

* Pending Board approval

Proposed New FY2017-2021 CIP Projects

| | Description | Est. Budget |
|----|--|--------------|
| 1) | Rehabilitate Gates 40/41 Apron Pavement (2017) * | \$ 1,172,300 |
| 2) | Terminal 2 Loop Pavement Seal coat (2017) * | 750,230 |
| 3) | Rehabilitate Terminal 1 Loop Pavement (2018) * | 5,582,000 |
| 4) | Rehabilitate Northside Vehicle Service Road (2018) | 12,200,000 |
| 5) | Rehabilitate Terminal 2 Apron Pavement (2020) * | 16,589,200 |
| 6) | Rehabilitate Terminal 2 Loop Pavement (2020) * | 2,111,000 |
| 7) | Rehabilitate South Side Cargo Apron (2021) * | 7,048,200 |
| | * Per 2015 Pavement Management Study | |

Proposed New FY2017-2021 CIP Projects

| | Description | Est. Budget |
|-----|--|----------------------|
| 8) | Replace Sidewalk T2W Existing to Green Build (2017) | \$ 1,808,000 |
| 9) | Admiral Boland Way Entry/Exit Gates (2017) | 2,152,000 |
| 10) | Acquire RCC Buses (2017) | 5,000,000 |
| 11) | Admiral Boland Way Traffic & Signage Analysis (2017) | 500,000 |
| 12) | Improvements to FIS Facility (2017) | 6,317,800 |
| 13) | Replace Existing Generator at CUP (2018) | 6,100,000 |
| 14) | Facilities Condition Assessment (2021) | <u>800,000</u> |
| | Total FY 2017-2021 Proposed New CIP Projects | \$ 68,130,730 |

Proposed FY2017-2021 Capital Project Adjustments

| | Description | Current Budget | Additional Budget | Est. Budget |
|--|--|----------------------|-----------------------------|---------------|
| 1) | Replace/Refurbish Passenger Boarding Bridges | \$ 23,300,000 | \$ 9,000,000 | \$ 32,300,000 |
| 2) | SDIA Airport Development Plan | 6,500,000 | 2,500,000 | 9,000,000 |
| 3) | Rehabilitate Runway 9-27 | 19,600,000 | 1,500,000 | 21,100,000 |
| 4) | Rehabilitate Cross Taxiways & CT Apron | 12,289,440 | 1,700,000 | 13,989,440 |
| 5) | Capital Project Allowance (FY2017) | - | 5,000,000 | 5,000,000 |
| 6) | Public Art Allowance | 1,374,441 | 248,689 | 1,623,130 |
| 7) | FMD Capital Allowance (FY2017-2021) | 3,807,714 | <u>8,600,000</u> | 12,407,714 |
| Total Proposed Current CIP Project Adjustments | | \$ 28,548,689 | | |
| Total FY 2017-2021 Proposed New CIP Project & Adjustments | | | <u>\$ 96,679,419</u> | |

Proposed New FY 2017 - FY2021 ADP Projects

| | Description | Est. Budget |
|----|--|-----------------------------|
| 1) | Construct Taxiway "A" (2021-2022) | \$ 36,900,000 |
| 2) | ADP – Programmatic Documents (2016-2018) | <u>18,000,000</u> |
| | Total FY2017-2021 Proposed New ADP Projects | \$ <u>54,900,000</u> |

Prioritization Criteria

| | |
|----------|---|
| 1 | Preserve Part 139 or other regulatory compliance |
| 2 | Preserve physical plant functions – Fire/Life/Safety, M/E/P and Core Network |
| 3 | Preserve Airport access, roadways and parking |
| 4 | Enhance safety or security |
| 5 | Enhance customer service / revenue / cost savings |

Rehabilitate Gates 40/41 Apron Pavement

Scope:

- Rehabilitate per 2015 Pavement Management Study (2017)
- Full Portland Cement Concrete (PCC) replacement of 40 panels
 - Approximately 7,200 sq. ft. of apron panels
- Provide safe operating conditions on apron

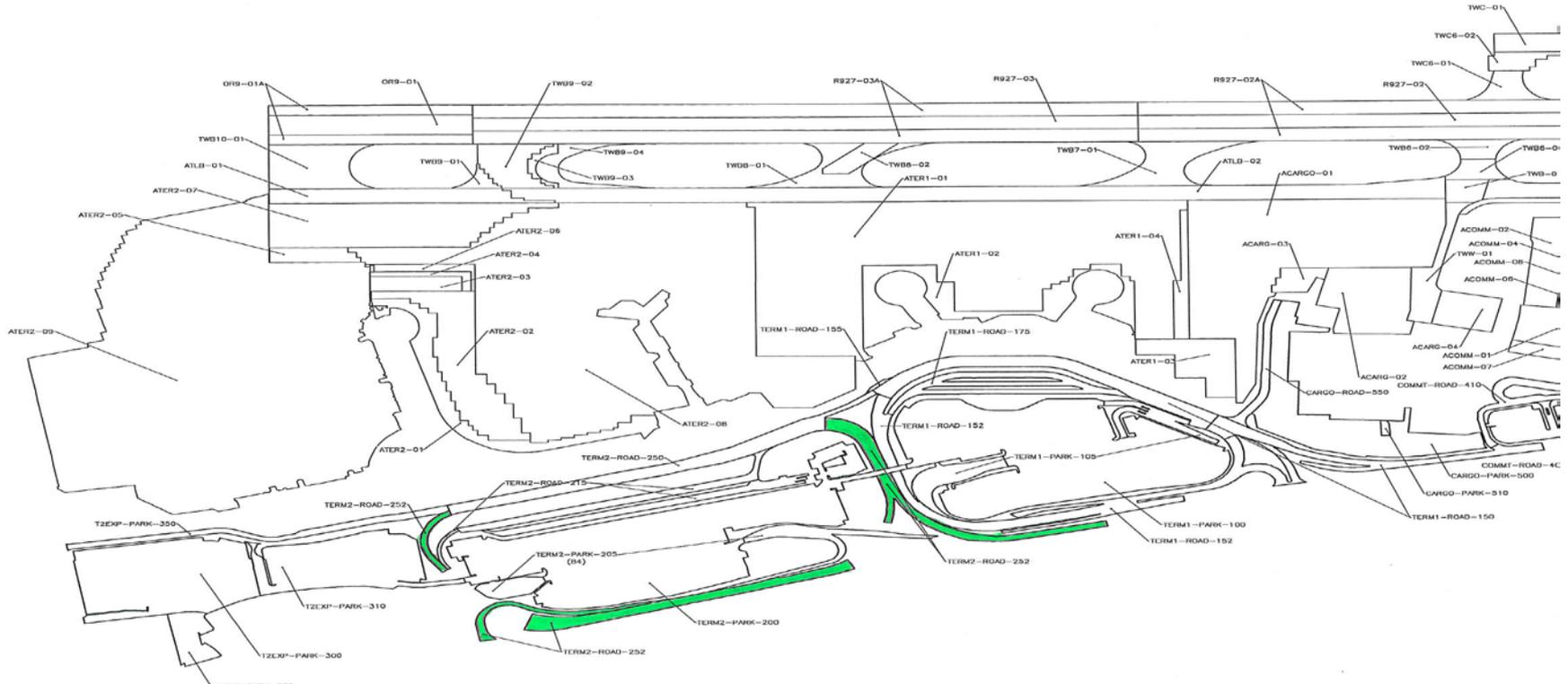
Strategies :

- Financial
- Customer
- Operations

| | |
|----------|---|
| 1 | Preserve Part 139 or other regulatory compliance |
|----------|---|

| Estimated Cost | Duration |
|----------------|-----------|
| \$1,172,300 | 15 months |

Terminal 2 Loop Pavement Seal Coat



Terminal 2 Loop Pavement Seal Coat

Scope:

- Rehabilitate per 2015 Pavement Management Study (2017)
- Seal coat 128,000 sq. ft. of pavement, apply new markings
- Will involve night work to accommodate operations

Strategies :

- Financial
- Customer
- Operations

| | |
|----------|---|
| 3 | Preserve Airport access, roadways, and parking |
|----------|---|

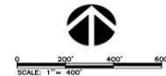
| | |
|----------------|-----------|
| Estimated Cost | Duration |
| \$750,230 | 13 months |

Rehabilitate Terminal 1 Loop Pavement



LEGEND:

- 1 FULL DEPTH REPAIR LOCATIONS. SEE PHOTOS



Rehabilitate Terminal 1 Loop Pavement



LEGEND:

- 19 FULL DEPTH REPAIR LOCATIONS. SEE PHOTOS



Rehabilitate Terminal 1 Loop Pavement

Scope:

- Rehabilitate per 2015 Pavement Management Study (2018)
- Rehabilitate 188,000 sq. ft. with 2" mill & overlay
- Rehabilitate 100,000 sq. ft. of full-depth, partial A/C replacement
- Involves phasing and all night work to accommodate operations and minimize impacts

Strategies :

- Financial
- Customer
- Operations

| | |
|----------|---|
| 3 | Preserve Airport access, roadways, and parking |
|----------|---|

| Estimated Cost | Duration |
|----------------|-----------|
| \$5,582,000 | 19 months |

Rehabilitate North Side Vehicle Service Rd.



Rehabilitate North Side Vehicle Service Rd.

Scope:

- Remove & replace sub-base/asphalt to support heavy fuel trucks & ARFF vehicles
- Replace single lane with dual lane east of ILS glideslope antenna & relocate road further north
- Construct proper drainage to eliminate flooding
- Cap pavement in areas adjacent to Taxiway J and the FBO

Strategies :

- Financial
- Customer
- Operations

| | |
|----------|---|
| 1 | Preserve Part 139 or other regulatory compliance |
|----------|---|

| Estimated Cost | Duration |
|----------------|-----------|
| \$12,200,000 | 22 months |

Rehabilitate Terminal 2 Apron Pavement

Scope:

- Rehabilitate per 2015 Pavement Management Study (2020)
- Approximately 49,000 sq. ft. of partial slab replacement & 1.1M sq. ft. of renovation and rehabilitation
- Provide safe taxiway and apron areas for airport operations

Strategies :

- Financial
- Customer
- Operations

| | |
|----------|---|
| 1 | Preserve Part 139 or other regulatory compliance |
|----------|---|

| Estimated Cost | Duration |
|----------------|-----------|
| \$16,589,200 | 22 months |

Rehabilitate South Side Cargo Apron Pavement

Scope:

- Rehabilitate per 2015 Pavement Management Study (2021)
- Approximately 136,000 sq. ft. of asphalt rehabilitation and 37,000 sq. ft. of full cement concrete (PCC) replacement
- Provide safe apron areas for airport operations

Strategies :

- Financial
- Customer
- Operations

| | |
|----------|---|
| 1 | Preserve Part 139 or other regulatory compliance |
|----------|---|

| Estimated Cost | Duration |
|----------------|-----------|
| \$7,048,200 | 19 months |

Rehabilitate Terminal 2 Loop Pavement

Scope:

- Rehabilitate per 2015 Pavement Management Study (2020)
- Rehabilitate approx. 128,000 sq. ft. of asphalt with mill & overlay
- Will involve night work to accommodate operations and minimize impacts

Strategies :

- Financial
- Customer
- Operations

| | |
|----------|---|
| 3 | Preserve Airport access, roadways, and parking |
|----------|---|

| | |
|----------------|-----------|
| Estimated Cost | Duration |
| \$2,111,000 | 16 months |

Replace Sidewalk at Existing T2W to Green Build



Replace Sidewalk at Existing T2W to Green Build

T2W Sidewalk Images



T2E Sidewalk Images



Replace Sidewalk at Existing T2W to Green Build

Scope:

- Replace cracking/spalling/faulting of approximately 25,400 sq. ft. of concrete sidewalk/curb and base
- Eliminate potential trip and/or fall hazards
- Provide a more pleasant customer experience while traversing our sidewalks

Strategies :

- Customer
- Operations

4

Enhance safety or security

| Estimated Cost | Duration |
|----------------|-----------|
| \$1,808,000 | 16 months |

Admiral Boland Way Entry/Exit Gates



Admiral Boland Way Entry/Exit Gates

Scope:

- Install gates at north/south ends of Admiral Boland Way to deter auto/pedestrian access
- Includes CCTV, lights, electrical upgrades to support gates
- Gates operate electronically and maintain RCC bus schedules
- Addresses and minimizes safety/risk exposure for Airport

Strategies :

- Operations

4

Enhance safety or security

| Estimated Cost | Duration |
|----------------|-----------|
| \$2,152,000 | 15 months |

Acquire RCC Buses



Acquire RCC Buses

Scope:

- Purchase 8-10 LNG buses for RCC shuttle
- Provide additional buses to meet customer demand

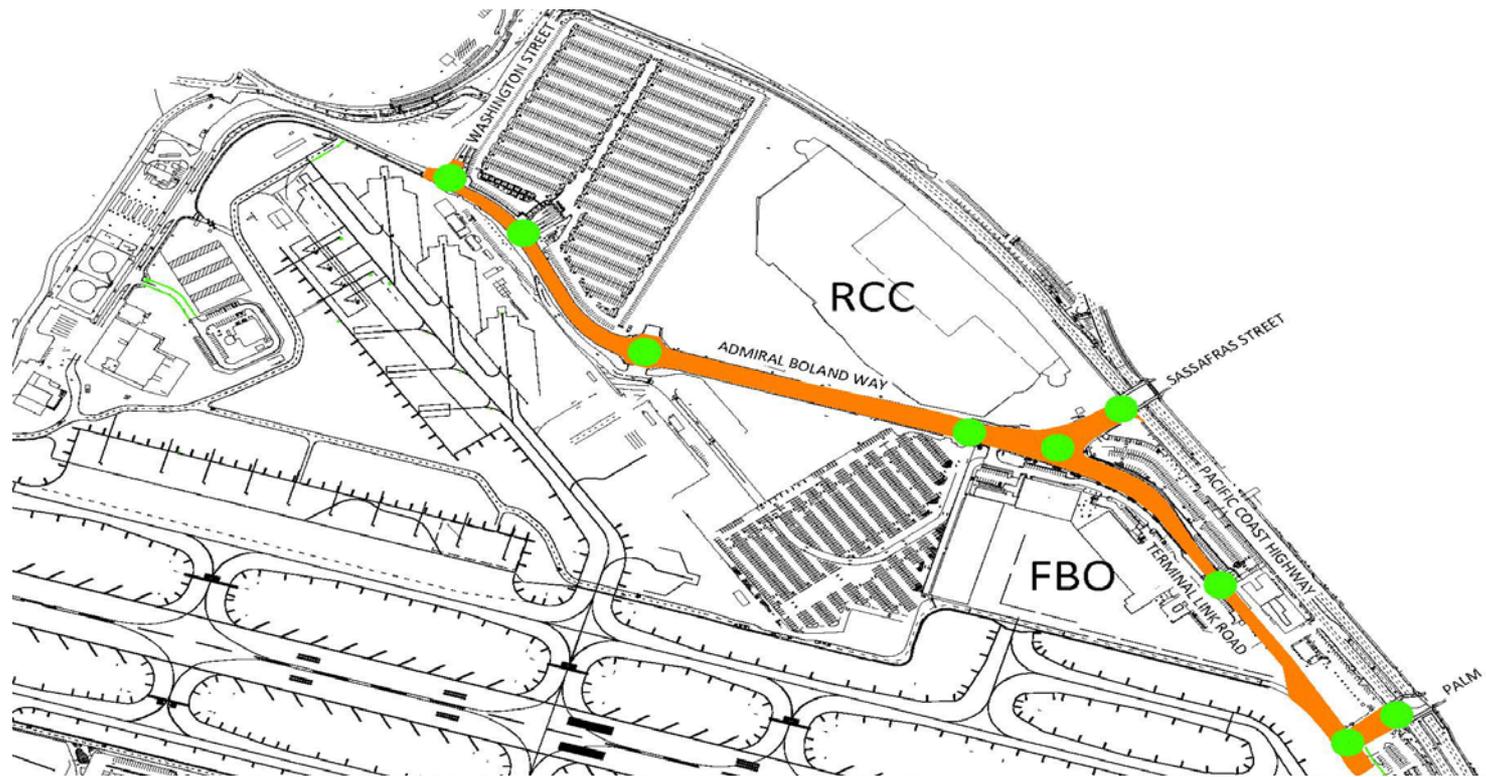
Strategies :

- Financial
- Customer
- Operations

| | |
|----------|---|
| 3 | Preserve Airport access, roadways, and parking |
|----------|---|

| | |
|----------------|-----------|
| Estimated Cost | Duration |
| \$5,000,000 | 24 months |

Admiral Boland Way Signage & Traffic Analysis



Admiral Boland Way Signage & Traffic Analysis

Scope:

- Prepare traffic analysis from Washington St. to Palm Ave.
- Identify regulatory signage, wayfinding and safety improvements
- Enhance access and customer satisfaction

Strategies :

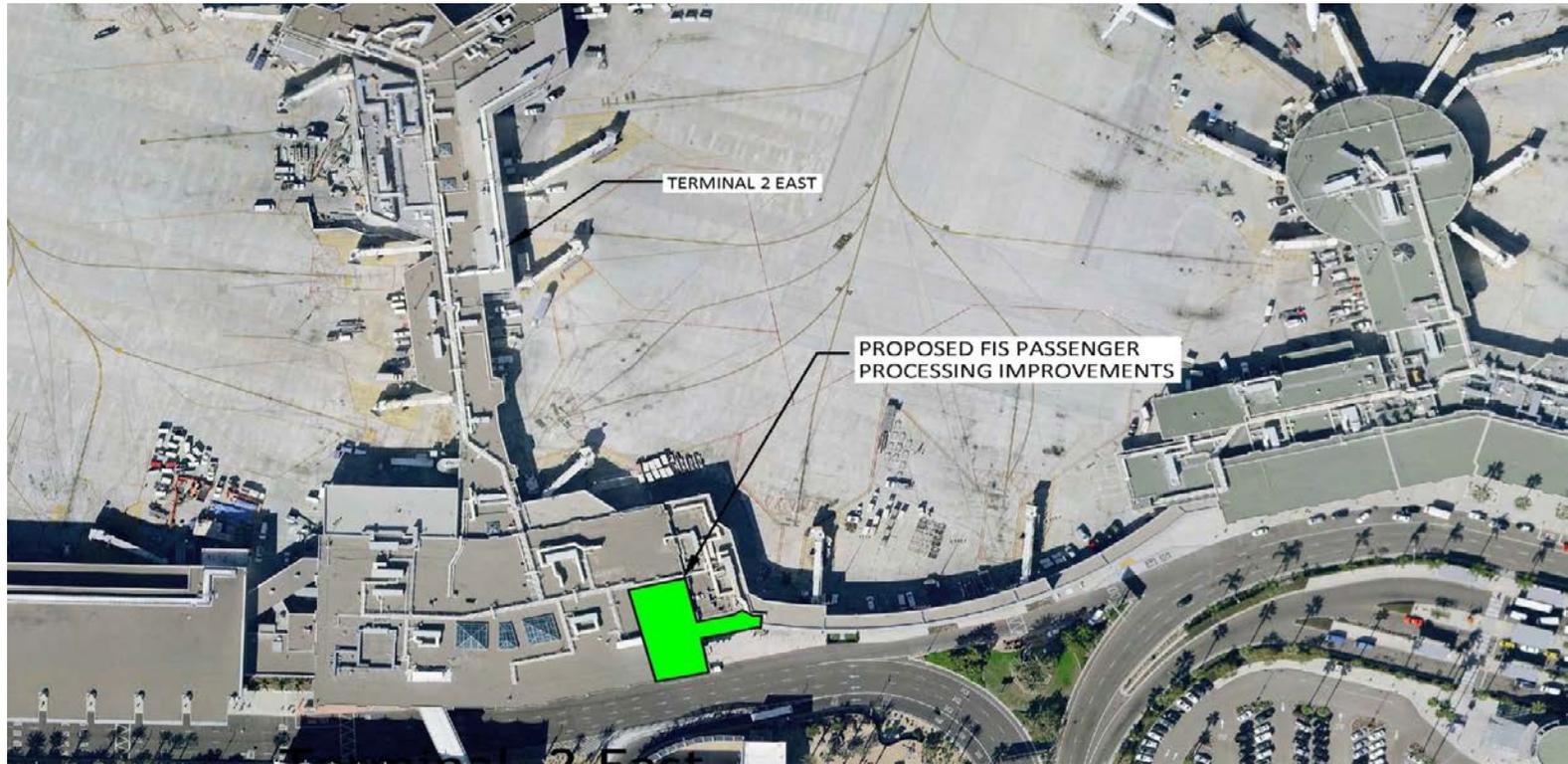
- Customer
- Operations

3

Preserve Airport access, roadways, and parking

| Estimated Cost | Duration |
|----------------|-----------|
| \$500,000 | 12 months |

Improvements to FIS Facility



Improvements to FIS Facility

FIS PROCESSING BOOTHS 1ST FLOOR



INSTALL ADA STAINLESS STEEL SHELF.

COVER FRONT OF PROCESSING BOOTH W/ STAINLESS STEEL

INSTALL STAINLESS STEEL CORNER GUARD (TYP)

NOTE:

1. COVER FRONT OF ALL PROCESSING BOOTHS W/ STAINLESS STEEL.
2. REPLACE ONLY DAMAGED EXISTING PLEXIGLAS AT PROCESSING BOOTHS.
3. VERIFY ADA COMPLIANCE FOR PROCESSING BOOTHS.

FIS PROCESSING BOOTHS 2ND FLOOR



COVER FRONT OF PROCESSING BOOTH W/ STAINLESS STEEL

INSTALL 8" HIGH STAINLESS STEEL BASE

FIS PROCESSING BOOTHS 2ND FLOOR



INSTALL FULL HEIGHT STAINLESS STEEL WAINSCOT ON ALL DIVIDING WALLS (TYP. @ 2ND FLOOR BOOTHS)

COVER FRONT OF PROCESSING BOOTH W/ STAINLESS STEEL



Improvements to FIS Facility

Scope:

- Upgrade to facility installed in 2001
- Replace carpet with vinyl flooring, remove wallpaper, paint entire facility and install stainless steel wainscot
- Install magnetic stanchions upstairs/downstairs to improve passenger flow
- Replace/repair inspection booths
- Replace baggage carousel to expedite customer processing

Strategies :

- Customer
- Operations

5

Enhance customer service / revenue / cost savings

| Estimated Cost | Duration |
|----------------|-----------|
| \$6,317,800 | 17 months |

Replace Generator at Central Utility Plant



Replace Generator at Central Utility Plant

Scope:

- Replace existing emergency power generator to handle CUP and future Parking Plaza IT equipment, security system & booth lighting
- Infrastructure to connect new generator in Parking Plaza project
- Provides higher capacity for future power needs

Strategies :

- Financial
- Operations

2

Preserve physical plant functions – Fire/Life/Safety, M/E/P and Core Network

| Estimated Cost | Duration |
|----------------|-----------|
| \$6,100,000 | 12 months |

Facilities Condition Assessment



Facilities Condition Assessment

Scope:

- Provide a roadmap towards the 20-yr strategic planning (2021)
- Provides definitive long & short range understanding of costs associated with facilities maintenance and/or replacement
- Improve PM scheduling, establishment of annual maintenance budgets & long term replacement costs

Strategies :

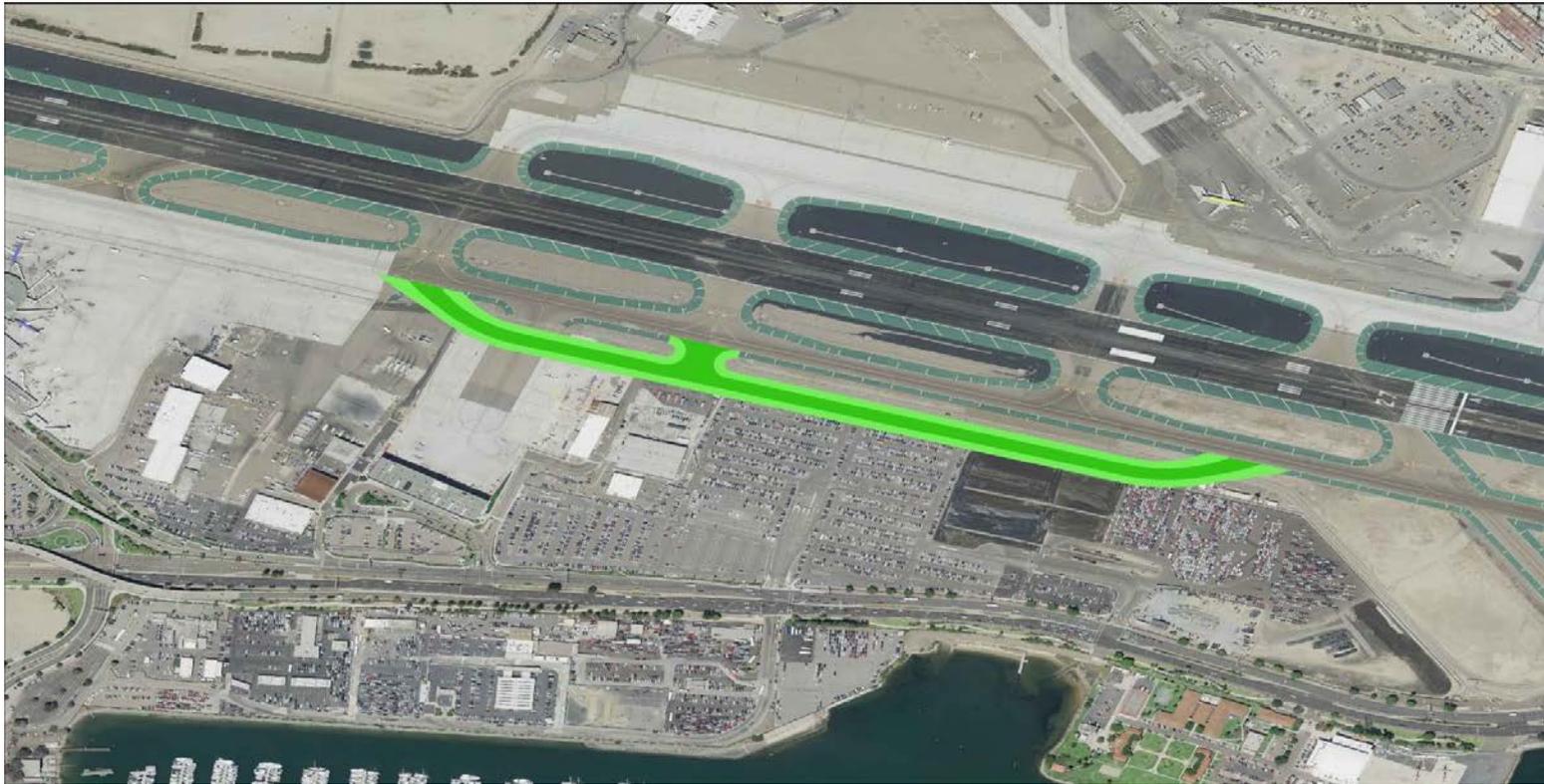
- Financial
- Operations

2

Preserve physical plant functions – Fire/Life/Safety, M/E/P and Core Network

| Estimated Cost | Duration |
|----------------|-----------|
| \$800,000 | 12 months |

Construct Taxiway A (ADP Project)



Construct Taxiway A (ADP Project)

Scope:

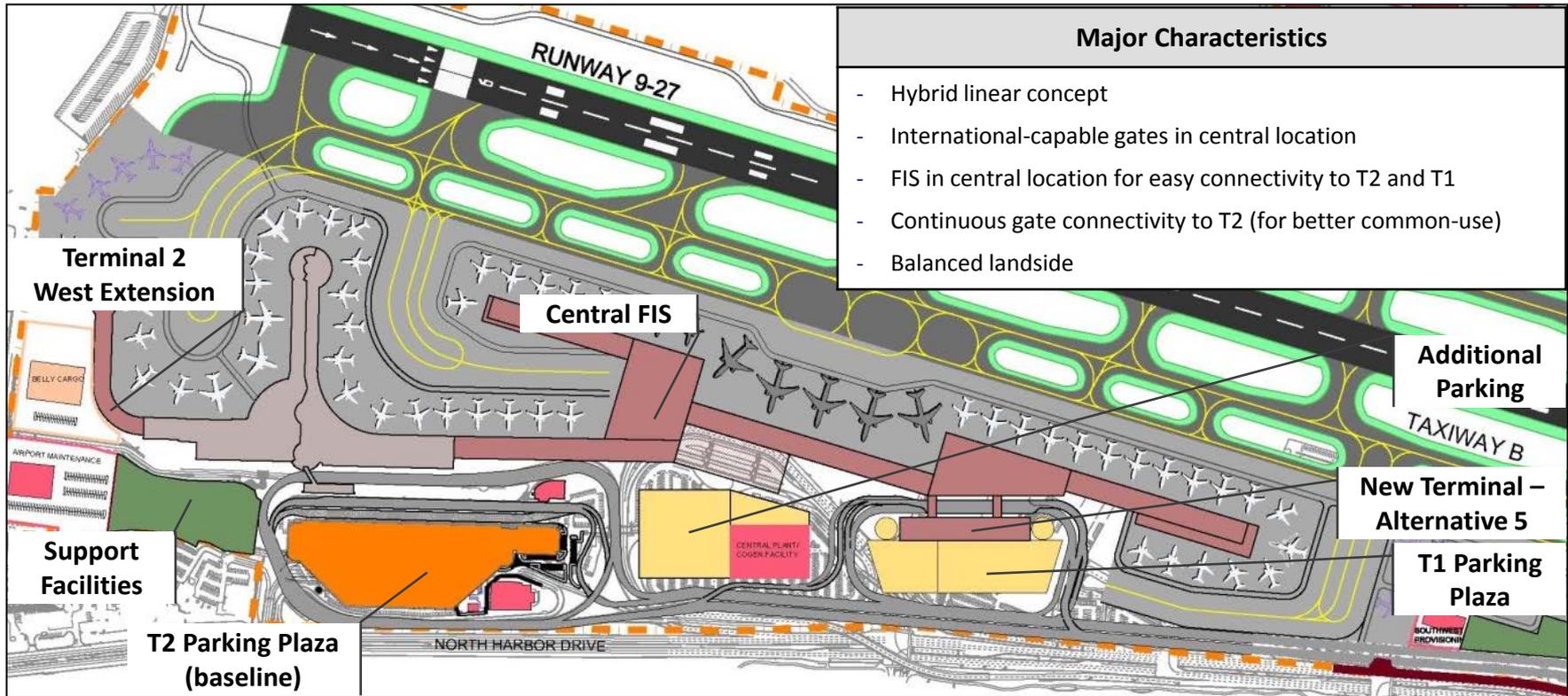
- Federal Grant funds requested for 2021
- Construct new taxiway parallel to Taxiway B
- Approximately 2,800' x 200' of concrete and asphalt
- Includes lighting, storm drain & electrical upgrades, striping and security fencing

Strategies :

- Financial
- Customer
- Operations

| Estimated Cost | Duration |
|----------------|--------------|
| \$36,900,000 | 18-20 months |

ADP Programmatic Documents



ADP Programmatic Documents

Scope:

- Preparation of programmatic documents for the Airport Development Program
- Define criteria and standards for project design & construction
- Sufficient detail to support RFQ for design teams & contractors

Strategies :

- Financial
- Operations

| Estimated Cost | Duration |
|----------------|-----------|
| \$18,000,000 | 24 months |