



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
13**

Meeting Date: JUNE 7, 2012

Subject:

Adoption of the Operating Budget for Fiscal Year 2013 and the Capital Program for Fiscal Years 2013-2017 and Conceptual Approval of the Operating Budget for Fiscal Year 2014

Recommendation:

Adopt Resolution No. 2012-0067, approving the Authority's Annual Operating Budget for Fiscal Year 2013 and the Capital Program for Fiscal Years 2013-2017 and conceptually approving the operating budget for Fiscal Year 2014.

Background/Justification:

On May 16, 2012, the Board participated in a workshop regarding the proposed FY 2013 and FY 2014 Operating Budgets and FY 2013 – FY 2017 Capital Program. After an in-depth presentation and discussion, the proposed FY 2013 Operating Budget and FY 2013 – FY 2017 Capital Program are being forwarded for Board adoption at the June 7, 2012 Board meeting. In addition, the proposed FY 2014 Operating Budget is being forwarded for conceptual approval at the June 7, 2012 Board meeting. Per Authority Policy 4.01, the Authority's Board of Directors has determined that the preparation and adoption of an annual budget will assist in (a) determining the Authority's short-term and long-term strategic and financial planning needs, and (b) effectively managing the facilities and airports under the jurisdiction of the Authority.

The proposed FY 2013 Operating Budget ("Budget") of \$191,533,000 marks the Authority's tenth Fiscal Year operating budget. The Budget reflects major programs, operational challenges, and continued economic and industry uncertainty. It ensures that the Authority can execute major programs and fulfill both its operational requirements and considerable regional responsibilities and expectations.

Once adopted by the Board, the Budget will become the spending plan (and spending limit) for the Authority for FY 2013. Actual revenues and expenditures will be monitored during the year and reported to the Board at least quarterly. The Budget may be modified by the Board to reflect new assumptions or events based on periodic reporting and good cause.

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The FY2013 Budget Expenses are comprised of the following divisional expenditure levels:

Division	FY 2013
Administration	\$12,631,932
Development	38,517,864
Executive	4,712,541
Finance including Debt Service	70,476,464
Marketing & Communications	8,201,147
Planning & Operations	56,993,052
Total	<u>\$191,533,000</u>

This operating budget reflects a total increase of \$40.23 million, or 26.6% over the FY 2012 Budget. The increase over the FY 2012 Budget is mostly attributed to a \$30.86 million increase in debt service costs, an increase of \$7.25 million in non-personnel operating expenses, an increase of \$1.03 million in personnel costs, and an increase of \$1.18 million in equipment outlay costs.

On the revenue side, the budgeted operating and non-operating revenue of \$260.71 million is an increase of \$21.49 million, or 9.0% over the FY 2012 Budget. The net increase over the FY 2012 Budget reflects an increase of \$16.92 million associated with airline revenue, an increase of \$4.57 million in non-airline revenue, and an increase of \$0.14 million in non-operating revenue, partially offset by a decrease of \$0.13 million in interest income.

Total FY 2013 airline revenue is projected to be \$89.96 million as compared to \$73.04 million in the FY 2012 Budget, a \$16.92 million increase. Terminal building cost recovery rates are increasing from 60% to 78% and terminal building security cost recovery rates are increasing from 85% to 95%. The projected landing fee rate is increasing from \$1.89 to \$1.96 per thousand pound units and the terminal gross rental rate is increasing from \$99.81 to \$134.69. In consultation with the airlines, rates, fees, and charges will be monitored and adjusted, if necessary.

The net increase of \$4.57 million in non-airline revenue predominantly consists of an increase of \$1.88 million in car rental license fee revenue, \$1.36 million in ground rental revenue, \$1.29 million in concession revenue, and \$0.92 million in ground transportation revenue. These increases were partially offset by a decrease of \$1.01 million in parking revenue.

The net increase of \$0.14 million in non-operating revenue consists of increase of \$5.87 million in Customer Facility Charges (CFC), partially offset by a decrease of \$5.61 million in Capital Grant contributions and a decrease of \$0.12 million in Passenger Facility Charges (PFC). The projected FY 2013 revenues will cover the FY2013 proposed budgeted expenses and debt service requirements, and will also provide for adequate working capital.

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The Capital Program includes the Capital Improvement Program (CIP) and the Green Build/Terminal Development Program (Green Build). The Capital Program is a rolling five year program.

The CIP provides for critical improvements and asset preservation for the Authority. The program includes projects that address federal security requirements, airfield safety, environmental remediation, terminal upgrades and landside development. The proposed total is \$596.08 million.

The Green Build provides for 10 additional passenger gates, a new dual-level roadway at Terminal 2, and additional aircraft Remain Overnight parking areas. The budget for the Green Build is \$864.61 million.

Funding sources for the projects include Airport Improvement Program (AIP) grants, TSA grants, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), airport cash, airport system revenue bonds, and short-term borrowing using commercial paper. The FY 2013 – FY 2017 proposed Capital Program total is \$1,460.70 million.

Use of Funds (in millions):

Airside	\$ 115.9
Terminal	88.3
Administrative	6.2
Landside	385.7
Green Build	<u>864.6</u>
Total Use of Funds	\$1460.7

Source of Funds (in millions):

Federal Grants	\$ 147.8
PFC Revenues	147.4
Airport System Revenue Bonds	856.1
Airport Cash	16.4
CFC Revenues	<u>293.0</u>
Total Use of Funds	\$1460.7

In summary, this Operating Budget and Capital Program as presented are consistent with Board policy and were developed under the President/CEO's and CFO's guidance. The budgets reflect the revenues available to the Authority, and how these funds will be spent to support the Authority's strategies for FY 2013.

The Authority also embarked on its third year of preparing a biennial budget. As such, a budget for FY 2014 was developed and proposed for conceptual approval.

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The proposed FY 2014 Budget Expenses total \$222,638,000 and are comprised of the following divisional expenditure levels:

Division	FY 2014
Administration	\$13,428,715
Development	40,880,482
Executive	4,660,794
Finance including Debt Service	96,849,297
Marketing & Communications	7,083,465
Planning & Operations	59,735,247
Total	<u>\$222,638,000</u>

This operating budget reflects a total increase of \$31.11 million, or 16.2% above the proposed FY 2013 Budget. This increase is mostly attributed to a \$27.29 million increase in debt service costs, an increase of \$2.94 million in personnel costs, and an increase of \$2.15 million in non-personnel operating expenses. These increases were partially offset by a decrease of \$1.27 million in equipment outlay costs.

On the revenue side, the budgeted operating and non-operating revenues of \$279.60 million are an increase of \$18.89 million, or 7.2% over the proposed FY 2013 Budget. This net increase reflects an increase of \$7.52 million associated with airline revenue, an increase of \$6.72 million in non-airline revenue, an increase of \$0.60 million in interest income, an increase of \$1.48 million in Passenger Facility Charges, and an increase of \$8.49 million in Customer Facility Charges, partially offset by a decrease of \$5.93 million in Capital Grant contributions.

The conceptually approved FY 2014 budget will be brought back to the board next year for review, revisions, and adoption in June 2013.

Fiscal Impact:

If the proposed FY 2013 Budget is adopted and the proposed FY 2014 Budget is Conceptually Approved, funding of \$191,533,000 will be authorized for FY 2013 and funding of \$222,638,000 will be established as the framework for the FY 2014 Budget to be brought back to the board next year for review, revisions, and adoption in June 2013. If the Capital Program is approved, \$1,460,696,311 will become the authorized spending level.

Environmental Review:

A. CEQA Review: This Board action, as an administrative 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.

Equal Opportunity Program:

Not Applicable

Prepared by:

VERNON D. EVANS
VICE PRESIDENT, FINANCE/TREASURER

RESOLUTION NO. 2012-0067

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY ADOPTING THE AUTHORITY'S ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2013, THE CAPITAL PROGRAM FOR FISCAL YEARS 2013 - 2017, AND CONCEPTUALLY APPROVING THE ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2014.

WHEREAS, Authority management prepared and presented the Proposed Fiscal Year 2013 and 2014 Operating Budgets and the Capital Program to the Authority Board for review at a duly noticed public workshop on May 16, 2012; and

WHEREAS, the Board has provided an opportunity at its meeting for members of the public to comment on and ask questions concerning the Proposed Fiscal Year 2013 and 2014 Budgets and Capital Program; and

WHEREAS, the Proposed Fiscal Year 2013 and 2014 Budgets present a financial operating budget of \$191,533,000 and \$222,638,000, respectively, and a Capital Program for the next five (5) years of \$1,460,696,311, providing adequate resources to address the operating and infrastructure requirements of San Diego International Airport and the regional responsibilities of the Authority for Fiscal Years 2013 and 2014; and

WHEREAS, the Proposed Fiscal Year 2013 and 2014 budgets present forecasted operating revenues and other funding to meet a balanced budget and other financial requirements as outlined under the Authority's Bond Master Trust Indenture; and

WHEREAS, the Board has reviewed the Proposed Fiscal Year 2013 and 2014 Budgets and the Capital Program and believes that the adoption and approval of the Fiscal Year 2013 Budget and the Capital Program and conceptual approval of the Fiscal Year 2014 Budget in the form presented to the Board at the public meeting on June 7, 2012 is in the best interests of the Authority and the public that it serves.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the Operating Budget for Fiscal Year 2013 and the Capital Program for Fiscal Years 2013-2017 and conceptually approving the Operating Budget for Fiscal Year 2014.

BE IT FURTHER RESOLVED that the Authority and all of its officers, employees and agents are hereby authorized, empowered and directed to do and perform all such acts as may be necessary or appropriate to implement the Adopted Annual Operating Budget for Fiscal Year 2013 and the Capital Program.

BE IT FURTHER RESOLVED that the Board of the San Diego County Regional Airport Authority finds that this Board action is not a "project" as defined by the California Environmental Quality Act (CEQA) Cal. Pub. Res. Code Section 21065; and is not a "development" as defined by the California Coastal Act Cal. Pub. Res. Code Section 30106.

PASSED, ADOPTED AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 7th day of June, 2012, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
**DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK**

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

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SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Communication

Date: May 31, 2012
To: Board Members
Via: Thella F. Bowens, President/CEO
From: Vernon D. Evans, Vice President, Finance/Treasurer
Subject: Budget Workshop Follow-up

This is a follow-up from the Budget Workshop held on May 16, 2012, which presented the FY 2013 Proposed & FY 2014 Proposed Conceptual Budgets. Responses to questions asked during the workshop are included below.

1. Investigate the possibility of increasing the trip fee for taxis to 100% cost recovery in FY13.

The assumption in the FY13 budget for the trip fee on the taxicab meter is \$1.50 (75% cost recovery). The Ground Transportation Vehicle Conversion Incentive-Based Program includes a dis-incentive premium charge of 25% for taxicabs that are not alternative fuel vehicles (AFV) or clean air vehicles (CAV). This equates to an additional \$0.38 per trip for non-AFV/CAV taxicabs. Therefore, the FY13 budget included Authority revenue assumptions of \$1.88 per trip for non-AFV/CAV taxicabs and \$1.50 per trip for AFV/CAV taxicabs. Increasing the trip fee to 100% recovery would result in a \$2.00 trip fee on the taxicab meter. As a result, the additional \$0.38 per trip dis-incentive would result in \$2.38 per trip for non-AFV/CAV taxicabs and \$2.00 per trip for AFV/CAV taxicabs.

The additional FY13 Authority revenue associated with this potential trip fee increase is estimated to be \$350,000.

	Alternative Option (100% cost recovery instead of 75%)				
	\$2 Meter Fee. 38c dis-incentive premium carried over from budget				
	Unconverted	Converted	Total	Var to Bud	%
Trips	526,159	173,841	700,000		
Trip Fee Rate	\$ 2.38	\$ 2.00			
FY 13 Proposed Budget Revenue	\$ 986,548	\$ 260,762	\$ 1,247,310		
Alternative Option Revenue	\$ 1,249,627	\$ 347,682	\$ 1,597,310	\$ 350,000	28%

2. Provide a list and explanation for each of the increased positions for FY13, both the new positions and those that were unfrozen.

FY2013

New and/or Unfunded to Funded Positions:

Information Technology - Operations Support Technician (new) – for the Green Build

Justification: Position will support the implementation of the new common use equipment associated with the Green Build. The current common use system support is being provided by two airport System Support Analysts. Multiple major common use system components are being upgraded, added, or replaced. The Flight Information Display (FIDS) is being replaced with a completely new system. The Common Use Terminal Equipment (CUTE) system is being upgraded to the Common Use Passenger Processing System (CUPPS). The Common Use Self-Service Kiosk system is a completely new system. We are going from a four gate CUTE system, to a 23 gate CUPPS system. With the upgrades and additions, the Green Build is expanding the size of the common use system by approximately four hundred percent. The following table identifies the existing equipment counts, additional equipment counts and the total equipment counts:

Existing Equipment	New Equipment	TOTAL	
Workstations	62	189	251
CUSS Kiosks	0	110	110
Bag Tag Printers	33	114	147
Boarding Pass Printers	33	169	202
Bar Code Readers	5	21	26
Document Printers	8	30	38
LCD Display Drivers (PCs)	166	339	505
LCDs	181	355	536
VoIP Phones	0	90	90
Microphone Stations	67	181	248
TOTALS	555	1598	2153

This lower-level, entry position will assist the existing two System Support Analysts in taking over operation of the new equipment from the Green Build maintenance support contractor. The common use systems are unique to the airport environment, and cannot be properly maintained without on-the-job training. The Green Build common use system maintenance contractor is scheduled to start maintenance in April of FY13, and end in March of FY14. IT intends to bring this new position on in January – February of FY13, to work with the Green Build contractor from March of 2013 through March of 2014, for on the job training to all three Systems Support positions and to provide additional support for the existing and newly added common use systems. The FY13 budget requested is for half of the fiscal year.

Ground Transportation - Code Compliance Officer (new)

Justification: Ground Transportation management needs personnel support to properly implement a program for managing taxi and shuttle ground transportation service (GTS) at SDIA. Some time ago, the Authority decided to improve overall taxi & shuttle service delivery by “partnering” with local taxi/shuttle companies. The focus is on four areas of operations: (1) Availability of taxis

throughout the operating day; (2) Taxi/shuttle van vehicle condition; (3) Driver professionalism; and, (4) Program Management and Enforcement. This person would:

1. Assist with the planning, implementation and monitoring of Ground Transportation Program requirements; coordinate daily transportation activities with ground transportation service operators, such as taxis, limousines, shuttles and buses;
2. Assist with the on-airport compliance by ground service operators with Authority's codes, state and federal laws, and FAA guidelines; assist with the evaluation and the development of operating procedures; participate in the investigation of customer complaints against ground transportation operators and take authorized corrective actions;
3. Coordinate with Taxi/Shuttle Van industry representatives in correcting/improving GTS real time conditions at SDIA;
4. Ensure compliance with Airport Rules and Regulations pertaining to GTS operations;
5. Participate in the planning and coordination of periodic and routine, no notice safety and compliance inspections of commercial vehicle operators; assist with California Highway Patrol and Public Utilities Commission vehicle inspections;
6. Make recommendations on disposition and outcome of GTS infractions/violations of Airport Rules and Regulations as provided for in the Authority Codes and Policies;
7. Conduct operational surveys, data collection and condition assessments of airport GTS operating areas (i.e., taxi/shuttle hold lot, transportation plazas and terminal curbside); record data and assist with evaluation of GTS conditions at SDIA; and
8. Participate in the administrative program reviews and assist with data compilation for use in briefing the Authority's management and Board.

Currently the Code Compliance Officer position is filled by an Airport Traffic Officer (ATO) that is temporarily assigned from Landside Operations to the Ground Transportation Department. This position has been a key asset for improving compliance and customer service but left the ATO group one position short and required temporary employees to cover responsibilities in that area. The Planning & Operations Division needs to fill the position with a FTE within the Ground Transportation Department.

**Facilities Management – Two Maintenance Worker I Positions (new) – for the Green Build
Maintenance Worker I (unfunded to funded) – for the Green Build
Administrative Assistant I (unfunded to funded) – for the Green Build
Carpenter(unfunded to funded) – for the Green Build
Painter (unfunded to funded) – for the Green Build
Maintenance Project Inspector (unfunded to funded) –
for the Green Build**

Justification: The Facilities Management staffing analysis to support the Green Build was based upon an additional facility size of 500,000 square feet (sf) consisting of the new terminal expansion (465,000 sf), elevated roadway, USO, Parking Management Office, aircraft apron and Remain Overnight (RON) aircraft parking facilities. These additional facilities come with new elevators, escalators, HVAC systems, security systems, baggage systems (over 500 new electric motors), plumbing and electrical infrastructure, all of which have a one year warranty. However these warranties do not cover normal maintenance requirements. Consideration was given to the most efficient means to provide service to Facilities Management's customer base while minimizing cost escalation and staffing increases. This was accomplished through the combination of additional full time staff as well as increases in contracted services. Based on this information, the following table illustrates the staffing plan for the Facilities Management to effectively maintain the additional facilities constructed in the Green Build. It should be noted that roughly half of the additional positions will not be hired until FY14 because the facilities will come on-line on a phased schedule.

Building Size	Industry Recommended Staff Level	Requested FY13	Requested FY 14	Total Requested
500,000 sf	23	7	6	13

Facilities Management staffing levels are based upon the following sources, which are widely-accepted as industry best practices and norms:

1. International Facility Management Association (IFMA); Operations and Maintenance Benchmark
2. International Facility Management Association (IFMA); Facility Management Staffing Report
3. Whitestone Research; Facility Operations Cost Reference
4. Whitestone Research; Facility Maintenance and Repair Cost Reference
5. R.S. Means; Facilities Maintenance and Repair Cost Data Book

FP&B - Senior Accountant (unfunded to funded) – for the Green Build

Justification: The addition of this position is critical to provide monitoring and testing of the regulations and assurances associated with multiple funding sources applied to the Green Build. The project was based on estimates until the Guaranteed Maximum Price (GMP) contracts were executed. With the GMPs in place, the work is beginning in earnest to evaluate and classify costs and ensure funding source eligibility. Due to the complexity and scale of the project, a detailed level of review of project scope, contingency use, pay applications, and supporting documentation needs to be conducted to ensure the proper uses of grants, Passenger Facility Charges (PFCs) and other funding sources. In addition, this position will provide post-Green Build support and continuity following demobilization of the temporary consultants on the project. Audits of PFCs utilized are subject to annual audit through 2036 and the FAA has indicated that it is a certainty that a \$1 billion PFC application will generate an audit. For grant funds, a three-year audit window will exist after closeout of grants utilized for the project. Considering that funding for the Green Build includes funds made available under the American Recovery and Reinvestment Act of 2009 (ARRA), staff believes grant audits are also certain to occur. Furthermore, the amount of scrutiny by the Federal government on grant and PFC funding has been continually increasing. A number of airports have been subject to disallowed costs on areas that previously were considered acceptable. The work to ensure the Authority continues to have clean audits will be on-going and is not limited to just the Green Build. This position will play a key role in providing the necessary resources to ensure that regulatory requirements are met for continued future grant and PFC revenues. During construction of the Green Build, this position will be placed with the Green Build project team and will be paid and capitalized as part of the project cost. As the need for Green Build support and monitoring declines, this position will transition to perform similar functions for the Capital Improvement Program (CIP), especially for the CONRAC project.

Small Business Development – Small Business Program Manager (unfunded to funded)

Justification: The Small Business Program Manager position was vacated in December 2010 and frozen effective July 2011. The position was originally frozen due to the Authority's budget constraints for the FY12 budget plan. The projects, tasks, and program management that would otherwise be accomplished by the Program Manager are currently executed through the use of external consultants and remaining staff. However, this does not address the full scope of work for which the Program Manager is responsible. To realistically sustain the Small Business Department's level of performance, the department can either increase the role of the consultants or unfreeze the Program Manager position and decrease the utilization of consultants; by doing the latter, the Authority will realize overall cost savings of \$50,000. This will also increase the

effectiveness of the Authority's small business outreach and education program. If the position is not unfrozen, Small Business Development will need to increase its proposed budget to maintain current external consultant services or dramatically cut the inclusionary outreach efforts which have benefitted the Authority and the community by allowing many local and small vendors to participate in Authority projects. This will result in adjusting the department's priorities and may eliminate some of the initiatives that have been effective in increasing small and local business participation.

Procurement - Procurement Analyst (unfunded to funded)

Justification: By funding this approved position for a Procurement Analyst, the Authority will benefit by improving contract processing times, internal and external customer service, and employee performance. The Authority will save money through the increased focus on sound contracting practices (i.e. outreach and contract negotiations) utilized on priority projects. Funding this position will also improve alignment of the Procurement staff with the existing Authority culture. The heavy workload currently managed by the Procurement staff is having a negative effect on contract processing times, internal and external customer service, performance metrics, goals and employee morale. One example of the morale impact is the 4% decrease in the employee engagement scores garnered on the last pulse survey executed by Allen Analytics for Training and Organizational Development. Further, it is anticipated that the Authority's contracting needs will steadily increase with the development of the north side (CONRAC, Centralized Receiving and Distribution Center) and additional operational support for the increased level of solicitations that include many maintenance and trade agreements (on-call ready service contracts) for the expanded terminal.

A recent PACE System analysis performed through the Authority's Human Resources department, showed no duplication of efforts and "core service" requirements for over 50 concurrent/open projects at various stages of the procurement cycle. In other words, existing staff is already spread too thin. This results in inadequate staff time to perform tasks associated with implemented best practices, such as project specific outreach, timely customer follow-up, documentation of savings and cost avoidance, and customer training, which are also part of a Procurement Analyst's expected core services. Additionally, the PACE System analysis results showed several "Exceptions" (unpredictable or irregular activities that interrupt regular projects and core service activities) for a Procurement Analyst, that are all categorized as "High Priority," which must be undertaken and adds further delay to the normal workload.

Should this position not be filled immediately, the workload will continue to be distributed to existing staff. This will result in extended timeframes for completion of both the solicitation and contract execution process. Procurement staff will continue to have competing priority projects and will be unable to accommodate many customer deadlines. Implemented best practices will be followed inconsistently; the department will be unable to develop and implement new initiatives; and, key performance metrics will not be met. Finally, staff morale will decline, as evident in the recent Employee Opinion Pulse Survey and candid follow-up discussions with Procurement employees.

FY2014

New Positions:

Landside Operations – Four Airport Traffic Officers – for the Green Build

Justification: Provide necessary coverage of expanded Terminal 2 lower roadway (600 feet) and Elevated Departure Roadway (1,000 feet). Provide support and assistance to the Ground Transportation department's efforts to increase efficiency and code compliance of the vehicles for hire operating at the airport.

Facilities Management - Six Maintenance Worker I Positions – for the Green Build

Justification: See justification provided above in FY13 section.

3. Provide an explanation for the marketing and promotions budgets for FY13.

Per Brent Buma, Vice President of the Marketing & Communications Division, the following is included in the proposed budgets for marketing & promotion related to the Green Build:

- The Green Build marketing & promotion
 - Marketing Strategies – driven by the Green Build and Aviation and Commercial Business/Concessions Development Program (AVCOM) Transition Plans
 - Terminal 2 Opening – August 2013
 - Public Event/Community Leaders Event(s)
 - Advertising – Supplements, print, broadcast, outdoor
 - Promotional Materials
 - Collateral – brochures, fact sheets, other incidentals
 - Commemorative promotions
 - Parking Lots – phased openings – present through August 2013
 - Signage – directional
 - Advertising – Supplements, print, broadcast, outdoor
 - Collateral
 - Concessions Development Program – December 2012 thru April 2014
 - Transition & Barricade Plan & Execution – from closing of current concessions, through construction, to opening of new concessions
 - Signage – directional
 - Phased openings of food/beverage/retail spaces based on AVCOM Transition Plan – phased openings of new concessions
 - By terminal/food courts – as they come on line by location
 - Phased advertising as food/beverage/retail spaces open based on AVCOM Transition Plan
 - By terminal/food courts – as they come on line by location
 - Collateral
 - Introductory map of all new food/beverage & retail
 - Frequent Buyer Program
 - Central Receiving and Distribution Center- November 2012

Staff will present to the Board final marketing and promotional plans upon completion.

4. Show the budgeted increase for Harbor Police services in FY13 and FY14 by line item (e.g., labor, burden, overhead, or G&A).

	FY12 Budget	FY13 Proposed Budget	FY13 Prop Bud vs FY12 Bud Variance	FY14 Concept Proposed Budget	FY 14 Concept Bud vs FY 13 Prop Bud Variance
Direct Labor	\$ 4,421,795	\$ 4,812,485	\$ 390,690	\$ 4,940,355	\$ 127,870
<i>Blended Direct labor Rate</i>	<i>42.31</i>	<i>45.01</i>	<i>6.4%</i>	<i>46.21</i>	<i>2.7%</i>
Burden	3,537,436	4,026,032	488,596	4,133,005	106,973
<i>Burden Rate</i>	<i>80.0%</i>	<i>83.7%</i>	<i>4.6%</i>	<i>83.7%</i>	<i>0.0%</i>
Overhead	3,595,405	3,890,617	295,212	3,993,992	103,375
<i>Overhead Rate</i>	<i>81.3%</i>	<i>80.8%</i>	<i>-0.6%</i>	<i>80.8%</i>	<i>0.0%</i>
Labor + Burden + OH	11,554,635	12,729,135	1,174,498	13,067,353	338,219
Non-personnel costs	166,955	166,955	-	171,391	4,436
	11,721,590	12,896,090	1,174,498	13,238,744	342,655
G&A at 15%	1,758,239	1,934,410	176,172	1,985,809	51,398
Other (TSA Reimbursement)	(250,500)	(250,500)	-	(257,153)	(6,653)
HPD Costs	\$ 13,229,329	\$ 14,580,000	\$ 1,350,670	\$ 14,967,400	\$ 387,400

Also, a number of questions were raised regarding future debt issuance and total debt service levels.

Assumptions for future debt issuance include the following:

- General Airport Revenue Bond (GARB) issuance of approximately \$500 million in the middle of FY13 (end of calendar year 2012 or beginning of calendar year 2013)
- Special Facility Bond Issuance of approximately \$250 million at the beginning of FY15 (summer of calendar year 2014) – annual debt service is estimated to be approximately \$20 million and will be secured and paid only by Customer Facility Charges (CFCs) and not by any other Authority revenue source

Assumptions for future GARB debt service are as follows:

FY 2013 - \$48 million

FY 2014 - \$75 million

FY 2015 and beyond - \$82 million annually

The increase in FY14 is predominantly due to having a full year of interest payments due on the 2013 GARBs (as opposed to interest due for only half of the year in FY13). The increase in FY15 stems from increased principal payments due on all GARBs. The FY15 forecast of approximately \$82 million is where annual debt service is expected to level out for future years (assuming no additional GARB issuances in the future).

As an additional note, the plan of finance also assumes that PFCs will fund a portion of the debt service each year. The annual average amount is expected to be approximately \$30 million over the life of the bonds. The Authority's PFC revenue budget for FY13 is \$33.6 million.

Finally, there was a comment that it is confusing to group Tenant Relocation into Equipment Rentals & Repairs expense category.

To eliminate confusion and for better classification, this account will be shown as a separate line item during next year's budget process.

Please contact me if you need any additional information or have more questions.



SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Communication

Date: April 27, 2012

To: Board Members

From: Thella F. Bowens, President/CEO
Vernon D. Evans, Vice President, Finance/Treasurer

Handwritten signatures of Thella F. Bowens and Vernon D. Evans in blue ink.

Subject: FY 2013 Proposed & FY 2014 Proposed Conceptual Budgets

Enclosed for your consideration are the FY2013 Proposed and FY2014 Proposed Conceptual Budgets. These proposed budgets have been developed to meet the Authority's strategies and sustainable goals while maintaining the fiscal conservatism necessary in this slowly improving, but still relatively uncertain, economic climate.

As part of the budget process, staff conducted a thorough review and re-evaluation of the Authority's projected revenues and expenses for FY 2013 and FY 2014. The operating expenses in the FY 2013 Proposed Budget have been increased by 6.9% vs. the FY 2012 Budget, and by 1.8% vs. the FY 2013 Conceptual Budget. These increases primarily reflect costs associated with the Green Build, Concession Development and North Side Development Programs. Overall expenses in the FY 2013 Proposed Budget have been increased by 26.6% vs. the FY 2012 budget, and 19.7% vs. the FY 2013 Conceptual Budget mostly due to increases in Debt Service from \$16.8 M to \$47.6 M and \$19.5 M to \$47.6 M respectively.

The operating expenses in the FY 2014 Proposed Conceptual Budget have been increased by 4.0% vs. the FY 2013 Proposed Budget, also reflecting costs associated with the Development Programs. The overall expenses in the FY 2014 Proposed Conceptual Budget increased by 16.2% primarily driven by increased Debt Service from \$47.6 M to \$74.9 M vs. the FY 2013 Proposed Budget.

Please contact Vernon if you need any additional information or have questions.



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INTERNATIONAL
AIRPORT

Item 13



San Diego County Regional Airport Authority
FY 2013 Proposed Budget & FY 2014 Proposed Conceptual Budget
Finance Division
Financial Planning and Budget



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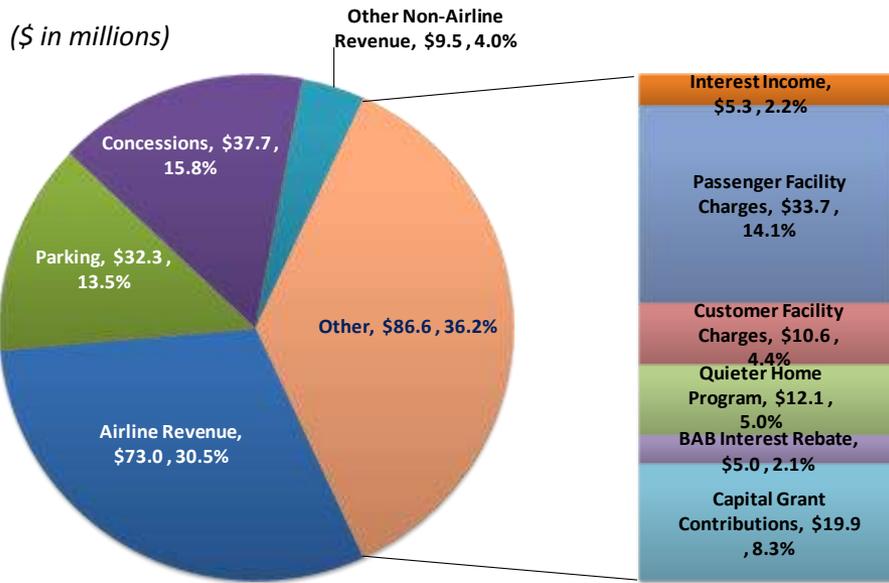
Revenue Budget Overview



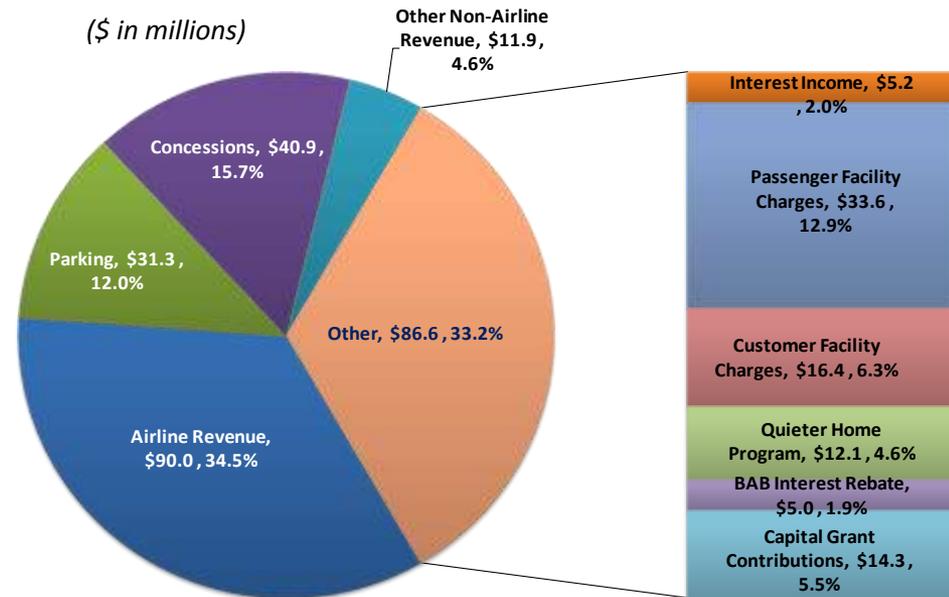
Revenue Budget Overview

FY 2013 Revenue Overview

Total revenue for FY 2013 Proposed Budget is an increase of \$21.5M [9.0%] vs. FY 2012 Budget



FY 2012 Budget
Total = \$239.2M



FY 2013 Proposed Budget
Total = \$260.7M

Revenue Budget Overview

FY 2013 Proposed Budget Total Increase

\$ 21,493,000 , 9.0%

Increase in Airline Revenue

\$ 16,917,800

7.1%

Increase in Non Airline Revenue

\$ 4,568,774

1.9%

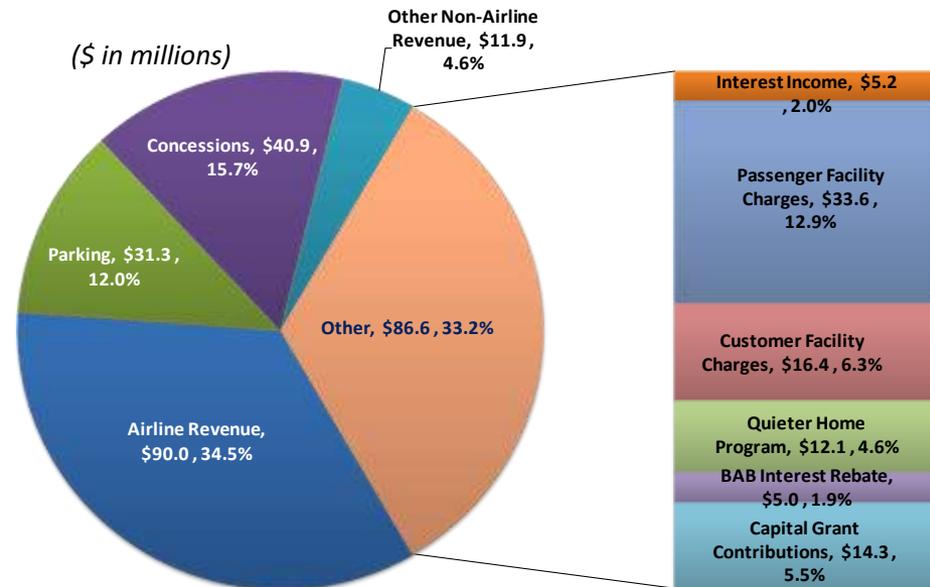
Increase in Other Revenue

\$ 6,426

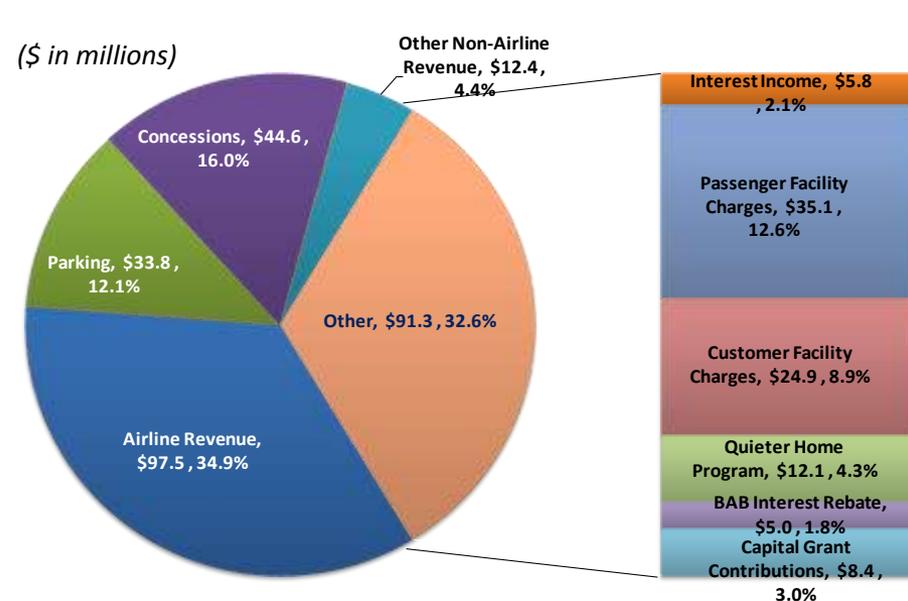
0.0%

FY 2014 Revenue Overview

Total revenue for FY 2014 Proposed Conceptual Budget is an increase of \$18.9M [7.2%]
vs. FY 2013 Proposed Budget



FY 2013 Proposed Budget
Total = \$260.7M



FY 2014 Proposed Conceptual Budget
Total = \$279.6M

Revenue Budget Overview

FY 2014 Proposed Budget Total Increase

\$ 18,892,000 , 7.2%

Increase in Airline Revenue

\$ 7,523,100

2.9%

Increase in Non Airline Revenue

\$ 6,722,875

2.6%

Increase in Other Revenue

\$ 4,646,025

1.7%



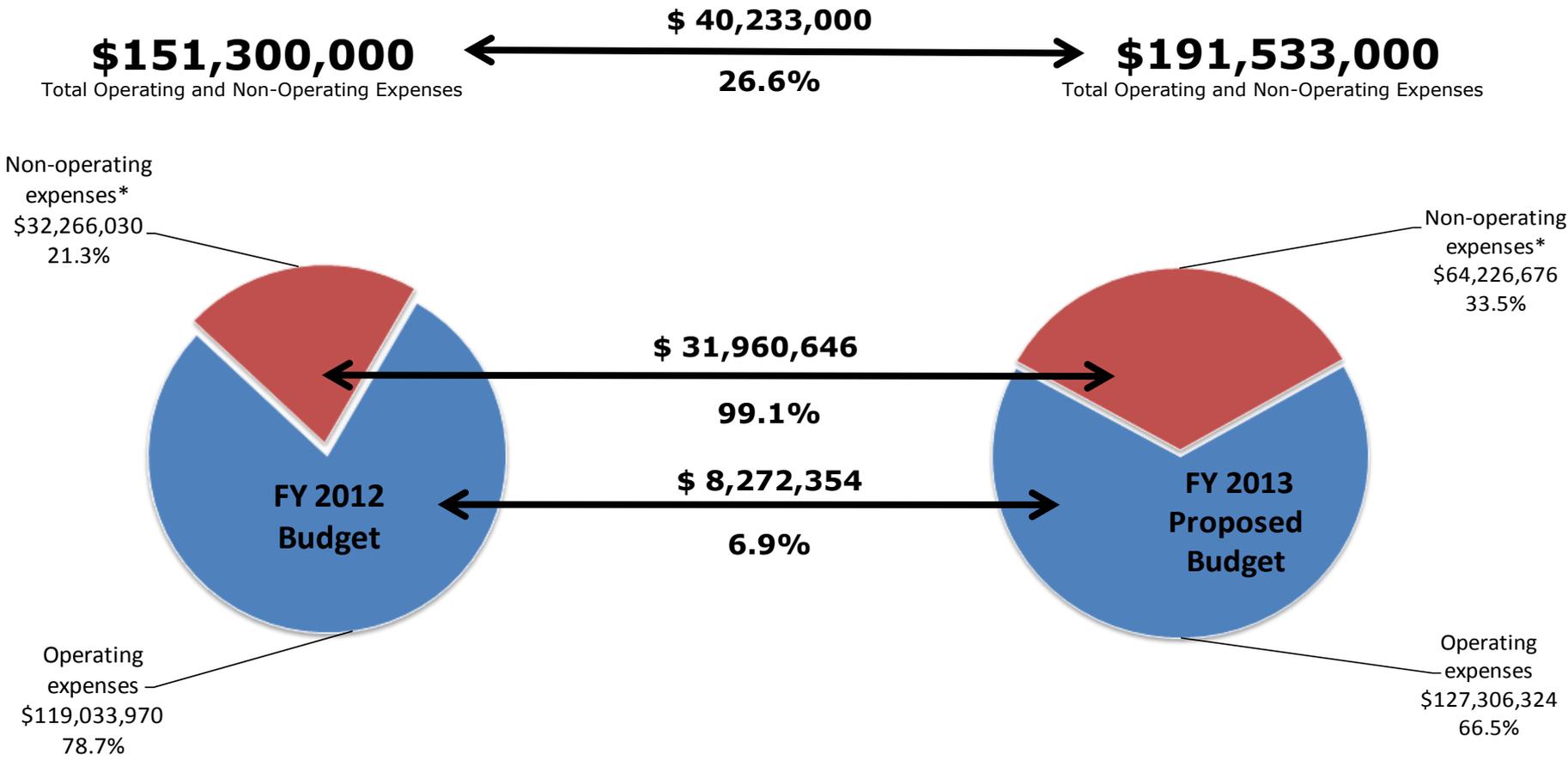
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Expense Budget Overview



Expense Budget Overview

FY 2013 Proposed Budget vs. FY 2012 Budget Expense Comparison



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

FY 2013 Proposed Budget Total Increase

\$ 40,233,000 , 26.6%

Increase in Debt Service, QHP and Equipment Outlay

\$ 31,960,646

21.1%

Increase in Green Build, Concessions Development Program,
and North Side Development

\$ 4,715,605

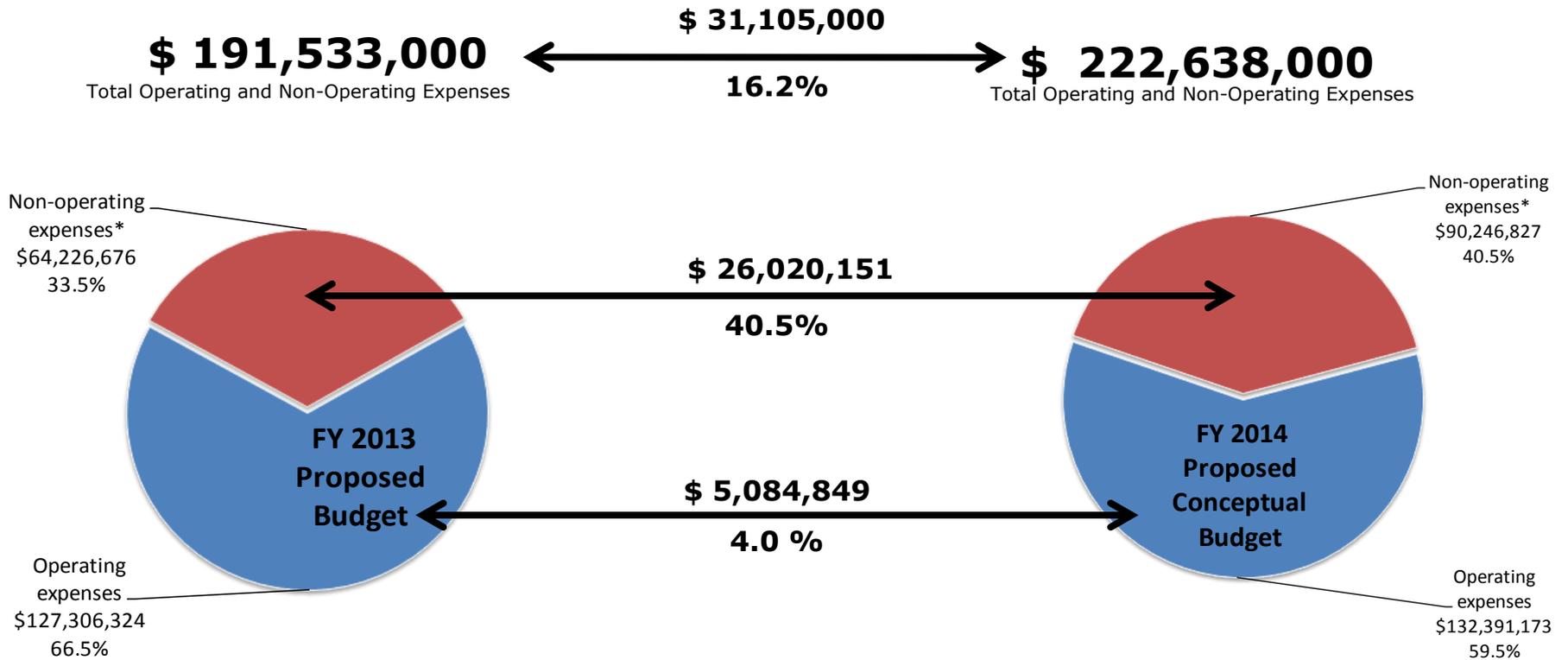
3.1%

Increase in General Activity Operating Expenses

\$ 3,556,749

2.4%

FY 2014 Proposed Conceptual Budget vs. FY 2013 Proposed Budget Expense Comparison



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

FY 2014 Proposed Conceptual Budget Total Increase

\$ 31,105,000 , 16.2%

Increase in Debt Service, QHP, and Equipment Outlay

\$ 26,020,151

13.6%

Increase in Green Build, Concessions Development Program, and North Side Development

\$ 5,581,420

2.9%

Decrease in General Activity Operating Expenses

(\$ 496,571)

(0.3%)

EXECUTIVE DIVISION

Executive Division Overview

The Executive Division provides leadership and direction to Authority staff in accomplishing the Authority Board's strategies & initiatives. It consists of the Authority Board, Executive Office, General Counsel, and the Chief Auditor.

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

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

Compensation for all nine voting Board members is \$200 per day of service, with a maximum of eight days of service per month. The Board chair receives an additional \$500 stipend per month.

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

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

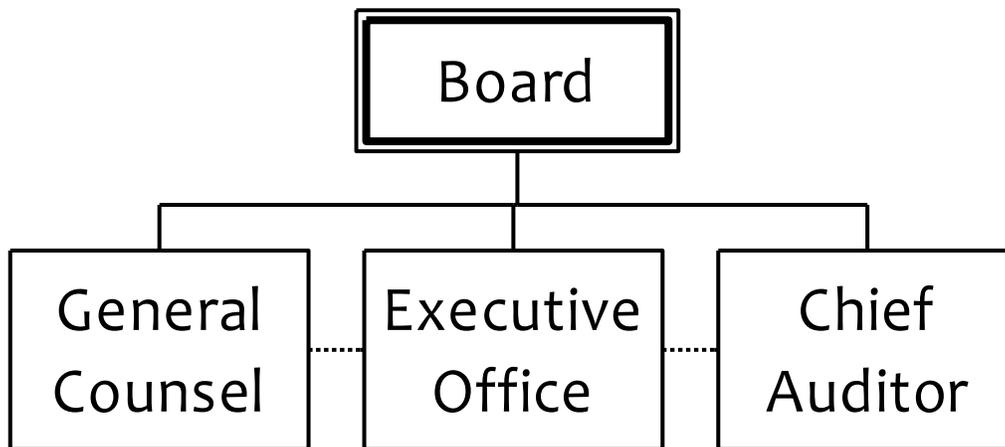
- Coordinating technical and staff support to the Authority Board and its various committees.
- Promoting positive collaborative relationships with its business partners and the community.
- Approving all contracts, deeds, leases, and agreements that contractually bind the Authority and coordinates the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

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

The **General Counsel** provides professional legal advice to the Authority Board and to the various divisions and departments of the Authority in limiting liability and exposure to claims and lawsuits. The General Counsel also is responsible for the following:

- Represents the Authority in all legal matters.
- Assists in the preparation and review of all ordinances and resolutions.
- Selects and hires all outside legal counsel.
- Assists in the preparation and review of Authority bonds, deeds, leases, contracts, and other instruments in which the Authority has an interest.

**Executive Division
Organizational Structure**



Division Personnel Summary

	FY 2011 Authorized & Funded Positions	FY 2012 Authorized & Funded Positions	FY 2013 Transfers	FY 2013 New/ (Eliminated) Positions	FY 2013 (Frozen)/ Unfrozen Positions	FY 2013 Authorized & Funded Positions	FY 2014 New/ (Eliminated) Positions	FY 2014 (Frozen)/ Unfrozen Positions	FY 2014 Authorized & Funded Positions
Executive Group									
Authority Board	1	1	-	-	-	1	-	-	1
Executive Office	4	4	-	-	-	4	-	-	4
General Counsel	6	6	-	-	-	6	-	-	6
Chief Auditor	7	7	-	-	-	7	-	-	7
Total	18	18	-	-	-	18	-	-	18
Authorized and Unfunded Positions	-	-	-	-	-	-	-	-	-
Total Authorized Positions	18	18	-	-	-	18	-	-	18

Executive Division

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY 2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY 2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 2,002,553	\$ 2,008,611	\$ 2,097,952	\$ 2,119,495	\$ 110,884	5.5%	\$ 21,542	1.0%	\$ 2,184,226	\$ 64,732	3.1%
Premium Overtime	6,011	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	860,956	874,581	969,154	803,075	(71,506)	-8.2%	(166,079)	-17.1%	877,895	74,821	9.3%
Subtotal	2,869,519	2,883,191	3,067,107	2,922,569	39,378	1.4%	(144,537)	-4.7%	3,062,122	139,552	4.8%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	2,869,519	2,883,191	3,067,107	2,922,569	39,378	1.4%	(144,537)	-4.7%	3,062,122	139,552	4.8%
Non-Personnel Expenses											
Contractual Services	971,786	1,436,600	1,301,600	1,380,100	(56,500)	-3.9%	78,500	6.0%	1,187,100	(193,000)	-14.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	224	750	750	750	-	0.0%	-	0.0%	750	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	6,921	2,750	2,750	2,750	-	0.0%	-	0.0%	2,500	(250)	-9.1%
Operating Supplies	9,837	12,350	12,400	11,975	(375)	-3.0%	(425)	-3.4%	11,975	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	100,777	113,000	113,550	111,950	(1,050)	-0.9%	(1,600)	-1.4%	112,250	300	0.3%
Business Development	302,764	249,460	249,890	256,847	7,387	3.0%	6,957	2.8%	258,497	1,650	0.6%
Equipment Rentals & Repairs	4,736	4,940	5,100	5,600	660	13.4%	500	9.8%	5,600	-	0.0%
Total Non-Personnel Expenses	1,397,044	1,819,850	1,686,040	1,769,972	(49,878)	-2.7%	83,932	5.0%	1,578,672	(191,300)	-10.8%
Total Operating Expenses	\$ 4,266,564	\$ 4,703,041	\$ 4,753,147	\$ 4,692,541	\$ (10,500)	-0.2%	\$ (60,605)	-1.3%	\$ 4,640,794	\$ (51,748)	-1.1%
Non-Operating Expenses:											
Legal Settlements Expense	100,229	20,000	20,000	20,000	-	0.0%	-	0.0%	20,000	-	0.0%
Other Non-Operating Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	100,229	20,000	20,000	20,000	-	0.0%	-	0.0%	20,000	-	0.0%
Total Expenses	4,366,793	4,723,041	4,773,147	4,712,541	(10,500)	-0.2%	(60,605)	-1.3%	4,660,794	(51,748)	-1.1%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 4,366,793	\$ 4,723,041	\$ 4,773,147	\$ 4,712,541	\$ (10,500)	-0.2%	\$ (60,605)	-1.3%	\$ 4,660,794	\$ (51,748)	-1.1%

Executive Division

Major Drivers of FY 2013 Proposed Budget Increase / (Decrease)

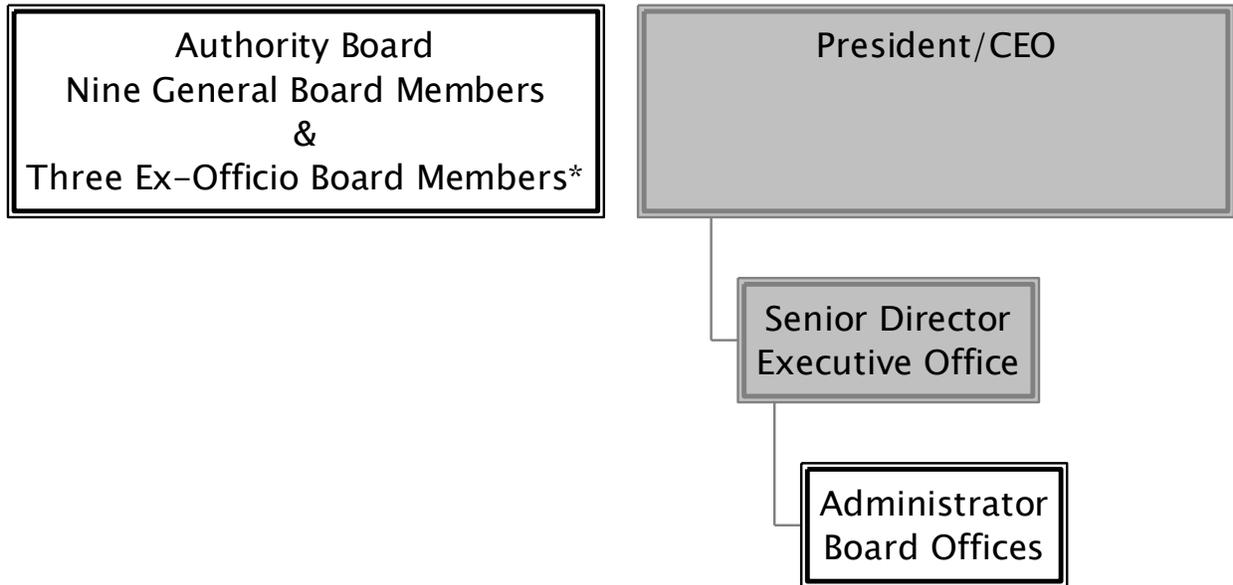
	Inc/(Dec) FY13 vs FY12 Budget	Inc/(Dec) FY13 vs FY13 Conceptual
FY 2012 Budget / FY 2013 Conceptual	\$ 4,723,042	\$ 4,773,147
Personnel costs		
Salary adjustments and merit increase	110,884	21,542
Burden (benefits & employer taxes) (decrease) for current staff	(71,506)	(166,079)
Total Increase / (Decrease) in personnel costs	39,378	(144,537)
Increase in outside legal services	50,000	50,000
Increase in use of outside professional services	38,500	38,500
Organizational performance consultant costs transferred to Human Resources	(145,000)	(10,000)
Other, net	6,622	5,432
Total (Decrease) / Increase in non-personnel costs	(49,878)	83,932
Total (Decrease)	(10,500)	(60,605)
FY 2013 Budget	\$ 4,712,541	\$ 4,712,541

Executive Division

Major Drivers of FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY14 Conceptual vs FY13
FY 2013 Budget	\$ 4,712,541
Personnel costs	
Burden (benefits & employer taxes) increase for current staff	64,732
Salary adjustments and merit increase	74,821
Total Increase in personnel costs	139,553
(Decrease) in outside legal services	(200,000)
Other, net	8,700
Total (Decrease) in non-personnel costs	(191,301)
Total (Decrease)	(51,748)
FY 2014 Conceptual Budget	\$ 4,660,794

Authority Board
FY 2013 – FY 2014 Organizational Structure



** Unpaid positions*

Authority Board

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

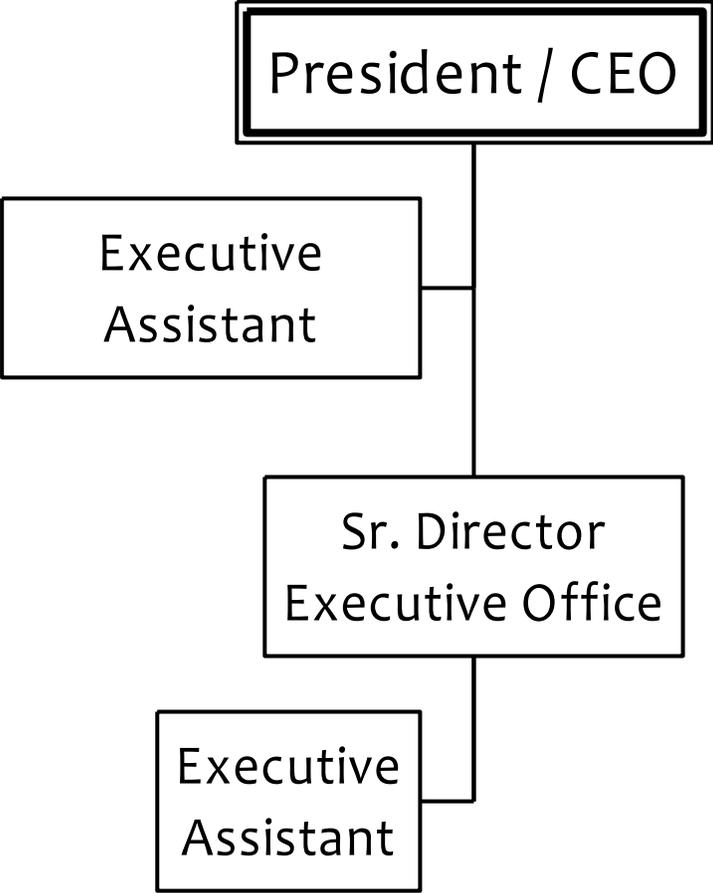
	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 81,791	\$ 80,583	\$ 83,001	\$ 83,001	\$ 2,417	3.0%	\$ -	0.0%	\$ 85,491	\$ 2,490	3.0%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	40,573	40,321	43,517	38,040	(2,281)	-5.7%	(5,478)	-12.6%	40,899	2,859	7.5%
Subtotal	122,364	120,904	126,518	121,041	136	0.1%	(5,478)	-4.3%	126,390	5,349	4.4%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	122,364	120,904	126,518	121,041	136	0.1%	(5,478)	-4.3%	126,390	5,349	4.4%
Non-Personnel Expenses											
Contractual Services	119,653	130,500	130,500	129,000	(1,500)	-1.1%	(1,500)	-1.1%	129,000	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	500	500	500	-	0.0%	-	0.0%	250	(250)	-50.0%
Operating Supplies	1,810	3,500	3,500	3,075	(425)	-12.1%	(425)	-12.1%	3,075	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	7,232	15,250	15,250	13,300	(1,950)	-12.8%	(1,950)	-12.8%	13,300	-	0.0%
Business Development	18,736	31,000	31,000	23,800	(7,200)	-23.2%	(7,200)	-23.2%	23,450	(350)	-1.5%
Equipment Rentals & Repairs	44	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Non-Personnel Expenses	147,475	180,750	180,750	169,675	(11,075)	-6.1%	(11,075)	-6.1%	169,075	(600)	-0.4%
Total Operating Expenses	\$ 269,839	\$ 301,654	\$ 307,268	\$ 290,716	\$ (10,939)	-3.6%	\$ (16,553)	-5.4%	\$ 295,465	\$ 4,749	1.6%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	269,839	301,654	307,268	290,716	(10,939)	-3.6%	(16,553)	-5.4%	295,465	4,749	1.6%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 269,839	\$ 301,654	\$ 307,268	\$ 290,716	\$ (10,939)	-3.6%	\$ (16,553)	-5.4%	\$ 295,465	\$ 4,749	1.6%

Authority Board

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12 Budget	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 Budget / FY 2013 Conceptual / FY 2013 Budget	\$ 301,654	\$ 307,268	\$ 290,716
Personnel costs			
Salary adjustments and merit increase	2,418	-	2,490
Burden (benefits & employer taxes) (decrease) / increase for current staff	(2,281)	(5,478)	2,859
Total Increase / (Decrease) in personnel costs	136	(5,478)	5,349
(Decrease) in seminars and training	(2,000)	(2,000)	-
(Decrease) in travel for business development	(5,000)	(5,000)	-
Other, net	(4,075)	(4,075)	(600)
Total (Decrease) in non-personnel costs	(11,075)	(11,075)	(600)
Total (Decrease) / Increase	(10,939)	(16,553)	4,749
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 290,716	\$ 290,716	\$ 295,465

Executive Office
FY 2013 – FY 2014 Organizational Structure



Executive Office

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 484,962	\$ 473,388	\$ 514,211	\$ 519,382	\$ 45,994	9.7%	\$ 5,171	1.0%	\$ 535,494	\$ 16,112	3.1%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	203,213	209,777	227,617	196,505	(13,272)	-6.3%	(31,112)	-13.7%	204,013	7,508	3.8%
Subtotal	688,175	683,165	741,827	715,887	32,722	4.8%	(25,940)	-3.5%	739,507	23,620	3.3%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	688,175	683,165	741,827	715,887	32,722	4.8%	(25,940)	-3.5%	739,507	23,620	3.3%
Non-Personnel Expenses											
Contractual Services	361,203	145,000	10,000	-	(145,000)	-100.0%	(10,000)	-100.0%	-	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	77	250	250	250	-	0.0%	-	0.0%	250	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	285	500	500	500	-	0.0%	-	0.0%	500	-	0.0%
Operating Supplies	2,898	3,000	3,000	3,000	-	0.0%	-	0.0%	3,000	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	19,119	29,200	29,200	24,200	(5,000)	-17.1%	(5,000)	-17.1%	24,200	-	0.0%
Business Development	273,572	207,585	207,710	222,372	14,787	7.1%	14,662	7.1%	224,372	2,000	0.9%
Equipment Rentals & Repairs	44	500	500	500	-	0.0%	-	0.0%	500	-	0.0%
Total Non-Personnel Expenses	657,198	386,035	251,160	250,822	(135,213)	-35.0%	(338)	-0.1%	252,822	2,000	0.8%
Total Operating Expenses	\$ 1,345,373	\$ 1,069,200	\$ 992,987	\$ 966,709	\$ (102,491)	-9.6%	\$ (26,278)	-2.6%	\$ 992,329	\$ 25,620	2.7%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	1,345,373	1,069,200	992,987	966,709	(102,491)	-9.6%	(26,278)	-2.6%	992,329	25,620	2.7%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 1,345,373	\$ 1,069,200	\$ 992,987	\$ 966,709	\$ (102,491)	-9.6%	\$ (26,278)	-2.6%	\$ 992,329	\$ 25,620	2.7%

Executive Office

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12 Budget	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 Budget / FY 2013 Conceptual / FY 2013 Budget	\$ 1,069,200	\$ 992,987	\$ 966,709
Personnel costs			
Salary adjustments and merit increase	45,994	5,171	16,112
Burden (benefits & employer taxes) (decrease) / increase for current staff	<u>(13,272)</u>	<u>(31,112)</u>	<u>7,508</u>
Total Increase / (Decrease) in personnel costs	32,722	(25,940)	23,620
Organizational performance consultant costs transferred to Human Resources	(145,000)	(10,000)	-
Other, net	<u>9,787</u>	<u>9,662</u>	<u>2,000</u>
Total (Decrease) / Increase in non-personnel costs	(135,213)	(338)	2,000
Total (Decrease) / Increase	(102,491)	(26,278)	25,620
FY 2013 Budget / FY 2014 Conceptual Budget	\$ <u>966,709</u>	\$ <u>966,709</u>	\$ <u>992,329</u>

**Executive Office
Departmental Goal**

FY 2013 – FY 2014 Goals

Goal #1: Enhance the financial position of the Authority.

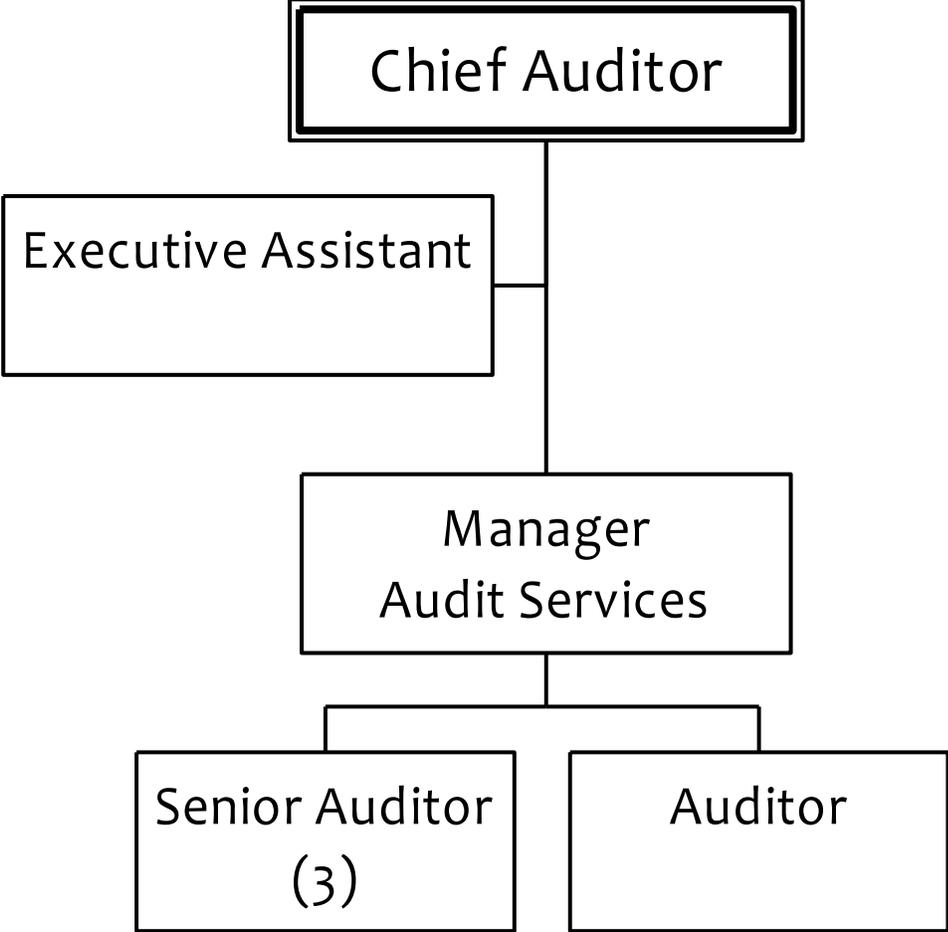
Goal #2: Achieve the highest level of internal and external customer satisfaction.

Goal #3: Operate out airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Goal #4: Ensure the highest level of employee satisfaction.

Goal #5: Be a trusted and highly responsive regional agency.

Chief Auditor
FY 2013 - FY 2014 Organizational Structure



Chief Auditor

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 651,673	\$ 648,962	\$ 670,079	\$ 664,182	\$ 15,219	2.3%	\$ (5,898)	-0.9%	\$ 684,420	\$ 20,238	3.0%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	302,159	294,633	350,418	255,288	(39,345)	-13.4%	(95,130)	-27.1%	306,607	51,319	20.1%
Subtotal	953,832	943,595	1,020,498	919,470	(24,125)	-2.6%	(101,028)	-9.9%	991,027	71,557	7.8%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	953,832	943,595	1,020,498	919,470	(24,125)	-2.6%	(101,028)	-9.9%	991,027	71,557	7.8%
Non-Personnel Expenses											
Contractual Services	391	100	100	100	-	0.0%	-	0.0%	7,100	7,000	7000.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	250	250	250	-	0.0%	-	0.0%	250	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	4,641	750	750	750	-	0.0%	-	0.0%	750	-	0.0%
Operating Supplies	2,853	2,850	2,900	2,900	50	1.8%	-	0.0%	2,900	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	18,910	20,300	20,850	21,350	1,050	5.2%	500	2.4%	21,650	300	1.4%
Business Development	4,779	3,175	3,480	3,275	100	3.1%	(205)	-5.9%	3,275	-	0.0%
Equipment Rentals & Repairs	3,704	3,840	4,000	4,000	160	4.2%	-	0.0%	4,000	-	0.0%
Total Non-Personnel Expenses	35,277	31,265	32,330	32,625	1,360	4.3%	295	0.9%	39,925	7,300	22.4%
Total Operating Expenses	\$ 989,110	\$ 974,860	\$ 1,052,828	\$ 952,095	\$ (22,765)	-2.3%	\$ (100,733)	-9.6%	\$ 1,030,952	\$ 78,857	8.3%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	989,110	974,860	1,052,828	952,095	(22,765)	-2.3%	(100,733)	-9.6%	1,030,952	78,857	8.3%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 989,110	\$ 974,860	\$ 1,052,828	\$ 952,095	\$ (22,765)	-2.3%	\$ (100,733)	-9.6%	\$ 1,030,952	\$ 78,857	8.3%

Chief Auditor

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12 Budget	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 Budget / FY 2013 Conceptual / FY 2013 Budget	\$ 974,860	\$ 1,052,828	\$ 952,095
Personnel costs			
Salary adjustments and merit increase	15,220	(5,898)	20,238
Burden (benefits & employer taxes) (decrease) / increase for current staff	(39,345)	(95,130)	51,319
Total Increase / (Decrease) in personnel costs	(24,125)	(101,028)	71,557
Increase in audit services	-	-	7,000
Other, net	1,360	295	300
Total Increase in non-personnel costs	1,360	295	7,300
Total (Decrease) / Increase	(22,765)	(100,733)	78,857
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 952,095	\$ 952,095	\$ 1,030,952

Chief Auditor Departmental Goals

FY 2012 Progress Report

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

Progress: The department utilization goal is 80%. During the last reporting period, Audit had a utilization rate of 83%.

Sustainability Goal: Operational Excellence.

Authority Goal: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** Yes.

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

Progress: During the most recent reporting period the department had identified \$2,133,619 of additional revenue/cost savings during FY 2012.

Sustainability Goal: Operational Excellence.

Authority Goal: Strategy #1: Enhance the financial position of the Authority.

Fiscal Year: 2012. **Continue in 2013?** Yes.

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

Progress: To date, eleven (11) of the thirty (30) recommendations provided to departments in fiscal year 2012 have been implemented. The goal for implementation is 90% by the end of the fiscal year, and the department appears to be on track to achieve this goal.

Sustainability Goal: Operational Excellence.

Authority Goal: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** Yes.

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

Progress: Currently, 86% of the audits conducted during the fiscal year 2011 have been completed within the budgeted time.

Sustainability Goal: Operational Excellence.

Authority Goal: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** Yes.

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

Progress: Internal customer satisfaction surveys are sent to auditees at the conclusion of each audit. The current internal customer satisfaction ratio is 4.15.

Sustainability Goal: Operational Excellence.

Authority Goal: Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Fiscal Year: 2012. **Continue in 2013?** Yes.

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

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

Sustainability Goal: Operational Excellence.

Authority Goal: Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate out airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** Yes.

Chief Auditor Departmental Goals

FY 2013 – FY 2014 Goals

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

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

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

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority.

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

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

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

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

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

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction.

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

Sustainability Goal: Operational Excellence.

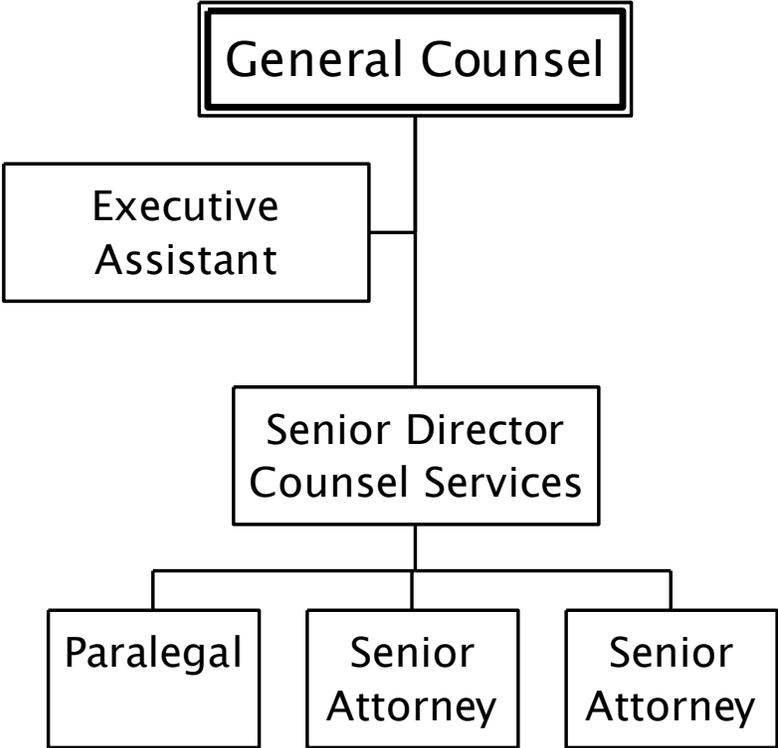
Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #1: Enhance the financial position of the Authority.

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

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #4: Ensure the highest level of employee satisfaction.

General Counsel
FY 2013 - FY 2014 Organizational Structure



General Counsel

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 784,126	\$ 805,677	\$ 830,661	\$ 852,930	\$ 47,253	5.9%	\$ 22,269	2.7%	\$ 878,822	\$ 25,892	3.0%
Premium Overtime	6,011	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	315,011	329,851	347,602	313,242	(16,609)	-5.0%	(34,360)	-9.9%	326,376	13,134	4.2%
Subtotal	1,105,148	1,135,528	1,178,264	1,166,172	30,644	2.7%	(12,092)	-1.0%	1,205,198	39,026	3.3%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	1,105,148	1,135,528	1,178,264	1,166,172	30,644	2.7%	(12,092)	-1.0%	1,205,198	39,026	3.3%
Non-Personnel Expenses											
Contractual Services	490,539	1,161,000	1,161,000	1,251,000	90,000	7.8%	90,000	7.8%	1,051,000	(200,000)	-16.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	147	250	250	250	0	0.0%	-	0.0%	250	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	1,995	1,000	1,000	1,000	-	0.0%	-	0.0%	1,000	-	0.0%
Operating Supplies	2,276	3,000	3,000	3,000	-	0.0%	-	0.0%	3,000	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	55,516	48,250	48,250	53,100	4,850	10.1%	4,850	10.1%	53,100	-	0.0%
Business Development	5,677	7,700	7,700	7,400	(300)	-3.9%	(300)	-3.9%	7,400	-	0.0%
Equipment Rentals & Repairs	944	600	600	1,100	500	83.3%	500	83.3%	1,100	-	0.0%
Total Non-Personnel Expenses	557,094	1,221,800	1,221,800	1,316,850	95,050	7.8%	95,050	7.8%	1,116,850	(200,000)	-15.2%
Total Operating Expenses	\$ 1,662,242	\$ 2,357,328	\$ 2,400,064	\$ 2,483,022	\$ 125,694	5.3%	\$ 82,958	3.5%	\$ 2,322,048	\$ (160,974)	-6.5%
Non-Operating Expenses:											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	100,229	20,000	20,000	20,000	-	0.0%	-	0.0%	20,000	-	0.0%
Other Non-Operating Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	100,229	20,000	20,000	20,000	-	0.0%	-	0.0%	20,000	-	0.0%
Total Expenses	1,762,471	2,377,328	2,420,064	2,503,022	125,694	5.3%	82,958	3.4%	2,342,048	(160,974)	-6.4%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 1,762,471	\$ 2,377,328	\$ 2,420,064	\$ 2,503,022	\$ 125,694	5.3%	\$ 82,958	3.4%	\$ 2,342,048	\$ (160,974)	-6.4%

General Counsel

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12 Budget	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 Budget / FY 2013 Conceptual / FY 2013 Budget	\$ 2,377,329	\$ 2,420,064	\$ 2,503,022
Personnel costs			
Salary adjustments and merit increase	47,253	22,269	25,892
Burden (benefits & employer taxes) (decrease) / increase for current staff	(16,609)	(34,360)	13,134
Total Increase / (Decrease) in personnel costs	30,644	(12,092)	39,026
Increase / (Decrease) in outside legal services	50,000	50,000	(200,000)
Increase in use of outside professional services	40,000	40,000	-
Other, net	5,049	5,050	
Total Increase / (Decrease) in non-personnel costs	95,050	95,050	(200,000)
Total Increase / (Decrease)	125,694	82,958	(160,974)
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 2,503,022	\$ 2,503,022	\$ 2,342,048

General Counsel Departmental Goals

FY 2012 Progress Report

1. **Increase and improve communication with Authority division heads to facilitate the early identification and efficient resolution of legal issues and provide successful alternatives and solutions.**

Progress: This is a continuing activity, including weekly meetings with division heads.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** Yes.

2. **Reduce outside counsel costs by handling litigation and other legal matters in-house when feasible and by closely reviewing outside counsel invoices.**

Progress: Except for the extraordinary costs of the West Tech case, outside counsel costs are at record lows.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Fiscal Year: 2012. **Continue in 2013?** Yes.

3. **Educate the Authority's departments and divisions on the role of the General Counsel and the legal principles applicable to their responsibilities.**

Progress: This is a continuing activity.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** Yes.

4. Increase the Authority staff's early access to legal advice and counsel by promoting awareness of the General Counsel's "open door" policy.

Progress: The open door policy for all attorneys is working and is used frequently.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Fiscal Year: 2012. **Continue in 2013?** Yes.

5. Provide timely and professional legal services in the preparation, review, execution, and enforcement of Authority contracts, leases, licenses, and other agreements.

Progress: The office has successfully provided legal services during this year for contracts for parking management services, the airport shuttle, retail, food and beverage, fixed base operations, taxicab associations and more.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** Yes.

6. Participate in and increase continuing legal educational activities to maintain and improve the legal expertise of the legal staff.

Progress: The four attorneys in the office continue to exceed state requirements for meeting continuing education requirements as established by the California State Bar.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #4: Ensure the highest level of employee satisfaction.

Fiscal Year: 2012. **Continue in 2013?** Yes.

7. Support the operational activities of the Authority with timely and appropriate legal advice, particularly the Terminal Development Program (“Green Build”), the North Side Projects, the Fixed-Base redevelopment, the CRDC project, the Washington Street improvements, TDY demolition and development, compliance with the Attorney General’s MOU regarding GHG emissions, and the environmental initiatives supporting such activities.

Progress: During the period, the office successfully supported these project and initiatives. The North Side environmental documents were completed; the FBO RFP process was completed; the CRDC project is underway; the Washington Street improvement has the supporting legal documents allowing development to proceed.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Fiscal Year: 2012. **Continue in 2013?** Yes.

8. Provide timely advice concerning current and future Authority policies, codes, rules, and regulations, and practices to minimize the Authority’s exposure to litigation.

Progress: The office is engaged in the process, working with the various affected divisions, to update the Authority’s current policies and code.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Fiscal Year: 2012. **Continue in 2013?** Yes.

9. Increase recycling in the department and the use of electronic documents rather than paper documents when possible.

Progress: Electronic storage has occurred with regard to the office advice files.

Sustainability Goal: Economic Viability, Natural Resource Conservation.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** Yes.

10. Increase the community image of the Authority by expanding the participation of the General Counsel's office in local, regional, and national professional organizations.

Progress: Continuing activity.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes.

General Counsel Departmental Goals

FY 2013 – 2014 Goals

1. **Reduce and contain outside legal counsel costs by 3% by using in-house legal staff whenever feasible and through close reviews of legal counsel invoices.**

Sustainability Goal: Economic Viability; Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Airport Authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective, and efficient manner. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

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

Sustainability Goal: Economic Viability; Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Airport Authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective, and efficient manner. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

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

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #1: Enhance the financial position of the airport authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective, and efficient manner.

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

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #4: Ensure the highest level of employee satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective, and efficient manner. Strategy #1: Enhance the financial position of the airport authority.

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

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective, and efficient manner.

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ADMINISTRATION DIVISION

Administration Division Overview

The Administration Division consists of seven departments that provide the Authority with a wide range of specialized services in support of all other divisions and departments.

The **Business Planning Department** is responsible for the development, implementation, and tracking of the strategic business plan. The department's goal is to prepare the strategic business plan, institutionalize an annual planning and reporting process, and to support Authority-wide business process improvement initiatives.

The **Corporate Services Department** develops and implements procedures that enhance communications with the Board and the public, provides support to public meetings of the Board, Board Committees, and other Board-related events. The department is also responsible for:

- Administration of the Authority lobbyist filings.
- Conflict of interest filings.
- Reception and mailroom operations.
- Authority's Records and Information Management Program.
- Public records requests process.

The **Human Resources Department** is responsible for employee recruitment, the employee benefits program, and labor/employee relations. The department is also responsible for the Authority's workers' compensation and employee safety programs as well as wage and salary plan administration.

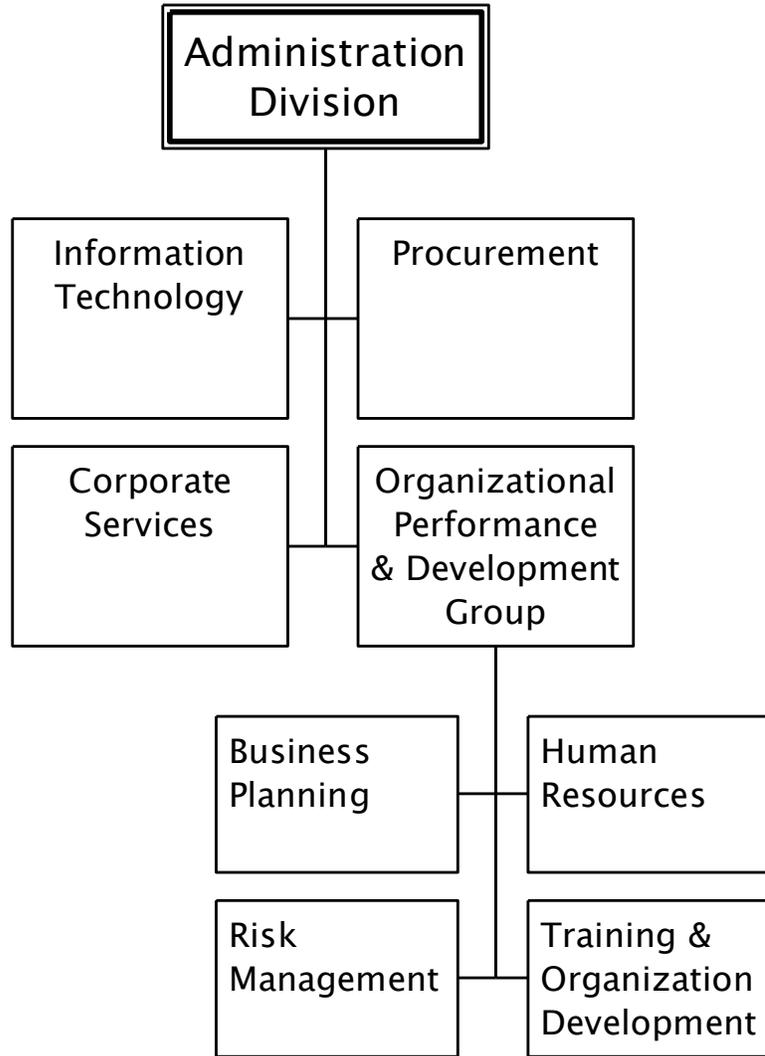
The **Information Technology Department** establishes and manages the Authority's information technology infrastructure, including hardware, software, and communications technology. The department provides information technology services to all Authority departments, airlines, and passengers via the Flight Information Displays and Common Use Terminal Equipment. The department is also responsible for developing and implementing the Authority's long-range automation plan.

The **Procurement Department** manages the solicitation and contract award process in a legal, ethical, and transparent manner. Department responsibilities include providing research on resources, trends, product and services options, business outreach, and negotiating contracts and price agreements. Additional responsibilities include managing the procurement card program, shipping, receiving, and warehouse operations.

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

The **Training & Organization Development Department** is responsible for all non-regulatory training and manages the employee development initiatives for the organization. The department is also responsible for administering the Employee Opinion Survey and overseeing employee action teams that respond to the survey results. The department interfaces with other Authority departments and facilitates implementation of appropriate change management initiatives associated with organization transition activities.

Administrative Division Organizational Structure



Division Personnel Summary

	FY 2011 Authorized & Funded Positions	FY 2012 Authorized & Funded Positions	FY 2013 Transfers	FY 2013 New/ (Eliminated) Positions	FY 2013 (Frozen)/ Unfrozen Positions	FY 2013 Authorized & Funded Positions	FY 2014 New/ (Eliminated) Positions	FY 2014 (Frozen)/ Unfrozen Positions	FY 2014 Authorized & Funded Positions
Administration									
Risk Management	7	6	-	-	-	6	-	-	6
Business Planning	4	4	-	-	-	4	-	-	4
T&O Development	3	3	-	-	-	3	-	-	3
Information Technology	22	22	-	1	-	23	-	-	23
Human Resources	10	10	-	-	-	10	-	-	10
Corporate Services	7	7	-	-	-	7	-	-	7
Procurement	12	12	-	-	1	13	-	-	13
Total	65	64	-	1	1	66	-	-	66
Authorized and Unfunded Positions	2	3	-	-	-	2	-	-	2
Total Authorized Positions	67	67	-	1	-	68	-	-	68

Administrative Division

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY 2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY 2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 4,849,534	\$ 4,865,373	\$ 5,028,553	\$ 5,074,325	\$ 208,952	4.3%	\$ 45,772	0.9%	\$ 5,291,485	\$ 217,161	4.3%
Premium Overtime	168,945	162,259	162,259	153,500	(8,759)	-5.4%	(8,759)	-5.4%	153,500	-	0.0%
Employee Benefits	2,366,092	2,367,194	2,556,169	2,233,559	(133,636)	-5.6%	(322,610)	-12.6%	2,416,206	182,647	8.2%
Subtotal	7,384,570	7,394,826	7,746,981	7,461,383	66,557	0.9%	(285,597)	-3.7%	7,861,191	399,808	5.4%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	7,384,570	7,394,826	7,746,981	7,461,383	66,557	0.9%	(285,597)	-3.7%	7,861,191	399,808	5.4%
Non-Personnel Expenses											
Contractual Services	1,209,562	1,639,050	1,662,550	1,611,370	(27,680)	-1.7%	(51,180)	-3.1%	1,383,370	(228,000)	-14.1%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	451,856	397,215	385,915	398,125	910	0.2%	12,210	3.2%	493,125	95,000	23.9%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	295,820	212,100	212,100	270,250	58,150	27.4%	58,150	27.4%	265,650	(4,600)	-1.7%
Operating Supplies	32,913	59,100	59,600	40,500	(18,600)	-31.5%	(19,100)	-32.0%	54,400	13,900	34.3%
Insurance	1,066,326	1,020,000	1,020,000	872,318	(147,682)	-14.5%	(147,682)	-14.5%	1,237,234	364,916	41.8%
Employee Programs	453,007	466,156	470,156	468,355	2,199	0.5%	(1,801)	-0.4%	471,280	2,925	0.6%
Business Development	83,021	106,382	109,282	123,050	16,668	15.7%	13,768	12.6%	100,075	(22,975)	-18.7%
Equipment Rentals & Repairs	966,320	1,325,406	1,325,554	1,386,581	61,175	4.6%	61,027	4.6%	1,562,390	175,809	12.7%
Total Non-Personnel Expenses	4,558,826	5,225,409	5,245,157	5,170,549	(54,860)	-1.0%	(74,608)	-1.4%	5,567,524	396,975	7.7%
Total Operating Expenses	\$ 11,943,396	\$ 12,620,235	\$ 12,992,138	\$ 12,631,932	\$ 11,697	0.1%	\$ (360,205)	-2.8%	\$ 13,428,715	\$ 796,783	6.3%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	11,943,396	12,620,235	12,992,138	12,631,932	11,697	0.1%	(360,205)	-2.8%	13,428,715	796,783	6.3%
Equipment Outlay	334,272	78,000	78,000	-	(78,000)	-100.0%	(78,000)	-100.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 12,277,668	\$ 12,698,235	\$ 13,070,138	\$ 12,631,932	\$ (66,303)	-0.5%	\$ (438,205)	-3.4%	\$ 13,428,715	\$ 796,783	6.3%

Administrative Division

Major Drivers of FY 2013 Proposed Budget Increase / (Decrease)

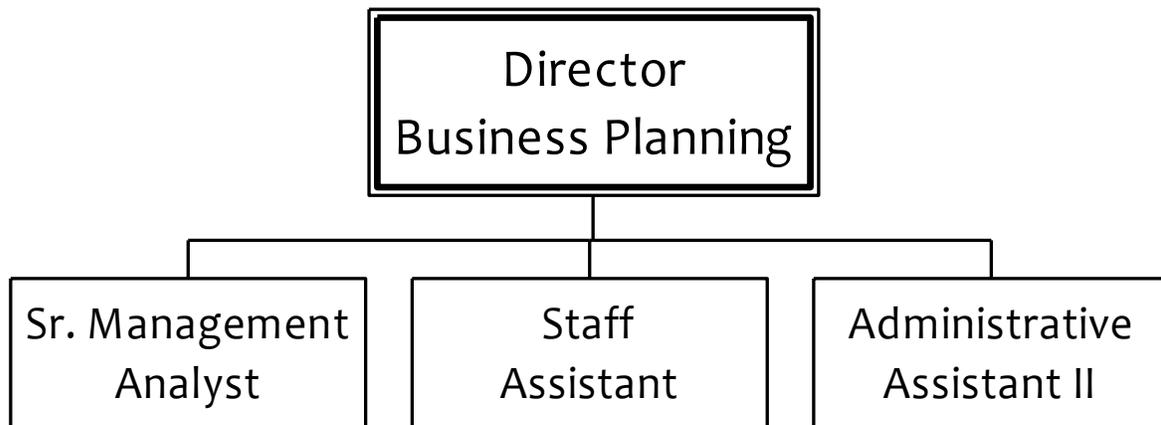
	Inc/(Dec) FY13 vs FY12 Budget	Inc/(Dec) FY13 vs FY13 Conceptual
FY 2012 Budget / FY13 Conceptual	\$ 12,698,236	\$ 13,070,138
Personnel costs		
Salary adjustments and merit increase	110,975	(25,965)
1 Unfrozen position - Procurement Analyst	90,766	90,766
1 New position - Operations Support Technician (Q3 FY13)	37,829	-
Burden (benefits & employer taxes) (decrease) for current staff	(173,014)	(350,399)
Total Increase / (Decrease) in personnel costs	66,557	(285,597)
Strategic consultant costs transferred from Executive Office	211,500	211,500
Benefits / workers' compensation broker fees	110,000	110,000
Increase in equipment and systems costs	58,150	58,150
Increase in repairs of office equipment and systems	54,175	54,027
Increase in use of outside professional services	45,470	25,470
(Decrease) in IT service (EnterpriseOne ERP Production and paging) costs	(45,000)	(45,000)
(Decrease) in equipment outlay costs	(78,000)	(78,000)
(Decrease) in insurance costs	(147,682)	(147,682)
Administration Fee (Bond Program) transferred to Small Business Development	(367,750)	(367,750)
Other, net	26,277	26,677
Total (Decrease) in non-personnel costs	(132,860)	(152,608)
Total (Decrease)	(66,303)	(438,205)
FY 2013 Budget	\$ 12,631,932	\$ 12,631,932

Administrative Division

Major Drivers of FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY14 Conceptual vs FY13
FY 2013 Budget	\$ 12,631,932
Personnel costs	
Salary adjustments and merit increase	217,161
Burden (benefits & employer taxes) increase for current staff	182,647
Total Increase in personnel costs	399,808
Increase in insurance costs	364,916
Increase in repairs of office equipment and systems	142,309
Increase in costs of telephone usage and other services and equipment	95,000
Increase in equipment rental and leasing	30,000
(Decrease) in organizational performance outside consultant costs	(211,500)
Other, net	(23,750)
Total Increase in non-personnel costs	396,975
Total Increase	796,783
FY 2014 Conceptual Budget	\$ 13,428,715

Business Planning
FY 2013 – FY 2014 Organizational Structure



Business Planning

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 290,688	\$ 286,750	\$ 295,353	\$ 295,353	\$ 8,603	3.0%	\$ -	0.0%	\$ 304,213	\$ 8,861	3.0%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	143,084	143,262	154,185	132,639	(10,623)	-7.4%	(21,546)	-14.0%	142,174	9,536	7.2%
Subtotal	433,772	430,012	449,537	427,991	(2,021)	-0.5%	(21,546)	-4.8%	446,387	18,396	4.3%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	433,772	430,012	449,537	427,991	(2,021)	-0.5%	(21,546)	-4.8%	446,387	18,396	4.3%
Non-Personnel Expenses											
Contractual Services	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	1,000	1,000	1,000	-	0.0%	-	0.0%	1,000	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	771	1,000	1,000	1,000	-	0.0%	-	0.0%	1,000	-	0.0%
Operating Supplies	515	2,000	2,000	2,000	-	0.0%	-	0.0%	2,200	200	10.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	6,488	8,000	8,000	13,500	5,500	68.8%	5,500	68.8%	13,000	(500)	-3.7%
Business Development	2,025	2,250	2,250	2,750	500	22.2%	500	22.2%	2,750	-	0.0%
Equipment Rentals & Repairs	8,967	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Non-Personnel Expenses	18,766	14,250	14,250	20,250	6,000	42.1%	6,000	42.1%	19,950	(300)	-1.5%
Total Operating Expenses	\$ 452,538	\$ 444,262	\$ 463,787	\$ 448,241	\$ 3,979	0.9%	\$ (15,546)	-3.4%	\$ 466,337	\$ 18,096	4.0%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	452,538	444,262	463,787	448,241	3,979	0.9%	(15,546)	-3.4%	466,337	18,096	4.0%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 452,538	\$ 444,262	\$ 463,787	\$ 448,241	\$ 3,979	0.9%	\$ (15,546)	-3.4%	\$ 466,337	\$ 18,096	4.0%

Business Planning

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12 Budget	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 Budget / FY 2013 Conceptual / FY 2013 Budget	\$ 444,262	\$ 463,787	\$ 448,241
Personnel costs			
Salary adjustments and merit increase	8,603	-	8,861
Burden (benefits & employer taxes) (decrease) / increase for current staff	(10,623)	(21,546)	9,536
Total Increase / (Decrease) in personnel costs	(2,021)	(21,546)	18,396
Increase in seminars and training	2,500	2,500	-
Increase in travel for employee development	2,500	2,500	-
Other, net	1,000	1,000	(300)
Total Increase / (Decrease) in non-personnel costs	6,000	6,000	(300)
Total Increase / (Decrease)	3,979	(15,546)	18,096
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 448,241	\$ 448,241	\$ 466,337

Business Planning Departmental Goals

FY 2012 Progress Report

1. Document, communicate, and implement the Authority's major sustainability initiatives: 1) Consult with executive management to define key goals, strategies, and success factors; 2) Develop sustainable Business Plan(s) working with accountable divisional management; 3) Conduct management forums and employee educational events; 4) Disseminate informational and collateral materials; 5) Develop appropriate performance measures, progress updates, and management reviews; and 6) Coordinate and implement sustainability initiatives with external agency representatives.

Progress: 1) Reviewed Global Reporting Initiative (GRI), reporting requirements and needed information; 2) Researched reporting formats and templates and assigned category responsibilities for Management Disclosures.

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, effective, environmentally sound, effective and efficient manner. Strategy #4: Ensure the highest level of employee satisfaction.

Fiscal Year: 2012. **Continue in 2013:** Yes.

2. Work with and support the designated Authority Divisions/Departments to identify and enhance key business processes and address other operational and implementation issues, to include: 1) identifying and documenting core/critical business processes; 2) assessing the process for opportunities for improvement, processing deficiencies and/or gaps; 3) documenting requisite procedures, work instruction and/or forms; 4) defining appropriate effectiveness and efficiency measures; and 5) developing the necessary improvement plans.

Progress: 1) Continued support for the Strategic Workforce Planning initiative with work done performed in Landside & Airside Operations, Aviation Security, Ground Transportation, Risk Management and Human Resources; 2) Business process improvements made in Fleet Safety, Airport Lost and Found and Information Technology; 3) Enhanced the Business Continuity Plan effectiveness and documentation; 4) Continued updates and improvements to the Airport Rules and Regulations; 5) Recommended improvements to the Ground Transportation Parking, Shuttle and Taxi cab and Shuttle operations.

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, effective, environmentally sound, effective and efficient manner. Strategy #4: Ensure the highest level of employee satisfaction.

Fiscal Year: 2012. **Continue in 2013:** Yes.

3. **Implement, manage, and report on the Authority's strategic planning initiatives and efforts to continually build a culture of performance excellence, improve organizational effectiveness, and minimize Authority risk. Work with the Senior Management staff to refine the Authority's strategic business planning process and document the key planning criteria.**

Progress: Initiated the Program Management and Performance Measurement review process.

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, effective, environmentally-sound, effective and efficient manner. Strategy #4: Ensure the highest level of employee satisfaction.

Fiscal Year: 2012. **Continue in 2013:** Yes.

4. **Expand the development and implementation of the Authority's performance management systems and the Quality Performance Reporting (QPR) measurement dashboard. Gather and summarize key SDIA business performance metrics from external references and other comparative sources.**

Progress: Migrated the Quality Performance Reporting measurement dashboard to the BOE dashboard with updated performance measures.

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, effective, environmentally sound, effective and efficient manner. Strategy #4: Ensure the highest level of employee satisfaction.

Fiscal Year: 2012. **Continue in 2013:** Yes.

Business Planning Departmental Goals

FY 2013 – FY 2014 Goals

1. **Strategic Program Management and Performance Measurement – Develop and deploy a Strategic Program Management and Performance Measurement system by June 30, 2013. This goal supports the Authority’s Strategic Engagement initiative to manage the “7 Priorities” project task tracking and to report on results. Success will be demonstrated by Authority management’s use of this system to more effectively monitor project progress, measure key performance indicators and adapt the project’s implementation based on changing business conditions.**

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

2. **Team Project Management Support – Integrate specified project risk management tools and methods into critical Authority projects by June 30, 2013 to ensure defined project requirements are fully met. A minimum of three (3) projects will be targeted to apply these tools and methods resulting in enhanced decision-making effectiveness, managed risk impact, reduced unforeseen issues and established contingency plans.**

Sustainability Goal: Economic Viability, Operational Excellence.

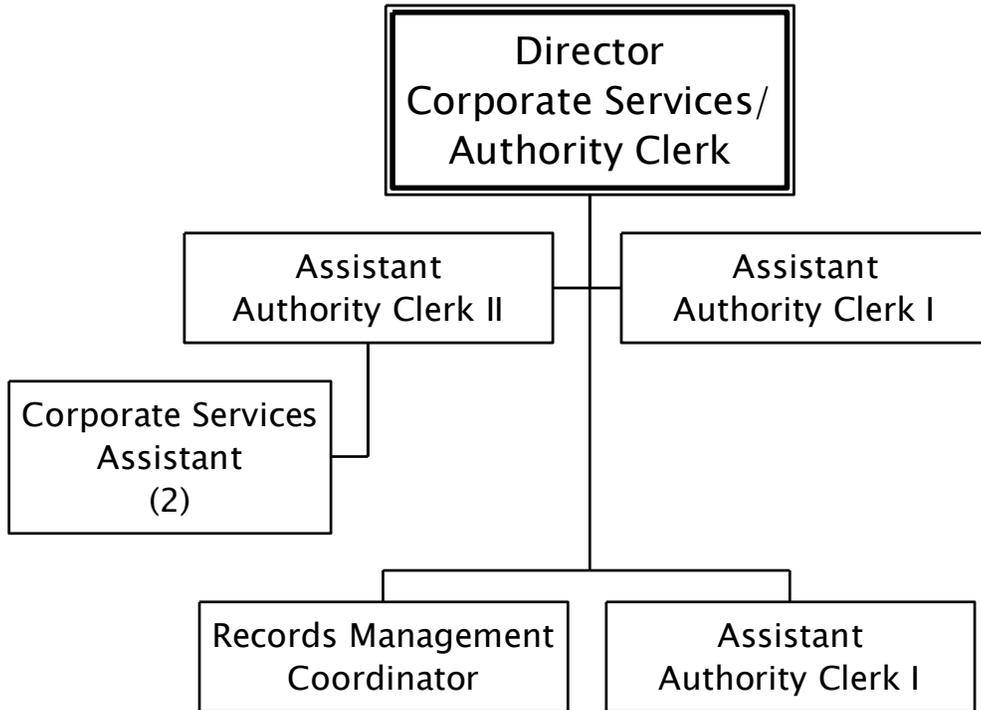
Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

3. **Organizational change initiatives and business process improvement efforts – Implement a minimum of five (5) major organizational change efforts and/or business process improvement projects by June 30, 2013 to improve operational efficiency/productivity, engage the workforce and obtain greater customer satisfaction or more enhanced community image. All supporting documentation reflecting these operational improvements will be accurately and fully summarized upon completion.**

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #4: Ensure the highest level of employee satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

Corporate Services / Authority Clerk
FY 2013 - FY 2014 Organizational Structure



Corporate Services / Authority Clerk

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 424,728	\$ 438,619	\$ 451,778	\$ 465,957	\$ 27,338	6.2%	\$ 14,180	3.1%	\$ 479,936	\$ 13,979	3.0%
Premium Overtime	2,143	2,000	2,000	-	(2,000)	-100.0%	(2,000)	-100.0%	-	-	0.0%
Employee Benefits	209,842	224,090	241,923	208,140	(15,950)	-7.1%	(33,783)	-14.0%	223,506	15,366	7.4%
Subtotal	636,713	664,709	695,700	674,097	9,388	1.4%	(21,603)	-3.1%	703,442	29,344	4.4%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	636,713	664,709	695,700	674,097	9,388	1.4%	(21,603)	-3.1%	703,442	29,344	4.4%
Non-Personnel Expenses											
Contractual Services	25,188	14,900	21,400	16,400	1,500	10.1%	(5,000)	-23.4%	16,400	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	66	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	1,941	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Supplies	5,336	5,500	6,000	5,000	(500)	-9.1%	(1,000)	-16.7%	5,000	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	12,344	13,230	17,230	13,230	-	0.0%	(4,000)	-23.2%	13,230	-	0.0%
Business Development	23,451	22,200	23,300	21,500	(700)	-3.2%	(1,800)	-7.7%	18,600	(2,900)	-13.5%
Equipment Rentals & Repairs	14,849	21,452	21,600	21,452	-	0.0%	(148)	-0.7%	21,452	-	0.0%
Total Non-Personnel Expenses	83,176	77,282	89,530	77,582	300	0.4%	(11,948)	-13.3%	74,682	(2,900)	-3.7%
Total Operating Expenses	\$ 719,889	\$ 741,991	\$ 785,230	\$ 751,679	\$ 9,688	1.3%	\$ (33,551)	-4.3%	\$ 778,124	\$ 26,444	3.5%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	719,889	741,991	785,230	751,679	9,688	1.3%	(33,551)	-4.3%	778,124	26,444	3.5%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 719,889	\$ 741,991	\$ 785,230	\$ 751,679	\$ 9,688	1.3%	\$ (33,551)	-4.3%	\$ 778,124	\$ 26,444	3.5%

Corporate Services / Authority Clerk

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12 Budget	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 Budget / FY 2013 Conceptual / FY 2013 Budget	\$ 741,991	\$ 785,230	\$ 751,679
Personnel costs			
Salary adjustments and merit increase	25,338	12,180	13,979
Burden (benefits & employer taxes) (decrease) / increase for current staff	(15,950)	(33,783)	15,366
Total Increase / (Decrease) in personnel costs	9,388	(21,603)	29,344
(Decrease) in temporary personnel	-	(5,000)	-
(Decrease) in seminars and training	-	(4,000)	-
Other, net	300	(2,948)	(2,900)
Total Increase / (Decrease) in non-personnel costs	300	(11,948)	(2,900)
Total Increase / (Decrease)	9,688	(33,551)	26,444
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 751,679	\$ 751,679	\$ 778,124

Corporate Services / Authority Clerk Departmental Goals

FY 2012 Progress Report

1. **Conduct semi-annual training sessions (two sessions) during the fiscal year, or as needed, on staff report preparation so that materials are completed on time and in the right format and made available to the Board, public, and staff.**

Progress: Goal Attained – Conducted 2 Sessions.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** No.

2. **Ensure that official postings and the distribution of regular and special Board and Committee meetings notices and information are done 100% of the time in accordance with Authority policies and the Brown Act.**

Progress: Goal Attained.

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes.

3. **Improve organizational efficiency by responding to requests from Authority staff for active and inactive records and information within 72 hours.**

Progress: Goal Attained – 100% Compliance.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Fiscal Year: 2012. **Continue in 2013?** No.

4. **Respond to public records requests from the public and media 100% of the time in accordance to the California Public Records Act.**

Progress: Goal Attained.

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes.

5. Facilitate the review and update all Authority Codes and Policies for Board review and approval.

Progress: Still in process – New completion deadline of September 2012.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes.

6. Conduct two (2) training sessions during the fiscal year on the requirements of the Political Reform Act in regards to Statement of Economic Interest Filings (Form 700).

Progress: Goal Attained.

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** No.

7. Conduct annual compliance reviews of each department to ensure compliance with the requirements of the Records and Information Management Program.

Progress: Goal Attained.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** Yes.

Corporate Services / Authority Clerk Departmental Goals

FY 2013 – FY 2014 Goals

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

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency.

2. **Respond to public records requests 100% if the time in accordance to the California Public Records Act and established procedures.**

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency.

3. **Facilitate the review and update of Authority Codes and Policies for Board review and approval by September 2012.**

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

4. **Conduct annual compliance reviews of each department to ensure compliance with the requirements of the Approved Records and Information Management Program by December 2012.**

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

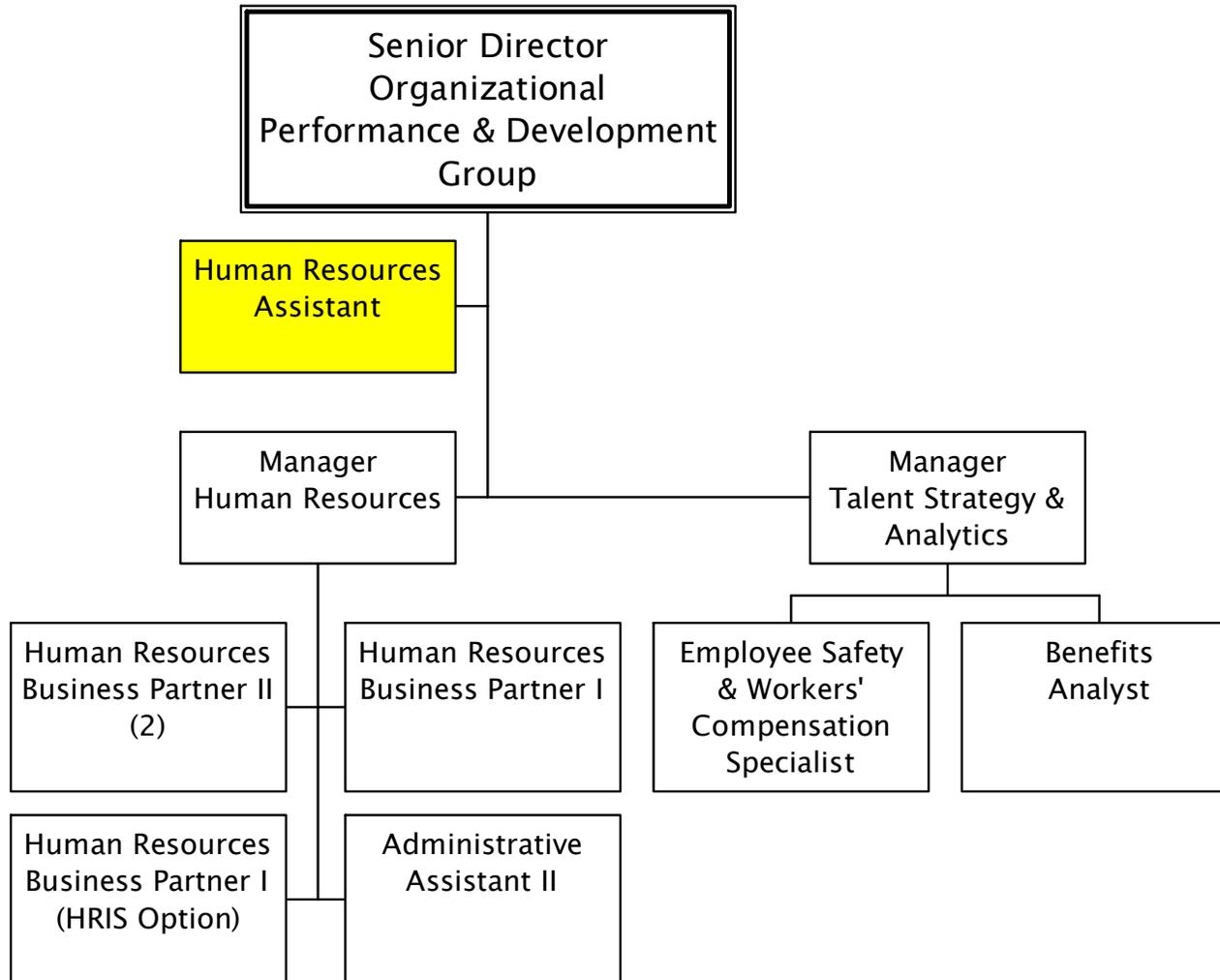
5. **To assist in achieving the Authority's metric for reducing Xerox reprographic cost/consumption measures (5%/10%), Corporate Services will begin distributing ALUC, Board and Citizen Committee packets electronically to the fullest extent possible; and continue to provide access to official records electronically.**

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Human Resources

FY 2013 - FY 2014 Organizational Structure



** Unfunded position shown in yellow*

Human Resources

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 835,080	\$ 818,526	\$ 842,895	\$ 869,589	\$ 51,063	6.2%	\$ 26,694	3.2%	\$ 895,365	\$ 25,776	3.0%
Premium Overtime	472	6,000	6,000	-	(6,000)	-100.0%	(6,000)	-100.0%	-	-	0.0%
Employee Benefits	425,452	365,078	392,733	341,716	(23,361)	-6.4%	(51,017)	-13.0%	364,338	22,622	6.6%
Subtotal	1,261,004	1,189,604	1,241,628	1,211,306	21,702	1.8%	(30,322)	-2.4%	1,259,703	48,398	4.0%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	1,261,004	1,189,604	1,241,628	1,211,306	21,702	1.8%	(30,322)	-2.4%	1,259,703	48,398	4.0%
Non-Personnel Expenses											
Contractual Services	423,747	369,900	369,900	699,720	329,820	89.2%	329,820	89.2%	486,220	(213,500)	-30.5%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	207	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	10,798	5,100	5,100	2,500	(2,600)	-51.0%	(2,600)	-51.0%	2,400	(100)	-4.0%
Operating Supplies	7,439	7,500	7,500	6,000	(1,500)	-20.0%	(1,500)	-20.0%	5,700	(300)	-5.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	274,385	270,476	270,476	253,825	(16,651)	-6.2%	(16,651)	-6.2%	256,200	2,375	0.9%
Business Development	34,014	45,032	45,032	62,745	17,713	39.3%	17,713	39.3%	40,345	(22,400)	-35.7%
Equipment Rentals & Repairs	6,696	500	500	5,500	5,000	1000.0%	5,000	1000.0%	5,000	(500)	-9.1%
Total Non-Personnel Expenses	757,286	698,508	698,508	1,030,290	331,782	47.5%	331,782	47.5%	795,865	(234,425)	-22.8%
Total Operating Expenses	\$ 2,018,290	\$ 1,888,112	\$ 1,940,136	\$ 2,241,596	\$ 353,484	18.7%	\$ 301,460	15.5%	\$ 2,055,568	\$ (186,027)	-8.3%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	2,018,290	1,888,112	1,940,136	2,241,596	353,484	18.7%	301,460	15.5%	2,055,568	(186,027)	-8.3%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 2,018,290	\$ 1,888,112	\$ 1,940,136	\$ 2,241,596	\$ 353,484	18.7%	\$ 301,460	15.5%	\$ 2,055,568	\$ (186,027)	-8.3%

Human Resources

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12 Budget	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 Budget / FY 2013 Conceptual / FY 2013 Budget	\$ 1,888,112	\$ 1,940,136	\$ 2,241,596
Personnel costs			
Salary adjustments and merit increase	45,063	20,694	25,776
Burden (benefits & employer taxes) (decrease) / increase for current staff	(23,361)	(51,017)	22,622
Total Increase / (Decrease) in personnel costs	21,702	(30,322)	48,398
Organizational performance outside consultant costs transferred from Executive Office	211,500	211,500	(211,500)
Benefits / workers' compensation broker fees	110,000	110,000	-
Increase / (Decrease) in promotional activities & materials	20,493	20,493	(22,100)
(Decrease) / Increase in awards and services	(20,625)	(20,625)	1,000
Other, net	10,414	10,414	(1,825)
Total Increase / (Decrease) in non-personnel costs	331,782	331,782	(234,425)
Total Increase / (Decrease)	353,484	301,460	(186,027)
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 2,241,596	\$ 2,241,596	\$ 2,055,568

Human Resources Departmental Goals

FY 2012 Progress Report

1. **Manage avoidable losses by implementing safe work practices to achieve workers' compensation cost containment measures. Success equals containing the organization's FY 2012 loss rate between .590 and .790, per \$100 payroll.**

Progress: On Target - loss rate is within established parameters.

Sustainability Goal: Economic Viability.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority.

Fiscal Year: 2012. **Continue in 2013?** No.

2. **Manage benefit administration with zero payroll adjustments due to administrative errors. Success equals 80% accuracy in benefit data maintenance in the E-1 system through FY 2012.**

Progress: On Target - exceeding 80% accuracy in benefit data maintenance.

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #4: Ensure the highest level of employee satisfaction.

Fiscal Year: 2012. **Continue in 2013?** No.

3. **Maintain 85% participation in health risk assessments and establish baseline bio-metric screenings for FY 2012. Success equals maintaining participation levels at 85% and baseline for bio-metric.**

Progress: Achieved 77% participation at submission of this milestone.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #4: Ensure the highest level of employee satisfaction.

Fiscal Year: 2012. **Continue in 2013?** No.

Human Resources Departmental Goals

FY 2013 – FY 2014 Goals

1. **Maintain or improve workers compensation loss rate versus 5-year historical average as of July 1, 2012 through fiscal year 2013. Success equals maintaining loss rate within +/- 5% of average.**

Sustainability Goal: Economic Viability.

Authority Strategy: Strategy # 1: Enhance the financial position of the Authority.

2. **Develop and implement a wellness scorecard program model that will facilitate calculating return on investment for identified wellness program components by the June 30, 2013. Success equals activating benchmark program data gathering tool(s).**

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy # 3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #4: Ensure the highest level of employee satisfaction.

3. **Execute Strategic Workforce Planning and PACE action planning to meet stakeholder expectations. Success equals, that for each client group launched in FY 2013, that the process is completed through determining current state (PACE) by June 30, 2013.**

Sustainability Goal: Operational Excellence.

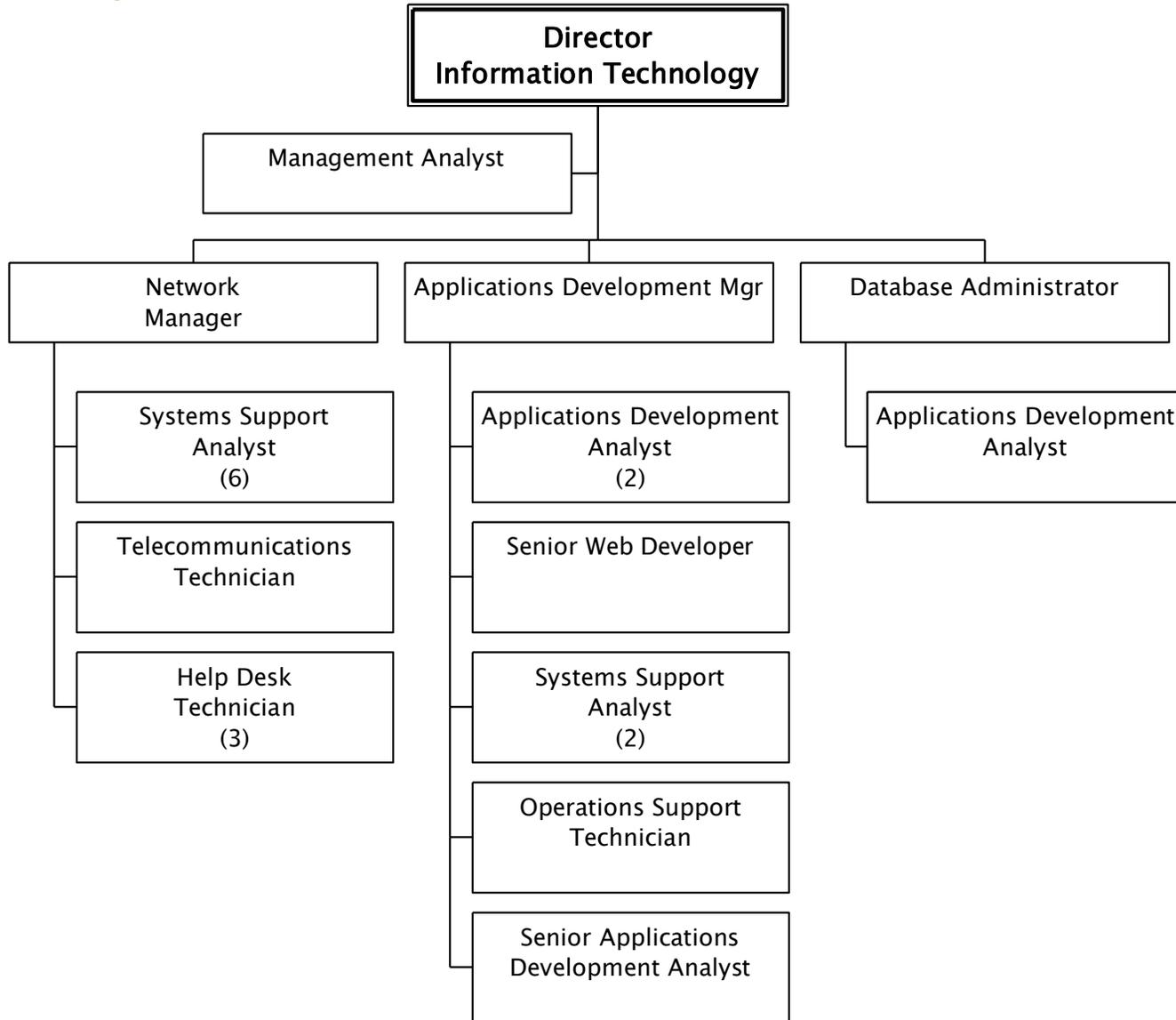
Authority Strategy: Strategy # 2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

4. **Enhance the customer satisfaction rate of the HR department as measured through the annual Division Customer Satisfaction Survey. Success equals maintaining a 3-year average level of customer responsiveness above 80% through FY 2013.**

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy # 2: Achieve the highest level of internal and external customer satisfaction. Strategy #4: Ensure the highest level of employee satisfaction.

Information Technology
FY 2013 – FY 2014 Organizational Structure



Information Technology

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 1,684,251	\$ 1,713,135	\$ 1,782,275	\$ 1,764,279	\$ 51,144	3.0%	\$ (17,996)	-1.0%	\$ 1,879,495	\$ 115,216	6.5%
Premium Overtime	165,774	152,000	152,000	152,000	0	0.0%	-	0.0%	152,000	-	0.0%
Employee Benefits	844,782	869,877	945,406	822,185	(47,691)	-5.5%	(123,221)	-13.0%	905,115	82,929	10.1%
Subtotal	2,694,806	2,735,012	2,879,682	2,738,465	3,453	0.1%	(141,217)	-4.9%	2,936,610	198,146	7.2%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	2,694,806	2,735,012	2,879,682	2,738,465	3,453	0.1%	(141,217)	-4.9%	2,936,610	198,146	7.2%
Non-Personnel Expenses											
Contractual Services	363,736	493,000	493,000	470,000	(23,000)	-4.7%	(23,000)	-4.7%	490,000	20,000	4.3%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	451,537	396,215	384,915	397,125	910	0.2%	12,210	3.2%	492,125	95,000	23.9%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	280,180	202,000	202,000	261,500	59,500	29.5%	59,500	29.5%	261,500	-	0.0%
Operating Supplies	10,076	13,300	13,300	13,300	-	0.0%	-	0.0%	26,300	13,000	97.7%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	63,137	52,000	52,000	52,000	-	0.0%	-	0.0%	52,000	-	0.0%
Business Development	4,222	7,100	7,100	7,100	-	0.0%	-	0.0%	7,100	-	0.0%
Equipment Rentals & Repairs	905,934	1,268,054	1,268,054	1,316,129	48,075	3.8%	48,075	3.8%	1,488,438	172,309	13.1%
Total Non-Personnel Expenses	2,078,823	2,431,669	2,420,369	2,517,154	85,485	3.5%	96,785	4.0%	2,817,463	300,309	11.9%
Total Operating Expenses	\$ 4,773,629	\$ 5,166,680	\$ 5,300,051	\$ 5,255,619	\$ 88,938	1.7%	\$ (44,432)	-0.8%	\$ 5,754,073	\$ 498,455	9.5%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	4,773,629	5,166,680	5,300,051	5,255,619	88,938	1.7%	(44,432)	-0.8%	5,754,073	498,455	9.5%
Equipment Outlay	334,272	78,000	78,000	-	(78,000)	-100.0%	(78,000)	-100.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 5,107,901	\$ 5,244,680	\$ 5,378,051	\$ 5,255,619	\$ 10,938	0.2%	\$ (122,432)	-2.3%	\$ 5,754,073	\$ 498,455	9.5%

Information Technology

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12 Budget	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 Budget / FY 2013 Conceptual / FY 2013 Budget	\$ 5,244,681	\$ 5,378,051	\$ 5,255,619
Personnel costs			
1 New position - Operations Support Technician (Q3 FY13)	37,829	-	-
Salary adjustments and merit increase	24,903	(17,996)	115,216
Burden (benefits & employer taxes) (decrease) / increase for current staff	(59,280)	(123,221)	82,929
Total Increase / (Decrease) in personnel costs	3,453	(141,217)	198,146
Increase in equipment and systems costs	59,500	59,500	-
Increase in repairs of office equipment and systems	54,075	54,075	142,309
Increase in use of outside professional services	25,000	25,000	-
Increase in costs of telephone usage and other services and equipment	910	12,210	95,000
(Decrease) / Increase in equipment rental and leasing	(6,000)	(6,000)	30,000
(Decrease) / Increase in IT service (EnterpriseOne ERP Production and paging) costs	(45,000)	(45,000)	20,000
(Decrease) in equipment outlay costs	(78,000)	(78,000)	-
Other, net	(3,000)	(3,000)	13,000
Total Increase in non-personnel costs	7,485	18,785	300,309
Total Increase / (Decrease)	10,938	(122,432)	498,455
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 5,255,619	\$ 5,255,619	\$ 5,754,073

Information Technology Departmental Goals

FY 2012 Progress Report

1. **Achieve 99.5% availability of Authority computer and network systems from July 2011 through June 2013. Success is:**

- › **Critical application server maintaining 99.5% up-time.**
- › **Critical core switches maintaining 99.5% up-time.**

Progress:

- › Critical Application server: 98.77% due to e-mail outage.
- › Critical Core Switches: 100% up-time.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Fiscal Year: 2012. **Continue in 2013?** Yes.

2. **Ensure inclusion of appropriate technology in the Terminal Development Program (TDP) project and proper integration and/or extension of existing IT systems with the TDP provided technology systems.**

Progress: On target.

Sustainability Goal: Operational Excellence, Natural Resource Conservation.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** No.

3. **Achieve excellent Help Desk support service to the Authority by attaining customer satisfaction scores of 90% or higher on the Administrative Division's Customer Satisfaction survey.**

Progress: On target.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Fiscal Year: 2012. **Continue in 2013?** Yes.

4. Continuous improvement of the Authority network and computing infrastructure to ensure the uninterrupted delivery of telecommunications and computing services. Continue to replace and/or maintain the following systems:

- Maintain Authority phone switch with 99.5% up time.
- Replace network switches that will be five years or older by May 2012.
- Replace key file server systems that become or exceed five years of age by June 2012.

Progress: On target.

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #4: Ensure the highest level of employee satisfaction.

Fiscal Year: 2012. Continue in 2013? No.

5. Convert 10% of the existing virtualization-eligible servers to the virtual server environment by June 2012.

Progress: On target.

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

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #4: Ensure the highest level of employee satisfaction.

Fiscal Year: 2012. Continue in 2013? No.

6. Provide technical training for IT personnel to ensure that they have the appropriate skills to troubleshoot and maintain Authority server, network, and software systems without requiring excessive outside technical support. This will be accomplished by:

- Providing training for network personnel on latest equipment and software.
- Ensuring server personnel receive training on server and desktop operating systems, and maintenance and operation of InfoShare, and Live Meeting.
- Ensuring that software support personnel receive training on the variety of software systems they are responsible for maintaining.

Progress: On target.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #4: Ensure the highest level of employee satisfaction.

Fiscal Year: 2012. Continue in 2013? Yes.

7. Achieve 99.5% up-time for the Authority's desktop phone system.

Progress: On target.

Sustainability Goal: Operational Excellence, Economic Viability.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** Yes.

8. Continue to be proactively involved in TDP construction design and review activities to ensure the proper integration and/or extension of new TDP provided and existing IT systems.

Progress: On target.

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

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Fiscal Year: 2012. **Continue in 2013?** No.

9. Continuous improvement of the Authority network infrastructure to ensure the uninterrupted delivery of telecommunications services by replacing older network equipment and upgrading the network infrastructure.

- **Complete upgrade of Authority network under CIP Project #104021.**

Progress: On target.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Fiscal Year: 2012. **Continue in 2013?** No.

Information Technology Departmental Goals

FY 2013 – FY 2014 Goals

1. **Achieve 99.5% availability of computer and network systems, excluding scheduled maintenance down-times, from July 2012 through June 2013. Success is measured by:**

- › Critical Application servers (e-mail, network files) maintaining 99.5% up-time.
- › Critical core switches (main computer room, not edge of network switches) maintaining 99.5% up-time.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

2. **Work with the Green Build construction team to ensure that the existing Authority network, and the new Green Build network become a fully integrated system by May 2013. Success will be measured by:**

- › Security access control systems will be fully operational from existing locations to newly installed Green Build systems.
- › Administrative network users can operate anywhere on the merged network, from old network locations across to newly installed Green Build systems.
- › Both the old network systems and newly installed Green Build systems can be managed by IT staff from one central location.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction.

3. **Achieve excellent IT Help Desk support service to the Authority by attaining customer satisfaction scores of 93% or higher on the December 2012 Administration Division's Customer Satisfaction Survey.**

Sustainability Goal: Operational Excellence.

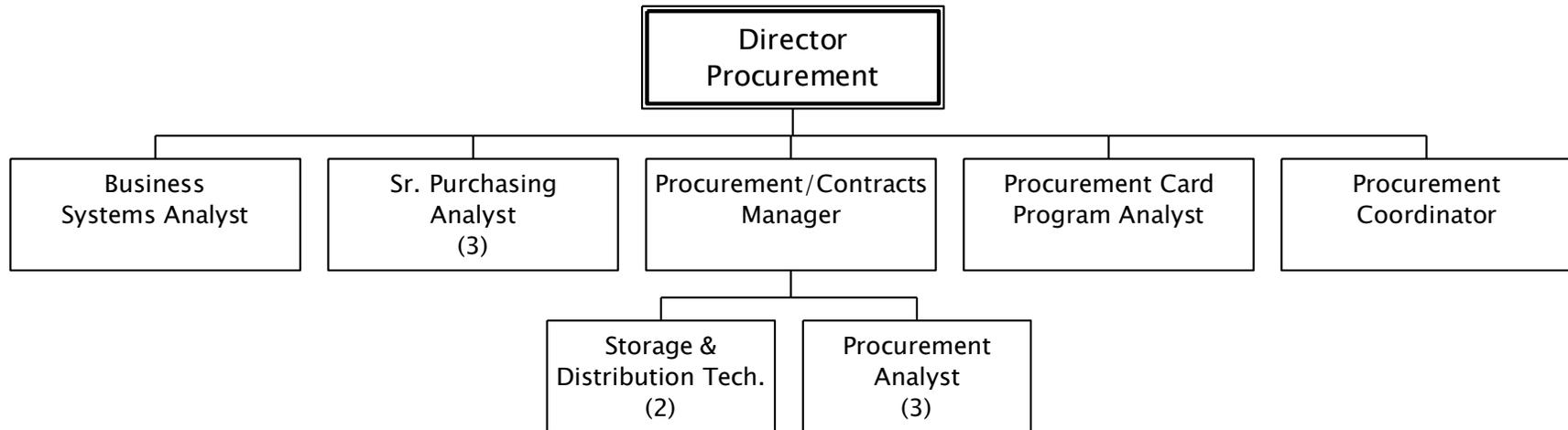
Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction.

4. **Achieve 99.5% up-time for the Authority's desktop phone systems.**

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Procurement
FY 2013 – FY 2014 Organizational Structure



Procurement

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 784,039	\$ 778,458	\$ 801,812	\$ 862,173	\$ 83,716	10.8%	\$ 60,362	7.5%	\$ 888,039	\$ 25,865	3.0%
Premium Overtime	3	1,000	1,000	1,000	-	0.0%	-	0.0%	1,000	-	0.0%
Employee Benefits	366,009	389,574	419,309	392,511	2,937	0.8%	(26,798)	-6.4%	421,772	29,261	7.5%
Subtotal	1,150,051	1,169,032	1,222,121	1,255,684	86,652	7.4%	33,564	2.7%	1,310,810	55,126	4.4%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	1,150,051	1,169,032	1,222,121	1,255,684	86,652	7.4%	33,564	2.7%	1,310,810	55,126	4.4%
Non-Personnel Expenses											
Contractual Services	34,779	26,000	26,000	21,000	(5,000)	-19.2%	(5,000)	-19.2%	21,500	500	2.4%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	69	3,500	3,500	4,500	1,000	28.6%	1,000	28.6%	-	(4,500)	-100.0%
Operating Supplies	3,621	7,700	7,700	7,200	(500)	-6.5%	(500)	-6.5%	7,200	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	14,331	17,800	17,800	18,350	550	3.1%	550	3.1%	17,850	(500)	-2.7%
Business Development	3,946	8,150	9,700	8,150	-	0.0%	(1,550)	-16.0%	8,150	-	0.0%
Equipment Rentals & Repairs	22,669	27,900	27,900	36,000	8,100	29.0%	8,100	29.0%	37,500	1,500	4.2%
Total Non-Personnel Expenses	79,415	91,050	92,600	95,200	4,150	4.6%	2,600	2.8%	92,200	(3,000)	-3.2%
Total Operating Expenses	\$ 1,229,465	\$ 1,260,082	\$ 1,314,721	\$ 1,350,884	\$ 90,802	7.2%	\$ 36,164	2.8%	\$ 1,403,010	\$ 52,126	3.9%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	1,229,465	1,260,082	1,314,721	1,350,884	90,802	7.2%	36,164	2.8%	1,403,010	52,126	3.9%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 1,229,465	\$ 1,260,082	\$ 1,314,721	\$ 1,350,884	\$ 90,802	7.2%	\$ 36,164	2.8%	\$ 1,403,010	\$ 52,126	3.9%

Procurement

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12 Budget	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 Budget / FY 2013 Conceptual / FY 2013 Budget	\$ 1,260,082	\$ 1,314,721	\$ 1,350,884
Personnel costs			
1 Unfrozen position - Procurement Analyst	90,766	90,766	-
Salary adjustments and merit increase	20,738	(2,616)	25,865
Burden (benefits & employer taxes) (decrease) / increase for current staff	<u>(24,852)</u>	<u>(54,587)</u>	<u>29,261</u>
Total Increase in personnel costs	86,652	33,564	55,126
Increase in computer licenses and agreements (Bid Management System)	8,000	8,000	1,500
Increase / (Decrease) in equipment and systems	1,000	1,000	(4,500)
(Decrease) / Increase in use of outside professional services	(5,500)	(5,500)	2,000
Other, net	<u>650</u>	<u>(900)</u>	<u>(2,000)</u>
Total Increase / (Decrease) in non-personnel costs	4,150	2,600	(3,000)
Total Increase	90,802	36,164	52,126
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 1,350,884	\$ 1,350,884	\$ 1,403,010

Procurement Departmental Goals

FY 2012 Progress Report

1. Maintain and promote a sustainable procurement process. Success equals:

- 35% of the solicitations processed in FY 2012 by the Procurement Department will allow for the acceptance of electronic submissions, which results in reducing the Authority's carbon footprint in addition to saving the business community time and money.
- Identify and implement three waste reduction metrics for Procurement's contributions towards the Authority-wide waste reduction endeavor.

Progress:

- 50% of the solicitations processed in FY 2012 by the Procurement Department allowed for the acceptance of electronic submissions.
- The Procurement Department tracks the following three waste reduction metrics:
 - Surplus resale, donation and recycling.
 - Document shredding (waste diversion).
 - Bio-degradable, compostable and recycled content of products stocked by the warehouse.

Sustainability Goal: Operational Excellence, Natural Resource Conservation.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** Yes.

2. Achieve an 8% overall cost savings through increased competition and negotiations in FY 2012.

Progress: The Procurement Department continues to achieve cost savings through increased competition and negotiations. Contract negotiations may also result in value added services, commitments and revenue for the Authority.

Sustainability Goal: Economic Vitality.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority.

Fiscal Year: 2012. **Continue in 2013?** Yes.

3. Improve customer service to the business community through transparency, increased contracting opportunities, and outreach. Success equals:

- ▶ **Development of a project-specific outreach plan for 90% of the open and competitive solicitations issued through procurement in FY 2012.**
- ▶ **Document and benchmark small and local business participation achieved in FY 2012 through an open and competitive solicitation process.**
- ▶ **Participate in two vendor outreach events and conduct one vendor training workshop.**

Progress:

- ▶ Project specific outreach plans were developed for 99% of the open and competitive solicitations issued through Procurement.
- ▶ All solicitations issued through Procurement include an attachment to track responses for eligible certified small business enterprises and local business enterprises. A project specific procurement summary includes outreach, participation and responses for each solicitation. During the 1st six months of FY 2012, 2233 vendors have actively participated in a solicitation by downloading the opportunity. Of the 2233 vendors, 24% are Certified Small Business Enterprises, 29% are Local Business Enterprises, and 7% are Certified Disadvantaged Business Enterprises.
- ▶ The Procurement Department has participated in a regional Small Business Matchmaking Event, and various trade shows and meetings sponsored by business organizations throughout the community.

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes.

4. Participate in ongoing professional education activities and benchmarked best practices for Procurement. Success equals:

- ▶ **Receive the Achievement of Excellence in Procurement Award for FY 2012.**
- ▶ **80% of Procurement Staff and 100% of Procurement Analysts will receive a minimum of two Continued Educational Units and share the knowledge learned in FY 2012.**

Progress: The Procurement Department is on track for meeting the best practices and standards required to submit for the Achievement of Excellence in Procurement Award for FY 2012. Procurement staff continues to receive training and instruction specifically related to trends and best practices for procurement and contracting.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #4: Ensure the highest level of employee satisfaction.

Fiscal Year: 2012. **Continue in 2013?** Yes.

Procurement Departmental Goals

FY 2013 – FY 2014 Goals

1. **Promote a sustainable procurement process. Success equals:**
 - Increase the number of solicitations accepting electronic submission to 50% in FY 2013, which results in reducing the Authority's carbon footprint in addition to saving the business community time and money.
 - Expand e-procurement capabilities to allow for the electronic submissions of public work construction projects by January 2013.

Sustainability Goal: Operational Excellence, Natural Resource Conservation.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

2. **Achieve an 8% overall cost savings through increased competition and negotiations in FY 2013.**

Sustainability Goal: Economic Viability.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority

3. **Improve customer service to the business community through transparency, increased contracting opportunities, and outreach. Success equals:**

- Develop project-specific outreach plans for 90% of the open and competitive solicitations issued through procurement in FY 2013.
- Document and benchmark small and local business participation achieved in FY 2013 through an open and competitive solicitation process.
- Conduct one vendor training workshop and participate in two vendor outreach events in FY 2013.

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency.

4. **Receive the Achievement of Excellence in Procurement Award for FY 2013, by obtaining a high score on criteria designed to measure innovation, e-procurement, professionalism, productivity and leadership attributes of the procurement function. Demonstrate excellence in procurement through adopted best practices in FY 2013.**

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #4: Ensure the highest level of employee satisfaction.

Risk Management
FY 2013 – FY 2014 Organizational Structure



** Unfunded position shown in yellow*

Risk Management

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 576,718	\$ 573,469	\$ 590,486	\$ 558,118	\$ (15,351)	-2.7%	\$ (32,368)	-5.5%	\$ 577,816	\$ 19,699	3.5%
Premium Overtime	-	759	759	500	(259)	-34.1%	(259)	-34.1%	500	-	0.0%
Employee Benefits	262,928	263,436	281,857	236,275	(27,160)	-10.3%	(45,581)	-16.2%	252,676	16,401	6.9%
Subtotal	839,646	837,663	873,101	794,893	(42,770)	-5.1%	(78,208)	-9.0%	830,992	36,099	4.5%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	839,646	837,663	873,101	794,893	(42,770)	-5.1%	(78,208)	-9.0%	830,992	36,099	4.5%
Non-Personnel Expenses											
Contractual Services	323,199	652,250	652,250	307,250	(345,000)	-52.9%	(345,000)	-52.9%	281,250	(26,000)	-8.5%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	46	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	39	-	-	250	250	0.0%	250	0.0%	250	-	0.0%
Operating Supplies	2,557	20,100	20,100	5,000	(15,100)	-75.1%	(15,100)	-75.1%	5,000	-	0.0%
Insurance	1,066,326	1,020,000	1,020,000	872,318	(147,682)	-14.5%	(147,682)	-14.5%	1,237,234	364,916	41.8%
Employee Programs	28,434	35,100	35,100	43,450	8,350	23.8%	8,350	23.8%	43,450	-	0.0%
Business Development	5,772	13,500	13,500	13,555	55	0.4%	55	0.4%	13,555	-	0.0%
Equipment Rentals & Repairs	160	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Non-Personnel Expenses	1,426,533	1,740,950	1,740,950	1,241,823	(499,127)	-28.7%	(499,127)	-28.7%	1,580,739	338,916	27.3%
Total Operating Expenses	\$ 2,266,180	\$ 2,578,613	\$ 2,614,051	\$ 2,036,716	\$ (541,897)	-21.0%	\$ (577,335)	-22.1%	\$ 2,411,731	\$ 375,015	18.4%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	2,266,180	2,578,613	2,614,051	2,036,716	(541,897)	-21.0%	(577,335)	-22.1%	2,411,731	375,015	18.4%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 2,266,180	\$ 2,578,613	\$ 2,614,051	\$ 2,036,716	\$ (541,897)	-21.0%	\$ (577,335)	-22.1%	\$ 2,411,731	\$ 375,015	18.4%

Risk Management

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12 Budget	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 Budget / FY 2013 Conceptual / FY 2013 Budget	\$ 2,578,614	\$ 2,614,051	\$ 2,036,716
Personnel costs			
Salary adjustments and merit increase	(15,610)	(32,627)	19,699
Burden (benefits & employer taxes) (decrease) / increase for current staff	(27,160)	(45,581)	16,401
Total Increase / (Decrease) in personnel costs	(42,770)	(78,208)	36,099
(Decrease) / Increase in insurance costs	(147,682)	(147,682)	364,916
Administration Fee (Bond Program) transferred to Small Business Development	(367,750)	(367,750)	-
Other, net	16,305	16,305	(26,000)
Total (Decrease) / Increase in non-personnel costs	(499,127)	(499,127)	338,916
Total (Decrease) / Increase	(541,897)	(577,335)	375,015
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 2,036,716	\$ 2,036,716	\$ 2,411,731

Risk Management Departmental Goals

FY 2012 Progress Report

1. **Review and revise, where appropriate, the Authority's current use of insured and self-insured risk management techniques in response to various exposures. Conduct an ACI-NA benchmarking survey, using those results as a means to compare and analyze methods used at other large hub airports. Include survey results in the decision process to develop/implement the insured and self-insured strategies for the protection of 100% of the probable maximum loss of Authority assets during FY 2012.**

Progress: On Target – Adequate insured and self insured techniques have been maintained to protect organization assets.

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** No.

2. **Perform contract risk analysis and establish insurance requirements on Requests for Proposals/Qualifications (RFP/RFQs) or other Airport agreements within five working days of receipt of complete submissions.**

Progress: On Target – Average review time is performed in less than three working days.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** No.

3. **Conduct an Enterprise Risk Management pilot study and deliver findings to the Authority Executive Team by June 30, 2012.**

Progress: Presentation to Executive Team determined pilot study not needed; organization is pursuing alternative assessments.

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** No.

4. Secure the services of a consultant to perform a seismic study to estimate the affect an earthquake would have on identified important Airport structures by June 30, 2012. The study would provide a cost benefit analysis on different mitigation strategies that could be used to minimize the damage to some of the identified structures and point out concerns for buildings that house operations that could affect revenue should they be severely damaged.

Progress: Decision was made not to complete the seismic study but to utilize broader assessment methods.

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** No.

Risk Management Departmental Goals

FY 2013 – FY 2014 Goals

1. Complete a revenue stream interruption study resulting from stakeholder interviews to develop contingency plans and enhance Executive and Senior Staff decision making, to be published by May 31, 2013.

Sustainability Goal: Economic Viability.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority.

2. Educate each project lead stakeholder in the use of applicable risk assessment tool(s) in their decision making process for Authority projects as identified by Business Planning function (e.g., GBAT, CDOG, and CIP planning). To be successful, the embedding of the risk assessment decision making process will be offered to the project lead for each project identified by the Business Planning department initiated throughout FY 2013.

Sustainability Goal: Operational Excellence, Economic Viability.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority.

Training & Organization Development
FY 2013 – FY 2014 Organizational Structure



Training & Organization Development

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 254,031	\$ 256,416	\$ 263,955	\$ 258,855	\$ 2,439	1.0%	\$ (5,100)	-1.9%	\$ 266,621	\$ 7,766	3.0%
Premium Overtime	554	500	500	-	(500)	-100.0%	(500)	-100.0%	-	-	0.0%
Employee Benefits	113,994	111,878	120,757	100,092	(11,786)	-10.5%	(20,665)	-17.1%	106,625	6,533	6.5%
Subtotal	368,578	368,794	385,212	358,947	(9,847)	-2.7%	(26,265)	-6.8%	373,246	14,299	4.0%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	368,578	368,794	385,212	358,947	(9,847)	-2.7%	(26,265)	-6.8%	373,246	14,299	4.0%
Non-Personnel Expenses											
Contractual Services	38,913	83,000	100,000	97,000	14,000	16.9%	(3,000)	-3.0%	88,000	(9,000)	-9.3%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	2,021	500	500	500	-	0.0%	-	0.0%	500	-	0.0%
Operating Supplies	3,369	3,000	3,000	2,000	(1,000)	-33.3%	(1,000)	-33.3%	3,000	1,000	50.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	53,887	69,550	69,550	74,000	4,450	6.4%	4,450	6.4%	75,550	1,550	2.1%
Business Development	9,591	8,150	8,400	7,250	(900)	-11.0%	(1,150)	-13.7%	9,575	2,325	32.1%
Equipment Rentals & Repairs	7,044	7,500	7,500	7,500	-	0.0%	-	0.0%	10,000	2,500	33.3%
Total Non-Personnel Expenses	114,826	171,700	188,950	188,250	16,550	9.6%	(700)	-0.4%	186,625	(1,625)	-0.9%
Total Operating Expenses	\$ 483,404	\$ 540,494	\$ 574,162	\$ 547,197	\$ 6,703	1.2%	\$ (26,965)	-4.7%	\$ 559,871	\$ 12,674	2.3%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	483,404	540,494	574,162	547,197	6,703	1.2%	(26,965)	-4.7%	559,871	12,674	2.3%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 483,404	\$ 540,494	\$ 574,162	\$ 547,197	\$ 6,703	1.2%	\$ (26,965)	-4.7%	\$ 559,871	\$ 12,674	2.3%

Training & Organization Development

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12 Budget	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 Budget / FY 2013 Conceptual / FY 2013 Budget	\$ 540,494	\$ 574,162	\$ 547,197
Personnel costs			
Salary adjustments and merit increase	1,939	(5,600)	7,766
Burden (benefits & employer taxes) (decrease) / increase for current staff	(11,786)	(20,665)	6,533
Total (Decrease) / Increase in personnel costs	(9,847)	(26,265)	14,299
Increase / (Decrease) in use of outside professional services (employee opinion survey)	15,000	(5,000)	(10,000)
Increase in seminars and training costs	4,400	4,400	600
(Decrease) / Increase in temporary personnel	(1,000)	2,000	1,000
Other, net	(1,850)	(2,100)	6,775
Total Increase / (Decrease) in non-personnel costs	16,550	(700)	(1,625)
Total Increase / (Decrease)	6,703	(26,965)	12,674
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 547,197	\$ 547,197	\$ 559,871

Training & Organization Development Departmental Goals

FY 2012 Progress Report

1. **Expand our two Authority learning labs that enable employees to take on-line classes in a private environment conducive to learning. Course content library available and completed by April 2012.**

Progress: Course content library has been obtained and is now available through our Learning Management System.

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #4: Ensure the highest level of employee satisfaction.

Fiscal Year: 2012. **Continue in 2013?** No.

2. **Design Customer Service Training by May 2012. Training delivered to 70% of Authority employees by December 2012.**

Progress: Customer service standards have been developed and the training is currently being designed.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Fiscal Year: 2012. **Continue in 2013?** Yes.

3. **Develop customer service training for our airport partners (airlines, concessions, taxis) and deliver by October 2012.**

Progress: We have written into contracts for new concessionaires and ground transportation providers that customer service training will be required. We are working with Access Control to incorporate the training into SIDA badge training so all new employees will be trained before starting work.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Fiscal Year: 2012. **Continue in 2013?** Yes.

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

Progress: Skills assessment is currently being designed and will be administered March–April 2012.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Fiscal Year: 2012. **Continue in 2013?** Yes.

Training & Organization Development Departmental Goals

FY 2013 – FY 2014 Goals

1. Increase customer satisfaction scores by providing internal customer service training to SDCRAA employees, educating all employees on our customer service standards by December 2012.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction.

2. Develop and deliver at least four new course offerings to address skill gaps identified through strategic engagement activities, Strategic Workforce Planning, and training needs assessment by June 2013.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy # 4: Ensure the highest level of employee satisfaction.

3. Design and coordinate activities to follow up on the results of the 2012 EOS pulse survey to increase the employee engagement index by 1 point by February 2013.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy # 4: Ensure the highest level of employee satisfaction.

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

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy # 4: Ensure the highest level of employee satisfaction.

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**DEVELOPMENT
DIVISION**

Development Division Overview

The Development Division is composed of three departments responsible for the following activities:

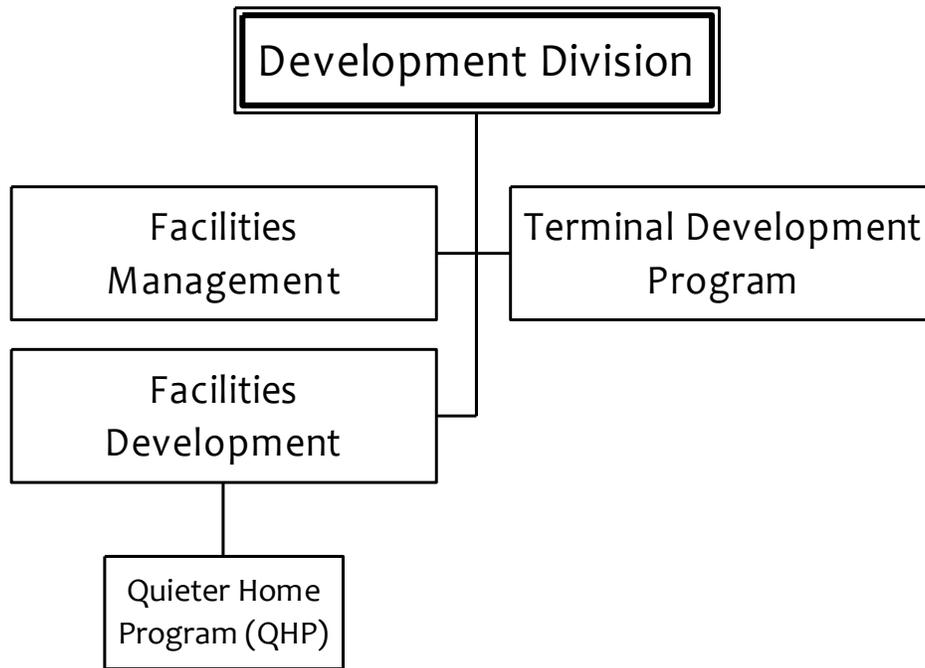
The **Facilities Development Department** executes the Airport's Capital Improvement Program (CIP) and major maintenance projects. It is also responsible for implementing noise attenuation improvements to qualified residential homes adjacent to the Airport under the Authority's **Quieter Home Program (QHP)**, a unit within the Facilities Development Department. QHP manages the Authority's community program to reduce interior noise level of residential homes determined to be within the 65+ decibel level contour map around San Diego International Airport homes. The Federal Aviation Administration has set a goal of reducing interior noise levels for San Diego residents by at least 5 decibels inside the home, providing a noticeable reduction in noise level.

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

The **Terminal Development Program Department** is responsible for implementing the Authority's Airport Development Plan, including the design and construction of terminal, airside, and landside improvements. Specifically, these improvements include:

- › 10 new jet gates at Terminal 2 West.
- › A dual-level roadway at Terminal 2, featuring an arrivals curb on level one and a departures curb on level two to relieve current curbside congestion and smart curb technology, which allows travelers to check in for their flight even before entering the terminal.
- › Additional parking for remain-over-night aircraft to eliminate the need for aircraft to taxi across the runway.
- › Taxiway improvements to enhance the flow of aircraft traffic.
- › New, expanded dining and shopping options.
- › More comfortable holding areas at the gates.
- › More and improved security checkpoints.
- › Public art integrated throughout the terminal expansion and outside areas.

Development Division Organizational Structure



Division Personnel Summary

	FY 2011 Authorized & Funded Positions	FY 2012 Authorized & Funded Positions	FY 2013 Transfers	FY 2013 New/ (Eliminated) Positions	FY 2013 (Frozen)/ Unfrozen Positions	FY 2013 Authorized & Funded Positions	FY 2014 New/ (Eliminated) Positions	FY 2014 (Frozen)/ Unfrozen Positions	FY 2014 Authorized & Funded Positions
Development									
Facilities Management	67	70	-	2	5	77	6	-	83
Terminal Development Program	12	12	-	(3)	-	9	-	-	9
Facilities Development	29	30	-	-	-	30	-	-	30
Quieter Home Program	10	7	-	-	-	7	-	-	7
Total	118	119	-	(1)	5	123	6	-	129
Authorized and Unfunded Positions	12	9	-	-	-	4	-	-	4
Total Authorized Positions	130	128	-	(1)	-	127	6	-	133

Development Division

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY 2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY 2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 8,020,898	\$ 8,462,750	\$ 8,902,400	\$ 8,385,776	\$ (76,974)	-0.9%	\$ (516,624)	-5.8%	\$ 9,121,472	\$ 735,697	8.8%
Premium Overtime	410,390	415,000	465,000	460,000	45,000	10.8%	(5,000)	-1.1%	460,000	-	0.0%
Employee Benefits	3,885,791	4,273,075	4,732,833	3,925,676	(347,399)	-8.1%	(807,157)	-17.1%	4,429,000	503,324	12.8%
Subtotal	12,317,078	13,150,825	14,100,233	12,771,452	(379,373)	-2.9%	(1,328,781)	-9.4%	14,010,472	1,239,021	9.7%
<i>Less: Capitalized Labor</i>	<i>(3,318,151)</i>	<i>(4,908,161)</i>	<i>(5,108,632)</i>	<i>(4,465,578)</i>	<i>442,584</i>	<i>-9.0%</i>	<i>643,055</i>	<i>-12.6%</i>	<i>(4,605,767)</i>	<i>(140,189)</i>	<i>3.1%</i>
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	<i>(880,093)</i>	<i>(718,409)</i>	<i>(757,809)</i>	<i>(708,766)</i>	<i>9,643</i>	<i>-1.3%</i>	<i>49,043</i>	<i>-6.5%</i>	<i>(748,501)</i>	<i>(39,735)</i>	<i>5.6%</i>
Total Personnel Expenses	8,118,834	7,524,255	8,233,791	7,597,108	72,854	1.0%	(636,683)	-7.7%	8,656,205	1,059,096	13.9%
Non-Personnel Expenses											
Contractual Services	1,257,410	1,107,576	1,021,178	826,183	(281,393)	-25.4%	(194,995)	-19.1%	1,042,709	216,526	26.2%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	5,956,620	6,265,000	7,235,000	7,350,000	1,085,000	17.3%	115,000	1.6%	8,145,000	795,000	10.8%
Maintenance	6,714,769	6,383,100	6,663,100	7,030,600	647,500	10.1%	367,500	5.5%	7,430,600	400,000	5.7%
Operating Equipment & Systems	51,984	22,729	20,845	26,048	3,319	14.6%	5,203	25.0%	25,119	(929)	-3.6%
Operating Supplies	86,367	61,618	67,917	76,187	14,569	23.6%	8,270	12.2%	73,366	(2,822)	-3.7%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	83,714	94,374	98,543	107,506	13,132	13.9%	8,963	9.1%	113,249	5,743	5.3%
Business Development	36,299	52,466	56,966	61,241	8,775	16.7%	4,275	7.5%	56,891	(4,350)	-7.1%
Equipment Rentals & Repairs	79,117	57,758	58,083	41,395	(16,363)	-28.3%	(16,688)	-28.7%	45,248	3,853	9.3%
Total Non-Personnel Expenses	14,266,281	14,044,621	15,221,631	15,519,159	1,474,538	10.5%	297,528	2.0%	16,932,181	1,413,021	9.1%
Total Operating Expenses	\$ 22,385,115	\$ 21,568,876	\$ 23,455,423	\$ 23,116,268	\$ 1,547,392	7.2%	\$ (339,155)	-1.4%	\$ 25,588,386	\$ 2,472,118	10.7%
Non-Operating Expenses:											
Joint Studies/Sound Attenuation	17,899,686	15,264,946	15,264,946	15,181,596	(83,350)	-0.5%	(83,350)	-0.5%	15,182,096	500	0.0%
Total Non-Operating Expenses	17,899,686	15,264,946	15,264,946	15,181,596	(83,350)	-0.5%	(83,350)	-0.5%	15,182,096	500	0.0%
Total Expenses	40,284,801	36,833,822	38,720,369	38,297,864	1,464,042	4.0%	(422,505)	-1.1%	40,770,482	2,472,618	6.5%
Equipment Outlay	292,873	120,000	120,000	220,000	100,000	83.3%	100,000	83.3%	110,000	(110,000)	-50.0%
Total Authority Expenses incl Equip Outlay	\$ 40,577,674	\$ 36,953,822	\$ 38,840,369	\$ 38,517,864	\$ 1,564,042	4.2%	\$ (322,505)	-0.8%	\$ 40,880,482	\$ 2,362,618	6.1%

Development Division

Major Drivers of FY 2013 Proposed Budget Increase / (Decrease)

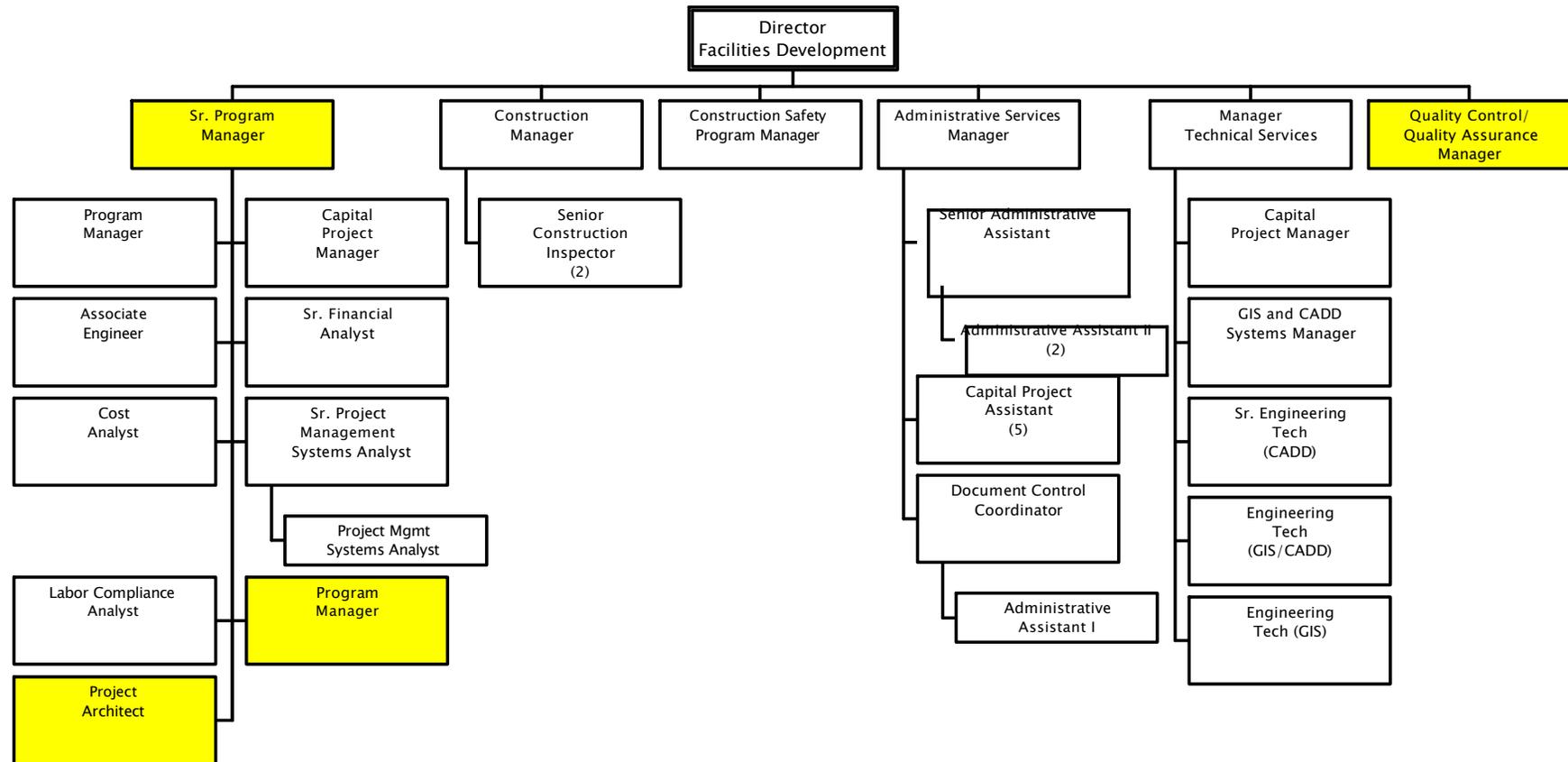
	Inc/(Dec) FY13 vs FY12 Budget	Inc/(Dec) FY13 vs FY13 Conceptual
FY 2012 Budget / FY 2013 Conceptual	\$ 36,953,822	\$ 38,840,369
Personnel costs		
Change in capitalized labor costs	452,227	692,098
5 New & 2 Unfrozen positions (salaries, benefits & employer taxes)	296,002	-
Salary adjustments and merit increase	105,674	(195,756)
Burden (benefits & employer taxes) (decrease) for current staff	(335,516)	(671,126)
3 Eliminated positions (salaries, benefits & employer taxes)	(445,533)	(461,899)
Total Increase / (Decrease) in personnel costs	72,854	(636,683)
Increase in utilities	1,085,000	115,000
Increase in annual repair and service contracts	704,500	468,000
(Decrease) in Facilities Development consultant costs	(251,393)	(139,995)
(Decrease) in major maintenance project costs	(275,000)	(275,000)
Other, net	228,081	146,173
Total Increase in non-personnel costs	1,491,188	314,178
Total Increase / (Decrease)	1,564,042	(322,505)
FY 2013 Budget	\$ 38,517,864	\$ 38,517,864

Development Division

Major Drivers of FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY14 Conceptual vs FY13
FY 2013 Budget	\$ 38,517,864
Personnel costs	
Salary adjustments and merit increase	553,697
Burden (benefits & employer taxes) increase for current staff	416,507
6 New positions (salaries, benefits & employer taxes)	268,817
Change in capitalized labor costs	(179,924)
Total Increase in personnel costs	1,059,096
Increase in utilities	795,000
Increase in annual repair and service contracts	487,000
Increase in Facilities Development consultant costs	213,526
Other, net	(192,004)
Total Increase in non-personnel costs	1,303,521
Total Increase	2,362,618
FY 2014 Conceptual Budget	\$ 40,880,482

Facilities Development FY 2013 – FY 2014 Organizational Structure



* Unfunded positions shown in yellow

Facilities Development

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 2,230,466	\$ 2,255,444	\$ 2,322,358	\$ 2,300,746	\$ 45,303	2.0%	\$ (21,612)	-0.9%	\$ 2,369,020	\$ 68,274	3.0%
Premium Overtime	8,969	10,000	10,000	10,000	0	0.0%	-	0.0%	10,000	-	0.0%
Employee Benefits	1,006,405	1,044,537	1,120,216	963,334	(81,203)	-7.8%	(156,882)	-14.0%	1,032,241	68,907	7.2%
Subtotal	3,245,841	3,309,981	3,452,575	3,274,080	(35,900)	-1.1%	(178,494)	-5.2%	3,411,261	137,180	4.2%
Less: Capitalized Labor	(1,996,332)	(2,519,456)	(2,602,695)	(2,760,095)	(240,639)	9.6%	(157,400)	6.0%	(2,849,238)	(89,142)	3.2%
Less: QHP - Labor/Burden/Labor Overhead	(63,905)	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	1,185,604	790,524	849,879	513,985	(276,539)	-35.0%	(335,894)	-39.5%	562,023	48,038	9.3%
Non-Personnel Expenses											
Contractual Services	1,009,282	1,021,576	924,178	763,183	(258,393)	-25.3%	(160,995)	-17.4%	976,709	213,526	28.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	271,936	400,000	400,000	200,000	(200,000)	-50.0%	(200,000)	-50.0%	110,000	(90,000)	-45.0%
Operating Equipment & Systems	12,145	8,729	6,845	5,548	(3,181)	-36.4%	(1,297)	-19.0%	6,619	1,071	19.3%
Operating Supplies	14,747	8,118	9,417	5,137	(2,981)	-36.7%	(4,280)	-45.4%	5,516	378	7.4%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	8,252	5,459	6,628	3,701	(1,758)	-32.2%	(2,927)	-44.2%	4,944	1,243	33.6%
Business Development	12,705	21,120	25,620	23,620	2,500	11.8%	(2,000)	-7.8%	23,620	-	0.0%
Equipment Rentals & Repairs	69,295	46,508	46,833	30,145	(16,363)	-35.2%	(16,688)	-35.6%	33,998	3,853	12.8%
Total Non-Personnel Expenses	1,398,362	1,511,510	1,419,520	1,031,333	(480,177)	-31.8%	(388,187)	-27.3%	1,161,405	130,071	12.6%
Total Operating Expenses	\$ 2,583,966	\$ 2,302,034	\$ 2,269,400	\$ 1,545,319	\$ (756,716)	-32.9%	\$ (724,081)	-31.9%	\$ 1,723,428	\$ 178,109	11.5%
Non-Operating Expenses:											
Joint Studies/Sound Attenuation	129,191	275,000	275,000	200,000	(75,000)	-27.3%	(75,000)	-27.3%	200,000	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Other Non-Operating Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	129,191	275,000	275,000	200,000	(75,000)	-27.3%	(75,000)	-27.3%	200,000	-	0.0%
Total Expenses	2,713,157	2,577,034	2,544,400	1,745,319	(831,716)	-32.3%	(799,081)	-31.4%	1,923,428	178,109	10.2%
Equipment Outlay	19,122	20,000	20,000	20,000	-	0.0%	-	0.0%	20,000	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 2,732,279	\$ 2,597,034	\$ 2,564,400	\$ 1,765,319	\$ (831,716)	-32.0%	\$ (799,081)	-31.2%	\$ 1,943,428	\$ 178,109	10.1%

Facilities Development

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12 Budget	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 Budget / FY 2013 Conceptual / FY 2013 Budget	\$ 2,597,035	\$ 2,564,400	\$ 1,765,319
Personnel costs			
Salary adjustments and merit increase	45,303	(21,612)	68,274
Burden (benefits & employer taxes) (decrease) / increase for current staff	(81,203)	(156,882)	68,907
Change in capitalized labor costs	(240,639)	(157,400)	(89,142)
Total Increase / (Decrease) in personnel costs	(276,539)	(335,894)	48,038
(Decrease) in Joint Studies costs	(75,000)	(75,000)	-
(Decrease) in major maintenance costs	(200,000)	(200,000)	(90,000)
(Decrease) / Increase in Facilities Development consultant costs	(251,393)	(139,995)	213,526
Other, net	(28,784)	(48,192)	6,546
Total (Decrease) / Increase in non-personnel costs	(555,178)	(463,187)	130,071
Total Increase / (Decrease)	(831,716)	(799,081)	178,109
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 1,765,319	\$ 1,765,319	\$ 1,943,428

Facilities Development Departmental Goals

FY 2012 Progress Report

1. Dedicate 40 hours per employee to staff development.

Progress: On Target. FDD has spent 48% of Seminar & Training budget for FY 2012.

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #4: Ensure the highest level of employee satisfaction.

Fiscal Year: 2012. **Continue in 2013?** Yes.

2. By June 30, 2012, FDD will provide a minimum of six program management training sessions to 40% of staff within the Facilities Development Department to ensure consistent and uniform process for all Capital and Major Maintenance Projects. The focus will be on Design Bid Build and Alternative Project Delivery methods and 40% attendance.

Progress: On Target. Three program management training to 40% of FDD staff has been conducted.

Sustainability Goal: Operational Excellence; Social Responsibility.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #4: Ensure the highest level of employee satisfaction.

Fiscal Year: 2012. **Continue in 2013?** Yes.

3. By June 30, 2012, provide a minimum of six training sessions to educate FDD staff regarding requirements and benefits of utilizing Sustainability and LEED criteria for modifications to existing facilities.

Progress: On Target. More than six LEED staff training sessions were conducted last year.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** No.

4. **By June 30, 2012, we will implement quarterly inspections on airport grounds using a formal pavement management process. This pavement management process will guide FDD staff in allocating funds for pavement areas for repairs or reconstruction. This will result in improving cash management and improve labor prioritization.**

Progress: Exceeded Target. Pavement Management Program was completed last year.

Sustainability Goal: Operational Excellence; Social Responsibility.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes. (Use Pavement Management Program to determine pavement areas requiring repair.

5. **By June 30, 2012, we will implement ePM for all new FDD projects and the associated information. The projects teams, including external consultants/contractors, will be able to increase collaboration. The system will provide avenues to upload project documentation online. This innovation will decrease time, postage, and paper documentation.**

Progress: Not on target. Because of off-site hosting service, maintenance issues with ePM seem to be surmounting leaves FDD with re-evaluating other resources to provide reliable service.

Sustainability Goal: Operational Excellence; Social Responsibility.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes.

Facilities Development Departmental Goals

FY 2013 – FY 2014 Goals

1. In order to ensure consistent and uniform processes to implement Capital (CIP) and Major Maintenance Projects, Facilities Development (FDD) will provide a minimum of 6 program management training sessions. At least 60% of staff will attend these training sessions and closely monitor staff to ensure at least 80% are following the set processes. With the new program management consultants coming on board, this training will provide new staff the necessary tools to FDD's processes to implement the CIP Program. By December 31, 2012, FDD will conduct a minimum of 3 training sessions, and by June 30, 2013, FDD will have completed a minimum of 6 program management training sessions.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #4: Ensure the highest level of employee satisfaction.

2. By June 30, 2013, finalize overall ConRAC delivery schedule for program management. Meet with the ConRAC project team once each month over the next 12 months to ensure a consistent and reportable approach. Meetings will be documented and minutes distributed to project teams to address progress and associated risk with project development.

Sustainability Goal: Economic Viability.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority.

3. By June 30, 2013, import applicable internal GIS data layers into a GIS format that is compliant with A/C 150/5300-18B. Upon initial review it has been determined that there are 21 layers within the existing GIS database that will need to be imported into the new FAA compliant GIS format. By September 30, 2012, the FAA requirements will be fully researched and the existing database will be analyzed to determine the method of import into the new format. By March 30, 2013, the correct data layers will be imported. By June 13, 2013, quality control on the data transfer will be completed.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency.

4. Dedicate 40 hours per employee to staff development.

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #4: Ensure the highest level of employee satisfaction.

5. **By June 30, 2013, FDD will provide a minimum of six program management training sessions to 40% of staff within the Facilities Development Department to ensure consistent and uniform process for all Capital and Major Maintenance Projects. The focus will be on Design Bid Build and Alternative Project Delivery methods and 40% attendance.**

Sustainability Goal: Operational Excellence; Social Responsibility.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #4: Ensure the highest level of employee satisfaction.

6. **By June 30, 2012, we will implement quarterly inspections on airport grounds using a formal pavement management process. The Pavement Management Program will guide FDD staff in allocating funds for pavement areas for repairs or reconstruction. This will result in improving cash management and improve labor prioritization.**

Sustainability Goal: Operational Excellence; Social Responsibility.

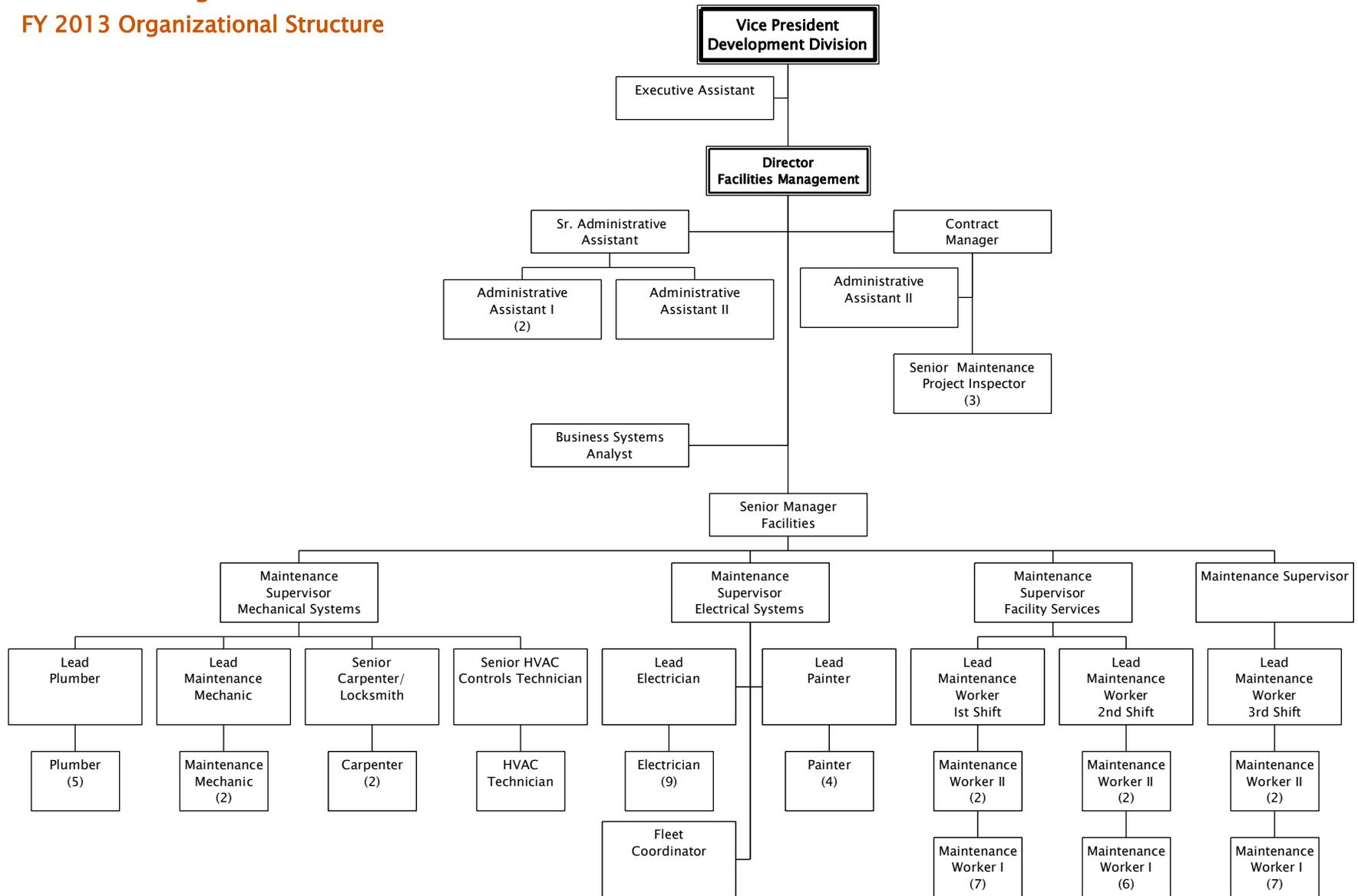
Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

7. **By June 30, 2013, we will implement ePM for all new FDD projects and the associated information. The projects teams, including external consultants/contractors, will be able to increase collaboration. The system will provide avenues to upload project documentation online. This innovation will decrease time, postage, and paper documentation.**

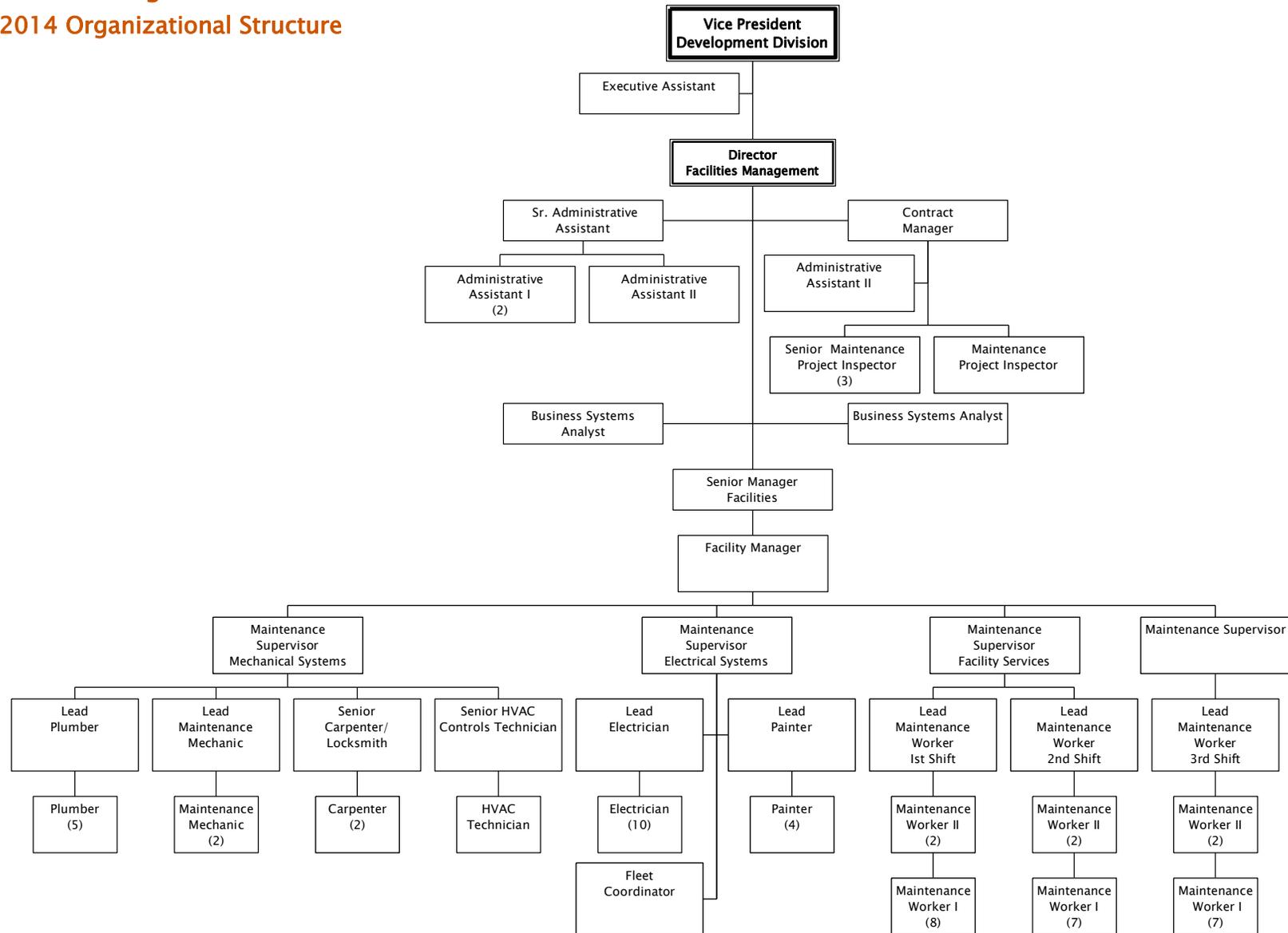
Sustainability Goal: Operational Excellence; Social Responsibility.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

Facilities Management FY 2013 Organizational Structure



Facilities Management FY 2014 Organizational Structure



Facilities Management

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 4,518,561	\$ 4,621,750	\$ 4,946,919	\$ 4,779,348	\$ 157,598	3.4%	\$ (167,570)	-3.4%	\$ 5,407,601	\$ 628,253	13.1%
Premium Overtime	400,522	400,000	450,000	450,000	50,000	12.5%	-	0.0%	450,000	-	0.0%
Employee Benefits	2,301,679	2,502,491	2,829,604	2,400,210	(102,281)	-4.1%	(429,394)	-15.2%	2,785,199	384,989	16.0%
Subtotal	7,220,762	7,524,241	8,226,522	7,629,558	105,318	1.4%	(596,964)	-7.3%	8,642,800	1,013,242	13.3%
Less: Capitalized Labor	(287,531)	(800,510)	(852,610)	(550,125)	250,386	-31.3%	302,485	-35.5%	(552,308)	(2,183)	0.4%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	6,933,231	6,723,730	7,373,912	7,079,433	355,703	5.3%	(294,479)	-4.0%	8,090,492	1,011,059	14.3%
Non-Personnel Expenses											
Contractual Services	235,479	86,000	97,000	63,000	(23,000)	-26.7%	(34,000)	-35.1%	66,000	3,000	4.8%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	5,956,620	6,265,000	7,235,000	7,350,000	1,085,000	17.3%	115,000	1.6%	8,145,000	795,000	10.8%
Maintenance	6,442,834	5,983,100	6,263,100	6,830,600	847,500	14.2%	567,500	9.1%	7,320,600	490,000	7.2%
Operating Equipment & Systems	36,304	14,000	14,000	17,500	3,500	25.0%	3,500	25.0%	15,500	(2,000)	-11.4%
Operating Supplies	61,353	53,500	58,500	66,050	12,550	23.5%	7,550	12.9%	62,850	(3,200)	-4.8%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	56,745	60,500	63,500	75,800	15,300	25.3%	12,300	19.4%	80,300	4,500	5.9%
Business Development	5,332	11,600	11,600	17,100	5,500	47.4%	5,500	47.4%	13,250	(3,850)	-22.5%
Equipment Rentals & Repairs	9,411	11,250	11,250	11,250	-	0.0%	-	0.0%	11,250	-	0.0%
Total Non-Personnel Expenses	12,804,078	12,484,950	13,753,950	14,431,300	1,946,350	15.6%	677,350	4.9%	15,714,750	1,283,450	8.9%
Total Operating Expenses	\$ 19,737,309	\$ 19,208,680	\$ 21,127,862	\$ 21,510,733	\$ 2,302,053	12.0%	\$ 382,871	1.8%	\$ 23,805,242	\$ 2,294,509	10.7%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	19,737,309	19,208,680	21,127,862	21,510,733	2,302,053	12.0%	382,871	1.8%	23,805,242	2,294,509	10.7%
Equipment Outlay	100,137	100,000	100,000	200,000	100,000	100.0%	100,000	100.0%	90,000	(110,000)	-55.0%
Total Authority Expenses incl Equip Outlay	\$ 19,837,445	\$ 19,308,680	\$ 21,227,862	\$ 21,710,733	\$ 2,402,053	12.4%	\$ 482,871	2.3%	\$ 23,895,242	\$ 2,184,509	10.1%

Facilities Management

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12 Budget	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 Budget / FY 2013 Conceptual / FY 2013 Budget	\$ 19,308,680	\$ 21,227,862	\$ 21,710,733
Personnel costs			
5 New & 2 Unfrozen positions in FY13 and 6 New positions in FY14 (salaries, benefits & employer taxes)	296,002	-	268,817
Changes in Capitialized labor costs	250,386	302,485	(2,183)
Salary adjustments and merit increase	28,870	(167,570)	446,253
Burden (benefits & employer taxes) (decrease) / increase for current staff	(219,554)	(429,394)	298,172
Total Increase / (Decrease) in personnel costs	355,703	(294,479)	1,011,059
Increase in utilities	1,085,000	115,000	795,000
Increase in annual repair and service contracts	704,500	468,000	487,000
Increase in facility supply costs	143,000	99,500	53,000
Increase / (Decrease) in equipment outlay costs	100,000	100,000	(110,000)
Other, net	13,850	(5,150)	(51,550)
Total Increase in non-personnel costs	2,046,350	777,350	1,173,450
Total Increase	2,402,053	482,871	2,184,509
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 21,710,733	\$ 21,710,733	\$ 23,895,242

Facilities Management Departmental Goals

FY 2012 Progress Report

1. **Continue the implementation of the Life Cycle Asset Management Program throughout the Airport. Priorities for 2012 will be Best Practice review and implementation, operations manual, staff allocation, long-term capital equipment renewal program, and further retro-commissioning efforts for ancillary buildings.**

Progress: Retro-commissioning program has concluded the initial phase of all primary buildings and facilities. Long term staffing analysis and allocation up through FY 2015 are concluded. Capital equipment overhaul and renewal process has been established and portions have been enacted starting with the passenger boarding bridges.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** Yes.

2. **By June 2012, develop and implement an operational procedure that will identify existing facility issues and ensure that they are incorporated into development programs. Likewise, they will also identify upcoming impacts to facilities that will allow for more closely coordinated projects. Overall procedure to incorporate a facility condition index system to indicate the current facility condition and allow for projections of condition based on projects.**

Progress: Initial facility condition index has been established. Facility criteria documents have been established and incorporated into the design and construction phase of all projects.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** Yes.

3. **Establish a professional development program for the Maintenance Supervisors and Lead Technicians to encompass finance, procurement, airport operations, and other aspects of the aviation industry. Program began in 2010 and continues through to June 2012. Elements will include: management team building, supervisory leadership and program management development, lead tradesmen skill development in the areas of job planning, job estimating, and crew leadership.**

Progress: Program has been established and initial phases have been enacted with the assistance of Training and OD.

Sustainability Goal: Operational Excellence, Natural Resource Conservation.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** Yes.

4. Reduce water consumption by 5% from 2010 baseline by June 2012.

Progress: 17% reduction for FY 2011.

Sustainability Goal: Operational Excellence, Natural Resource Conservation.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** Yes.

5. Reduce overall energy usage by 3% from 2010 baseline by June 2012.

Progress: Program has been hugely successful; overall savings to date is 15% for FY 2011

Sustainability Goal: Operational Excellence, Natural Resources Conservation.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** Yes.

Facilities Management Departmental Goals

FY 2013 – FY 2014 Goals

1. Continue the implementation of the Life Cycle Asset Management Program. Priorities for 2013 will be:

- › By June 2013 establish listing of renewable systems and equipment and develop 10-year operational plan for renewal and overhaul.
- › By December 2012 complete retro-Commissioning of Commuter Terminal.
- › Reduce overall energy usage by 3% from 2010 baseline by June 2013
- › Reduce water consumption by 5% from 2010 baseline by June 2013.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

2. By June 2013, develop and implement a fully operational Computerized Maintenance Management System.

Sustainability Goal: Operational Excellence.

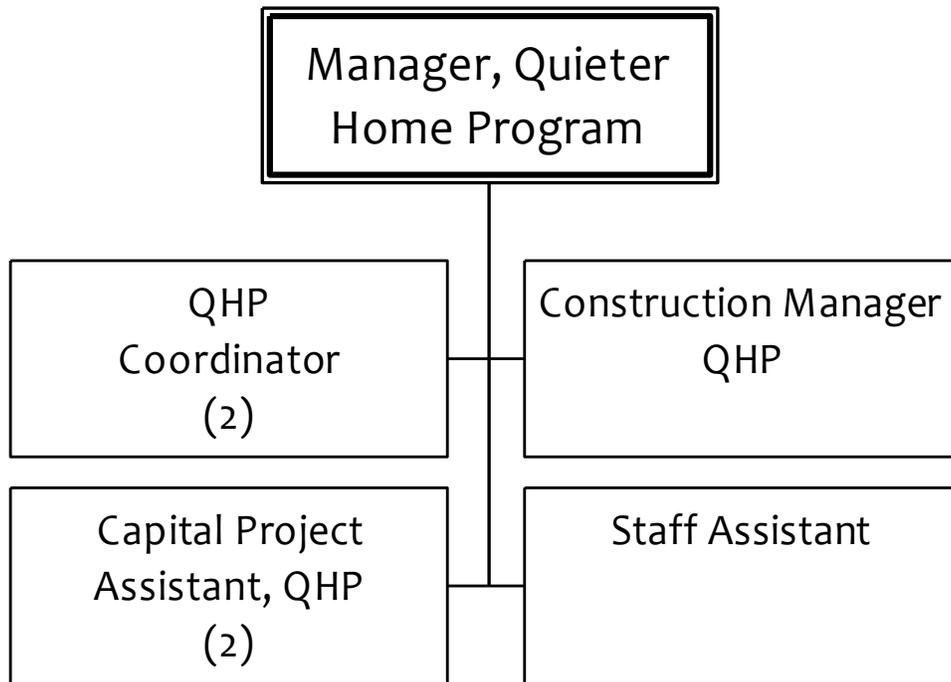
Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

3. By June 2013 design and implement a fully operational Building Management System to support the activation and operation of the Green Build Project.

Sustainability Goal: Operational Excellence, Natural Resource Conservation.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Quieter Home Program
FY 2013 – FY 2014 Organizational Structure



Quieter Home Program

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 555,146	\$ 472,738	\$ 486,920	\$ 486,920	\$ 14,182	3.0%	\$ -	0.0%	\$ 501,528	\$ 14,608	3.0%
Premium Overtime	386	5,000	5,000	-	(5,000)	-100.0%	(5,000)	-100.0%	-	-	0.0%
Employee Benefits	260,657	240,671	265,889	221,846	(18,826)	-7.8%	(44,043)	-16.6%	246,973	25,127	11.3%
Subtotal	816,188	718,410	757,809	708,766	(9,644)	-1.3%	(49,043)	-6.5%	748,501	39,735	5.6%
Less: Capitalized Labor	0	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	(816,188)	(718,409)	(757,809)	(708,766)	9,643	-1.3%	49,043	-6.5%	(748,501)	(39,735)	5.6%
Total Personnel Expenses	0	0	0	0	(0)	-100.0%	-	0.0%	0	-	0.0%
Non-Personnel Expenses											
Contractual Services	179	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	3,536	-	-	3,000	3,000	0.0%	3,000	0.0%	3,000	-	0.0%
Operating Supplies	9,326	-	-	5,000	5,000	0.0%	5,000	0.0%	5,000	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	5,528	5,550	5,550	5,400	(150)	-2.7%	(150)	-2.7%	5,400	-	0.0%
Business Development	5,355	4,504	4,504	5,004	500	11.1%	500	11.1%	4,504	(500)	-10.0%
Equipment Rentals & Repairs	367	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Non-Personnel Expenses	24,290	10,054	10,054	18,404	8,350	83.1%	8,350	83.1%	17,904	(500)	-2.7%
Total Operating Expenses	\$ 24,290	\$ 10,054	\$ 10,054	\$ 18,404	\$ 8,350	83.0%	\$ 8,350	83.1%	\$ 17,904	\$ (500)	-2.7%
Non-Operating Expenses:											
Joint Studies/Sound Attenuation	17,770,495	14,989,946	14,989,946	14,981,596	(8,350)	-0.1%	(8,350)	-0.1%	14,982,096	500	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Other Non-Operating Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	17,770,495	14,989,946	14,989,946	14,981,596	(8,350)	-0.1%	(8,350)	-0.1%	14,982,096	500	0.0%
Total Expenses	17,794,786	15,000,000	15,000,000	15,000,000	(0)	0.0%	-	0.0%	15,000,000	-	0.0%
Equipment Outlay	173,613	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 17,968,399	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ (0)	0.0%	\$ -	0.0%	\$ 15,000,000	\$ -	0.0%

Quieter Homes Program

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12 Budget	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 Budget / FY 2013 Conceptual / FY 2013 Budget	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000
Personnel costs			
Capitalized labor / QHP - labor, burden, labor overhead increase/ (decrease)	9,643	49,043	(39,735)
Salary adjustments and merit increase	9,182	(5,000)	14,608
Burden (benefits & employer taxes) (decrease) / increase for current staff	(18,826)	(44,043)	25,127
Total Increase / (Decrease) in personnel costs	-	-	-
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000

Quieter Home Program Departmental Goals

FY 2012 Progress Report

1. **Develop a plan that creates a residential sound insulation program that other U.S. airports view as a benchmark.**

Progress: The Quieter Home Program Manager was selected to represent the Airport Authority on a Transportation Research Board Airport Cooperative Research Panel on Residential Sound Insulation. Manager also spoke at a national conference about the new electronic software programs implemented (see Goal #3).

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** No.

2. **By June 30 2012, develop and maintain partnering relationships with the stakeholders in the Quieter Home Program by conducting nine (9) interactive tours of the Program offices and field activities.**

Progress: During FY 2012, Staff provided tours for five general contractors interested in bidding in the Program, two tours for KIPP Adalente School students, two High Tech High interns, a new Board Member, as well as representatives from Portland International Airport and Atlanta–Hartsfield International Airport.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes.

3. **By June 30, 2012, we will improve processes and procedures to continue utilization of new electronic software programs (Note Vault, Quiet Link, ePM, Docushare) to help streamline and automate the Quieter Home Program's efforts by reducing paperwork and increasing productivity.**

Progress: Staff continues to utilize electronic processes to help automate efforts, making processes more efficient and effective. During FY 2012, the Program implemented two new electronic processes in closeout and punchlist procedures. This reduced our paper consumption and overall labor hours that were normally associated with these tasks.

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes.

4. **By June 30, 2012, provide sound insulation treatments to at least 300 homes in FY 2012 by identifying opportunities to lower costs and increase productivity.**

Progress: During FY 2012, the Program insulated 399 dwellings. These dwellings included insulation of many multi-family condominium units as well as single family units. Another milestone included completion of the 2,000th home in November 2011.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes.

Quieter Home Program Departmental Goals

FY 2013 – FY 2014 Goals

1. **By June 30, 2013, develop and maintain partnering relationships with the stakeholders in the Quieter Home Program by conducting nine (9) interactive tours of the Program offices and field activities.**

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

2. **By June 30, 2013, we will improve processes and procedures to continue utilization of new electronic software programs (Note Vault, Quiet Link, ePM, DocuShare) to help streamline and automate the Quieter Home Program's efforts by reducing paperwork and increasing productivity.**

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

3. **By June 30, 2013, provide sound insulation treatments to at least 300 homes by identifying opportunities to lower costs and increase productivity.**

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

4. **By June 30, 2013, incorporate different contracting and/or construction delivery methods to increase opportunities to utilize small, local and minority businesses and increase contractor involvement.**

Sustainability Goal: Operational Excellence, Social Responsibility.

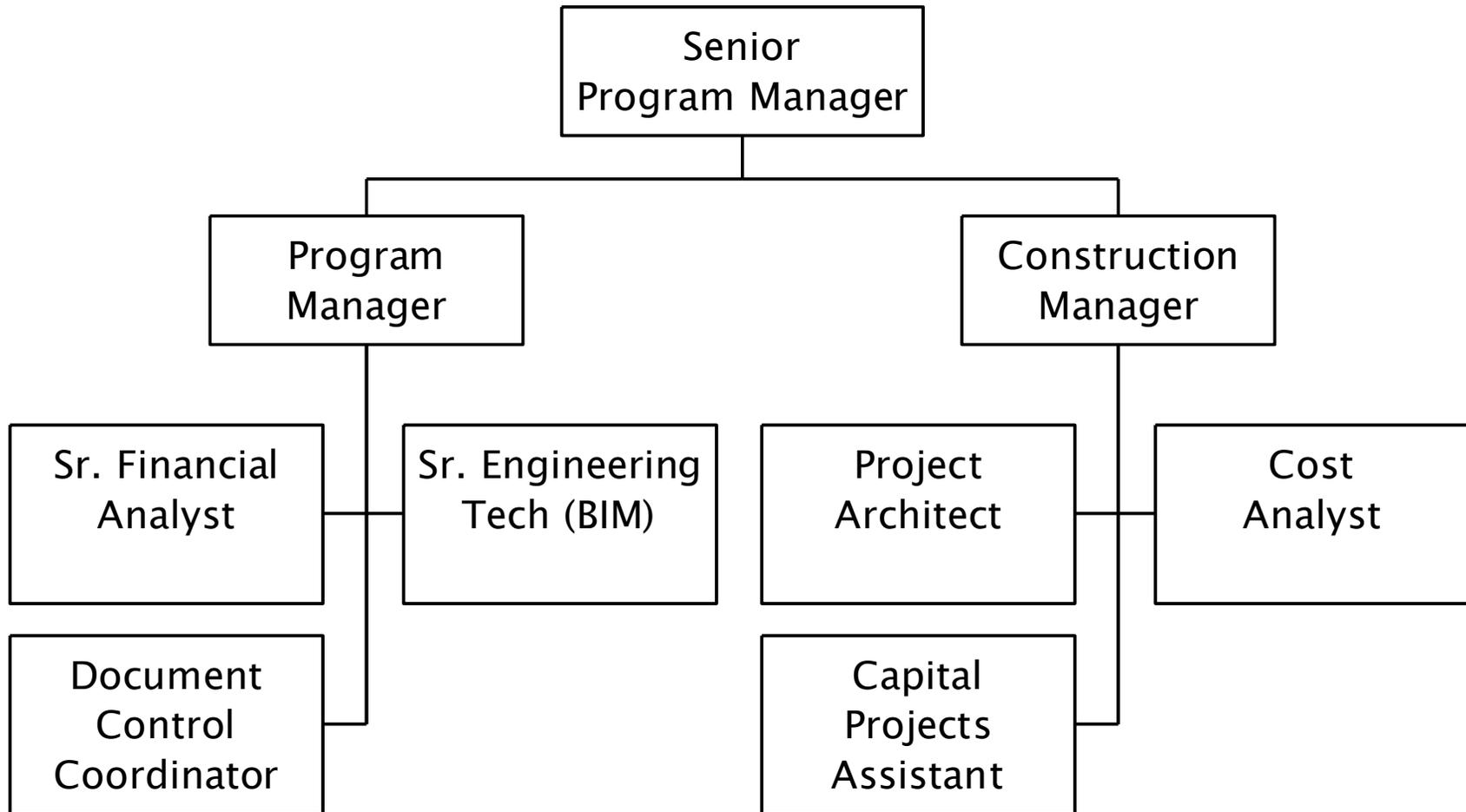
Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

5. **On an annual basis, continue the involvement of the Team Building Team, made up of Program staff, to organize monthly team building events to foster inter-office relationships and prevent staff burn-out.**

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #4: Ensure the highest level of employee satisfaction.

Terminal Development Program
FY 2013 – FY 2014 Organizational Structure



Terminal Development Program

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 716,725	\$ 1,112,818	\$ 1,146,203	\$ 818,761	\$ (294,057)	-26.4%	\$ (327,442)	-28.6%	\$ 843,323	\$ 24,563	3.0%
Premium Overtime	512	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	317,050	485,377	517,124	340,287	(145,090)	-29.9%	(176,837)	-34.2%	364,588	24,301	7.1%
Subtotal	1,034,287	1,598,195	1,663,327	1,159,048	(439,147)	-27.5%	(504,279)	-30.3%	1,207,911	48,863	4.2%
Less: Capitalized Labor	(1,034,287)	(1,588,195)	(1,653,327)	(1,155,358)	432,837	-27.3%	497,969	-30.1%	(1,204,221)	(48,863)	4.2%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	(0)	10,000	10,000	3,690	(6,310)	-63.1%	(6,310)	-63.1%	3,690	(0)	0.0%
Non-Personnel Expenses											
Contractual Services	12,470	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Supplies	940	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	13,190	22,865	22,865	22,605	(260)	-1.1%	(260)	-1.1%	22,605	-	0.0%
Business Development	12,907	15,242	15,242	15,517	275	1.8%	275	1.8%	15,517	-	0.0%
Equipment Rentals & Repairs	44	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Non-Personnel Expenses	39,550	38,107	38,107	38,122	15	0.0%	15	0.0%	38,122	-	0.0%
Total Operating Expenses	\$ 39,550	\$ 48,107	\$ 48,107	\$ 41,812	\$ (6,295)	-13.1%	\$ (6,295)	-13.1%	\$ 41,812	\$ (0)	0.0%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	39,550	48,107	48,107	41,812	(6,295)	-13.1%	(6,295)	-13.1%	41,812	(0)	0.0%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 39,550	\$ 48,107	\$ 48,107	\$ 41,812	\$ (6,295)	-13.1%	\$ (6,295)	-13.1%	\$ 41,812	\$ (0)	0.0%

Terminal Development Program

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12 Budget	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 Budget / FY 2013 Conceptual / FY 2013 Budget	\$ 48,107	\$ 48,107	\$ 41,812
Personnel costs			
Change in capitalized labor costs	432,837	497,969	(48,863)
Salary adjustments and merit increase	22,320	(1,573)	24,563
Burden (benefits & employer taxes) (decrease) / increase for current staff	(15,933)	(40,807)	24,301
3 eliminated positions (salaries, benefits & employer taxes)	(445,534)	(461,899)	-
Total (Decrease) in personnel costs	(6,310)	(6,310)	-
Other, net	15	15	-
Total Increase in non-personnel costs	15	15	-
Total (Decrease)	(6,295)	(6,295)	-
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 41,812	\$ 41,812	\$ 41,812

Terminal Development Program Departmental Goals

FY 2012 Progress Report

1. **Enhance stakeholders' satisfaction with TDP by continuing to engage the stakeholders during the design, construction and activation of the Green Build. To support this, we will continue with weekly Green Build Activation Team meetings, quarterly board (TDP Committee) updates; provide budget and schedule updates to the Executive Steering Committee (ESC) and continue with the TDP satisfaction survey.**

Progress:

- TDP has conducted approximately 10 Green Build Activation Team meetings which are held every Friday, and 3 TDP Committee quarterly board meetings.
- A Budget and Construction Update Report is released on a monthly basis. This year, 7 reports have been circulated.
- Approximately 7 Green Build Construction tours were provided since June 2011.
- We will continue with communication improvements based on the 2011 TDP's survey results.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Fiscal Year: 2012. **Continue during 2013?** Yes.

2. **Develop the Green Build Activation Plan. The Activation Plan will be derived from meetings with stakeholders to gain their input and support. The goal will be to create a plan for the start-up/commissioning of key program elements while training key staff.**

Progress:

- Activation teams have been formed (internal/external airlines and TSA). 10 Meetings were held this fiscal year and TDP is finalizing stakeholder input and preparing the Activation Plan.
- Weekly Commissioning meetings have been held with C1 and C2 commissioning representatives and TDP/FMD.
- For Commissioning of Special Systems we have activated the Logistics, Training and Test (LTT) facility for the Program (located in Rancho Bernardo).

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

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue during 2013?** Yes.

3. Facilitate the implementation of the Green Build Activation Plan. Once the plan is developed, the GBOC will be responsible for working with TDP to implement the plan.

Progress: We have started the development of the Activation Plan by accomplishing several months of pre-planning in preparation for the kick-off meeting with the stakeholders scheduled for February 3rd. Activation planning and execution will extend into FY 2013 through FY 2014.

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

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Fiscal Year: 2012. **Continue during 2013?** Yes.

4. Provide opportunities for TDP staff to participate with the Green Build Activation Plan.

Progress: Key TDP staff have been involved with pre-planning activities for creating the Activation Plan. We are developing the Activation Plan to include TDP staff participation (from a cross-section of the department) in a variety of activation activities.

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

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Fiscal Year: 2012. **Continue during 2013?** Yes.

Terminal Development Program

Departmental Goals

FY 2013 – FY 2014 Goals

1. Maintain the 1,350 short-term temporary parking spaces that existed as of April 18, 2011 and work with the Landside Contractor to create a plan to open 700 short-term parking spaces in front of T2, as measured by opening sooner than the scheduled October 2012 date.

Sustainability Goal: Economic Viability.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #1: Enhance the financial position of the airport authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective, and efficient manner.

2. Partner with ACB to create a temporary concessions program (by December 2012) to maintain the existing concession revenue during Green Build construction (T2W), as measured by total sales per EPAX .

Sustainability Goal: Economic Viability.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #1: Enhance the financial position of the airport authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective, and efficient manner.

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

- › Over the course of the Green Build, proactively manage scope creep by limiting additional scope to 30% below the total Program Reserve Fund.
- › Reduce the amount of additional bonds that the Airport will need to sell in 2012 by rigorously monitoring and managing the use of contract contingency funds so the two design-build contracts close out at 5% below the guaranteed maximum prices (GMP).
- › Maintain a lean, cost effective staff that will result in a \$1.0 million staff budget end-of-program savings.

Sustainability Goal: Economic Viability.

Authority Strategy: Strategy #1: Enhance the financial position of the airport authority. Strategy #5: Be a trusted and highly responsive regional agency.

4. Throughout FY 2012, forecast a final completion date for the Green Build program within or better than the “GMP Baseline” schedule, as measured by providing a quarterly forecast at completion report that demonstrates the Green Build program is trending “on-schedule” for the “GMP Baseline” to open all areas of the new T2W Expansion program to the traveling public by August 2013. TDP will work with the design-builder to successfully implement a plan that would permit the phased opening of the T2W Expansion program so key elements of work, e.g. the security checkpoint, baggage screening/sortation and the ticket counters, are opened to the public between April 15, 2013 and August 1, 2013.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective, and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

5. Ensure Robust Communications for TDP (internal/external) and enhance the community's (public, professional, and tenants) understanding of the program, by, as measured by completing the following activities:
 - › Quarterly reports and briefings to the Board and Senior Management.
 - › As needed briefings to Stakeholders, Marketing, and Public Relations.
 - › Monthly Construction Updates.
 - › Quarterly Program Update [Aviation Matters].
 - › Weekly Jobsite tours for internal/external Stakeholders.
 - › Bi-Monthly TDP “All-Hands” Meeting with staff.
 - › Activation planning and engagement for TDP staff.
 - › Develop staff to help publically present Green Build updates.

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #4: Ensure the highest level of employee satisfaction.

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FINANCE DIVISION

Finance Division Overview

The Finance Division's four departments are responsible for providing the accounting, small business participation, financial planning, treasury, real estate and property management, and terminal concession development.

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

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

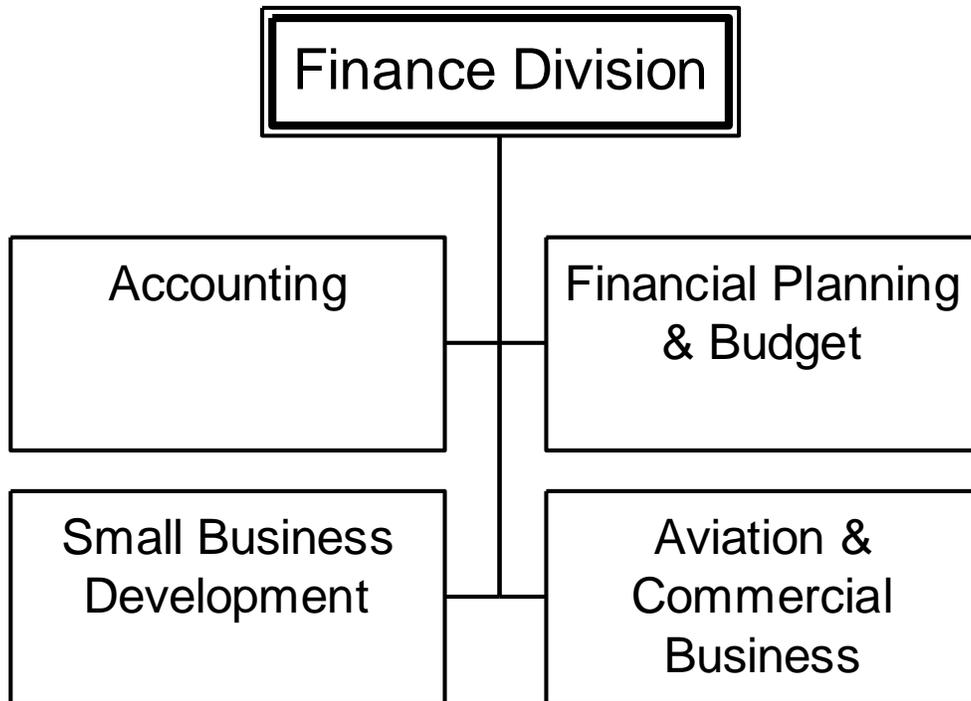
The **Aviation & Commercial Business Department** (formerly Real Estate Management Department) functions as the landlord of San Diego International Airport and other Authority-controlled property and facilities. It serves as the Authority's representative in acquiring off-airport property rights from other parties and is responsible for developing and implementing real estate-related agreements and business opportunities, including those with air carriers, ground servicing companies, fixed base operators, and other aviation-related businesses, concessionaires, advertising and car rental companies; as well as conducting appraisals of airfield tenant leaseholds for rent adjustments, negotiating leases with the FAA, TSA, other government agencies, and utility service providers. The department is in charge of the daily property management and agreement administration activities focused on enhancing customer service, optimizing revenue generation, and growing the value of the Authority's real estate assets. It is responsible for the business relationships and day-to-day administration of tenant activities. The department negotiates for and manages the receipt of rents, landing fees, and other revenue from tenants and other users of Authority property.

The **Financial Planning & Budget Department** is responsible for developing and administering the Operating and Capital Budgets to provide effective utilization of resources. The department is also responsible for the following:

- Revenue and expense forecasting.
- Calculation of airline rates, fees, and charges.
- Grant, Passenger Facility Charge (PFC), and Customer Facility Charge (CFC) administration.
- Treasury and investment management.
- Long-term and short-term debt issuance and management.

The **Small Business Development Department** manages the Authority's Small Business Program, including the Disadvantaged Business Enterprise (DBE) Program as required by federal regulations. The department also conducts outreach efforts to San Diego County's small business community, encouraging small business and DBE participation on Authority projects and concession opportunities.

Finance Division
Organizational Structure



Division Personnel Summary

	FY 2011 Authorized & Funded Positions	FY 2012 Authorized & Funded Positions	FY 2013 Transfers	FY 2013 New/ (Eliminated) Positions	FY 2013 (Frozen)/ Unfrozen Positions	FY 2013 Authorized & Funded Positions	FY 2014 New/ (Eliminated) Positions	FY 2014 (Frozen)/ Unfrozen Positions	FY 2014 Authorized & Funded Positions
Finance									
Financial Planning & Budget	11	11	-	-	1	12	-	-	12
Accounting	12	13	-	-	-	13	-	-	13
Small Business Development	6	4	-	-	1	5	(1)	-	4
Aviation and Commercial Business	20	22	-	-	-	22	-	-	22
Total	49	50	-	-	2	52	(1)	-	51
Authorized and Unfunded Positions	3	3	-	-	-	1	-	-	1
Total Authorized Positions	52	53	-	-	-	53	(1)	-	52

Finance Division

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY 2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY 2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change	
Operating Expenses:												
Personnel Expenses												
Salaries and Wages	\$ 3,567,728	\$ 4,076,440	\$ 4,228,658	\$ 4,293,839	\$ 217,399	5.3%	\$ 65,181	1.5%	\$ 4,406,566	\$ 112,726	2.6%	
Premium Overtime	1,912	7,568	7,568	-	(7,568)	-100.0%	(7,568)	-100.0%	-	-	0.0%	
Employee Benefits	1,636,095	1,878,901	2,012,797	1,785,725	(93,176)	-5.0%	(227,072)	-11.3%	1,879,331	93,606	5.2%	
Subtotal	5,205,735	5,962,909	6,249,023	6,079,564	116,655	2.0%	(169,459)	-2.7%	6,285,897	206,333	3.4%	
Less: Capitalized Labor	(131,704)	(113,719)	(117,479)	(118,544)	(4,825)	4.2%	(1,065)	0.9%	-	118,544	-100.0%	
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%	
Total Personnel Expenses	5,074,031	5,849,190	6,131,544	5,961,020	111,829	1.9%	(170,524)	-2.8%	6,285,897	324,877	5.5%	
Post Employment Benefits Authority-wide	1,713,109	1,795,827	2,056,184	2,577,091	781,263	43.5%	520,907	25.3%	2,414,114	(162,976)	-6.3%	
Non-Personnel Expenses												
Contractual Services	1,237,431	1,217,467	1,844,517	1,787,658	570,191	46.8%	(56,858)	-3.1%	2,392,450	604,792	33.8%	
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%	
Space Rental	10,906,405	11,415,145	11,418,271	11,415,145	-	0.0%	(3,126)	0.0%	10,380,760	(1,034,385)	-9.1%	
Utilities	1,375	1,800	1,800	1,950	150	8.3%	150	8.3%	1,950	-	0.0%	
Maintenance	18,240	18,838	520,401	18,593	(245)	-1.3%	(501,808)	-96.4%	19,070	477	2.6%	
Operating Equipment & Systems	16,066	21,000	6,500	12,000	(9,000)	-42.9%	5,500	84.6%	4,500	(7,500)	-62.5%	
Operating Supplies	22,627	28,450	28,950	30,260	1,810	6.4%	1,310	4.5%	26,150	(4,110)	-13.6%	
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%	
Employee Programs	68,286	81,225	84,125	96,775	15,550	19.1%	12,650	15.0%	94,075	(2,700)	-2.8%	
Business Development	44,438	240,200	375,100	370,700	130,500	54.3%	(4,400)	-1.2%	118,200	(252,500)	-68.1%	
Equipment Rentals & Repairs	58,118	44,892	94,892	562,192	517,300	1152.3%	467,300	492.5%	177,400	(384,792)	-68.4%	
Total Non-Personnel Expenses	12,372,986	13,069,017	14,374,556	14,295,273	1,226,256	9.4%	(79,282)	-0.6%	13,214,555	(1,080,718)	-7.6%	
Total Operating Expenses	\$ 19,160,126	\$ 20,714,035	\$ 22,562,284	\$ 22,833,384	\$ 2,119,348	10.2%	\$ 271,100	1.2%	\$ 21,914,566	\$ (918,818)	-4.0%	
Non-Operating Expenses:												
Debt Service	11,958,130	16,783,084	19,456,639	47,643,080	30,859,996	183.9%	28,186,440	144.9%	74,934,731	27,291,651	57.3%	
Total Non-Operating Expenses	11,958,130	16,783,084	19,456,639	47,643,080	30,859,996	183.9%	28,186,440	144.9%	74,934,731	27,291,651	57.3%	
Total Expenses	31,118,256	37,497,119	42,018,923	70,476,463	32,979,344	88.0%	28,457,540	67.7%	96,849,297	26,372,834	37.4%	
Equipment Outlay	43,548	-	-	-	-	0.0%	-	0.0%	-	-	0.0%	
Total Authority Expenses incl Equip Outlay	\$ 31,161,804	\$ 37,497,119	\$ 42,018,923	\$ 70,476,463	\$ 32,979,344	88.0%	\$ 28,457,540	67.7%	\$ 96,849,297	\$ 26,372,834	37.4%	

Finance Division

Major Drivers of FY 2013 Proposed Budget Increase / (Decrease)

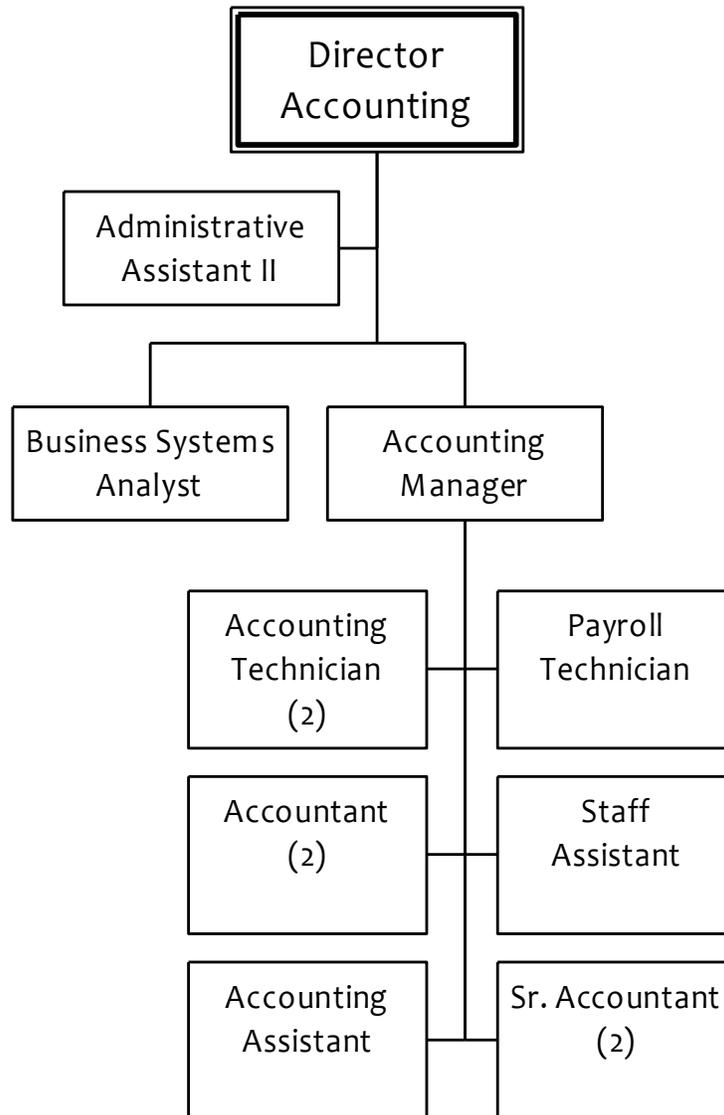
	Inc/(Dec) FY13 vs FY12	Inc/(Dec) FY13 vs FY13 Conceptual
FY 2012 Budget / FY 2013 Conceptual	\$ 37,497,119	\$ 42,018,923
Personnel costs		
2 unfrozen position (salaries, benefits & employer taxes)	206,867	206,867
Salary adjustments and merit increase	63,849	(88,368)
Changes in Capitilized labor costs	(4,825)	(1,065)
Burden (benefits & employer taxes) (decrease) for current staff	(154,061)	(287,957)
Total Increase / (Decrease) in personnel costs	111,829	(170,524)
Post Employment Benefits Authority-wide	781,263	520,907
Increase in debt service costs	30,849,414	28,175,859
Central Receiving & Distribution center (CRDC) operator costs	869,108	(2,842)
Increase in airline relocation costs	516,800	516,800
Increase in Small Business Development promotional activities costs	149,000	15,000
Concession Development Program (CDP) tenant support costs moved to Landside and Facility Maintenance departments	-	(500,000)
(Decrease)/Increase in auditing services	(110,000)	25,000
(Decrease) in use of outside professional consultants and other services	(173,917)	(73,017)
Other, net	(14,154)	(49,643)
Total Increase in non-personnel costs	32,086,252	28,107,158
Total Increase	32,979,344	28,457,540
FY 2013 Budget	\$ 70,476,463	\$ 70,476,463

Finance Division

Major Drivers of FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY14 Conceptual vs FY13
	<hr/>
FY 2013 Budget	\$ 70,476,463
Personnel costs	
Salary adjustments and merit increase	125,770
Changes in Capitalized labor costs	118,544
Burden (benefits & employer taxes) increase for current staff	99,457
1 eliminated position (salaries, benefits, & employer taxes)	(18,895)
Total Increase in personnel costs	<hr/> 324,877
Post Employment Benefits Authority-wide	(162,976)
Increase in debt service costs	27,265,470
Increase in Central Receiving & Distribution Center (CRDC) operator costs	620,792
(Decrease) in Small Business Development promotional activities costs	(238,000)
(Decrease) in airline relocation costs	(351,900)
(Decrease) in space rental costs	(1,034,385)
Other, net	(51,044)
Total Increase in non-personnel costs	<hr/> 26,210,933
Total Increase	<hr/> 26,372,834
FY 2014 Conceptual Budget	<hr/> \$ 96,849,297 <hr/>

Accounting
FY 2013 - FY 2014 Organizational Structure



Accounting

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 784,209	\$ 810,788	\$ 863,654	\$ 880,244	\$ 69,456	8.6%	\$ 16,590	1.9%	\$ 906,651	\$ 26,407	3.0%
Premium Overtime	749	7,568	7,568	-	(7,568)	-100.0%	(7,568)	-100.0%	-	-	0.0%
Employee Benefits	393,189	427,520	459,225	416,977	(10,543)	-2.5%	(42,248)	-9.2%	448,583	31,606	7.6%
Subtotal	1,178,147	1,245,877	1,330,446	1,297,221	51,344	4.1%	(33,225)	-2.5%	1,355,235	58,014	4.5%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	1,178,147	1,245,877	1,330,446	1,297,221	51,344	4.1%	(33,225)	-2.5%	1,355,235	58,014	4.5%
Non-Personnel Expenses											
Contractual Services	199,981	374,000	173,000	194,000	(180,000)	-48.1%	21,000	12.1%	194,000	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	931	2,000	2,000	2,000	-	0.0%	-	0.0%	1,000	(1,000)	-50.0%
Operating Supplies	7,709	10,800	10,800	11,860	1,060	9.8%	1,060	9.8%	9,500	(2,360)	-19.9%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	8,518	9,400	9,400	10,800	1,400	14.9%	1,400	14.9%	6,800	(4,000)	-37.0%
Business Development	(40,890)	29,100	29,100	29,100	-	0.0%	-	0.0%	19,100	(10,000)	-34.4%
Equipment Rentals & Repairs	44	-	50,000	-	-	0.0%	(50,000)	-100.0%	-	-	0.0%
Total Non-Personnel Expenses	176,293	425,300	274,300	247,760	(177,540)	-41.7%	(26,540)	-9.7%	230,400	(17,360)	-7.0%
Total Operating Expenses	\$ 1,354,440	\$ 1,671,177	\$ 1,604,746	\$ 1,544,981	\$ (126,196)	-7.6%	\$ (59,765)	-3.7%	\$ 1,585,635	\$ 40,654	2.6%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	1,354,440	1,671,177	1,604,746	1,544,981	(126,196)	-7.6%	(59,765)	-3.7%	1,585,635	40,654	2.6%
Equipment Outlay	15,000	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 1,369,440	\$ 1,671,177	\$ 1,604,746	\$ 1,544,981	\$ (126,196)	-7.6%	\$ (59,765)	-3.7%	\$ 1,585,635	\$ 40,654	2.6%

Accounting

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 Budget / FY 2013 Conceptual / FY 2013 Budget	\$ 1,671,177	\$ 1,604,746	\$ 1,544,981
Personnel costs			
Salary adjustments and merit increase	61,888	9,022	26,407
Burden (benefits & employer taxes) (decrease) / increase for current staff	(10,543)	(42,248)	31,606
Total Increase / (Decrease) in personnel costs	51,344	(33,225)	58,014
(Decrease) in allowances for bed debts	-	-	(10,000)
(Decrease) in computer&licenses agreements	-	(50,000)	-
(Decrease) / Increase in use of outside professional consultants	(70,000)	(10,000)	20,000
Increase / (Decrease) in auditing services	(110,000)	25,000	(14,000)
Other, net	2,460	8,460	(13,360)
Total (Decrease) in non-personnel costs	(177,540)	(26,540)	(17,360)
Total Increase / (Decrease)	(126,196)	(59,765)	40,654
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 1,544,981	\$ 1,544,981	\$ 1,585,635

Accounting Departmental Goals

FY 2012 Progress Report

1. **Improve overall staff knowledge of the E-1 system through ongoing individual and group training sessions.**

Progress: Ongoing. We have developed processes with HR to reduce the number of errors and phone calls.

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #4: Ensure the highest level of employee satisfaction.

Fiscal Year: 2012. **Continue in 2013?** No.

2. **Maintain a stable staff with good knowledge of history of the organization.**

Progress: No turnovers.

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #4: Ensure the highest level of employee satisfaction.

Fiscal Year: 2012. **Continue during 2013?** No.

3. **Develop and implement improved reports for internal accounting and other Authority departments.**

Progress: Developed more payroll review reports to assist in adding internal controls.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue during 2012?** No.

4. **Review and revise internal processes and practices for payroll, accounts payable, and accounts receivable.**

Progress: This has been completed.

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #4: Ensure the highest level of employee satisfaction.

Fiscal Year: 2012. **Continue during 2013?** No.

5. Refine business practices and procedures within payroll, accounts payable, and accounts receivable through E-1 system. This includes reviewing current processes, improving and reducing some of the inefficiencies, and reducing duplicate work done by other departments.

Progress: Completed.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue during 2013?** No.

6. Implement E-1 Tools upgrade. The upgrade is required to keep system current and to receive Oracle support.

Progress: Completed October 2011.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue during 2013?** No.

7. Update the format of the financial statements on the website with newer interactive technology. This will provide a more interesting look and experience in reviewing financial statements on the website.

Progress: Format is completed but the interactive feature is still open.

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue during 2013?** No.

8. Support the Green Build by providing timely and accurate reporting through E-1 and Preferred Strategies.

Progress: Ongoing. We have implemented additional reviews and processes for contracts payable and fixed asset capitalization.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction expectations. Strategy #1: Enhance the financial position of the Authority.

Fiscal Year: 2012. **Continue during 2013?** No.

9. Implement GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

Progress: Implemented.

Sustainability Goal: Economic Viability.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority.

Fiscal Year: 2012. **Continue during 2013?** No.

10. Implement the Concession Development Program (CDP) elements planned for FY 2012–13 including the billing, collection, and reporting for accounts receivable. Detailed recording and reporting of accounts payable to facilitate tracking expenses for cost recovery purposes.

Progress: We are meeting with REM and Finance to refine the lease agreement and understand the recording requirements.

Sustainability Goal: Economic Viability.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority.

Fiscal Year: 2012. **Continue during 2013?** No.

11. Support and accurately record and report all transactions to achieve zero audit findings or adjustments regarding terminal development, both Green Build and in general.

Progress: Completed with zero audit findings.

Sustainability Goal: Economic Viability, Operational Excellence

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Fiscal Year: 2012. **Continue during 2013?** No.

12. Receive no “improvement findings” (management letters) from outside auditors.

Progress: No improvement findings.

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive agency.

Fiscal Year: 2012. **Continue during 2013?** No.

Accounting Departmental Goals

FY 2013 – FY 2014 Goals

1. Include in the updated format of the financial statements on the website newer interactive technology. This will provide a more interesting look and experience in reviewing financial statements on the website. Success target is 10 hits a quarter in FY 2013.

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency.

2. Implement the Concession Development Program (CDP) elements planned for FY 2012–13 including the billing, collection, and reporting for accounts receivable. Proposed billing in April, 2013 will be to the lease with zero revisions. The measurement of success will be when we go live the billing and pass through costs are accurate and on-time.

Sustainability Goal: Economic Viability.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority.

3. Support and accurately record and report all transactions to achieve zero audit findings or adjustments regarding terminal development, both Green Build and in general. The measurement will be zero audit findings.

Sustainability Goal: Economic Viability, Operational Excellence.

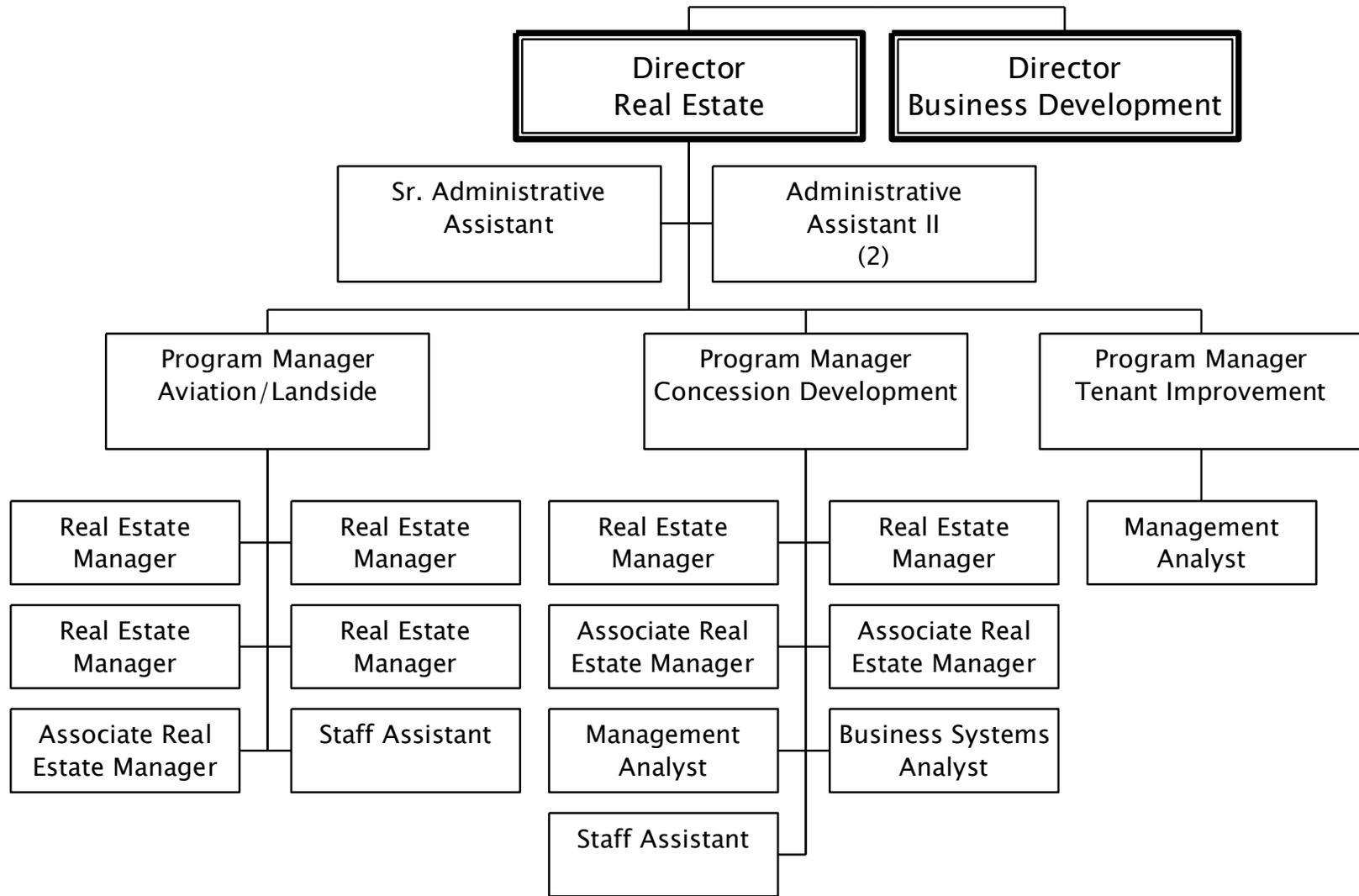
Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

4. Final implementation of the new CFC fees with the State Controller's office with zero findings by fall of 2012.

Sustainability Goal: Economic Viability.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority.

Aviation & Commercial Business
 FY 2013 – FY 2014 Organizational Structure



Aviation & Commercial Business

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 1,391,536	\$ 1,923,841	\$ 1,981,557	\$ 1,939,578	\$ 15,737	0.8%	\$ (41,978)	-2.1%	\$ 1,995,112	\$ 55,534	2.9%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	607,917	846,832	906,794	775,819	(71,012)	-8.4%	(130,975)	-14.4%	804,727	28,908	3.7%
Subtotal	1,999,454	2,770,673	2,888,351	2,715,398	(55,275)	-2.0%	(172,953)	-6.0%	2,799,839	84,442	3.1%
Less: Capitalized Labor	(431)	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	1,999,022	2,770,673	2,888,351	2,715,398	(55,275)	-2.0%	(172,953)	-6.0%	2,799,839	84,442	3.1%
Non-Personnel Expenses											
Contractual Services	642,524	426,667	1,271,617	934,608	507,941	119.0%	(337,008)	-26.5%	1,555,400	620,792	66.4%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	10,906,405	11,415,145	11,418,271	11,415,145	-	0.0%	(3,126)	0.0%	10,380,760	(1,034,385)	-9.1%
Utilities	843	500	500	1,000	500	100.0%	500	100.0%	1,000	-	0.0%
Maintenance	18,240	18,838	520,401	18,593	(245)	-1.3%	(501,808)	-96.4%	19,070	477	2.6%
Operating Equipment & Systems	10,556	15,500	1,000	6,500	(9,000)	-58.1%	5,500	550.0%	-	(6,500)	-100.0%
Operating Supplies	5,866	6,000	5,000	5,000	(1,000)	-16.7%	-	0.0%	5,000	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	21,209	28,500	31,500	37,300	8,800	30.9%	5,800	18.4%	37,300	-	0.0%
Business Development	44,180	37,500	37,000	31,000	(6,500)	-17.3%	(6,000)	-16.2%	31,000	-	0.0%
Equipment Rentals & Repairs	57,973	32,892	32,892	549,692	516,800	1571.2%	516,800	1571.2%	164,900	(384,792)	-70.0%
Total Non-Personnel Expenses	11,707,795	11,981,542	13,318,181	12,998,838	1,017,296	8.5%	(319,342)	-2.4%	12,194,430	(804,408)	-6.2%
Total Operating Expenses	\$ 13,706,818	\$ 14,752,215	\$ 16,206,532	\$ 15,714,236	\$ 962,021	6.5%	\$ (492,296)	-3.0%	\$ 14,994,269	\$ (719,967)	-4.6%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	13,706,818	14,752,215	16,206,532	15,714,236	962,021	6.5%	(492,296)	-3.0%	14,994,269	(719,967)	-4.6%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 13,706,818	\$ 14,752,215	\$ 16,206,532	\$ 15,714,236	\$ 962,021	6.5%	\$ (492,296)	-3.0%	\$ 14,994,269	\$ (719,967)	-4.6%

Aviation & Commercial Business

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 Budget / FY 2013 Conceptual / FY 2013 Budget	\$ 14,752,215	\$ 16,206,532	\$ 15,714,236
Personnel costs			
Salary adjustments and merit increase	15,737	(41,978)	55,534
Burden (benefits & employer taxes) (decrease) / increase for current staff	(71,012)	(130,975)	28,908
Total Increase / (Decrease) in personnel costs	(55,275)	(172,953)	84,442
Increase / (Decrease) in central receiving & distribution center (CRDC) operator costs	869,108	(2,842)	620,792
Increase / (Decrease) in airline relocation costs	516,800	516,800	(351,900)
(Decrease) in space rental costs	-	(3,126)	(1,034,385)
Concession Development Program (CDP) tenant support costs moved to Landside and Facility Maintenance Departments	-	(500,000)	-
Capitalized on-call tenant improvement support costs and other outside consultant costs for Concession Development Program	(349,167)	(334,167)	-
Other, net	(19,446)	3,992	(38,915)
Total Increase / (Decrease) in non-personnel costs	1,017,296	(319,342)	(804,408)
Total Increase / (Decrease)	962,021	(492,296)	(719,967)
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 15,714,236	\$ 15,714,236	\$ 14,994,269

Aviation & Commercial Business

Departmental Goals

FY 2012 Progress Report

1. **Continue to support Green Build terminal development program by collaborating in design process, acting as liaison to tenant stakeholders, providing revenue projections, tenant space and gate allocations, preferred operational models, and integrating Concession Development Program.**

Progress: Involved in all aspects of Green Build operational planning including but not limited to, tenant space planning, gate allocation studies and Concession Development Program.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #1: Enhance the financial position of the Authority.

Fiscal Year: 2012. **Continue in 2013?** Yes.

2. **Implement the Concession Development Program (CDP) elements planned for FY 2012–13, which includes the planning and coordination of tenant improvement build-outs of 50–80 stores as determined by the CDP phasing plan to completely revitalize all food, beverage, and retail concessions in all terminal facilities at SDIA through entire fiscal year.**

Progress: Orchestrated Request for Proposal process to award 16 food/beverage and retail packages among 11 concession teams for 80+ concession stores.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Fiscal Year: 2012. **Continue in 2013?** No.

3. **Continue to work on terminal development by leading project teams for Terminal 2 East Expansion and Concession Infrastructure Upgrades in Commuter Terminal, Terminal 1, and Terminal 2 West (existing) throughout the fiscal year to optimize non-airline revenue opportunities and enhance customer service. Continue to support the Green Build by acting as liaison to tenant stakeholders and integrating new stores as part of the Concession Development Program, gate allocation plans, and airline space allocations.**

Progress: As project sponsors for Terminal 2 East and Concession Infrastructure projects, continued to drive projects through design process and award of contracts.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Fiscal Year: 2012. **Continue in 2013?** Yes.

4. **Oversee SDIA North Side Development including completion of the Centralized Receiving and Distribution Center (CRDC), commencing construction of the Consolidated Rental Car (CONRAC) facility, and continuing development activities for air cargo and general aviation facilities by fourth quarter FY 2013.**

Progress: Awarded CRDC to 3rd Party developer with construction beginning in February 2012, led CONRAC project planning and solicited FBO RFP for new general aviation facilities.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Fiscal Year: 2012. **Continue in 2013?** No.

Aviation & Commercial Business

Departmental Goals

FY 2013 – FY 2014 Goals

1. Support the successful opening of the Green Build by: negotiating for and overseeing the construction of two airline lounges by August 2013 and directing the relocation of airlines planned to occupy space in Terminal 2 West ensuring airlines are operational by August 2013.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #1: Enhance the financial position of the Authority.

2. Implement the Concession Development Program (CDP) transition plan, which includes the design review and tenant improvement build-outs of 79 stores as determined by the CDP phasing plan to completely revitalize all food, beverage, and retail concessions in all terminal facilities at SDIA. Close 51 existing concession units and re-open on December 1, 2012 with 33 temporary and 7 permanent units and transition to June 30, 2013 with 24 permanent units opened.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

3. Oversee SDIA North Side Development by completing construction of the Centralized Receiving and Distribution Center (CRDC) by November 2012, design of the Consolidated Rental Car (CONRAC) center by June 2013, and the design and permitting for construction of new general aviation facilities by May 2013.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

4. Continue to support Green Build terminal development program by collaborating in design process, acting as liaison to tenant stakeholders, providing revenue projections, tenant space and gate allocations, preferred operational models, and integrating Concession Development Program.

Sustainability Goal: Economic Viability, Operational Excellence.

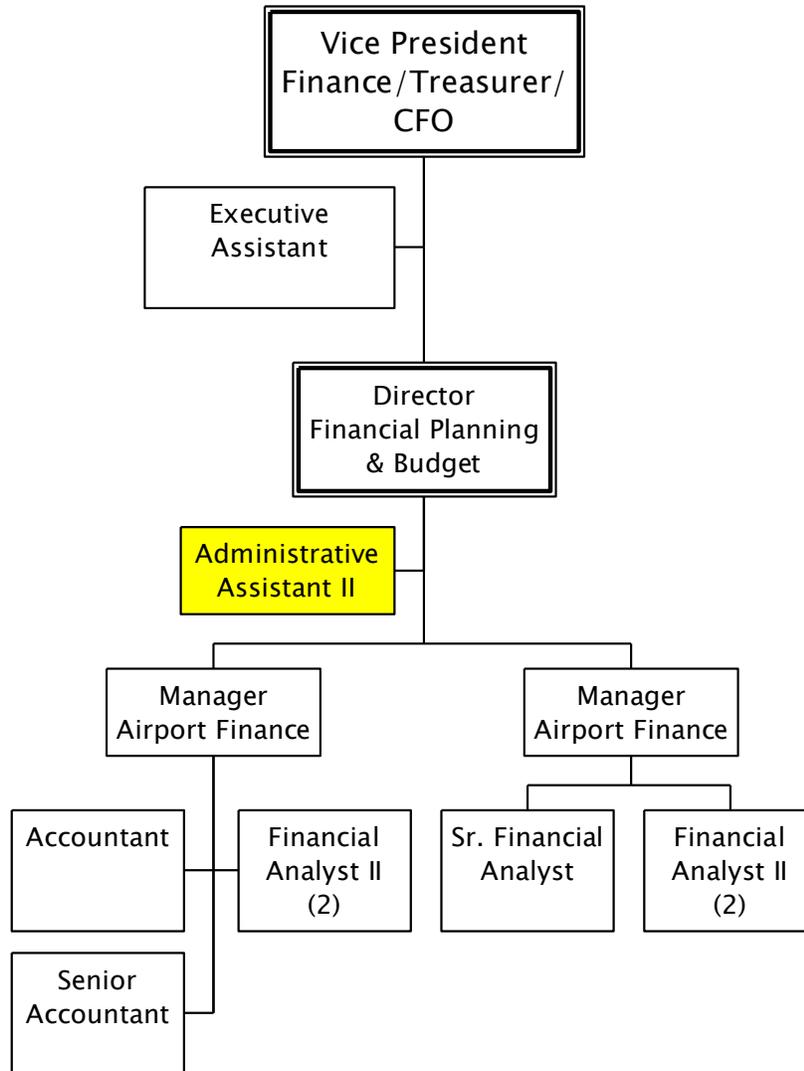
Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #1: Enhance the financial position of the Authority.

5. Continue to work on terminal development by leading project teams for Terminal 2 East Expansion and Concession Infrastructure Upgrades in Commuter Terminal, Terminal 1, and Terminal 2 West (existing) throughout the fiscal year to optimize non-airline revenue opportunities and enhance customer service. Continue to support the Green Build by acting as liaison to tenant stakeholders and integrating new stores as part of the Concession Development Program, gate allocation plans, and airline space allocations.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Financial Planning & Budget
FY 2013 – FY 2014 Organizational Structure



* Unfunded positions shown in yellow

Financial Planning & Budget

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 1,028,113	\$ 1,035,899	\$ 1,068,539	\$ 1,157,213	\$ 121,314	11.7%	\$ 88,674	8.3%	\$ 1,191,930	\$ 34,716	3.0%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	474,189	461,878	493,961	456,006	(5,872)	-1.3%	(37,955)	-7.7%	485,988	29,982	6.6%
Subtotal	1,502,302	1,497,777	1,562,500	1,613,219	115,442	7.7%	50,719	3.2%	1,677,917	64,698	4.0%
Less: Capitalized Labor	-	-	-	(99,650)	(99,650)	0.0%	(99,650)	0.0%	-	99,650	-100.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	1,502,302	1,497,777	1,562,500	1,513,569	15,792	1.1%	(48,931)	-3.1%	1,677,917	164,348	10.9%
Non-Personnel Expenses											
Contractual Services	339,619	350,150	329,250	405,400	55,250	15.8%	76,150	23.1%	400,400	(5,000)	-1.2%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	335	1,000	1,000	650	(350)	-35.0%	(350)	-35.0%	650	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	3,793	3,500	3,500	3,500	-	0.0%	-	0.0%	3,500	-	0.0%
Operating Supplies	7,319	9,000	9,000	9,000	-	0.0%	-	0.0%	9,000	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	25,392	28,625	28,625	30,975	2,350	8.2%	2,350	8.2%	30,975	-	0.0%
Business Development	9,913	10,900	10,900	11,200	300	2.8%	300	2.8%	11,200	-	0.0%
Equipment Rentals & Repairs	44	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Non-Personnel Expenses	386,415	403,175	382,275	460,725	57,550	14.3%	78,450	20.5%	455,725	(5,000)	-1.1%
Total Operating Expenses	\$ 1,888,717	\$ 1,900,952	\$ 1,944,775	\$ 1,974,294	\$ 73,342	3.9%	\$ 29,519	1.5%	\$ 2,133,642	\$ 159,348	8.1%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	1,888,717	1,900,952	1,944,775	1,974,294	73,342	3.9%	29,519	1.5%	2,133,642	159,348	8.1%
Equipment Outlay	15,000	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 1,903,717	\$ 1,900,952	\$ 1,944,775	\$ 1,974,294	\$ 73,342	3.9%	\$ 29,519	1.5%	\$ 2,133,642	\$ 159,348	8.1%

Financial Planning & Budget

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 Budget / FY 2013 Conceptual / FY 2013 Budget	\$ 1,900,952	\$ 1,944,775	\$ 1,974,294
Personnel costs			
1 unfrozen position of Senior Accountant (salaries, benefits & employer taxes)	99,650	99,650	-
Salary adjustments and merit increase	51,314	18,674	34,716
Burden (benefits & employer taxes) (decrease) / increase for current staff	(35,522)	(67,605)	29,982
Changes in Capitalized labor costs	(99,650)	(99,650)	99,650
Total Increase / (Decrease) in personnel costs	15,792	(48,931)	164,348
Increase / (Decrease) in use of outside professional consultants and other services	55,250	76,150	(5,000)
Increase in employee development travel	2,000	2,000	-
Other, net	300	300	-
Total Increase / (Decrease) in non-personnel costs	57,550	78,450	(5,000)
Total Increase	73,342	29,519	159,348
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 1,974,294	\$ 1,974,294	\$ 2,133,642

Financial Planning & Budget Departmental Goals

FY 2012 Progress Report

1. **Improve efficiency, analysis, and reporting capabilities through enhancement of existing financial models and development of new financial models for new programs by June 30, 2012.**

Progress: A database was designed and built that allows for quick and easy analysis and creation of ad-hoc reports. It contains data that can be organized by department, by account for the current year budget, by actual, forecast, and two-year following budgets. Additionally, an account analysis report that analyzes data by transaction was created.

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** Yes.

2. **Identify critical departmental functions and develop redundant expertise for those functions through cross-training and procedure documentation by June 30, 2012.**

Progress: While the department did make significant strides in meeting this goal during the fiscal year, turnover and increased departmental responsibilities have created an unanticipated challenge to meeting this goal. The department will be undergoing a workforce planning analysis in FY 2013 to identify current and future needs for staffing levels, optimal structure, and employee skill sets.

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

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #4: Ensure the highest level of employee satisfaction.

Fiscal Year: 2012. **Continue in 2013?** No.

3. Collaborate with Green Build program to ensure alignment of funding sources with costs and jointly develop periodic reports which provide adequate financial information and status on at least a quarterly basis.

Progress: In conjunction with Chief Auditor, processes are being implemented which are guiding funding eligibility reviews and creating associated status reports. This effort includes utilization of consultants with expertise on funding source alignment and eligibility requirements.

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes.

4. Support Concession Development Program (CDP) financial analysis needs and refine financial forecasting models by March 31, 2012.

Progress: A new financial model was requested by and designed for use by the Aviation and Commercial Business (ACB) department to analyze department functionality on a by-unit/by-package level. An initial template was provided to ACB to assist them during the FY 2013 budget process in mid-February 2012.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Fiscal Year: 2012. **Continue in 2013?** Yes.

5. By June 30, 2012, increase FP&B department involvement and visibility through inter-departmental coordination leading to at least five financial analyses which support business cases to be used by executive staff for decision making.

Progress: This goal was significantly exceeded in FY 2012. The department is increasingly viewed as an internal business partner and a critical component for determining the financial impact for business case analysis. Analyses were performed for parking, ground transportation, credit card processing, concessions, route service, and cargo. These analyses provided the financial information necessary to support decisions which enhance the financial position of the Authority.

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #4: Ensure the highest level of employee satisfaction.

Fiscal Year: 2012. **Continue in 2013?** No.

6. Enhance grants management by: 1) expanding external networking and internal engagement to develop additional grant opportunities; 2) providing or facilitating internal training on grant assurances and regulations; and 3) incorporating “best practices” checklists throughout the life-cycle of each grant (i.e. identification, application, reimbursement, and closeout).

Progress: Financial Planning & Budget has collaborated with the Planning Department to perform outreach to Authority stakeholders in order to cultivate and increase potential grant opportunities. Additionally, in conjunction with Chief Auditor, standards and procedures for grants management are being developed. This will include follow-on training on assurances and the use of checklists.

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #4: Ensure the highest level of employee satisfaction.

Fiscal Year: 2012. **Continue in 2013?** No.

Financial Planning & Budget Departmental Goals

FY 2013 – FY 2014 Goals

1. **Support the Authority's revenue enhancement priority by implementing a process to complete at least four financial analyses on revenue enhancement ideas no later than May 15, 2013. The goal includes providing Executive Staff with financial information necessary for their decision-making.**

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Goal: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

2. **Collaborate with Internal Audit and Green Build program to ensure execution of enhanced capital funding processes and controls developed in FY 2012. The ultimate goal is that by the project completion date, all regulatory requirements are met, grant awards and PFC applications are amended or closed as needed, and zero audit findings have been achieved.**

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Goal: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

3. **Engage Authority workforce planning team to perform departmental workforce planning assessment and recommendation. Begin execution of the plan and implement all accepted FY 2013 recommendations by May 15, 2013.**

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Goal: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #4: Ensure the highest level of employee satisfaction.

4. **Reduce FY 2013 parking revenue actual vs. budget variances by at least 25% compared to FY 2012 through increased collaboration of stakeholders and more precise forecasting.**

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Goal: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

5. Support Concession Development Program (CDP) financial analysis and reporting needs by developing a financial model that provides budgeting and monthly reporting capabilities by September 30, 2012.

Sustainability Goal: Economic Viability, Operational Excellence.

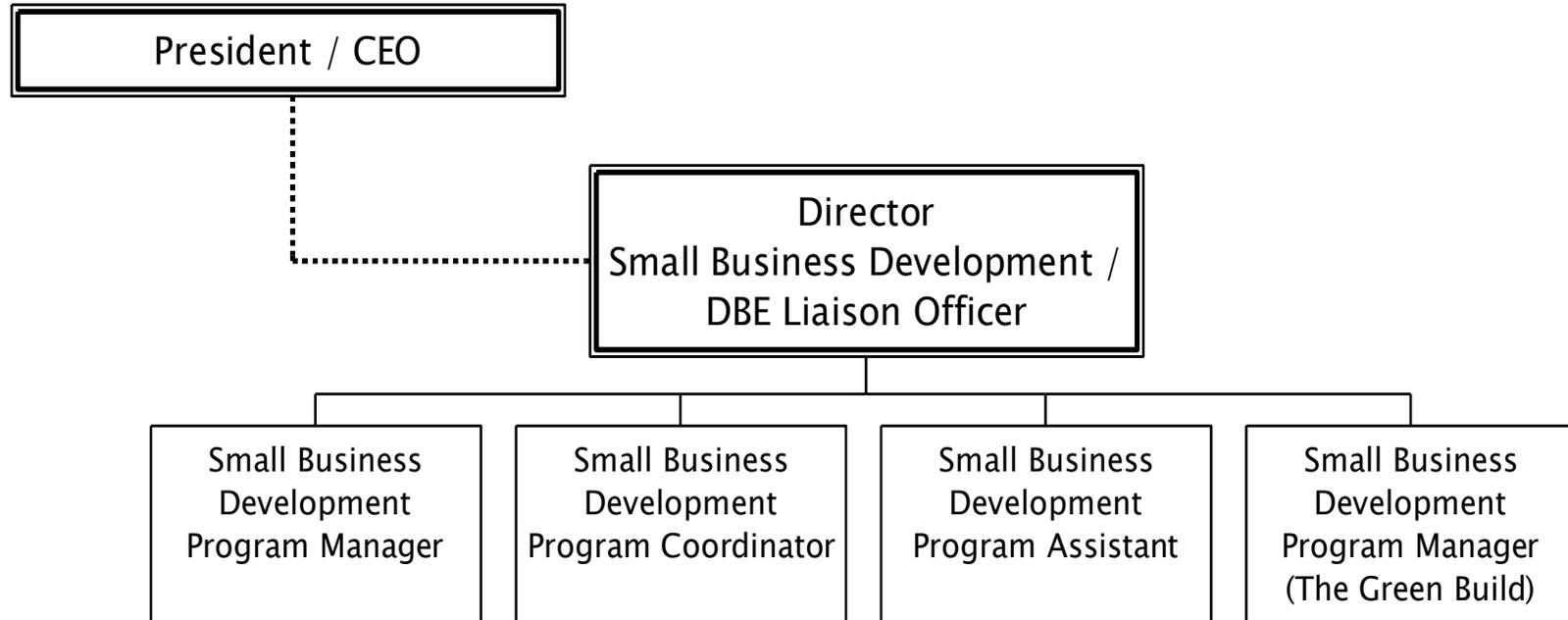
Authority Goal: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

6. By May 15, 2013, successfully execute the preparation and issuance of General Airport Revenue Bonds (GARBs) in an amount sufficient to complete necessary funding for the Green Build and relevant Capital Improvement Program projects. The goal also includes issuance of GARBs at an interest rate which allows successful execution of the Authority's plan of finance.

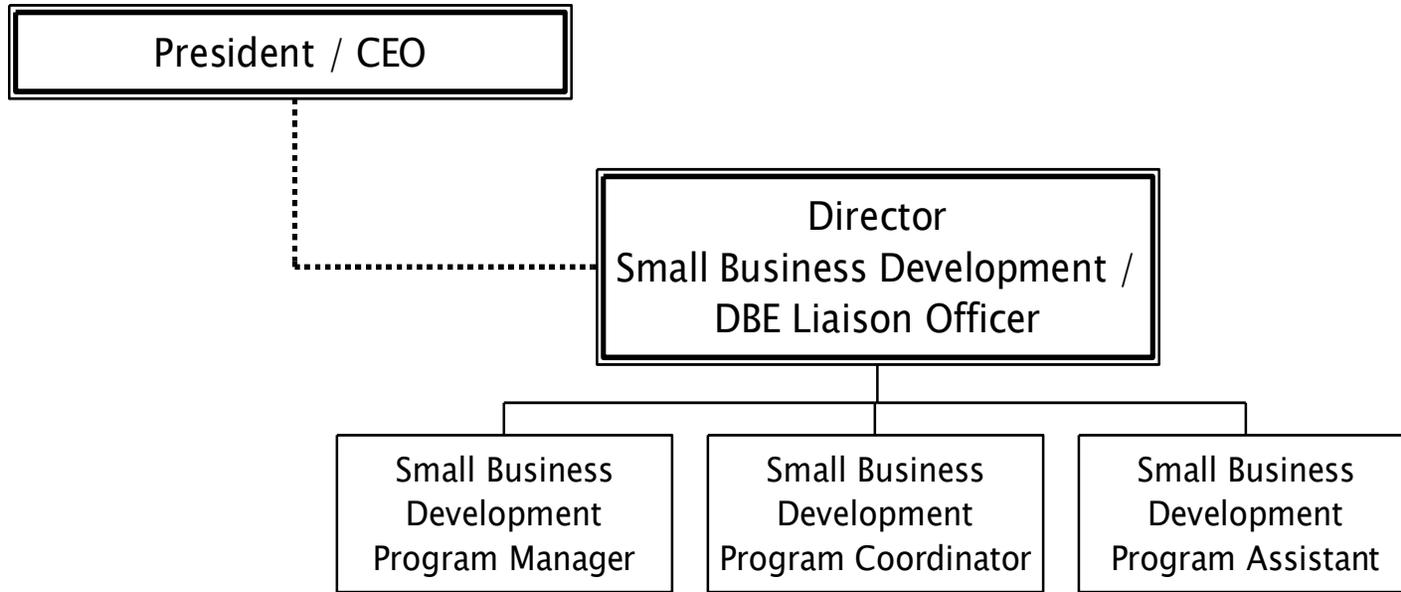
Sustainability Goal: Economic Viability, Operational Excellence.

Authority Goal: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Small Business Development
FY 2013 Organizational Structure



Small Business Development
FY 2014 Organizational Structure



Small Business Development

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 363,869	\$ 305,911	\$ 314,908	\$ 316,803	\$ 10,892	3.6%	\$ 1,895	0.6%	\$ 312,873	\$ (3,931)	-1.2%
Premium Overtime	1,163	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	160,799	142,672	152,817	136,923	(5,749)	-4.0%	(15,894)	-10.4%	140,033	3,110	2.3%
Subtotal	525,832	448,583	467,725	453,727	5,144	1.1%	(13,999)	-3.0%	452,906	(821)	-0.2%
Less: Capitalized Labor	(131,273)	(113,719)	(117,479)	(18,895)	94,824	-83.4%	98,584	-83.9%	-	18,895	-100.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	394,559	334,864	350,246	434,832	99,968	29.9%	84,586	24.2%	452,906	18,074	4.2%
Non-Personnel Expenses											
Contractual Services	55,307	66,650	70,650	253,650	187,000	280.6%	183,000	259.0%	242,650	(11,000)	-4.3%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	196	300	300	300	-	0.0%	-	0.0%	300	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	785	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Supplies	1,734	2,650	4,150	4,400	1,750	66.0%	250	6.0%	2,650	(1,750)	-39.8%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	13,167	14,700	14,600	17,700	3,000	20.4%	3,100	21.2%	19,000	1,300	7.3%
Business Development	31,236	162,700	298,100	299,400	136,700	84.0%	1,300	0.4%	56,900	(242,500)	-81.0%
Equipment Rentals & Repairs	57	12,000	12,000	12,500	500	4.2%	500	4.2%	12,500	-	0.0%
Total Non-Personnel Expenses	102,483	259,000	399,800	587,950	328,950	127.0%	188,150	47.1%	334,000	(253,950)	-43.2%
Total Operating Expenses	\$ 497,042	\$ 593,864	\$ 750,046	\$ 1,022,782	\$ 428,918	72.2%	\$ 272,736	36.4%	\$ 786,906	\$ (235,876)	-23.1%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	497,042	593,864	750,046	1,022,782	428,918	72.2%	272,736	36.4%	786,906	(235,876)	-23.1%
Equipment Outlay	13,548	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 510,590	\$ 593,864	\$ 750,046	\$ 1,022,782	\$ 428,918	72.2%	\$ 272,736	36.4%	\$ 786,906	\$ (235,876)	-23.1%

Small Business Development

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 Budget / FY 2013 Conceptual / FY 2013 Budget	\$ 593,864	\$ 750,046	\$ 1,022,782
Personnel costs			
1 unfrozen position of Small Business Development Program Manager (salaries, benefits & employer taxes)	107,217	107,217	-
Changes in Capitalized labor costs	94,824	98,584	18,895
1 eliminated position of Small Business Development Program Manager-Green Build (salaries, benefits & employer taxes)	-	-	(18,895)
Burden (benefits & employer taxes) (decrease) / increase for current staff	(36,984)	(47,129)	8,961
Salary adjustments and merit increase	(65,089)	(74,087)	9,113
Total Increase in personnel costs	99,968	84,586	18,074
Increase / (Decrease) in services - other professional	190,000	195,000	(5,000)
Increase / (Decrease) in promotional activities	149,000	15,000	(238,000)
(Decrease) in temporary personnel	(3,000)	(12,000)	(6,000)
Other, net	(7,050)	(9,850)	(4,950)
Total Increase / (Decrease) in non-personnel costs	328,950	188,150	(253,950)
Total Increase / (Decrease)	428,918	272,736	(235,876)
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 1,022,782	\$ 1,022,782	\$ 786,906

Small Business Development Departmental Goals

FY 2012 Progress Report

1. **Continue active implementation of remedies to address bonding issues and fostering relationships with prime contractors, which were two barriers to small business participation in SDCRAA contracts by June 30, 2012.**

Progress: The Authority has implemented programs and modified outreach methodology to foster relationships between small businesses and prime contractors.

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes.

2. **Continue to enhance local awareness of Authority contracting opportunities by hosting at least twelve (12) business opportunity outreach events and education programs targeting small businesses in order to maximize opportunity awareness efforts by June 30, 2012.**

Progress: Small Business Development exceeded the outreach target for construction and concession opportunities by conducting and participating in over 12 regional and national events.

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes.

3. **Oversee the planning, marketing, and implementation of the 29th Annual Airport Business Diversity Conference with over 1,000 attendees in June 2013.**

Progress: The Authority is working closely with the Airport Minority Advisory Council in planning and marketing the 2013 Airport Business Diversity Conference.

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes.

Small Business Development Departmental Goals

FY 2013 – FY 2014 Goals

1. Continue active implementation of remedies to address bonding issues and fostering relationships with prime contractors, which were two barriers to small business participation in SDCRAA contracts by June 30, 2013.

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency.

Strategy #2: Achieve the highest level of internal and external customer satisfaction.

2. Continue to enhance local awareness of Authority contracting opportunities by hosting at least twelve (12) business opportunity outreach events and education programs targeting small businesses in order to maximize opportunity awareness efforts by June 30, 2012.

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency.

Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

3. Oversee the planning, marketing, and implementation of the 29th Annual Airport Business Diversity Conference with over 1,000 attendees in June 2013.

Sustainability Goal: Social Responsibility

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency.

Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Strategy #4: Ensure the highest level of employee satisfaction.

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**MARKETING &
COMMUNICATIONS
DIVISION**

Marketing & Communications Division

Overview

The Marketing & Communications Division is responsible for the marketing, air service development, customer service, inter-governmental relations, corporate and public notification services, and noise mitigation activities of the Airport and the Airport Authority. Its work is carried out through five departments.

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

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

The **Airport Noise Mitigation Department** administers the Federal Noise Compatibility Program and maintains compliance with the California Noise Standards. Additional services include:

- Monitoring and enforcing compliance with Airport Use Regulations.
- Participation in the Residential Sound Attenuation (“Quieter Home”) Program.
- Leading the Community Noise Information and Education Program.
- Staff support to the Authority Board’s community noise advisory committee.

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

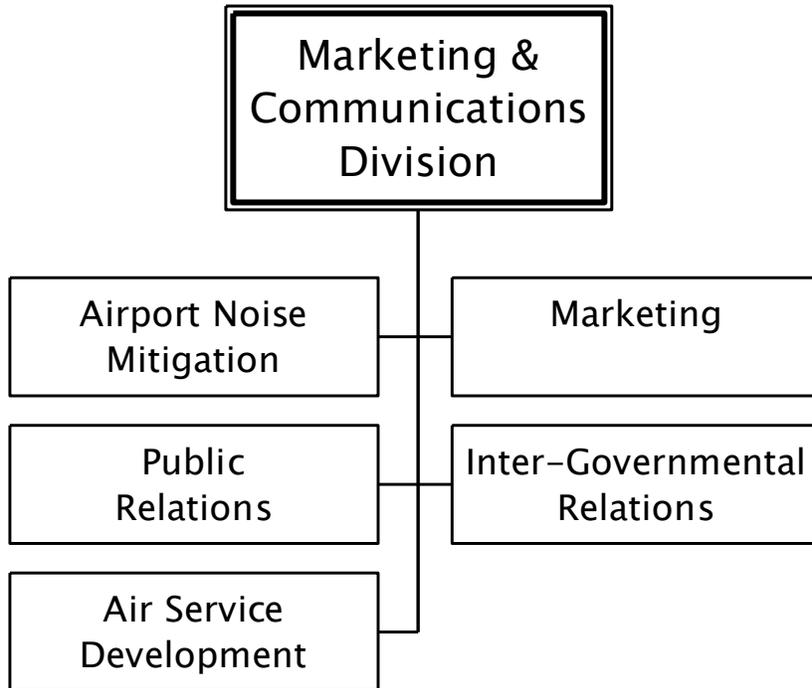
The **Marketing Department** develops, implements, and manages marketing initiatives that result in increased air service and revenues. Its major responsibilities include:

- Umbrella Marketing Plans for Authority initiatives (e.g. Quieter Home Program, SAN Park, Small Business Development, and Green Build).
- Advertising, creative design and development, identity and brand development.
- Collateral materials and publications.
- Special events (i.e. new air service inaugurals, grand openings, conferences).
- Web site development, video production, and market research.
- Regional partnerships and aviation education outreach.
- Aviation Education.
- Outreach and collaboration with regional partners (e.g. Chambers of Commerce, Convention and Visitors Bureau (CONVIS), Economic Development Corporation (EDC), World Trade Center (WTC), San Diego Convention Center Corporation (SDCCC).

The **Public Relations Department** provides media and public relations, strategic counsel, social media, community outreach, corporate and internal communications, crisis communications and art services for the Authority. Specific activities include:

- News conferences & media event planning.
- News releases & media advisories.
- External and internal publications (i.e. Annual Report, Aviation Matters, SAN e-Newsletter, e-JetStreams).
- Social media (employee blog, Facebook, Twitter, Flickr, YouTube, text alerts, and e-Newsroom).
- Speaker's Bureau & speechwriting.
- Airport public tours.
- Permanent public art.
- Temporary and rotating exhibits.
- Performing arts.

Marketing & Communication Division Organizational Structure



Division Personnel Summary

	FY 2011 Authorized & Funded Positions	FY 2012 Authorized & Funded Positions	FY 2013 Transfers	FY 2013 New/ (Eliminated) Positions	FY 2013 (Frozen)/ Unfrozen Positions	FY 2013 Authorized & Funded Positions	FY 2014 New/ (Eliminated) Positions	FY 2014 (Frozen)/ Unfrozen Positions	FY 2014 Authorized & Funded Positions
Marketing & Communications									
Public Relations	9	9	(1) ^[1]	-	-	8	-	-	8
Marketing	8	8	-	-	-	8	-	-	8
Inter-governmental Relations	3	3	-	-	-	3	-	-	3
Airport Noise Mitigation	4	4	-	-	-	4	-	-	4
Air Service Development	2	2	-	-	-	2	-	-	2
Total	26	26	(1)	-	-	25	-	-	25
Authorized and Unfunded Positions	1	1	-	-	-	-	-	-	-
Total Authorized Positions	27	27	(1)	-	-	25^[2]	-	-	25

^[1] Transferred Customer Relations Coordinator from Public Relations Department to Landside Operations Department

^[2] Unfunded Customer Service Manager was transferred from Public Relations Department to Landside Department

Marketing & Communications Division

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY 2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY 2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 2,163,939	\$ 2,162,356	\$ 2,221,046	\$ 2,180,640	\$ 18,284	0.8%	\$ (40,407)	-1.8%	\$ 2,245,699	\$ 65,059	3.0%
Premium Overtime	11,379	12,500	27,500	-	(12,500)	-100.0%	(27,500)	-100.0%	-	-	0.0%
Employee Benefits	962,210	984,717	1,053,899	885,422	(99,295)	-10.1%	(168,477)	-16.0%	940,556	55,133	6.2%
Subtotal	3,137,528	3,159,573	3,302,446	3,066,062	(93,511)	-3.0%	(236,384)	-7.2%	3,186,254	120,193	3.9%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	3,137,528	3,159,573	3,302,446	3,066,062	(93,511)	-3.0%	(236,384)	-7.2%	3,186,254	120,193	3.9%
Non-Personnel Expenses											
Contractual Services	2,149,227	2,389,800	2,449,800	2,163,750	(226,050)	-9.5%	(286,050)	-11.7%	2,068,750	(95,000)	-4.4%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	1,200	1,200	1,200	-	0.0%	-	0.0%	1,200	-	0.0%
Utilities	40	750	750	750	-	0.0%	-	0.0%	750	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	22,524	6,600	6,600	6,600	-	0.0%	-	0.0%	11,600	5,000	75.8%
Operating Supplies	12,215	16,000	16,000	15,600	(400)	-2.5%	(400)	-2.5%	17,350	1,750	11.2%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	112,243	144,686	146,886	134,303	(10,383)	-7.2%	(12,583)	-8.6%	137,186	2,883	2.1%
Business Development	1,708,204	1,572,105	2,020,880	2,589,500	1,017,395	64.7%	568,620	28.1%	1,434,925	(1,154,575)	-44.6%
Equipment Rentals & Repairs	166,545	202,050	223,550	223,382	21,332	10.6%	(168)	-0.1%	225,450	2,068	0.9%
Total Non-Personnel Expenses	4,170,999	4,333,191	4,865,666	5,135,085	801,894	18.5%	269,419	5.5%	3,897,211	(1,237,874)	-24.1%
Total Operating Expenses	\$ 7,308,527	\$ 7,492,764	\$ 8,168,112	\$ 8,201,147	\$ 708,383	9.5%	\$ 33,035	0.4%	\$ 7,083,465	\$ (1,117,681)	-13.6%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	7,308,527	7,492,764	8,168,112	8,201,147	708,383	9.5%	33,035	0.4%	7,083,465	(1,117,681)	-13.6%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 7,308,527	\$ 7,492,764	\$ 8,168,112	\$ 8,201,147	\$ 708,383	9.5%	\$ 33,035	0.4%	\$ 7,083,465	\$ (1,117,681)	-13.6%

Marketing & Communication

Major Drivers of FY 2013 Proposed Budget Increase / (Decrease)

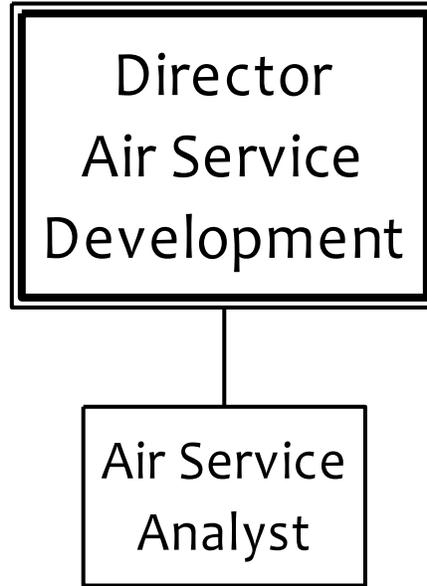
	Inc/(Dec) FY13 vs FY12	Inc/(Dec) FY13 vs FY13 Conceptual
FY 2012 / FY 2013 Budget	\$ 7,492,764	\$ 8,168,112
Personnel costs		
Salary adjustments and merit increase	5,783	(67,907)
Burden (benefits & employer taxes) (decrease) for current staff	(99,294)	(168,477)
Total (Decrease) in personnel costs	(93,511)	(236,384)
Increase in Green Build marketing and promotion costs	650,000	-
Increase in domestic & international air service marketing costs	265,000	505,000
Increase in use of outside professional consultants	132,250	72,250
Increase in miscellaneous promotional activities & materials costs	115,500	80,500
Increase in marketing costs	91,500	91,500
Customer relations expenses transfer to Landside department	(495,505)	(497,605)
Other, net	43,149	17,774
Total Increase in non personnel costs	801,894	269,419
Total Increase	708,383	33,035
FY 2013 Budget	\$ 8,201,147	\$ 8,201,147

Marketing & Communication

Major Drivers of FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 Conceptual vs FY12
	<hr/>
FY 2013 Budget	\$ 8,201,147
Personnel costs	
Salary adjustments and merit increase	65,059
Burden (benefits & employer taxes) increase for current staff	55,133
Total Increase in personnel costs	<hr/> 120,193
(Decrease) in marketing costs	(95,000)
(Decrease) in use of outside professional consultants	(95,000)
(Decrease) in miscellaneous promotional activities & materials costs	(145,000)
(Decrease) in Green Build marketing and promotion costs	(350,000)
(Decrease) in domestic & international air service marketing costs	(565,000)
Other, net	12,126
Total (Decrease) in non personnel costs	<hr/> (1,237,874)
Total (Decrease)	<hr/> (1,117,681)
FY 2014 Conceptual Budget	<hr/> \$ 7,083,465 <hr/>

Air Service Development
FY 2013 – FY 2014 Organizational Structure



Air Service Development

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 176,647	\$ 172,835	\$ 171,840	\$ 171,840	\$ (995)	-0.6%	\$ -	0.0%	\$ 176,995	\$ 5,155	3.0%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	82,855	78,750	83,866	73,273	(5,478)	-7.0%	(10,593)	-12.6%	78,362	5,089	6.9%
Subtotal	259,501	251,586	255,706	245,113	(6,473)	-2.6%	(10,593)	-4.1%	255,357	10,244	4.2%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	259,501	251,586	255,706	245,113	(6,473)	-2.6%	(10,593)	-4.1%	255,357	10,244	4.2%
Non-Personnel Expenses											
Contractual Services	199,851	291,000	241,000	294,000	3,000	1.0%	53,000	22.0%	240,000	(54,000)	-18.4%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Supplies	33	-	-	1,200	1,200	0.0%	1,200	0.0%	1,200	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	28,353	29,950	29,450	29,950	-	0.0%	500	1.7%	29,950	-	0.0%
Business Development	576,325	644,100	404,100	909,100	265,000	41.1%	505,000	125.0%	344,100	(565,000)	-62.1%
Equipment Rentals & Repairs	33	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Non-Personnel Expenses	804,594	965,050	674,550	1,234,250	269,200	27.9%	559,700	83.0%	615,250	(619,000)	-50.2%
Total Operating Expenses	\$ 1,064,096	\$ 1,216,636	\$ 930,256	\$ 1,479,363	\$ 262,727	21.6%	\$ 549,107	59.0%	\$ 870,607	\$ (608,756)	-41.1%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	1,064,096	1,216,636	930,256	1,479,363	262,727	21.6%	549,107	59.0%	870,607	(608,756)	-41.1%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 1,064,096	\$ 1,216,636	\$ 930,256	\$ 1,479,363	\$ 262,727	21.6%	\$ 549,107	59.0%	\$ 870,607	\$ (608,756)	-41.1%

Air Service Development

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 / FY 2013 Conceptual / FY 2013 Budget	\$ 1,216,636	\$ 930,256	\$ 1,479,363
Personnel costs			
Salary adjustments and merit increase	(995)	-	5,155
Burden (benefits & employer taxes) (decrease) / increase for current staff	(5,478)	(10,593)	5,089
Total Increase / (Decrease) in personnel costs	(6,473)	(10,593)	10,244
Increase / (Decrease) in domestic & international air service marketing costs	265,000	505,000	(565,000)
Increase / (Decrease) in regional business CEO outreach costs	-	50,000	(50,000)
Other, net	4,200	4,700	(4,000)
Total Increase / (Decrease) in non personnel costs	269,200	559,700	(619,000)
Total Increase / (Decrease)	262,727	549,107	(608,756)
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 1,479,363	\$ 1,479,363	\$ 870,607

Air Service Development Departmental Goals

FY 2012 Progress Report

1. **Secure at least one new domestic destination after every fiscal year where overall national domestic available seat departure growth exceeds 5.0%. Maintain number of domestic destinations served if national seat departure growth is between 0–4.99%.**

Progress: Additional service to Honolulu secured and new service to California cities announced.

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue to 2013?** Yes.

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

Progress: Anticipated national seat departures declined 1% between YE June 2012 and YE June 2011.

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue to 2013?** Yes.

3. **Retain air services to London.**

Progress: London air service is performing to plan.

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue to 2013?** Yes.

4. **Assuming aircraft are developed with the technical capabilities (e.g. Boeing 787 and A350), secure air service to Tokyo, Seoul, or Asian hub after the fifth year of consecutive US–East Asia seat departure growth and by the fifth year anniversary of technically capable aircraft delivery to at least three US–Asia airline candidate operators (JAL, ANA, Asiana, and Korean Air).**

Progress: Japan Airlines announced they will commence nonstop San Diego – Tokyo (Narita) flights effective December 2012. With the schedule announced, San Diego may be the 2nd or 3rd Asia service announced for the 787.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally–sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue to 2013?** Yes.

5. **Link San Diego to Manila with direct air service within 12 months of Philippine restoration to FAA IASA Category 1 status and by the first twelve months of Philippine–US seat departure increases contributed by Philippine air carriers.**

Progress: The Philippines remains in Category 2 status and is unable to add service to the United States until they are restored to Category 1.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally–sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue to 2013?** Yes.

6. **Secure new, enhanced, or additional air service to Canadian markets after the second year upon verifying that after an annual SAN–Canada market (e.g. Montréal, Edmonton, Winnipeg) reaches at least 50 passengers a day each way (PDEW) via connecting flights.**

Progress: One additional weekly frequency was secured to Calgary this year.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally–sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue to 2013?** Yes.

7. **Secure new, enhanced, or additional air service to Mexican markets by the second year after an annual SAN–Mexico market (e.g. Mexico City, Puerto Vallarta) reaches at least 50 PDEW.**

Progress: Volaris airlines inaugurated service to San Diego International Airport with service to Guadalajara and Mexico City. This was achieved before each market exceeded 50 PDEW.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally–sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue to 2013?** Yes.

Air Service Development Departmental Goals

FY 2013 – FY 2014 Goals

1. **Secure at least one new domestic destination after every fiscal year where overall national domestic available seat departure growth exceeds 5.0%. Maintain number of domestic destinations served if national seat departure growth is between 0 – 4.99%.**

Sustainability Goal: Economic Viability, Operational Excellence, Social Responsibility

Authority Strategy: Strategy #1: Enhance the financial position of the Authority.

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

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

3. **Retain air services to London.**

Progress: London air service is performing to plan.

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

4. **Successfully launch (initial annual load factor 70%) and retain air services to Tokyo.**

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

5. **Link San Diego to Manila with direct air service within twelve (12) months of Philippine restoration to FAA IASA Category 1 status and by the first twelve months of Philippine-US seat departure increases contributed by Philippine air carriers.**

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

6. **Secure new, enhanced, or additional air service to Canadian markets after the second year upon verifying that after an annual SAN–Canada market (e.g. Montréal, Edmonton, Winnipeg) reaches at least 50 passengers a day each way (PDEW) via connecting flights.**

Sustainability Goal: Economic Viability, Operational Excellence.

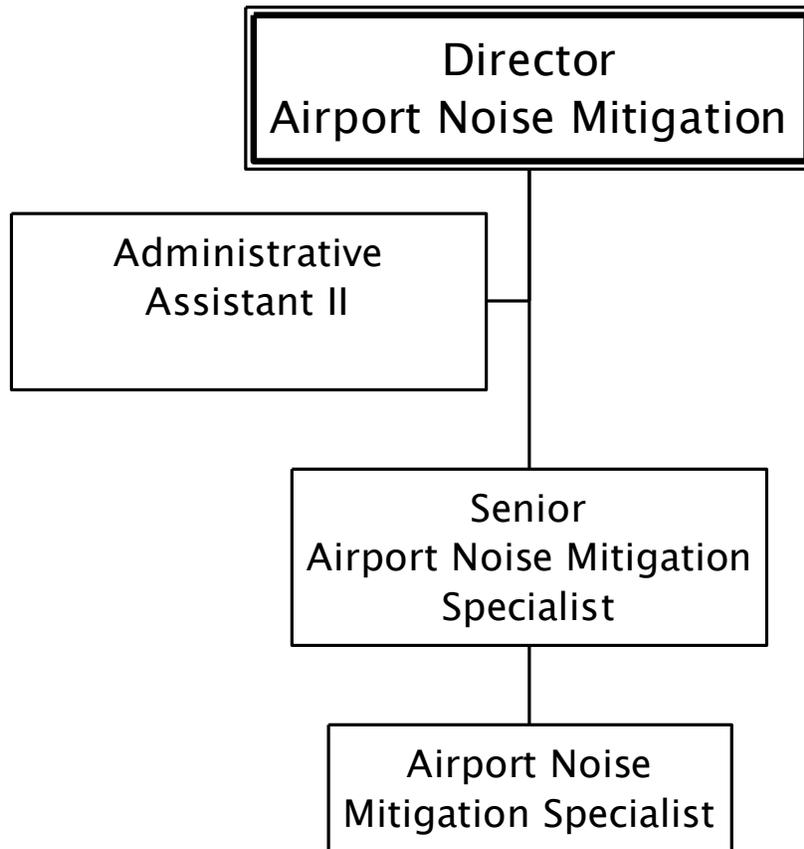
Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally–sound, effective, and efficient manner.

7. **Secure new, enhanced, or additional air service to Mexican markets by the second year after an annual SAN–Mexico market (e.g. Mexico City, Puerto Vallarta) reaches at least 50 PDEW.**

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally–sound, effective, and efficient manner.

Airport Noise Mitigation
FY 2013 – FY 2014 Organizational Structure



Airport Noise Mitigation

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 272,009	\$ 272,775	\$ 280,958	\$ 285,500	\$ 12,725	4.7%	\$ 4,542	1.6%	\$ 294,065	\$ 8,565	3.0%
Premium Overtime	(1)	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	99,543	113,900	121,049	115,371	1,472	1.3%	(5,678)	-4.7%	122,984	7,613	6.6%
Subtotal	371,550	386,674	402,007	400,871	14,197	3.7%	(1,136)	-0.3%	417,049	16,178	4.0%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	371,550	386,674	402,007	400,871	14,197	3.7%	(1,136)	-0.3%	417,049	16,178	4.0%
Non-Personnel Expenses											
Contractual Services	22,394	10,000	10,000	10,000	-	0.0%	-	0.0%	10,000	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	225	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Supplies	1,214	1,500	1,500	1,850	350	23.3%	350	23.3%	1,850	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	21,198	21,036	21,036	19,853	(1,183)	-5.6%	(1,183)	-5.6%	20,236	383	1.9%
Business Development	4,908	61,025	60,800	35,075	(25,950)	-42.5%	(25,725)	-42.3%	36,050	975	2.8%
Equipment Rentals & Repairs	166,380	198,800	200,800	199,632	832	0.4%	(1,168)	-0.6%	201,700	2,068	1.0%
Total Non-Personnel Expenses	216,319	292,361	294,136	266,410	(25,951)	-8.9%	(27,726)	-9.4%	269,836	3,426	1.3%
Total Operating Expenses	\$ 587,869	\$ 679,035	\$ 696,143	\$ 667,281	\$ (11,754)	-1.7%	\$ (28,862)	-4.1%	\$ 686,885	\$ 19,604	2.9%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	587,869	679,035	696,143	667,281	(11,754)	-1.7%	(28,862)	-4.1%	686,885	19,604	2.9%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 587,869	\$ 679,035	\$ 696,143	\$ 667,281	\$ (11,754)	-1.7%	\$ (28,862)	-4.1%	\$ 686,885	\$ 19,604	2.9%

Airport Noise Mitigation

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 / FY 2013 Conceptual / FY 2013 Budget	\$ 679,035	\$ 696,143	\$ 667,281
Personnel costs			
Salary adjustments and merit increase	12,725	4,542	8,565
Burden (benefits & employer taxes) increase / (decrease) for current staff	1,472	(5,678)	7,613
Total Increase / (Decrease) in personnel costs	14,197	(1,136)	16,178
(Decrease) in marketing costs	(3,500)	(3,500)	-
(Decrease) / increase in promotional activities & materials costs	(23,400)	(23,400)	1,000
Other, net	949	(826)	2,426
Total (Decrease) / Increase in non personnel costs	(25,951)	(27,726)	3,426
Total (Decrease) / Increase	(11,754)	(28,862)	19,604
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 667,281	\$ 667,281	\$ 686,885

Airport Noise Mitigation Departmental Goals

FY 2012 Progress Report

1. **Enhance Air Carrier Recognition Program – to publically evaluate and rate tenant air carrier and transient operations at SDIA and benchmark against a standardized scale.**

Progress: Awaiting FY 2013 budgeting authority to implement enhanced program.

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013:** Yes.

2. **Obtain FAA approval of SAN's Noise Compatibility Program (14 CFR Part 150) Update. Success equals Noise Compatibility Program approval by FAA by end of FY 2011. Specific goals include:**

- **Refer programs for FAA acceptance that meets customer demand to mitigate aircraft noise.**
- **Engage in an ongoing transparent public process to develop meaningful programs.**
- **Get FAA grand funding for approved mitigation and attenuation programs.**

Progress: Completed (FAA acceptance of SAN's Noise Compatibility Program submittal on June 1, 2011).

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

Authority Strategy: Strategy #2: Anticipate and exceed both internal and external customer service expectations. Strategy #5: Be a trusted and highly responsive regional agency.

Strategy #1: Enhance the financial position of the Authority.

Fiscal Year: 2012. **Continue in 2013:** No.

3. **Maintain Quieter Home (Residential Sound Insulation) Program acceleration and spending level. Success equals at least the same number of parcels sound attenuated as FY 2010.**

Progress: 2011 exceeded number of parcels attenuated in 2010.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue in 2013:** Yes.

4. Update SAN's variance to the California Noise Standards (CA Public Utilities Code, Section 5002) for validation to the County of San Diego, California Department of Transportation (DOT), and the airport's noise-impacted community to demonstrate the Airport Authority's continuing commitment to mitigate aircraft noise to the maximum extent possible. Success equals completion of the variance process and approval by California DOT by end of FY 2013.

Progress: Submitted in June 2011; on track for California Department of Transportation, Division of Aeronautics approval.

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

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy#5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013:** Yes.

5. Initiate approved elements of updated Federal Aviation Administration (FAA Part 150) Noise Compatibility Program (NCP). Success equals SAN NCP approval of eight (8) new elements by FAA by end of FY 2012 and budget authority to implement approved elements in FY 2013.

Progress: Awaiting FY 2013 budget process completion for 2013 implementation of FAA-approved elements.

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

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy#3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy#5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013:** Yes.

6. Conduct preventative upgrade of the twelve remaining remote noise monitoring terminal (RMT) poles. Success equals approval by City of San Diego to upgrade RMT's in-place by end of FY 2012, budget authority to implement the project, and successful completion of all elements by FY 2013.

Progress: Submitted to CIC January 25, 2012; awaiting CIC action.

Sustainability Goal: Operational Excellence, Natural Resource Conservation.

Authority Strategy: Strategy# 3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

Fiscal Year: 2012. **Continue in 2013:** Yes.

Airport Noise Mitigation Departmental Goals

FY 2013 – FY 2014 Goals

1. **Establish a Memorandum of Agreement (MOA) with the Federal Aviation Administration (FAA) to provide timely, accurate, and reliable flight tracking data for the Authority's web-based flight tracking system. Success equals FAA approval and Authority integration by June 30, 2013.**

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

2. **Coordinate further (3-year) variance to the California Noise Standards (CA PUC, Section 5002) with CA Department of Transportation (DOT) as required by regulation and to demonstrate the Authority's continuing commitment to mitigate aircraft noise to the maximum extent possible. Success equals DOT acceptance by June 30, 2013.**

Sustainability Goal: Operational Excellence, Social Responsibility.

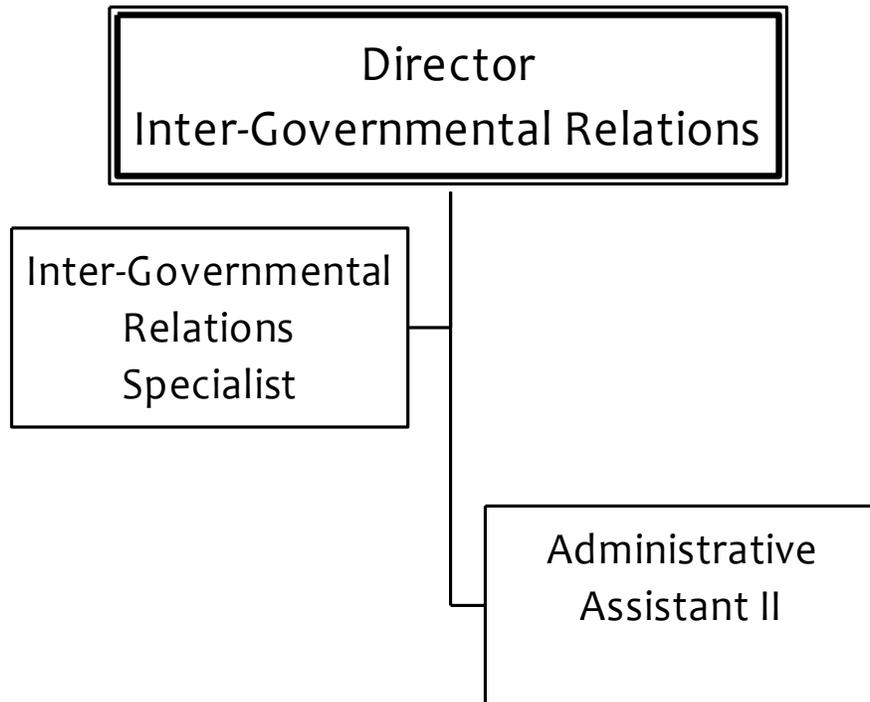
Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

3. **Implement approved elements of FAA Noise Compatibility Program (FAR Part 150). Success equals budget authority to implement approved elements by June 30, 2013.**

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

Inter-Governmental Relations
FY 2013 - FY 2014 Organizational Structure



Inter-Governmental Relations

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 249,311	\$ 262,189	\$ 270,054	\$ 270,054	\$ 7,866	3.0%	\$ -	0.0%	\$ 278,156	\$ 8,102	3.0%
Premium Overtime	-	500	500	-	(500)	-100.0%	(500)	-100.0%	-	-	0.0%
Employee Benefits	126,429	124,179	133,134	114,246	(9,933)	-8.0%	(18,889)	-14.2%	122,110	7,865	6.9%
Subtotal	375,740	386,868	403,689	384,300	(2,568)	-0.7%	(19,389)	-4.8%	400,266	15,966	4.2%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	375,740	386,868	403,689	384,300	(2,568)	-0.7%	(19,389)	-4.8%	400,266	15,966	4.2%
Non-Personnel Expenses											
Contractual Services	301,093	296,500	296,500	296,500	-	0.0%	-	0.0%	296,500	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	16	250	250	250	-	0.0%	-	0.0%	250	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	206	100	100	100	-	0.0%	-	0.0%	100	-	0.0%
Operating Supplies	709	1,500	1,500	2,100	600	40.0%	600	40.0%	2,100	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	15,071	14,900	14,900	15,400	500	3.4%	500	3.4%	15,400	-	0.0%
Business Development	33,957	82,375	82,375	79,850	(2,525)	-3.1%	(2,525)	-3.1%	79,850	-	0.0%
Equipment Rentals & Repairs	44	250	250	250	-	0.0%	-	0.0%	250	-	0.0%
Total Non-Personnel Expenses	351,095	395,875	395,875	394,450	(1,425)	-0.4%	(1,425)	-0.4%	394,450	-	0.0%
Total Operating Expenses	\$ 726,835	\$ 782,743	\$ 799,564	\$ 778,750	\$ (3,993)	-0.5%	\$ (20,814)	-2.6%	\$ 794,716	\$ 15,966	2.1%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	726,835	782,743	799,564	778,750	(3,993)	-0.5%	(20,814)	-2.6%	794,716	15,966	2.1%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 726,835	\$ 782,743	\$ 799,564	\$ 778,750	\$ (3,993)	-0.5%	\$ (20,814)	-2.6%	\$ 794,716	\$ 15,966	2.1%

Inter-Governmental Relations

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 / FY 2013 Conceptual / FY 2013 Budget	\$ 782,743	\$ 799,564	\$ 778,750
Personnel costs			
Salary adjustments and merit increase	7,366	(500)	8,102
Burden (benefits & employer taxes) (decrease) / increase for current staff	(9,933)	(18,889)	7,865
Total Increase / (Decrease) in personnel costs	(2,568)	(19,389)	15,966
Increase in travel business development costs	5,000	5,000	-
(Decrease) in memberships & dues costs	(7,525)	(7,525)	-
Other, net	1,100	1,100	-
Total (Decrease) in non personnel costs	(1,425)	(1,425)	-
Total (Decrease) / Increase	(3,993)	(20,814)	15,966
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 778,750	\$ 778,750	\$ 794,716

Inter-Governmental Relations Departmental Goals

FY 2012 Progress Report

2. **Strengthen relationships with current elected/appointed officials and staff and key community leaders in San Diego. Establish relationships with newly elected/appointed officials as well as non-San Diego officials holding key transportation/security positions.**

Progress: IGR staff has met with/briefed more than 20 elected officials/staff through the first six months of the fiscal year.

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes.

2. **Identify and include language in a multi-year FAA Reauthorization Act that will strategically position the Authority to maximize federal funding awards for SDIA projects and exclude language in the bill detrimental to the interests of SDIA. Work with state and national airport associations to obtain passage of a bill in 2011.**

Progress: IGR staff anticipates passage of a multi-year FAA Reauthorization Bill in February 2012.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Fiscal Year: 2012. **Continue in 2013?** No.

3. **Maintain historic levels of Airport Improvement Program funding, Quieter Home Program funding.**

Progress: The current AIP authorization level is at the historic level of \$3.5 billion. The Authority received \$12 million in AIP sound attenuation (QHP) funding this fiscal year.

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority.

Fiscal Year: 2012. **Continue in 2013?** Yes.

4. Monitor and work towards preventing the passage/enactment of State and Federal legislation and regulations that would negatively impact the Airport Authority and/or San Diego International Airport.

Progress: No bills opposed by the Authority have been passed yet this fiscal year.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012 **Continue in 2013?** Yes.

5. Proactively support the efforts of other Airport Authority departments in obtaining political/public support for key SDIA initiatives and funding requests.

Progress: IGR staff played key roles in obtaining letters of support from elected officials and other community partners in support of grant requests. Staff has also assisted in obtaining support from leaders for other Authority initiatives and airport programs/projects.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #1: Enhance the financial position of the Authority.

Fiscal Year: 2012. **Continue in 2013?** Yes.

6. Obtain Federal funding for the Washington Street Road / Entrance Project.

Progress: IGR staff obtained numerous letters of support for the Authority's TIGER grant application for Washington Street and worked with federal legislative representatives to advocate on behalf of the Authority for our TIGER application.

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012 **Continue in 2013?** Yes.

7. Work with federal legislative consultants, airport associations, federal delegation members, and others to pass a multi-year FAA Reauthorization bill.

Progress: IGR staff anticipates passage of a multi-year FAA Reauthorization Bill in February 2012.

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority.

Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012 **Continue in 2013?** No.

Inter-Governmental Relations

Departmental Goals

FY 2013 – FY 2014 Goals

1. **Strengthen relationships with elected/appointed officials and staff and partner organizations (e.g. San Diego chambers of commerce, economic development corporations, San Diego Taxpayers Association). Establish relationships with newly elected/appointed officials, and key transportation committee members and staff. This will be accomplished via a minimum of 30 airport briefings and/or airfield tours this year with a focus on the Green Build and other major SDIA projects and programs.**

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

2. **Work with airport advocacy associations to obtain passage of legislation that will strategically position the Authority to maximize federal funding awards for SDIA projects this year. This includes securing \$3.35 billion in the FY 2013 Transportation Appropriations bill.**

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

3. **Obtain annual Quieter Home Program funding to SDIA at a minimum level of \$10 million to fund the SDIA Quieter Home program in FY 2013.**

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority.

4. **Prevent the passage/enactment of all State and Federal legislation that would negatively impact the Airport Authority and/or San Diego International Airport.**

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority.
Strategy #2: Achieve the highest level of internal and external customer satisfaction.
Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

5. Obtain political/public support for the Airport Development Plan, SDIA's Airport Land Use Compatibility Plan, and other key SDIA initiatives and funding requests this year.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #1: Enhance the financial position of the Authority.

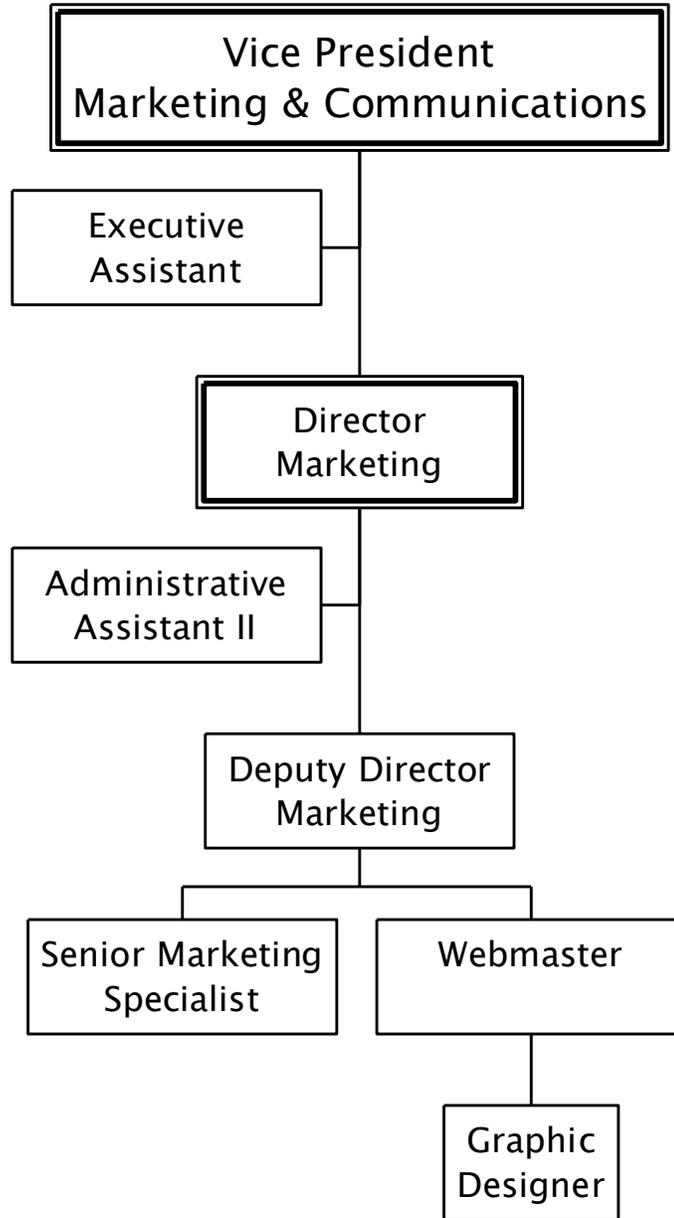
6. Obtain unanticipated funding for one major Authority project or program of at least \$500,000.

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Marketing

FY 2013 - FY 2014 Organizational Structure



Marketing

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY 2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 766,631	\$ 755,116	\$ 777,770	\$ 789,113	\$ 33,997	4.5%	\$ 11,343	1.5%	\$ 812,606	\$ 23,493	3.0%
Premium Overtime	11,380	10,000	25,000	-	(10,000)	-100.0%	(25,000)	-100.0%	-	-	0.0%
Employee Benefits	325,893	345,235	372,641	316,778	(28,457)	-8.2%	(55,863)	-15.0%	336,037	19,259	6.1%
Subtotal	1,103,905	1,110,351	1,175,411	1,105,891	(4,461)	-0.4%	(69,520)	-5.9%	1,148,643	42,752	3.9%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	1,103,905	1,110,351	1,175,411	1,105,891	(4,461)	-0.4%	(69,520)	-5.9%	1,148,643	42,752	3.9%
Non-Personnel Expenses											
Contractual Services	432,969	545,000	605,000	686,000	141,000	25.9%	81,000	13.4%	671,000	(15,000)	-2.2%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	1,200	1,200	1,200	-	0.0%	-	0.0%	1,200	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	21,255	5,000	5,000	5,000	-	0.0%	-	0.0%	10,000	5,000	100.0%
Operating Supplies	4,235	3,000	3,000	5,000	2,000	66.7%	2,000	66.7%	7,500	2,500	50.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	19,651	25,200	27,700	25,200	-	0.0%	(2,500)	-9.0%	27,700	2,500	9.9%
Business Development	953,157	606,605	1,295,605	1,493,055	886,450	146.1%	197,450	15.2%	903,055	(590,000)	-39.5%
Equipment Rentals & Repairs	44	-	20,000	20,500	20,500	0.0%	500	2.5%	20,500	-	0.0%
Total Non-Personnel Expenses	1,431,311	1,186,005	1,957,505	2,235,955	1,049,950	88.5%	278,450	14.2%	1,640,955	(595,000)	-26.6%
Total Operating Expenses	\$ 2,535,216	\$ 2,296,356	\$ 3,132,916	\$ 3,341,846	\$ 1,045,489	45.5%	\$ 208,930	6.7%	\$ 2,789,598	\$ (552,248)	-16.5%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	2,535,216	2,296,356	3,132,916	3,341,846	1,045,489	45.5%	208,930	6.7%	2,789,598	(552,248)	-16.5%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 2,535,216	\$ 2,296,356	\$ 3,132,916	\$ 3,341,846	\$ 1,045,489	45.5%	\$ 208,930	6.7%	\$ 2,789,598	\$ (552,248)	-16.5%

Marketing

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 / FY 2013 Conceptual / FY 2013 Budget	\$ 2,296,357	\$ 3,132,916	\$ 3,341,846
Personnel costs			
Salary adjustments and merit increase	23,996	(13,657)	23,493
Burden (benefits & employer taxes) (decrease) / increase for current staff	(28,457)	(55,863)	19,259
Total Increase / (Decrease) in personnel costs	(4,461)	(69,520)	42,752
Increase / (Decrease) in Green Build marketing and promotion costs	650,000	-	(350,000)
Increase / (Decrease) in use of outside professional consultants	141,000	81,000	(15,000)
Increase / (Decrease) in miscellaneous promotional activities & materials costs	135,600	100,600	(115,000)
Increase / (Decrease) in miscellaneous marketing costs	95,000	95,000	(95,000)
Other, net	28,350	1,850	(20,000)
Total Increase / (Decrease) in non personnel costs	1,049,950	278,450	(595,000)
Total Increase / (Decrease)	1,045,489	208,930	(552,248)
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 3,341,846	\$ 3,341,846	\$ 2,789,598

Marketing Departmental Goals

FY 2012 Progress Report

1. **Provide strategic marketing, advertising, and communications leadership and services to other Authority Divisions and Departments. Ensure on time production both internally and externally to minimize costs. Success equals increasing the number of in-house creative jobs completed in FY 2012.**

Progress: The Marketing Department is on target to reach the highest efficiency between creative jobs completed in-house and by the marketing communications consultant. The budget for the marketing communications consultant was reduced by 25% over FY 2011. And the number of in-house creative jobs (300) has increased, including web jobs (1,000), by approximately 2%. The Marketing Department continues to support the Authority Divisions/Departments in large and small initiatives, including but not limited to the Green Build, Concessions Development, Ground Transportation/Parking and Public Art.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #1: Enhance the financial position of the Authority.

Fiscal Year: 2012. **Continue in 2013?** Yes.

2. **Educate the public on the role of the Airport Authority and the vital role the Airport plays in the San Diego region. The Marketing Director and team will reach out to the business leaders and organizations to ensure the airport messages are communicated. Success equals increasing the awareness of airport related matters that affect both business and community.**

Progress: Marketing continues to out-reach to key organizations. This year, the focus was reaching organizations like the North, South, and East County EDC's, many chambers of commerce, and local businesses. Marketing continues to promote outreach and community participation to other departments in an effort to maximize all messaging opportunities.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes.

3. Increase the number of visitors to the Authority/Airport website. Success equals an increase of 8%–10% overall. In addition, Marketing will continue to test and enhance the web site by implementing advanced technologies to enhance the customer experience and provide access to vital information (e.g. flights, Green Build, contracting opportunities, concessions, etc.) and to improve our communication with the community.

Progress: The website has seen an 8.5% increase in the amount of unique visitors, when comparing the same *6-month* periods (July–December), year over year. Adding new and relevant content will continue to drive traffic to the web. The goal is to add appropriate changes that will enhance the customer experience.

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

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes.

4. Advance youth education in the areas of airports, aviation, and aviation-related careers, especially through six specific annual outreach programs. Success equals communication through curriculum participation and/or educational item distribution to 11,000 children in the San Diego region.

Progress: Youth education programs remain strong at the Airport Authority. This year, they included the YMCA Camp, Miramar Air Show, Girls in Engineering Day, Junior Achievement BizTown, Holiday Bowl, Fleet Week, Swing for Kids Golf Tournament, Museum Day, Reality Changers Vision Team, Junior Achievement BizTown Mural Project, and several tours. In addition, an interactive game and new educational information has been added to the airportexplorers.com website. New projects also include a middle school engineering class partnership to teach the “forces of flight” and a partnership with the San Diego Air & Space Museum to bring children to their new *How Things Fly* interactive exhibit. Estimated connections to students through aviation outreach efforts are approximately 15,000 – 17,000 by fiscal year end. The marketing team continues to look for additional sustainable opportunities within the community to expand our reach.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes.

5. **Advance the role of marketing at airports through the participation in the ACI-NA Marketing and Communications Steering Committee and other industry organizations.**

Progress: Cheryl Brown, Vice-Chair of the ACI-NA Marketing Communications Steering Committee, participates in four meetings and 12 conference calls per year. The committee provides professional support and educational opportunities for ACI-NA members in air service and business development, marketing, public affairs, customer service and community relations. The Committee develops aviation-related educational and policy programs for ACI-NA members, identifies issues and promotes public awareness of airports as economic generators for their communities and develops strategies for delivering strong customer service and attracting new air service. The committee is responsible for two ACI-NA conferences per year and participates in the development of the ACI-NA Annual Conference program. In addition, San Diego International Airport hosted the 2011 Annual ACI-NA Conference and Exhibition October. The Marketing Department managed the responsibility with tremendous support from the entire Authority staff.

Sustainability Goal: Operational Excellence, Economic Viability.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** No.

Marketing Departmental Goals

FY 2013 – FY 2014 Goals

1. Provide strategic marketing, advertising, and communications leadership and services to other Authority Divisions and Departments. Marketing will ensure a 95% on-time completion for all projects both internally and externally to maximize efficiency and minimize costs. Increase the number of in-house creative jobs completed in FY 2013 by 1% over annual average of 200.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

2. Educate the public on the role of the Airport Authority and the vital role the Airport plays in the San Diego region. The Marketing Director and team will reach out to a minimum six (6) business leaders and organizations to ensure the airport messages are appropriately communicated.

Sustainability Goal: Economic Viability, Social Responsibility.

Authority Strategy: Strategy # 2: Achieve the highest level of internal and external customer satisfaction. Strategy # 5: Be a trusted and highly responsive regional agency.

3. Increase the number of visitors to the Authority web site by 8%. Marketing will continue to test and enhance the web site by implementing advanced technologies to enhance the customer experience and provide access to vital information (e.g. flights, Green Build, contracting opportunities, concessions etc.) and to improve our communication with the community.

Sustainability Goal: Economic Viability, Social Responsibility.

Authority Strategy: Strategy # 2: Achieve the highest level of internal and external customer satisfaction. Strategy # 5: Be a trusted and highly responsive regional agency.

4. Marketing will also oversee the completion of the intranet that will be used for improved employee communication.

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

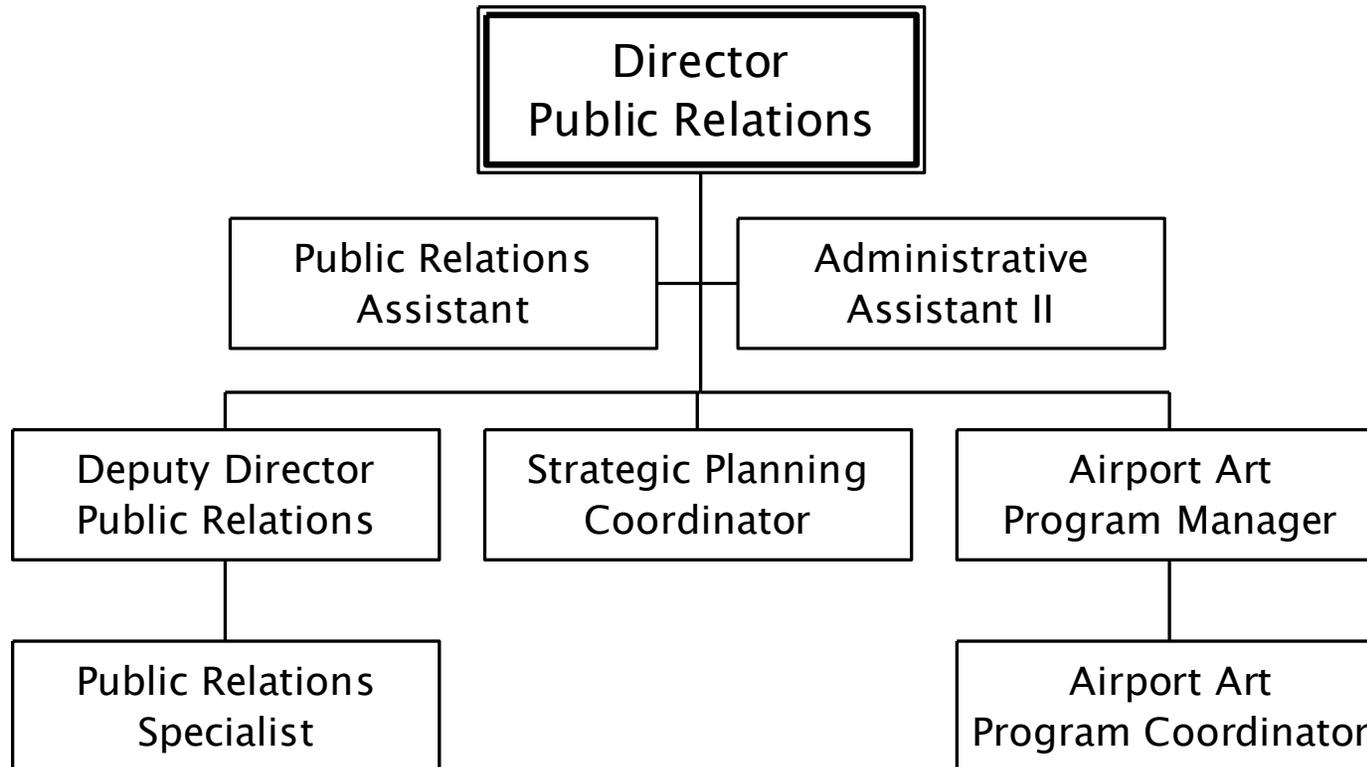
Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

5. Advance youth education in the areas of airports, aviation, and aviation-related careers, through planned specific annual outreach programs. Success equals communication through curriculum participation and/or educational item distribution to 11,000 children in the San Diego region.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy # 5: Be a trusted and highly responsive regional agency.

Public Relations
FY 2013 – FY 2014 Organizational Structure



Public Relations

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 699,342	\$ 699,441	\$ 720,425	\$ 664,133	\$ (35,309)	-5.0%	\$ (56,292)	-7.8%	\$ 683,877	\$ 19,744	3.0%
Premium Overtime	-	2,000	2,000	-	(2,000)	-100.0%	(2,000)	-100.0%	-	-	0.0%
Employee Benefits	327,490	322,653	343,208	265,755	(56,898)	-17.6%	(77,454)	-22.6%	281,062	15,308	5.8%
Subtotal	1,026,832	1,024,094	1,065,633	929,887	(94,207)	-9.2%	(135,746)	-12.7%	964,939	35,052	3.8%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	1,026,832	1,024,094	1,065,633	929,887	(94,207)	-9.2%	(135,746)	-12.7%	964,939	35,052	3.8%
Non-Personnel Expenses											
Contractual Services	1,192,921	1,247,300	1,297,300	877,250	(370,050)	-29.7%	(420,050)	-32.4%	851,250	(26,000)	-3.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	24	500	500	500	-	0.0%	-	0.0%	500	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	839	1,500	1,500	1,500	-	0.0%	-	0.0%	1,500	-	0.0%
Operating Supplies	6,024	10,000	10,000	5,450	(4,550)	-45.5%	(4,550)	-45.5%	4,700	(750)	-13.8%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	27,970	53,600	53,800	43,900	(9,700)	-18.1%	(9,900)	-18.4%	43,900	-	0.0%
Business Development	139,857	178,000	178,000	72,420	(105,580)	-59.3%	(105,580)	-59.3%	71,870	(550)	-0.8%
Equipment Rentals & Repairs	44	3,000	2,500	3,000	-	0.0%	500	20.0%	3,000	-	0.0%
Total Non-Personnel Expenses	1,367,680	1,493,900	1,543,600	1,004,020	(489,880)	-32.8%	(539,580)	-35.0%	976,720	(27,300)	-2.7%
Total Operating Expenses	\$ 2,394,512	\$ 2,517,994	\$ 2,609,233	\$ 1,933,907	\$ (584,087)	-23.2%	\$ (675,326)	-25.9%	\$ 1,941,659	\$ 7,752	0.4%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	2,394,512	2,517,994	2,609,233	1,933,907	(584,087)	-23.2%	(675,326)	-25.9%	1,941,659	7,752	0.4%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 2,394,512	\$ 2,517,994	\$ 2,609,233	\$ 1,933,907	\$ (584,087)	-23.2%	\$ (675,326)	-25.9%	\$ 1,941,659	\$ 7,752	0.4%

Public Relations

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 / FY 2013 Conceptual / FY 2013 Budget	\$ 2,517,994	\$ 2,609,233	\$ 1,933,907
Personnel costs			
Salary adjustments and merit increase	(37,309)	(58,292)	19,744
Burden (benefits & employer taxes) (decrease) / increase for current staff	(56,898)	(77,454)	15,308
Total Increase / (Decrease) in personnel costs	(94,207)	(135,746)	35,052
(Decrease) in use of outside professional consultants	(7,000)	(7,000)	(1,000)
Customer relations expenses transfer to Landside department	(495,505)	(497,605)	-
Other, net	12,625	(34,975)	(26,300)
Total (Decrease) in non personnel costs	(489,880)	(539,580)	(27,300)
Total (Decrease) / Increase	(584,087)	(675,326)	7,752
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 1,933,907	\$ 1,933,907	\$ 1,941,659

Public Relations Departmental Goals

FY 2012 Progress Report

1. **'New Media' Communications Initiatives: Explore and develop series of 'New Media' communications initiatives to engage the public and other stakeholders in new and innovative ways.**

Progress: Mobile web site launched.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** No.

2. **Reach out to the public and media using conventional and social media tools at each pre-determined milestone for The Green Build, SDIA Airport Land Use Compatibility Plan, and SDIA Long-Range Vision Plan and show results with news coverage and social media comments from the public for each outreach effort over the course of FY 2012 and FY 2013.**

Progress: Media audit undertaken by PR consultant.

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes, replacing "SDIA Long-Range Plan" with "Airport Development Plan," which includes the North Side Development.

3. **Public Outreach: Elicit meaningful participation and input from the public and other stakeholders on The Green Build, Regional Aviation Strategic Plan (RASP), and Airport Land Use Compatibility Plans (ALUCPs) by increasing the number of, and improving and monitoring the effectiveness of, the ways these audiences can interact with the Airport Authority regarding these issues. Success equals:**

- › **Reaching at least 1,800 Twitter followers.**
- › **Reaching at least 25,000 Ambassablog visitors.**
- › **Reaching at least 750 Facebook fans.**
- › **Consistently reaching out to at least 1,000 e-alert recipients.**

Progress: All goals above have been exceeded.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** No.

4. Launch a comprehensive mobile device application for San Diego International Airport by third quarter FY 2012.

Progress: Development of mobile app progressing with Gate Guru proposal under review for possible implementation in late FY 2012 or early FY 2013.

Sustainability Goals: Operational Excellence, Social Responsibility.

Authority Strategies: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes.

5. Develop and launch Authority-wide "Perfecting the Approach" customer service training program by fourth quarter FY 2012.

Progress: This goal is being transferred over to Landside Operations due to recent reorganization.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Fiscal Year: 2012. **Continue in 2013?** No.

6. Establish a revenue-generating art sponsorship program whereby suitable sponsors are identified for both the Public Art Program (by third quarter FY 2012) and the Temporary and Rotating Exhibits Program (by second quarter FY 2012), with revenue streams from these efforts realized by first quarter FY 2013.

Progress: Progress made on researching organizational ability to accept sponsorship revenues; initial contacts made with potential sponsors.

Sustainability Goal: Economic Viability.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority.

Fiscal Year: 2012. **Continue in 2013?** Yes.

Public Relations Departmental Goals

FY 2013 – 2014 Goals

1. **Develop social media revenue generation proposal which identifies at least one revenue generation opportunity for each of the following social media tools by the end of the 2nd Quarter of FY 2013: Ambassablog, Facebook, Twitter, YouTube, and Flickr.**

Sustainability Goal: Economic Viability.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority.

2. **Develop special events revenue generation proposal via rental of airport facilities for public and private events, by the 2nd Quarter of FY 2013.**

Sustainability Goal: Economic Viability; Social Responsibility.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority.

3. **Establish revenue-generating art sponsorship program whereby suitable sponsors are identified for both the Public Art Program and the Temporary and Rotating Exhibits Program, with revenue streams from these efforts realized by mid-FY 2013.**

Sustainability Goal: Economic Viability.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority.

4. **Enhance Social Media Communications: Reach out to the public and media using conventional and social media tools at each pre-determined milestone for The Green Build and Airport Development Plan, including North Side Development, and show results with news coverage and social media comments from the public for each outreach effort over the course of FY 2013.**

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency.

5. **Launch a comprehensive mobile device application for San Diego International Airport by mid-FY 2013.**

Sustainability Goals: Operational Excellence, Social Responsibility.

Authority Strategies: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

6. Expand specialized community outreach to Little Italy, Mission Hills, and Downtown San Diego to establish stronger relationships with the Authority, as follows:

- › Little Italy and Mission Hills: Visit 8 to 10 businesses per quarter and attend one community meeting per quarter of the Mission Hills Town Council and Little Italy Association.
- › Downtown: Attend downtown business meeting (Friends of Downtown) monthly and expected to serve a two-year term as Board Member of the USS Midway Museum, attending meetings on a quarterly basis, starting in February 2012.

Sustainability Goal: Social Responsibility

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

PLANNING & OPERATIONS DIVISION

Planning & Operations Division

Overview

The Planning & Operations Division is responsible for complying with several legislative mandates for San Diego International Airport and the Airport Authority, including compliance with state and federal environmental laws, development of the strategic plan for meeting the air transportation needs of the San Diego region, and support for the Authority Board in reviewing land use decisions in the areas surrounding the region's airports. The division frequently coordinates with regulatory agencies and regional transportation partners to accomplish the Authority's goals. The division is also responsible for meeting the safety and operational needs of the traveling public, both landside and airside. The division consists of five departments with distinctly different goals and responsibilities.

The **Airport Planning Department** is responsible for all short- and long-term planning for SDIA and the Airport Authority. It is also responsible for supporting the Authority Board in its role as the Airport Land Use Commission, as well as in the development of the comprehensive land use plans for all public airports in San Diego County (including military airfields). The Department also:

- Provides technical support in the Authority's efforts to meet the regional air transportation needs of San Diego County.
- Prepares and updates the Airport Development Plan, including Development Plan Amendments.
- Ensures compliance with environmental laws governing development at the Airport, including the California Environmental Quality Act, the National Environmental Policy Act, and the California Coastal Act.

The **Airside Operations Department** oversees the myriad of daily activities occurring on the airfield and is responsible for maintaining a safe, secure environment in which the Airport's tenants can operate. The department manages these activities in accordance with Federal and State regulations, local ordinances and the Airport's Rules and Regulations. Trained Duty Managers monitor conditions on the airfield and in the terminals around the clock; direct remedial action to repair inoperative systems; and summon fire, police, and life safety responders to urgent situations or potential emergencies. The department also:

- Develops, administers, and implements the Airport Certification Manual (ACM).

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

- Manages the Service Level Agreement with Harbor Police.
- Coordinates with all Homeland Security and state agencies for passenger inspection services.
- Develops, administers, and implements the Airport Security Program (ASP), Airport Emergency Plan (AEP).
- Ensures high level of emergency / crisis preparedness through coordination with local, State, and Federal agencies.

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

The various programs administered by Environmental Affairs are as follows:

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

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

- Manages Transportation Islands at Terminal 1 and Terminal 2 for travelers
- Issues permits for all ground transportation service provider vehicles
- Permits and completes security checks for taxicab and shuttle drivers
- Manages airport parking card program for external and internal stakeholders
- Manages employee parking lots and employee shuttles.

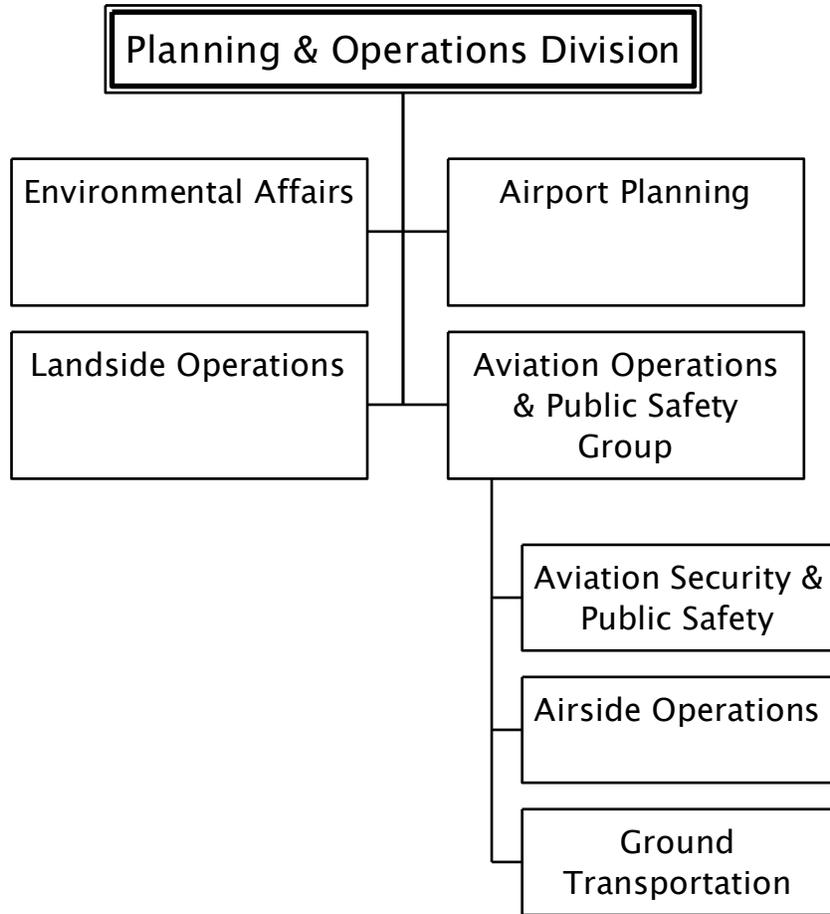
The **Landside Operations Department** oversees the airport terminal buildings and other facilities. Participates in the inspection of landside facilities (air carrier, federal inspection service, concessionaires, etc.) to identify any maintenance and safety deficiencies to ensure operating standards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

Oversees the Authorities traffic enforcement functions; manages traffic enforcement operations around airport terminal buildings, ensuring compliance with FAA, TSA, state and local law and regulations; oversees the issuance and processing of traffic and parking citations and hearings regarding disputed violations.

Oversees customer service activities and services for both tenants and the traveling public; manages and directs the development and administration of service programs focused on travelers and other consumers; oversees and participates in the resolution of complaints involving terminal operations from customers and tenants.

Oversees the airport lost and found facility to ensure reasonable best efforts are attempted for returning lost property to their rightful owners.

Planning & Operations Division Organizational Structure



Division Personnel Summary

	FY 2011 Authorized & Funded Positions	FY 2012 Authorized & Funded Positions	FY 2013 Transfers	FY 2013 New/ (Eliminated) Positions	FY 2013 (Frozen)/ Unfrozen Positions	FY 2013 Authorized & Funded Positions	FY 2014 New/ (Eliminated) Positions	FY 2014 (Frozen)/ Unfrozen Positions	FY 2014 Authorized & Funded Positions
Planning & Operations									
Environmental Affairs	7	6	-	-	-	6	-	-	6
Airport Planning	11	10	-	-	-	10	-	-	10
Landside Operations	54	54	1 ^[1]	-	-	55	4	-	59
Aviation Security & Public Safety	11	11	-	-	-	11	-	-	11
Ground Transportation	5	5	-	1	-	6	-	-	6
Airside Operations	16	16	-	-	-	16	-	-	16
Total	104	102	1	1	-	104	4	-	108
Authorized and Unfunded Positions	5	3	-	-	-	4 ^[2]	-	-	4
Total Authorized Positions	109	105	1	1	-	108	4	-	112

^[1]1 Transferred Customer Relations Coordinator from Public Relations Department to Landside Operations Department

^[2]1 Unfunded Customer Service Manager was transferred from Public Relations Department to Landside Department

Planning & Operations Division

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY 2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY 2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 6,635,569	\$ 6,509,805	\$ 6,781,154	\$ 6,808,575	\$ 298,769	4.6%	\$ 27,421	0.4%	\$ 7,206,395	\$ 397,821	5.8%
Premium Overtime	235,583	212,483	212,483	205,000	(7,483)	-3.5%	(7,483)	-3.5%	155,000	(50,000)	-24.4%
Employee Benefits	3,385,251	3,430,232	3,718,085	3,190,136	(240,095)	-7.0%	(527,949)	-14.2%	3,526,484	336,347	10.5%
Subtotal	10,256,404	10,152,520	10,711,722	10,203,711	51,191	0.5%	(508,011)	-4.7%	10,887,879	684,168	6.7%
Less: Capitalized Labor	(287,516)	(371,028)	(384,550)	(374,318)	(3,290)	0.9%	10,232	-2.7%	-	374,318	-100.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	9,968,887	9,781,492	10,327,172	9,829,393	47,901	0.5%	(497,779)	-4.8%	10,887,879	1,058,486	10.8%
Non-Personnel Expenses											
Contractual Services	19,287,526	19,366,709	20,030,023	21,596,180	2,229,471	11.5%	1,566,157	7.8%	23,016,542	1,420,362	6.6%
Safety and Security	21,343,967	20,850,032	20,850,032	22,408,160	1,558,128	7.5%	1,558,128	7.5%	23,445,356	1,037,196	4.6%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	3,090	1,000	1,000	1,500	500	50.0%	500	50.0%	1,500	-	0.0%
Maintenance	1,441,012	1,320,856	1,320,856	1,185,550	(135,306)	-10.2%	(135,306)	-10.2%	1,552,550	367,000	31.0%
Operating Equipment & Systems	177,078	90,500	114,800	141,400	50,900	56.2%	26,600	23.2%	103,800	(37,600)	-26.6%
Operating Supplies	180,511	140,140	163,140	175,200	35,060	25.0%	12,060	7.4%	162,500	(12,700)	-7.2%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	222,760	221,525	221,525	267,575	46,050	20.8%	46,050	20.8%	250,575	(17,000)	-6.4%
Business Development	100,585	119,765	94,765	183,595	63,830	53.3%	88,830	93.7%	179,945	(3,650)	-2.0%
Equipment Rentals & Repairs	52,322	43,000	43,000	42,500	(500)	-1.2%	(500)	-1.2%	134,600	92,100	216.7%
Total Non-Personnel Expenses	42,808,852	42,153,527	42,839,141	46,001,660	3,848,133	9.1%	3,162,519	7.4%	48,847,368	2,845,708	6.2%
Total Operating Expenses	\$ 52,777,739	\$ 51,935,019	\$ 53,166,312	\$ 55,831,052	\$ 3,896,033	7.5%	\$ 2,664,740	5.0%	\$ 59,735,247	\$ 3,904,194	7.0%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	52,777,739	51,935,019	53,166,312	55,831,052	3,896,033	7.5%	2,664,740	5.0%	59,735,247	3,904,194	7.0%
Equipment Outlay	305,173	-	-	1,162,000	1,162,000	0.0%	1,162,000	0.0%	-	(1,162,000)	-100.0%
Total Authority Expenses incl Equip Outlay	\$ 53,082,912	\$ 51,935,019	\$ 53,166,312	\$ 56,993,052	\$ 5,058,033	9.7%	\$ 3,826,740	7.2%	\$ 59,735,247	\$ 2,742,194	4.8%

Planning & Operations Division

Major Drivers of FY 2013 Proposed Budget Increase / (Decrease)

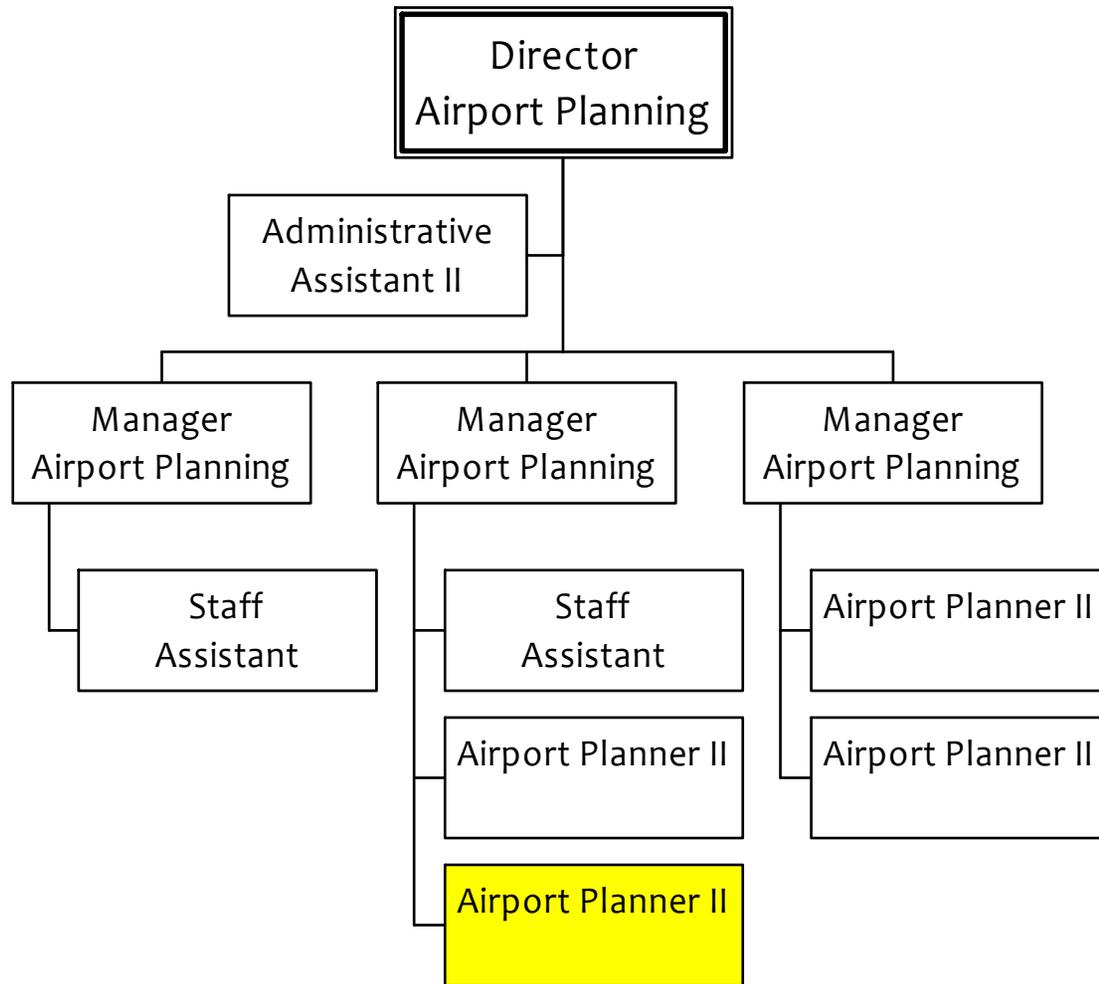
	Inc/(Dec) FY13 vs FY12	Inc/(Dec) FY13 vs FY13 Conceptual
FY 2012 Budget / FY 2013 Conceptual	\$ 51,935,019	\$ 53,166,312
Personnel costs		
Salary adjustments and merit increase	171,576	(25,804)
1 New Code Compliance Officer position (salaries, benefits & employer taxes)	83,733	83,733
Change in capitalized labor	(3,290)	10,232
Burden (benefits & employer taxes) (decrease) for current staff	(293,739)	(545,182)
Total Increase / (Decrease) in personnel costs	47,901	(497,779)
Increase in Harbor Police costs	1,350,670	1,350,670
Increase in equipment outlay	1,162,000	1,162,000
Increase in Airport custodial contract (due to Green Build, Concession Development Program, and general activity)	892,947	578,841
Increase in other professional services	553,659	536,659
Customer Relations costs transferred from Public Relations department	450,301	450,301
Increase in Ramp Control Facility professional services costs	245,600	245,600
Increase in Aircraft Rescue Fire Fight (ARFF) contract costs	150,678	150,678
Increase in waste removal costs	150,000	150,000
Other, net	54,277	(300,230)
Total Increase in non-personnel costs	5,010,132	4,324,519
Total Increase	5,058,033	3,826,740
FY 2013 Budget	\$ 56,993,052	\$ 56,993,052

Planning & Operations Division

Major Drivers of FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY14 Conceptual vs FY13
FY 2013 Budget	\$ 56,993,052
Personnel costs	
Change in capitalized labor	374,318
4 New ATO positions (salaries, benefits & employer taxes)	263,770
Burden (benefits & employer taxes) increase for current staff	241,105
Salary adjustments and merit increase	179,293
Total Increase in personnel costs	1,058,486
Increase in Airport custodial contract (due to Green Build, Concession Development Program and general activity)	876,370
Increase parking and shuttle operations	614,359
Increase in guard services	472,100
Increase in Ramp Control Facility professional services costs	423,363
Increase in Access Control system maintenance	417,000
Increase in Harbor Police costs	387,400
(Decrease) in other professional services	(494,500)
(Decrease) in equipment outlay	(1,162,000)
Other, net	149,617
Total Increase in non-personnel costs	1,683,708
Total Increase	2,742,194
FY 2014 Conceptual Budget	\$ 59,735,247

Airport Planning
FY 2013 – FY 2014 Organizational Structure



* Unfunded position shown in yellow

Airport Planning

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 821,881	\$ 845,288	\$ 870,459	\$ 870,219	\$ 24,931	2.9%	\$ (240)	0.0%	\$ 896,146	\$ 25,927	3.0%
Premium Overtime	226	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	376,495	384,087	411,472	347,767	(36,320)	-9.5%	(63,705)	-15.5%	371,412	23,645	6.8%
Subtotal	1,198,603	1,229,375	1,281,931	1,217,986	(11,388)	-0.9%	(63,945)	-5.0%	1,267,558	49,572	4.1%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	1,198,603	1,229,375	1,281,931	1,217,986	(11,388)	-0.9%	(63,945)	-5.0%	1,267,558	49,572	4.1%
Non-Personnel Expenses											
Contractual Services	2,171,786	1,992,000	2,194,000	2,110,000	118,000	5.9%	(84,000)	-3.8%	2,110,000	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	1,157	-	-	500	500	0.0%	500	0.0%	500	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	251	-	-	1,000	1,000	0.0%	1,000	0.0%	1,000	-	0.0%
Operating Supplies	6,604	5,000	5,000	5,000	-	0.0%	-	0.0%	5,000	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	30,994	21,800	21,800	41,000	19,200	88.1%	19,200	88.1%	41,000	-	0.0%
Business Development	26,201	17,800	17,800	7,800	(10,000)	-56.2%	(10,000)	-56.2%	7,800	-	0.0%
Equipment Rentals & Repairs	(39)	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Non-Personnel Expenses	2,236,953	2,036,600	2,238,600	2,165,300	128,700	6.3%	(73,300)	-3.3%	2,165,300	-	0.0%
Total Operating Expenses	\$ 3,435,556	\$ 3,265,975	\$ 3,520,531	\$ 3,383,286	\$ 117,312	3.6%	\$ (137,245)	-3.9%	\$ 3,432,858	\$ 49,572	1.5%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	3,435,556	3,265,975	3,520,531	3,383,286	117,312	3.6%	(137,245)	-3.9%	3,432,858	49,572	1.5%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 3,435,556	\$ 3,265,975	\$ 3,520,531	\$ 3,383,286	\$ 117,312	3.6%	\$ (137,245)	-3.9%	\$ 3,432,858	\$ 49,572	1.5%

Airport Planning

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 Budget / FY 2013 Conceptual / FY 2013 Budget	\$ 3,265,975	\$ 3,520,531	\$ 3,383,286
Personnel costs			
Salary adjustments and merit increase	24,931	(240)	25,927
Burden (benefits & employer taxes) (decrease) / increase for current staff	(36,320)	(63,705)	23,645
Total Increase / (Decrease) in personnel costs	(11,388)	(63,945)	49,572
Increase / (Decrease) in other professional services	60,000	-	(100,000)
Increase / (Decrease) in GIS tool costs	50,000	(110,000)	-
Increase in Airport Land Use Compatibility Plans (ALUCPs) costs	41,000	59,000	100,000
Other, net	(22,300)	(22,300)	-
Total Increase / (Decrease) in non-personnel costs	128,700	(73,300)	-
Total Increase / (Decrease)	117,312	(137,245)	49,572
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 3,383,286	\$ 3,383,286	\$ 3,432,858

Airport Planning Departmental Goals

FY 2012 Progress Report

1. The Airport Planning Department will evaluate and integrate greenhouse gas emission reduction measures into Airport Planning programs consistent with the CA Attorney General (AG) Memorandum of Understanding (MOU) by preparing three quarterly reports that summarize all the greenhouse gas emissions reduction measures for the adopted Airport Master Plan and Green Build Program including mitigation measures identified in the certified Final Programmatic EIR, coastal development permit and the adopted Air Quality Management Plan by May 30, 2012.

Progress: Three (3) quarterly progress report have been prepared and submitted, as required. The fourth is in progress and will be complete by May 30, 2012.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** No.

2. The Airport Planning Department will conduct planning activities that demonstrate leadership and recognition in planning by developing an educational component that can be disseminated to the Authority at SANformation, division meetings, open houses, or any other internal T/OD activity and give two (2) presentations at an airport industry conference or have one (1) paper published (in print or electronic media) on a relevant Authority topic by May 30, 2012.

Progress: An educational component of the ALUCP process was prepared and presented to staff at the March 22, 2012, SANformation meeting. Also, staff prepared and delivered three (3) presentations at industry conferences during FY2012.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** No.

3. The Airport Planning Department will a) strive to make individual passengers' experiences better at SDIA by providing directions, general knowledge, and assistance to passengers or guests in the terminals; and b) increase community awareness of airport planning projects and programs. To that end, every member of the Department will know what airlines operate from what terminals (including the flights from the CT), the location of the USO, FIS, the TSA checkpoint numbers, where rental car shuttles can be found and all Authority branded parking lots by May 30, 2012. By that date, every member of the department will also spend a minimum of eight hours in the terminals assisting in any approved activities such as: Experience SAN (through Customer Service), staffing of an inaugural flight or other Marketing Division event, conducting TSA line management, assisting during any of the busy holiday periods leading an educational or public airport tour, or assisting Landside Operations or Real Estate in an approved way. Up to two (2) hours may be credited for submitting approved substantial content to any SAN social media outlet.

Progress: Every Planning staff personally met this goal.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** No.

Airport Planning Departmental Goals

FY 2013 – FY 2014 Goals

1. The Airport Development Plan (ADP) will define the future airport facilities through the year 2035. Provided that timely and adequate funding is available, the following ADP tasks will be completed by May 31, 2013: Those tasks listed in the Scope of Work as Task 1, which include initial workshops, operational assessments, and defining the current state of the airport, and Task 2, which is defining the airport's facility requirements.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

2. Employee engagement opportunities will be provided in the Airport Development Plan (ADP) by preparing at least three (3) educational resources (e-mail blasts, information meetings, etc.) for all Authority employees by May 31, 2013.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #4: Ensure the highest level of employee satisfaction.

3. The Airport Planning Department will continue to make individual passengers' experiences better at SDIA by becoming highly educated regarding the Green Build projects and their upcoming opening, and increasing community awareness of airport projects and programs. To that end, every member of the Airport Planning department will spend a minimum of four (4) hours in the terminals assisting in any approved activities such as: Experience SAN (through Customer Service), staffing of an inaugural flight or other Marketing Division event, conducting TSA line management, assisting during any of the busy holiday periods, leading an educational or public airport tour, or assisting Landside Operations or Real Estate in an approved way, by May 31, 2013.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction.

4. Greenhouse gas (GHG) emission reduction measures will be integrated into Airport Planning programs consistent with the CA Attorney General (AG) Memorandum of Understanding (MOU) by preparing quarterly reports that summarize all the greenhouse gas emissions reduction measures for the adopted Airport Master Plan and Green Build Program, including mitigation measures identified in the certified Final Programmatic EIR, coastal development permit and the adopted Air Quality Management Plan, by May 31, 2013.

Sustainability Goal: Social Responsibility.

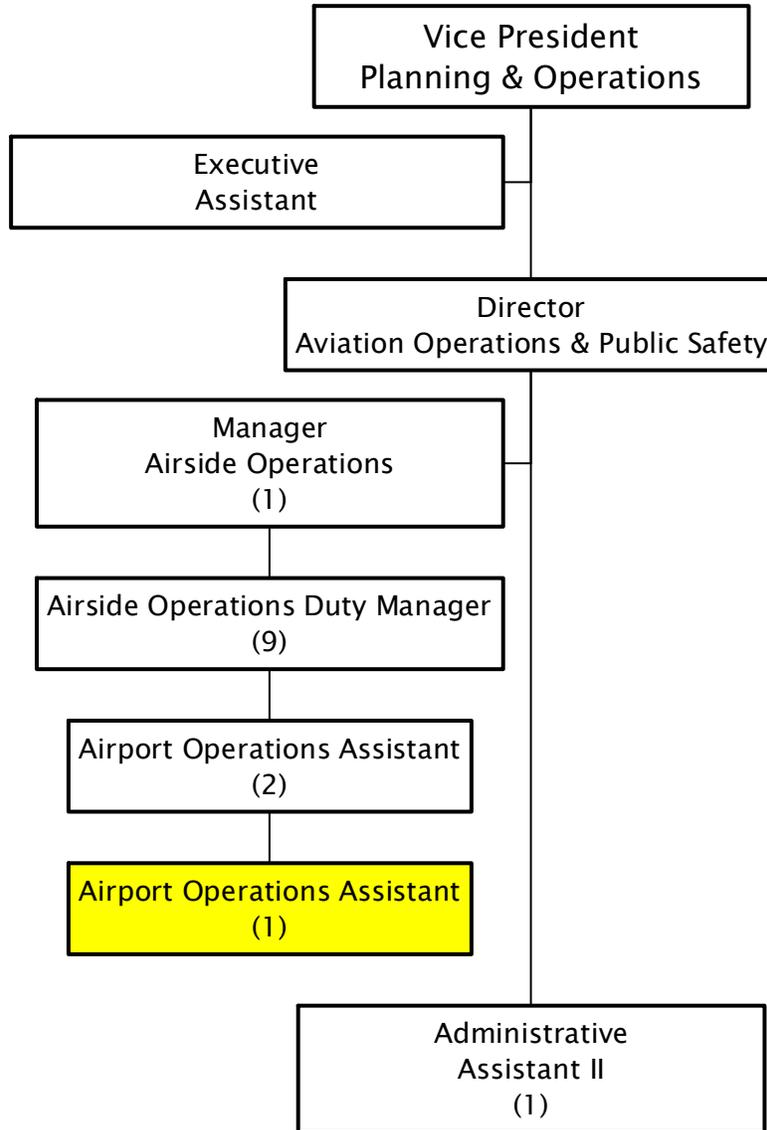
Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

5. The draft Airport Land Use Compatibility Plan (ALUCP) for SDIA, which will help guide future land use in the vicinity of the airport, and associated environmental documents, will be completed by May 31, 2013.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #1: Be a trusted and highly responsive regional agency.

Airside Operations
FY 2013 – FY 2014 Organizational Structure



* Unfunded position shown in yellow

Airside Operations

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 1,365,779	\$ 1,302,269	\$ 1,415,305	\$ 1,349,451	\$ 47,182	3.6%	\$ (65,854)	-4.7%	\$ 1,389,934	\$ 40,484	3.0%
Premium Overtime	12,113	20,000	20,000	15,000	(5,000)	-25.0%	(5,000)	-25.0%	15,000	-	0.0%
Employee Benefits	666,207	685,860	773,095	595,610	(90,250)	-13.2%	(177,485)	-23.0%	640,167	44,556	7.5%
Subtotal	2,044,098	2,008,129	2,208,400	1,960,061	(48,068)	-2.4%	(248,339)	-11.2%	2,045,101	85,040	4.3%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	2,044,098	2,008,129	2,208,400	1,960,061	(48,068)	-2.4%	(248,339)	-11.2%	2,045,101	85,040	4.3%
Non-Personnel Expenses											
Contractual Services	1,349	780	780	345,600	344,820	44207.7%	344,820	44207.7%	668,963	323,363	93.6%
Safety and Security	4,915,685	5,022,600	5,022,600	5,173,278	150,678	3.0%	150,678	3.0%	5,328,475	155,197	3.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	2,045	26,200	46,200	21,200	(5,000)	-19.1%	(25,000)	-54.1%	10,000	(11,200)	-52.8%
Operating Supplies	5,122	2,600	2,600	7,800	5,200	200.0%	5,200	200.0%	7,800	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	36,227	21,775	21,775	37,025	15,250	70.0%	15,250	70.0%	22,025	(15,000)	-40.5%
Business Development	25,011	12,650	12,650	8,600	(4,050)	-32.0%	(4,050)	-32.0%	8,600	-	0.0%
Equipment Rentals & Repairs	13,951	18,200	18,200	20,700	2,500	13.7%	2,500	13.7%	112,800	92,100	444.9%
Total Non-Personnel Expenses	4,999,389	5,104,805	5,124,805	5,614,203	509,398	10.0%	489,398	9.5%	6,158,663	544,460	9.7%
Total Operating Expenses	\$ 7,043,487	\$ 7,112,934	\$ 7,333,205	\$ 7,574,264	\$ 461,330	6.5%	\$ 241,059	3.3%	\$ 8,203,764	\$ 629,500	8.3%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	7,043,487	7,112,934	7,333,205	7,574,264	461,330	6.5%	241,059	3.3%	8,203,764	629,500	8.3%
Equipment Outlay	39,000	-	-	470,000	470,000	0.0%	470,000	0.0%	-	(470,000)	-100.0%
Total Authority Expenses incl Equip Outlay	\$ 7,082,487	\$ 7,112,934	\$ 7,333,205	\$ 8,044,264	\$ 931,330	13.1%	\$ 711,059	9.7%	\$ 8,203,764	\$ 159,500	2.0%

Airside Operations

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 Budget / FY 2013 Conceptual / FY 2013 Budget	\$ 7,112,934	\$ 7,333,205	\$ 8,044,264
Personnel costs			
Salary adjustments and merit increase	42,182	3,114	40,484
Burden (benefits & employer taxes) (decrease) / increase for current staff 3 eliminated and 1 frozen Duty Manager Positions	(90,250)	(141,074)	44,556
	-	(110,379)	-
Total (Decrease) / Increase in personnel costs	(48,068)	(248,339)	85,040
Increase / (Decrease) in equipment outlay	470,000	470,000	(470,000)
Increase in Ramp Control Facility professional services	245,600	245,600	423,363
Increase / (Decrease) in Airfield Wildlife assessment	100,000	100,000	(100,000)
Increase in Aircraft Rescue Fire Fight (ARFF) contract costs	150,678	150,678	155,197
Other, net	13,120	(6,880)	65,900
Total Increase in non-personnel costs	979,398	959,398	74,460
Total Increase	931,330	711,059	159,500
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 8,044,264	\$ 8,044,264	\$ 8,203,764

Airside Operations Departmental Goals

FY 2012 Progress Report

1. Sponsor airfield capital projects to enhance airfield safety and efficiency. Projects include the Runway 09 ILS/displaced threshold project. Sponsorship will include participation in project planning and design, as well as operational and safety oversight during construction. Planning, design, and construction will take place throughout FY 2011 and continue into FY 2012.

Progress: Coordination with FDD/FAA continues in respect to planning and design work. Work on this project is expected to continue into FY 2013.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** Yes.

2. Ensure the SDIA is in compliance with all FAR Part 139 regulatory requirements. Success will be measured via the annual FAA Certification Inspection with a goal of achieving a 100% compliance report. Completion date is August 31, 2011.

Progress: The 2011 annual FAA certification inspection was completed on August 5, 2011 with no discrepancies.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** Yes.

3. Facilitate Green Build construction and project implementation of airside activities through coordination with internal and external stakeholders. Projects will include the successful coordination and management of associated crane and construction activities and success will be measured by the implementation of the Crane Letter of Understanding (LOU) and the subsequent lack of impact on Airport Operations. Completion date is estimated for February 1, 2012.

Progress: The Crane LOU was successfully implemented with the FAA and work was completed without impact to Aircraft Operations.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** No.

4. Identify and recommend an operational plan for the staffing and management of the ramp control tower being built as part of the Green Build construction. Develop and submit recommendations regarding staffing and management responsibilities by June 30, 2012.

Progress: Staff report being completed and should be forwarded to the Executive team for review no later than February 31, 2012.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** No.

5. Sponsor airfield capital improvement projects to enhance airfield safety and operational efficiency. Projects include the airfield vehicle service road relocation and the Rwy 09 ILS/displaced threshold. Sponsorship includes participating in the planning, design, and operational oversight during construction. Planning, design, and construction will commence in FY 2011 and be completed in FY 2012.

Progress: The VSR relocation work is scheduled for completion by mid March 2012, and the ILS/ displaced threshold relocation planning and design work will continue into FY 2013.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** No.

Airside Operations Departmental Goals

FY 2013 – FY 2014 Goals

1. Ensure that SDIA is operated and maintained in compliance with all FAR Part 139 regulatory requirements. Success will be measured via the annual FAA Certification Inspection with a goal of achieving no discrepancies. Completion date is September 31, 2012.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

2. Work with the FAA to develop operating procedures in support of the new ramp control facility which promote the safe and expeditious flow of ramp aircraft traffic from gates 32-51 to the movement area. Completion date is January 30, 2013.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

3. Work with internal and external stakeholders to safely facilitate numerous upcoming airfield construction projects while minimizing negative impacts to our tenants and ATC operations. These projects include the storm drain rehabilitation project, forced main installation project, north side development, relocation of DHL, and the Rwy 9 ILS/displaced threshold project. Success will be measured by ensuring detailed coordination amongst stakeholders which result in no runway or taxiway incursions during the above projects.

Sustainability Goal: Operational Excellence, Social Responsibility.

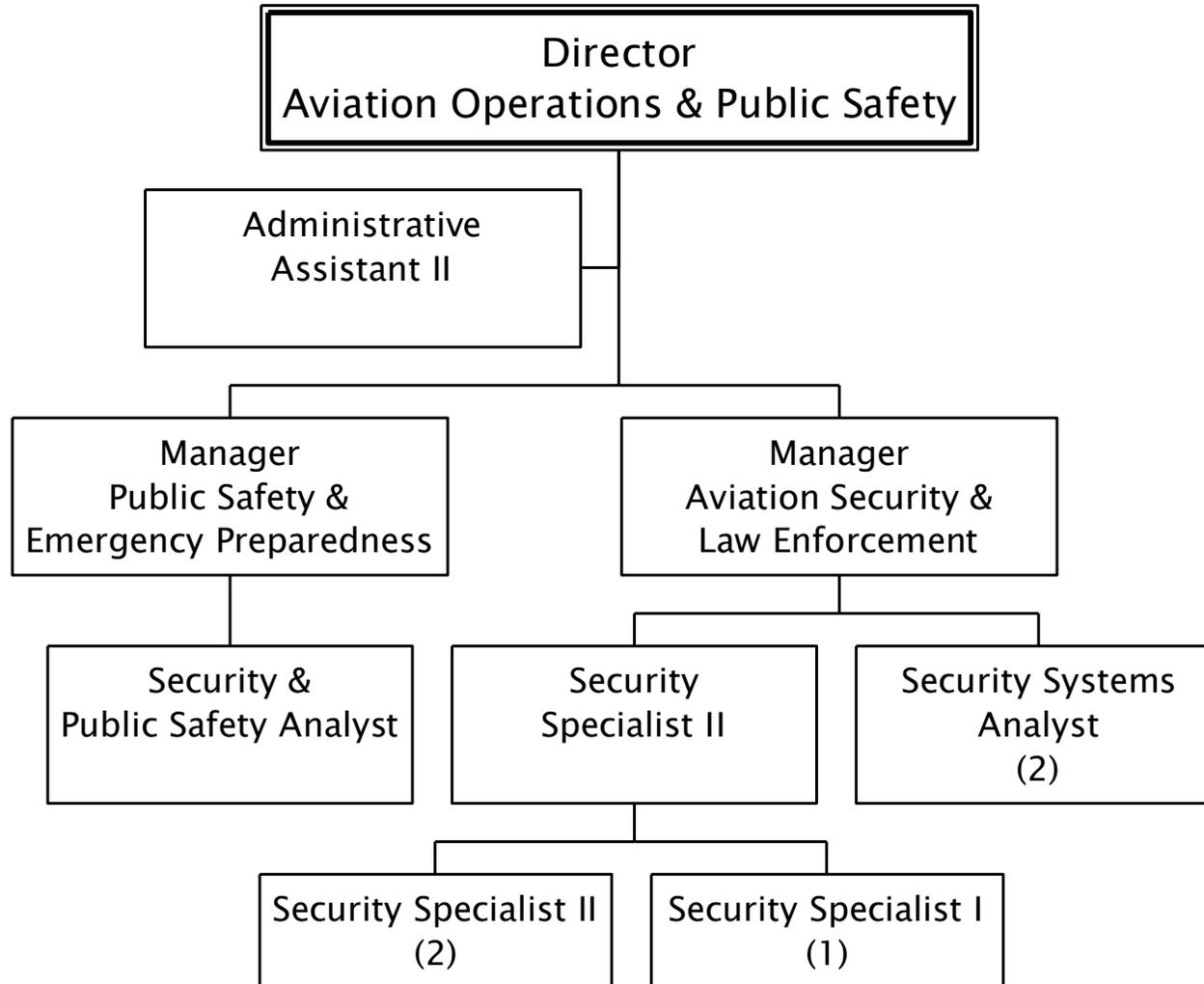
Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

4. Work with Planning and FDD to develop design improvements to Taxiway Bravo associated with the removal of the TDY buildings that meet with FAA approval, and minimize the Airside escorting requirements associated with Group V aircraft. Planning and design may continue into FY 2014. Success will be measured by approval of design plans that minimize airside escort requirements for Group V aircraft.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Aviation Security & Public Safety
FY 2013 – FY 2014 Organizational Structure



Aviation Security & Public Safety

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	Inc/(Dec) FY13 vs FY12	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 Budget / FY 2013 Conceptual / FY 2013 Budget	\$ 18,397,442	\$ 18,446,968	\$ 20,088,668
Personnel costs			
Salary adjustments and merit increase	31,618	9,633	22,948
Burden (benefits & employer taxes) (decrease) / increase for current staff	(12,825)	(38,065)	25,204
Total Increase / (Decrease) in personnel costs	18,793	(28,432)	48,152
Increase in law enforcement costs - Harbor Police department	1,350,670	1,350,670	387,400
Increase / (Decrease) in equipment outlay	422,000	422,000	(422,000)
Increase in medical emergency services costs	59,280	59,280	22,499
Increase in Access Control system maintenance	-	-	417,000
Increase in security guard services	-	-	472,100
Other, net	(159,518)	(161,818)	(950)
Total Increase in non-personnel costs	1,672,432	1,670,132	876,049
Total Increase	1,691,225	1,641,700	924,201
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 20,088,668	\$ 20,088,668	\$ 21,012,869

Aviation Security & Public Safety

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 Budget / FY 2013 Conceptual / FY 2013 Budget	\$ 18,397,442	\$ 18,446,968	\$ 20,088,668
Personnel costs			
Salary adjustments and merit increase	31,618	9,633	22,948
Burden (benefits & employer taxes) (decrease) / increase for current staff	(12,825)	(38,065)	25,204
Total Increase / (Decrease) in personnel costs	18,793	(28,432)	48,152
Increase in law enforcement costs - Harbor Police department	1,350,670	1,350,670	387,400
Increase / (Decrease) in equipment outlay	422,000	422,000	(422,000)
Increase in medical emergency services costs	59,280	59,280	22,499
Increase in Access Control system maintenance	-	-	417,000
Increase in security guard services	-	-	472,100
Other, net	(159,518)	(161,818)	(950)
Total Increase in non-personnel costs	1,672,432	1,670,132	876,049
Total Increase	1,691,225	1,641,700	924,201
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 20,088,668	\$ 20,088,668	\$ 21,012,869

Aviation Security & Public Safety Departmental Goals

FY 2012 Progress Report

1. **Ensure that SDIA continues to comply with all applicable federal, state, and local regulations and achieves excellence in the areas of Public Safety, Emergency/Disaster Preparedness, and Airport Certification by planning and conducting a full-scale mass-casualty field exercise in compliance with FAR Part 139.325(g)(4) by second quarter FY 2012 (November 30, 2011).**

Progress: This goal was completed on October 26, 2011. An After Action Report was distributed to all participating agencies. The FAA sent a letter on October 27, 2011 stating that they accepted this exercise as meeting our FAR Part 139 requirement.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** No.

2. **Continue to develop, enhance, and implement a highly effective Emergency/Disaster Preparedness Program by planning, training, and conducting exercises related to the Emergency Operations Center (EOC) and Family Reception Center (FRC). The training and exercises will involve Authority staff, Airport Tenants, and appropriate Regional Agencies and will be conducted by fourth quarter FY 2012 (June 2012).**

Progress: The Family Reception Center Exercise was conducted on October 26, 2011. An EOC Functional Exercise is scheduled for February 29, 2012.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** No.

3. **Enhance our regional partnership with the County of San Diego's Office of Emergency Services (OES) with the following initiatives: Improve the Authority's ability to track regional events that effect SDIA by making necessary upgrades to the Emergency Operations Center, during FY 2012 & FY 2013. Additionally, establish a cache of emergency supplies to ensure the Authority can sustain itself during the critical initial days of a region-wide emergency, to be completed during FY 2012 & FY 2013.**

Progress: These items were not approved for the FY2012 budget so we hope that they will be approved for the FY 2013 budget.

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes.

4. **Design, develop, and implement a comprehensive transition program to update Access Control System technology campus-wide. This will enhance AVSEC/PS operational capabilities and provide enhanced support to law enforcement, TSA, and other federal agencies. Additionally, this upgrade will prepare the facility for implementation of a smart card/biometric-based system of credentialing and access.**

Progress: The transition program concept and scope has been approved by both the department Director and the Division Vice President. Program financing will be submitted in the FY 2013 and 2014 budgets.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes.

5. **Enhance the Authority's partnership with TSA by working together to ensure a smooth transition from the national Homeland Security Advisory System (HSAS) to the newly created National Terror Threat Advisory System (NTAS). This transition will involve the creation and/or modification of over ten (10) large-scale plans and training programs; including the Airport Security Program (ASP).**

Progress: The NTAS implementation was implemented. All plans and program changes will be completed by June 30, 2012.

Sustainability Goal: Social Responsibility.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** No.

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

Progress: Staff sought and attended many free training opportunities throughout the County relating to Security/Terrorism and Public Safety. Our department also coordinated with Project Heartbeat to offer CPR/AED training to Authority staff.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #4: Ensure the highest level of employee satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** Yes.

Aviation Security & Public Safety Departmental Goals

FY 2013 – FY 2014 Goals

1. Enhance our Emergency/Disaster Preparedness Training of Authority Staff, Airport Tenants, and appropriate Agencies by conducting the following training initiatives during FY 2013 and FY 2014: Active Shooter Training/Exercise for Authority Staff (to be completed by the 4th quarter of FY 2013); Tabletop Exercise for the Traffic Plan – Harbor Drive Closures (to be completed by the 4th quarter of FY 2013); Joint BCP/EOC Functional Exercise (to be completed by the 4th quarter of FY 2013); to initiate Fire Alarm/Terminal Evcuation Training sessions at Tenant staff meetings (to be conducted during FY 2013 & FY 2014). Success will be measured by the completion of these exercises & training initiatives; the completion of any necessary After Action Reports for lessons learned; and the completion of any necessary revisions of Plans & Procedures.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

2. Enhance our regional partnership with the County of San Diego’s Office of Emergency Services (OES) with the following initiatives: Improve the Authority’s ability to track regional events that effect SDIA by making necessary upgrades to the Emergency Operations Center during FY 2013 & FY 2014. Additionally, establish a cache of emergency supplies to ensure the Authority can sustain itself during the critical initial days of a region-wide emergency during FY 2013 & FY 2014.

Sustainability Goal: Operational Excellence

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

3. Participate in the Green Build Activation Team (GBAT) to ensure that all Security Special Systems are planned, designed, and implemented. This will include all hardware and software, as well as the maintenance and management of the Access Control System (ACS).

Sustainability Goal: Operational Excellence

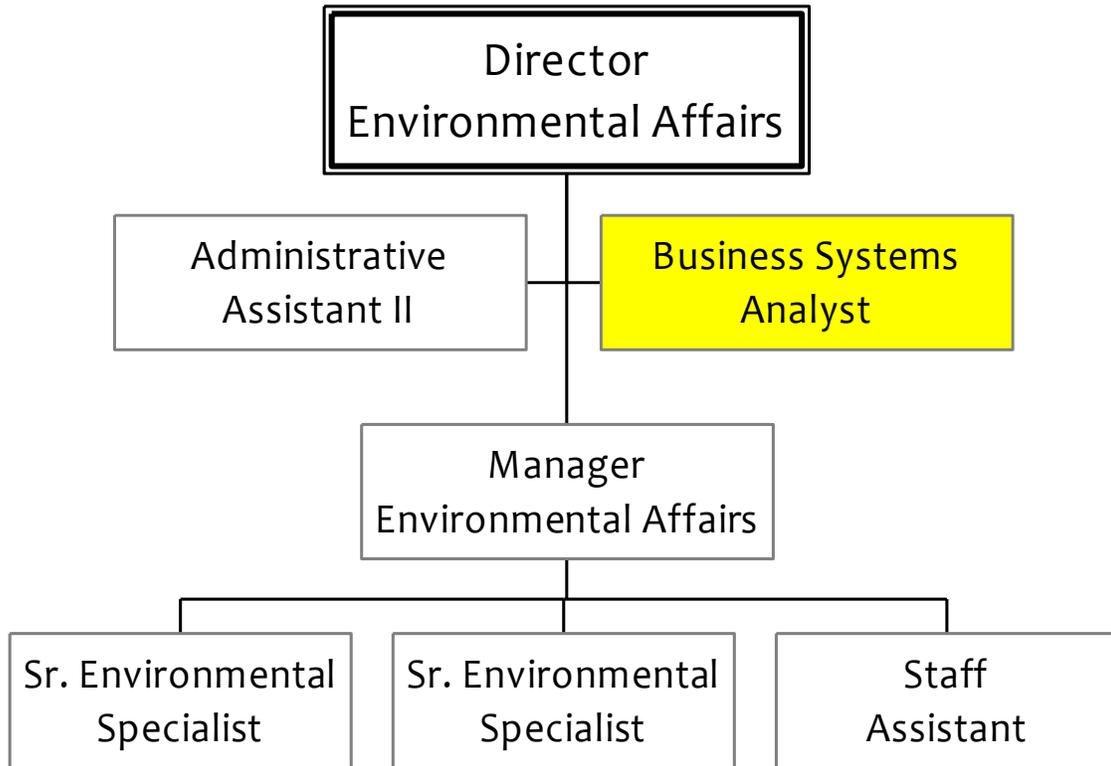
Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

4. Work with the Harbor Police Department (HPD) to develop a Law Enforcement staffing model for the Green Build infrastructure. The staffing model will focus on meeting or exceeding all required TSA response times while ensuring Police Officer and Public Safety. Model planning will include new opportunities for HPD staff to respond inside Terminal Buildings using bicycles and other personal transport equipment.

Sustainability Goal: Operational Excellence and Social Responsibility

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective, and efficient manner.

Environmental Affairs
FY 2013 – FY 2014 Organizational Structure



* Unfunded position shown in yellow

Environmental Affairs

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 542,109	\$ 507,477	\$ 522,521	\$ 522,521	\$ 15,044	3.0%	\$ -	0.0%	\$ 538,017	\$ 15,496	3.0%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	262,555	244,646	262,913	231,609	(13,038)	-5.3%	(31,304)	-11.9%	248,294	16,686	7.2%
Subtotal	804,663	752,123	785,434	754,130	2,006	0.3%	(31,304)	-4.0%	786,311	32,181	4.3%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	804,663	752,123	785,434	754,130	2,006	0.3%	(31,304)	-4.0%	786,311	32,181	4.3%
Non-Personnel Expenses											
Contractual Services	448,880	543,841	543,841	991,500	447,659	82.3%	447,659	82.3%	632,000	(359,500)	-36.3%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	50	1,000	1,000	1,000	-	0.0%	-	0.0%	1,000	-	0.0%
Maintenance	540,837	400,306	400,306	460,000	59,694	14.9%	59,694	14.9%	410,000	(50,000)	-10.9%
Operating Equipment & Systems	6,327	1,000	1,000	1,000	-	0.0%	-	0.0%	1,000	-	0.0%
Operating Supplies	3,896	4,000	4,000	4,000	-	0.0%	-	0.0%	4,000	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	98,177	95,700	95,700	101,200	5,500	5.7%	5,500	5.7%	101,200	-	0.0%
Business Development	32,183	33,900	33,900	33,900	-	0.0%	-	0.0%	33,900	-	0.0%
Equipment Rentals & Repairs	44	1,500	1,500	1,500	-	0.0%	-	0.0%	1,500	-	0.0%
Total Non-Personnel Expenses	1,130,393	1,081,247	1,081,247	1,594,100	512,853	47.4%	512,853	47.4%	1,184,600	(409,500)	-25.7%
Total Operating Expenses	\$ 1,935,057	\$ 1,833,370	\$ 1,866,681	\$ 2,348,230	\$ 514,859	28.1%	\$ 481,549	25.8%	\$ 1,970,911	\$ (377,319)	-16.1%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	1,935,057	1,833,370	1,866,681	2,348,230	514,859	28.1%	481,549	25.8%	1,970,911	(377,319)	-16.1%
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 1,935,057	\$ 1,833,370	\$ 1,866,681	\$ 2,348,230	\$ 514,859	28.1%	\$ 481,549	25.8%	\$ 1,970,911	\$ (377,319)	-16.1%

Environmental Affairs

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 Budget / FY 2013 Conceptual / FY 2013 Budget	\$ 1,833,370	\$ 1,866,681	\$ 2,348,230
Personnel costs			
Salary adjustments and merit increase	15,044	-	15,496
Burden (benefits & employer taxes) (decrease) / increase for current staff	(13,038)	(31,304)	16,686
Total Increase / (Decrease) in personnel costs	2,006	(31,304)	32,181
Increase / (Decrease) in other professional services	447,659	447,659	(359,500)
Increase / (Decrease) in refuse and hazardous waste disposal	59,694	59,694	(50,000)
Other, net	5,500	5,500	-
Total Increase / (Decrease) in non-personnel costs	512,853	512,853	(409,500)
Total Increase / (Decrease)	514,859	481,549	(377,319)
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 2,348,230	\$ 2,348,230	\$ 1,970,911

Environmental Affairs Departmental Goals

FY 2012 Progress Report

1. Conduct ground service equipment (GSE) and vehicle survey, prepare baseline air emissions inventory, and publish on website.

Progress: GSE survey was completed in 2011 and the associated air emissions will be calculated as part of air emissions inventory in Goal #4 (see below).

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

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** No.

2. Develop and implement a system to track all airside ground service equipment (GSE) and service vehicles by June 30, 2012.

Progress: The RFP process has been initiated for a consultant services contract to perform these tasks, with the anticipation of going before the Board early this spring for approval of a selected candidate firm.

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

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** No.

3. Assess potential for airside GSE and vehicle conversion to electric or alternative fuels; address infrastructure needs and apply for available grant funds by June 30, 2012.

Progress: The RFP process has been initiated for a consultant services contract to perform these tasks, with the anticipation of going before the Board early this spring for approval of a selected candidate firm.

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

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** No.

4. Calculate air emissions inventory for calendar year 2012, evaluate effectiveness of greenhouse gas (GHG) reduction measures (including vehicle conversion incentive program and other commitments under the AG-MOU), and provide recommendations to enhance emission reduction opportunities with findings to be published by June 30, 2012.

Progress: The RFP process has been initiated for a consultant services contract to perform these tasks, with the anticipation of going before the Board early this spring for approval of a selected candidate firm.

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

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** No.

5. Establish sustainability performance indicators that are applicable to the Global Reporting Initiative (GRI) system and utilize the new Performance Measurement System to track progress in areas of waste reduction, recycling, energy usage, water conservation, and GHG reduction measures by January 1, 2012.

Progress: Four performance indicators have been developed for GRI that are ready for reporting through the new Performance Measurement System, which is scheduled to be On-line in February 2012. Other GRI performance indicators have been identified for inclusion in the Airport Authority's first GRI Report due for completion by end of FY 2012.

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

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** No.

6. Expand stormwater Best Management Practices training to include all Airport Authority tenants by June 30, 2012.

Progress: The Department has intended for this training to be tenant-specific and to focus on stormwater issues of concern for each tenant. The individual training needs have been prioritized by the size and complexity of each tenants operation, and by the number of concerns identified and training materials have been developed for several tenants. Staff resources have limited the ability to customize the training materials and to coordinate the training session. The Department expects to provide a limited number of training sessions by the end of Fiscal Year 2012. Given the lack staff resources to customize the training materials and to coordinate the training session, the Department is re-evaluating this goal to determine if what training mechanisms might prove most efficient and effective and whether all tenants require training or only a limited number.

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

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** No.

7. Expand capabilities of storm water management database system by December 31, 2011.

Progress: The database enhancements are now in-place and the Fiscal Year 2012 Annual Airport-wide Stormwater inspection scheduled for March 2012 will be the Department's first opportunity to make use of the systems new capabilities. Additional improvements and operational efficiencies are being developed and should be completed in Fiscal Year 2013.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes.

Environmental Affairs Departmental Goals

FY 2013 – FY 2014 Goals

1. **Develop a strategic plan to convert all airside ground service equipment (GSE) and airside service vehicles to electric or alternative clean fuels that is ready for implementation by July 1, 2013.**

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

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

2. **Update air emissions inventory for calendar year 2012, track greenhouse gas (GHG) reductions, and provide recommendations to enhance emission reduction opportunities with findings to be published in an updated Air Quality Management Plan by June 30, 2013.**

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

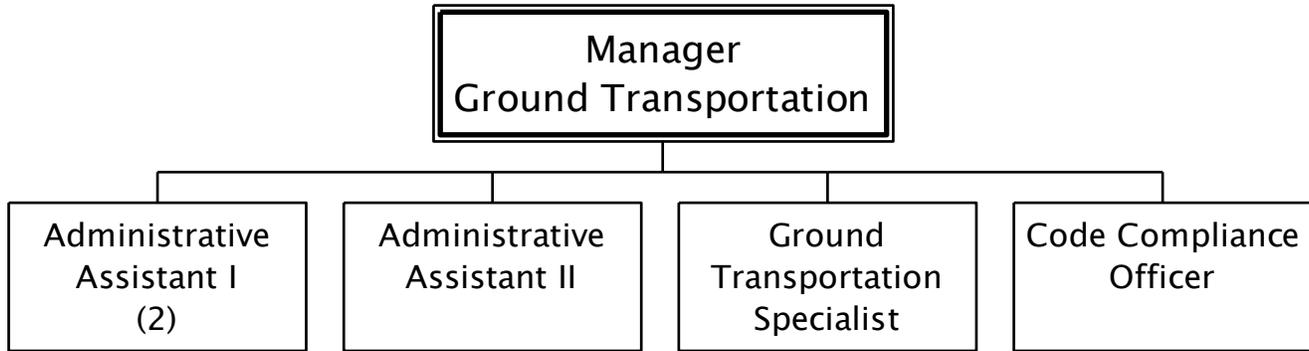
Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

3. **By June 30, 2013, fully implement the use of an on-line inspection program database to evaluate and track compliance with the Authority's Storm Water Management Plan, which provides for paperless two-way communication with airport tenants through web access.**

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Ground Transportation
FY 2013 – FY 2014 Organizational Structure



Ground Transportation

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY 2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 285,238	\$ 265,054	\$ 273,006	\$ 332,299	\$ 67,244	25.4%	\$ 59,293	21.7%	\$ 345,677	\$ 13,378	4.0%
Premium Overtime	17,288	2,000	2,000	-	(2,000)	-100.0%	(2,000)	-100.0%	-	-	0.0%
Employee Benefits	140,255	133,113	143,118	154,642	21,529	16.2%	11,524	8.1%	167,773	13,131	8.5%
Subtotal	442,780	400,167	418,124	486,941	86,773	21.7%	68,817	16.5%	513,450	26,509	5.4%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	442,780	400,167	418,124	486,941	86,773	21.7%	68,817	16.5%	513,450	26,509	5.4%
Non-Personnel Expenses											
Contractual Services	12,103,687	12,108,569	12,280,376	12,010,170	(98,398)	-0.8%	(270,206)	-2.2%	12,627,000	616,830	5.1%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	2,878	800	800	800	-	0.0%	-	0.0%	800	-	0.0%
Operating Supplies	10,850	12,000	12,000	12,000	-	0.0%	-	0.0%	12,000	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	5,889	7,550	7,550	5,250	(2,300)	-30.5%	(2,300)	-30.5%	5,250	-	0.0%
Business Development	7,082	14,500	14,500	13,000	(1,500)	-10.3%	(1,500)	-10.3%	13,000	-	0.0%
Equipment Rentals & Repairs	1,780	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Non-Personnel Expenses	12,132,164	12,143,419	12,315,226	12,041,220	(102,198)	-0.8%	(274,006)	-2.2%	12,658,050	616,830	5.1%
Total Operating Expenses	\$ 12,574,944	\$ 12,543,586	\$ 12,733,350	\$ 12,528,161	\$ (15,425)	-0.1%	\$ (205,188)	-1.6%	\$ 13,171,500	\$ 643,339	5.1%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	12,574,944	12,543,586	12,733,350	12,528,161	(15,425)	-0.1%	(205,188)	-1.6%	13,171,500	643,339	5.1%
Equipment Outlay	-	-	-	270,000	270,000	0.0%	270,000	0.0%	-	(270,000)	-100.0%
Total Authority Expenses incl Equip Outlay	\$ 12,574,944	\$ 12,543,586	\$ 12,733,350	\$ 12,798,161	\$ 254,575	2.0%	\$ 64,812	0.5%	\$ 13,171,500	\$ 373,339	2.9%

Ground Transportation

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 Budget / FY 2013 Conceptual / FY 2013 Budget	\$ 12,543,586	\$ 12,733,350	\$ 12,798,161
Personnel costs			
1 New Code Compliance Officer position (salaries, benefits & employer taxes)	83,733	83,733	-
Salary adjustments and merit increase	7,826	(125)	13,378
Burden (benefits & employer taxes) (decrease) / increase for current staff	(4,785)	(14,790)	13,131
Total Increase in personnel costs	86,773	68,817	26,509
Increase / (Decrease) in equipment outlay	270,000	270,000	(270,000)
(Decrease) / Increase parking and shuttle operations	(141,492)	(498,300)	614,359
Other, net	39,294	224,294	2,471
Total Increase / (Decrease) in non-personnel costs	167,801	(4,006)	346,830
Total Increase	254,575	64,812	373,339
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 12,798,161	\$ 12,798,161	\$ 13,171,500

Ground Transportation Departmental Goals

FY 2012 Progress Report

1. **Minimize wait times for taxicabs and implement Taxicab/VFH Memorandums of Agreement with industry associations. Success measured by average wait times of less than one-half hour by September 1, 2011. Conduct quarterly meetings with Association leadership and monitor compliance with rules and regulations through a code compliance officer.**

Progress: Taxicab wait times decreased to an average of less than 10 minutes by September 1, 2012.

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

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #1: Enhance the financial position of the Authority. Strategy #5: Be a trusted and highly responsive regional agency. Strategy #2: Achieve the highest level of internal and external customer.

Fiscal Year: 2012. **Continue in 2013?** Yes.

2. **Issue and enact Parking and Shuttle RFP's by September 1, 2011. Monitor financial performance of winning bidders and ensure companies are performing to customer service expectations through the use of secret shoppers and customer feedback.**

Progress: The Agreement for Shuttle Services RFP was executed in February 2012. The Agreement for the Parking Services RFP was executed in March 2012.

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

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #1: Enhance the financial position of the Authority. Strategy #5: Be a trusted and highly responsive regional agency. Strategy #2: Achieve the highest level of internal and external customer.

Fiscal Year: 2012. **Continue in 2013?** No.

3. **Conduct four vehicle (taxicabs and vehicles for hire) inspections by June 30, 2012. Benchmark results to ensure vehicles and drivers meet known standards and expectations.**

Progress: Conducted two vehicle inspections in November 2011 and have two additional inspections planned for spring 2012.

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

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #1: Enhance the financial position of the Authority. Strategy #5: Be a trusted and highly responsive regional agency. Strategy #2: Achieve the highest level of internal and external customer.

Fiscal Year: 2012. **Continue in 2013?** Yes.

Ground Transportation Departmental Goals

FY 2013 – FY 2014 Goals

1. **Conduct quarterly meetings with taxicab and vehicle for hire association leadership and monitor compliance with rules and regulations through a code compliance officer.**

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

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #1: Enhance the financial position of the Authority. Strategy #5: Be a trusted and highly responsive regional agency. Strategy #2: Achieve the highest level of internal and external customer.

2. **Conduct four vehicle (taxicabs and vehicles for hire) inspections by June 30, 2013. Benchmark results to ensure vehicles and drivers meet known standards and expectations.**

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

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #1: Enhance the financial position of the Authority. Strategy #5: Be a trusted and highly responsive regional agency. Strategy #2: Achieve the highest level of internal and external customer.

3. **Monitor financial expenses of parking and shuttle operators to ensure actual expenses are +/- 5% of budgeted expenses.**

Sustainability Goal: Economic Viability, Operational Excellence.

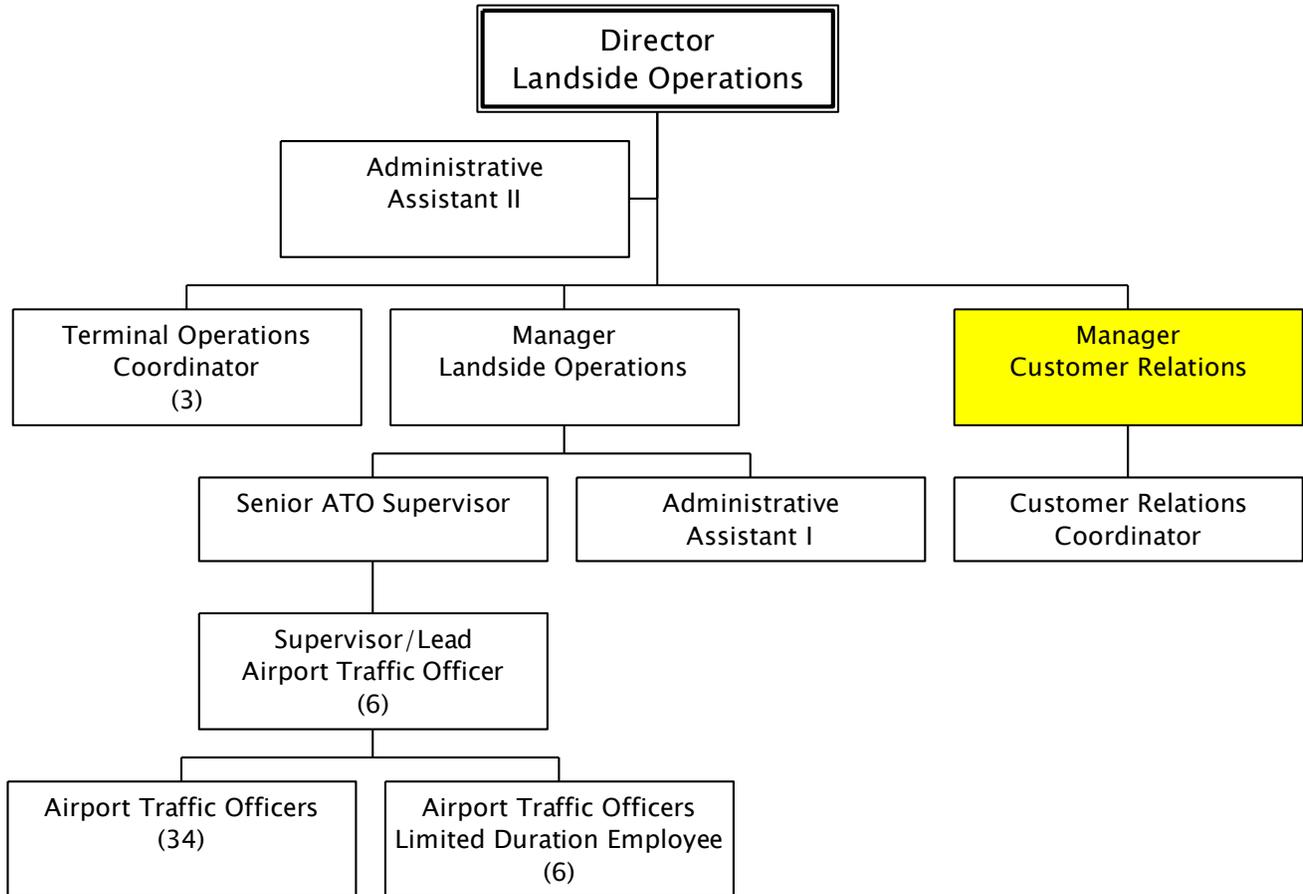
Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #5: Be a trusted and highly responsive regional agency. Strategy #2: Achieve the highest level of internal and external customer.

4. **Retire and replace certain shuttles from SDIA courtesy shuttle fleet by January 1, 2013.**

Sustainability Goal: Economic Viability, Operational Excellence.

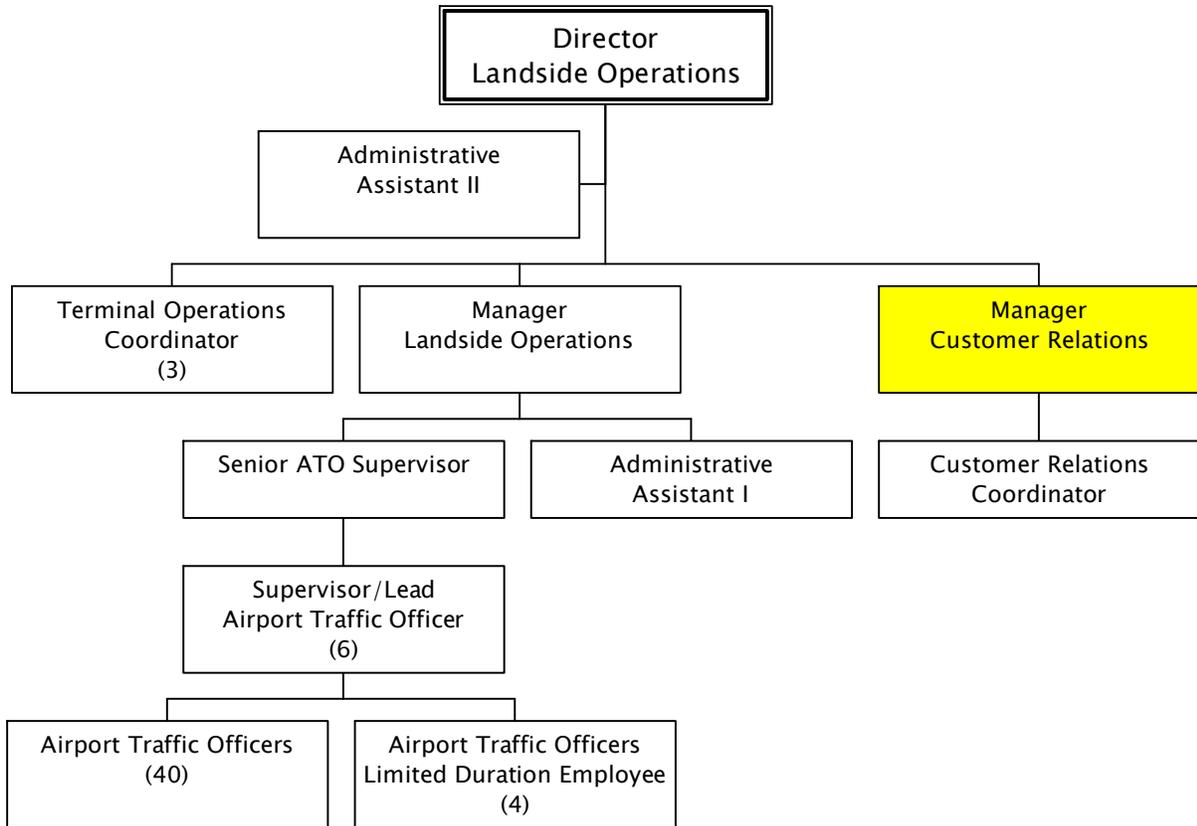
Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #5: Be a trusted and highly responsive regional agency. Strategy #2: Achieve the highest level of internal and external customer.

Landside Operations
FY 2013 Organizational Structure



** Unfunded positions shown in yellow*

Landside Operations
FY 2014 Organizational Structure



** Unfunded positions shown in yellow*

Landside Operations

FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Expense Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 2,884,839	\$ 2,856,892	\$ 2,945,052	\$ 2,969,158	\$ 112,266	3.9%	\$ 24,106	0.8%	\$ 3,248,747	\$ 279,589	9.4%
Premium Overtime	161,975	150,000	150,000	150,000	-	0.0%	-	0.0%	100,000	(50,000)	-33.3%
Employee Benefits	1,574,081	1,617,996	1,737,719	1,508,804	(109,191)	-6.7%	(228,914)	-13.2%	1,721,929	213,124	14.1%
Subtotal	4,620,895	4,624,888	4,832,771	4,627,962	3,074	0.1%	(204,808)	-4.2%	5,070,676	442,713	9.6%
Less: Capitalized Labor	(287,516)	(371,028)	(384,550)	(374,318)	(3,290)	0.9%	10,232	-2.7%	-	374,318	-100.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	4,333,378	4,253,860	4,448,221	4,253,644	(216)	0.0%	(194,576)	-4.4%	5,070,676	817,031	19.2%
Non-Personnel Expenses											
Contractual Services	4,136,639	4,393,951	4,683,458	5,771,054	1,377,103	31.3%	1,087,597	23.2%	6,597,424	826,370	14.3%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	1,884	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	5,402	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	142,220	36,800	36,800	85,200	48,400	131.5%	48,400	131.5%	58,800	(26,400)	-31.0%
Operating Supplies	36,394	27,600	27,600	40,600	13,000	47.1%	13,000	47.1%	38,600	(2,000)	-4.9%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	38,271	61,600	61,600	67,700	6,100	9.9%	6,100	9.9%	65,700	(2,000)	-3.0%
Business Development	6,742	4,700	4,700	109,045	104,345	2220.1%	104,345	2220.1%	108,945	(100)	-0.1%
Equipment Rentals & Repairs	36,047	3,200	3,200	3,200	-	0.0%	-	0.0%	3,200	-	0.0%
Total Non-Personnel Expenses	4,403,597	4,527,851	4,817,358	6,076,799	1,548,948	34.2%	1,259,442	26.1%	6,872,669	795,870	13.1%
Total Operating Expenses	\$ 8,736,975	\$ 8,781,711	\$ 9,265,578	\$ 10,330,443	\$ 1,548,732	17.6%	\$ 1,064,865	11.5%	\$ 11,943,345	\$ 1,612,901	15.6%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	8,736,975	8,781,711	9,265,578	10,330,443	1,548,732	17.6%	1,064,865	11.5%	11,943,345	1,612,901	15.6%
Equipment Outlay	53,981	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 8,790,957	\$ 8,781,711	\$ 9,265,578	\$ 10,330,443	\$ 1,548,732	17.6%	\$ 1,064,865	11.5%	\$ 11,943,345	\$ 1,612,901	15.6%

Landside Operations

Major Drivers of FY 2013 Proposed & FY 2014 Proposed Conceptual Budget Increase / (Decrease)

	Inc/(Dec) FY13 vs FY12	Inc/(Dec) FY13 vs FY13 Conceptual	Inc/(Dec) FY14 Conceptual vs FY13
FY 2012 Budget / FY 2013 Conceptual / FY 2013 Budget	\$ 8,781,712	\$ 9,265,578	\$ 10,330,443
Personnel costs			
Salary and burden (benefits & employer taxes) of Customer Relations Coordinator transferred from Public Relations Department	89,621	89,621	-
Salary adjustments and merit increase	49,974	(38,186)	61,062
4 New ATO positions (salaries, benefits & employer taxes)	-	-	263,770
Change in capitalized labor	(3,290)	10,232	374,318
Burden (benefits & employer taxes) (decrease) / increase for current staff	(136,521)	(256,243)	117,882
Total Increase / (Decrease) in personnel costs	(216)	(194,576)	817,031
Increase in Airport custodial contract (due to Green Build, Concession Development Program and general activity)	892,947	578,841	876,370
Customer Relations costs transferred from Public Relations department	450,301	450,301	-
Increase / (Decrease) in waste removal costs	150,000	150,000	(50,000)
Other, net	55,700	80,300	(30,500)
Total Increase in non-personnel costs	1,548,948	1,259,442	795,870
Total Increase	1,548,732	1,064,865	1,612,901
FY 2013 Budget / FY 2014 Conceptual Budget	\$ 10,330,443	\$ 10,330,443	\$ 11,943,345

Landside Operations Departmental Goals

FY 2012 Progress Report

1. **Maximize customer service training for Airport Traffic Officers (ATO). The current customer service ranking for the ATO's maintains a consistent average of 90%. With the additional responsibility of the lost and found function, our department has an opportunity to increase this percentage to the mid 90's.**

Progress: Two customer service training programs were developed and introduced to the ATO team. The syllabus was focused on two areas 1) focus on the customer's needs while maintaining traffic control during challenging roadway congestion due to the Green Build; 2) providing a positive approach to the needs of the customer by assuring them we will do everything possible to locate their lost item.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer service satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes.

2. **Maximize operational efficiency by decreasing average passenger time in security checkpoint lines to 15 minutes.**

Progress: Redesigned pre-security signage has been added into the redesigned stanchion. The emphasis is to better educate the passengers on divesting early and not waiting until they enter the secured area. The initial introduction of the AIT machines did slow down the process but over the past couple of months we are back to meeting our goal overall.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Fiscal Year: 2012. **Continue in 2013?** Yes.

3. **Install one liquid collection containers at each security checkpoint. Eliminating liquid filled containers reduces substantial waste weight and increases container recyclability. Expect a 10,000 to 15,000 lb weight decrease a month in non-recyclable waste.**

Progress: Budget restrictions prevented us from acquiring the containers necessary for each checkpoint.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy#2: Achieve the highest level of internal and external customer service satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes.

4. **Broaden our local and state mandated traffic training by certifying seven (7) Lead Traffic Officers for new hire and recurrent training. We estimate that cost savings of approximately \$7,000 would be realized through this internal training program.**

Progress: Training completed.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer service satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** No.

5. **Establish stricter oversight of our recycling through the coordination efforts with our waste management partner and the airport janitorial staff. The oversight of our recycling program would ensure tenant compliance with the expectation of a minimum 15% increase in overall recycling efforts.**

Progress: A cardboard bailer was purchased and installed in late 2011. Additional emphasis to separate recyclable material in the Authority offices took place in July of 2011. The two combined efforts have exceeded our expectations. We expect to make this goal by fiscal year end.

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** Yes.

6. **Hold monthly meetings with air carrier station managers, contractors, janitorial, & TSA coordinators to maintain efficient and safe passenger flow throughout the terminals as we move into the Green Build project.**

Progress: These are ongoing meetings which provide open & consistent dialogue throughout the year.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer service satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes.

7. **Maintain fiscal responsibility by implementing safe work practices to achieve workers compensation cost containment measures. Success equals maintaining the loss rate per \$80 per payroll at, or better than, the FY 2010 rate for the ATOs.**

Progress: Fitness focus, daily line-up stretching and health material is provided to the ATO team on a regular basis. Our loss rate has declined to the \$35 per payroll rate.

Sustainability Goals: Economic Viability, Operational Excellence.

Authority Strategy: Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

Fiscal Year: 2012. **Continue in 2013?** Yes.

8. **Install 20 new outdoor waste containers to enhance our outdoor recycling efforts. These containers would supplement our existing indoor and back of house recycling efforts and help us maintain a 15% plus increase in overall recycling efforts.**

Progress: Budget restrictions caused us to hold off on the expense. This will be reviewed in further detail as we move closer to the Green Build.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer service satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** Yes.

9. Install two eastbound Harbor Drive dynamic informational roadway signs using existing outdated and abandoned Coast Guard sign posts. Acquiring the existing infrastructure and current sign placement could save the Authority approximately \$50,000 in new costs.

Progress: This project was cancelled due budget restraints.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #2: Achieve the highest level of internal and external customer service satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Fiscal Year: 2012. **Continue in 2013?** No.

Landside Operations Departmental Goals

FY 2013 – FY 2014 Goals

1. **Ensure that SDIA maintains code compliance with state and federal ADA laws. Success will be measured through quarterly self-audits, in anticipation of state and federal inspections being conducted sometime during the year.**

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency.
Strategy #2: Achieve the highest level of internal and external customer satisfaction.
Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

2. **Establish stricter oversight of our recycling through the coordination efforts with our waste management partner, REM concession program, and the airport janitorial staff. The oversight of our recycling program would ensure tenant compliance with the expectation of a minimum 15% increase in overall recycling efforts. Success will be measured through monthly waste management statistics provided with the billing.**

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency.
Strategy #1: Enhance the financial position of the airport authority. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

3. **Activate a new and remodeled facility from the state of static completion to normal operations and to mitigate surprises on opening day. Success will be measured through a comprehensive training and familiarization program suitable to specific user needs, collaboration, a transparent process for all stakeholders, focus on the passenger experience, and scope, budget, and schedule reviews.**

Sustainability Goal: Operational Excellence.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency.
Strategy #2: Achieve the highest level of internal and external customer satisfaction.
Strategy #4: Ensure the highest level of employee satisfaction. Strategy #1: Enhance the financial position of the airport authority. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

4. Partner with the air carrier station managers, contractors, janitorial, and TSA to maintain efficient and safe passenger flow throughout the terminals as we move through the Green Build construction. Success will be measured through daily interaction, monthly meetings, and passenger comments received through our customer service comment cards we receive through various media connections.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Strategy: Strategy #5: Be a trusted and highly responsive regional agency.

Strategy #2: Achieve the highest level of internal and external customer satisfaction.

Strategy #4: Ensure the highest level of employee satisfaction. Strategy #1: Enhance the financial position of the airport authority. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner.

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Proposed Capital Program FY 2013 – FY 2017



Capital Budget Summary

FY 2012 Capital Improvement Program	\$ 569,882,393
FY 2012 Project Closeouts	(14,266,636)
FY 2012 Project Cancellations	(4,295,714)
FY 2012 Project Adjustments	(472,190)
FY 2012 Capital Improvement Program Balance	<u>550,847,853</u>
Proposed New Projects	45,235,790
The Green Build	864,612,668
Proposed FY 2013 Capital Program	<u><u>\$ 1,460,696,311</u></u>

Proposed FY 2013-2017 Capital Projects

<u>Project</u>	<u>Est. Cost</u>
1) Remote Noise Monitoring Terminal Pole Replacement	\$ 477 K
2) Earthquake Fault Study for North Side & TDY Properties	1.5 M
3) FBO Demolition and Site Remediation	3.5 M
4) Relocate Blast Fence, Triturators (2) & VSR Gates	5.5 M
5) Rehabilitate Cross Taxiway B8 and Terminal Aprons	8.5 M
6) Construct Taxiway C Hold Apron	10.0 M
7) Rehabilitate Cross Taxiways (B4-B7, C3-C6) and Commuter Terminal Apron	12.3 M
8) SDIA Airport Development Plan (Budget increase) *	1.5 M
9) Capital Project Allowance	<u>2.0 M</u>
Total	\$ 45.2 M

* Budget increase to FY 2012 approved CIP project



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An aerial photograph of the San Diego International Airport terminal building under construction. The building is a large, curved structure with a yellow facade and a circular roof section. Several aircraft are visible on the tarmac, and various ground service equipment and vehicles are scattered around the terminal area.

Plan of Finance

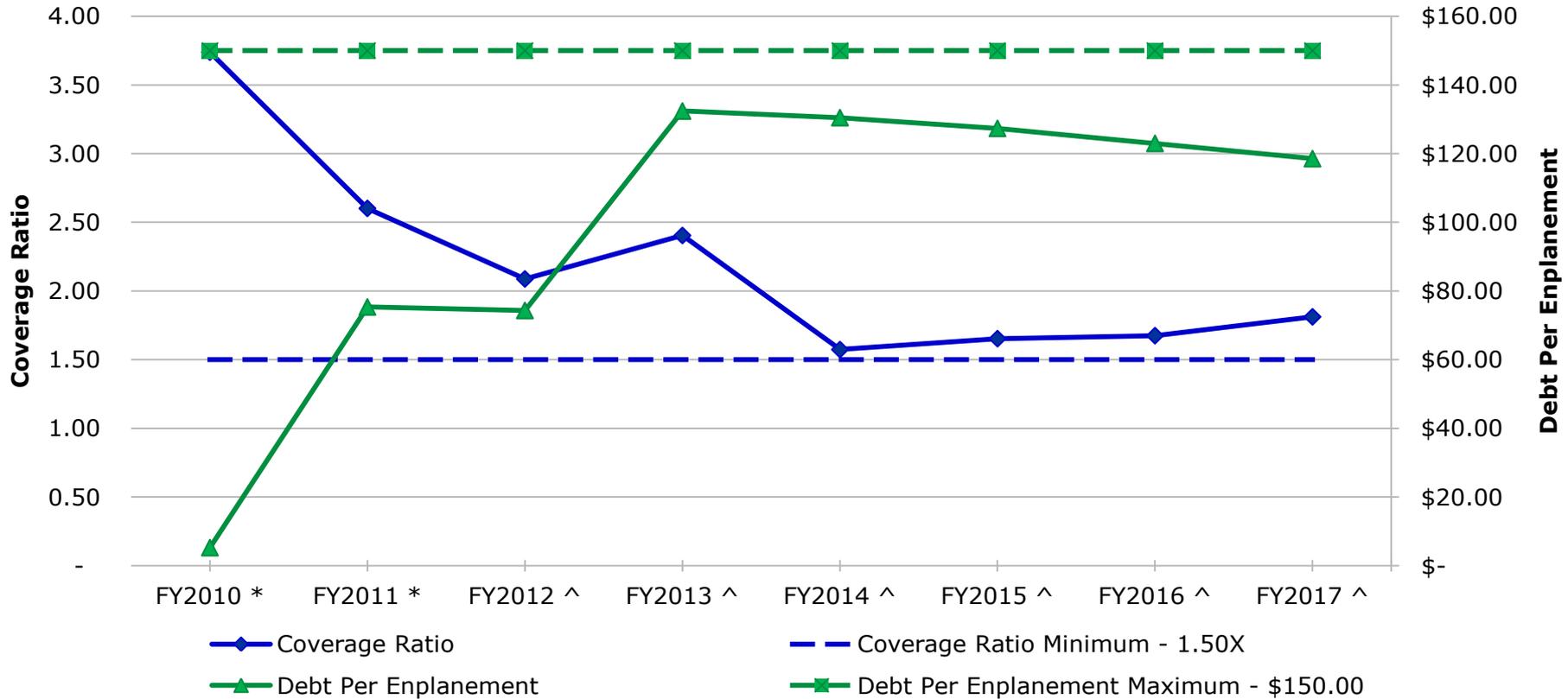
FY 2013 – FY 2017

Uses and Sources of Funds

<i>(in thousands)</i>	Total Use of Funds						
	Pre FY2013	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Green Build / TDP	\$ 482,901	\$ 273,856	\$ 107,856	\$ -	\$ -	\$ -	\$ 864,613
CIP	47,034	156,074	115,584	141,116	65,297	70,977	596,084
Finance Costs	75,891	44,617	-	-	-	-	120,509
Total	\$ 605,827	\$ 474,547	\$ 223,440	\$ 141,116	\$ 65,297	\$ 70,977	\$ 1,581,205

<i>(in thousands)</i>	Total Sources of Funds						
	Pre FY2013	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Airport Revenue Bonds	\$ 432,938	\$ 387,485	\$ 134,523	\$ 15,738	\$ 5,876	\$ -	\$ 976,560
Customer Facility Charges	3,507	41,484	81,252	117,871	48,935	-	293,050
Federal Grants	55,253	20,312	1,373	5,731	8,189	56,941	147,801
Passenger Facility Charges	107,468	19,786	3,067	1,418	1,972	13,714	147,426
Airport Cash	6,660	5,479	3,225	358	325	322	16,368
Commercial Paper	-	-	-	-	-	-	-
TOTAL SOURCES OF FUNDS	\$ 605,827	\$ 474,547	\$ 223,440	\$ 141,116	\$ 65,297	\$ 70,977	\$ 1,581,205

Coverage Ratio & Debt Per Enplanement



* Actuals

^ Forecast



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An aerial photograph of a large, circular airport terminal building under construction. The building is surrounded by a network of roads and parking lots filled with various vehicles, including cars, trucks, and buses. In the background, several commercial airplanes are parked at gates. The word "Conclusion" is overlaid in the center of the image.

Conclusion

SDCRAA FY 2013 Budget & FY 2014 Conceptual Budget

- ▶ Provides necessary resources to accomplish the Authority's Strategies & Sustainability Goals
- ▶ Continues to support expansion plans & infrastructure development
- ▶ Enhances the financial position of the Authority
- ▶ Demonstrates prudence during continued economic uncertainty
- ▶ Meets mandated airport safety and security requirements
- ▶ Honors the Authority's legislated mandates
- ▶ Supports regional transportation partnerships and community outreach
- ▶ Maintains equitable rates for airline tenants and airport users
- ▶ Addresses facility lifecycle maintenance costs
- ▶ Is supported by airport users...no local taxpayer dollars