San Diego Taxpayers Educational Foundation

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SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY ANALYSIS

April 2019

General Statistics[1]

Date Established: January 1, 2003	**SAN Land Size:** 661 acres
Full-Time Employees: 413	**Terminal rentable sq. footage:** 569,920
Pension Costs to Expenses: 0.027	**Public Parking Spaces:** 6,806
Enplaned Passengers: 11,728,880	**SAN Economic Impact:** $11.9 billion[2]

Aerial Caption of the San Diego International Airport

I. Key Findings

- The San Diego County Regional Airport Authority oversees the operations of the San Diego International Airport (SAN), conducts the planning for the future air transportation needs of the region, and serves as the region's Airport Land Use Commission, ensuring the adoption of land use plans of all 16 of the county's airports.
- The Airport Authority is a self-sustaining agency that generates revenues through user fees and rents from airline and non-airline business partners operating at SAN; it is not funded by local tax revenues.

[1] Unless otherwise noted, all data found in this document was taken from the adopted FY 2018 annual budget and the FY 2008 through FY 2018 Comprehensive Annual Financial Reports, found at https://www.san.org/Airport-Authority/Financials

[2] 2017 Figures. Accessed through: https://www.san.org/Education/History

- In 2017, the San Diego International Airport's overall economic impact was $11.9 billion, supporting 116,571 direct and indirect jobs and adding $3.9 billion to the annual regional payroll.
- The Airport Authority completed fiscal year 2018 with an operating income of $96.7 million before depreciation. Total fiscal year 2018 operating expenses increased by $15.7 million to total $274,652 million.
- Over the last ten years, the Airport Authority's fastest growing operating revenues have been Ground and Non-Airline Terminal Rentals, reflecting a 265.54% growth. The Airport Authority has also received approximately $25.4 million in grant awards for the federal fiscal year ended September 30, 2018, representing a 302.63% increase over the last ten years. Passenger Facility Charges and Customer Facility Charges are the largest components of non-operating revenue.
- During the same period, the Airport Authority's fastest growing expenses were equipment rental and repairs and utilities, which in fiscal year 2018 comprised 6.16% of total expenses, reflecting a relatively stable pattern when compared to their sum of 6.86% in fiscal year 2008.
- The Airport Authority's total long-term liabilities per enplaned passenger total $139.42. Its reserves policy follows state-level regulations.
- The Airport Authority places emphasis on investing in employee and customer experiences as well as on environmentally-conscious planning and development, as evidenced by their multiple efforts to address an increase in demand for their facilities.
- The U.S. Congress has established the general requirements and identified the permitted and prohibited uses of airport revenues.

I. Background

After the signing of California State Assembly Bill 93[3], the San Diego County Regional Airport Authority (SDCRAA) was established on January 1, 2003 to manage the operations of the San Diego International Airport (SAN) and to address the region's long-term air transportation needs. The legislation established changes pertaining to the transfer of aviation employees, date of transfer, property leases, property acquisition and purchase of services from the San Diego Unified Port District to SDCRAA.

On January 1, 2008, Senate Bill 10 formalized the responsibilities of the SDCRAA to include the operations of SAN as well as the planning and operations of any future airport that could be developed as a supplement or replacement to SAN; the development of comprehensive airport land use plans for all airports in the county; serving as the region's Airport Land Use Commission (ALUC), adopting Airport Land Use Compatibility Plans (ALUCPs) for sixteen public-use and military airports in the region; and preparing a Regional Aviation Strategic Plan, which was completed in fiscal year 2011 and was the first time in the county's aviation history that a comprehensive look at all the civilian airports was undertaken.

The decision to transfer the responsibility of SAN from the San Diego Unified Port District to the newly created Airport Authority was recommended by the San Diego Regional Efficiency

[3] AB 93 Assembly Bill – CHAPTERED. Accessed through: http://www.leginfo.ca.gov/pub/01-02/bill/asm/ab_0051-0100/ab_93_bill_20011014_chaptered.html

Commission, a body tasked with evaluating regional governance in the county and reporting back to the California State Legislature. Because of the significant regional consequences of airport development and operations, the Commission concluded that a regional decision-making process should address the future development of airport facilities in the county.

SDCRAA is governed by an appointed Board of Directors of nine members who serve three-year terms and represent all areas of San Diego County and three additional members serving as non-voting, ex-officio Board members. The Board's Executive Committee consists of a representative from the City of San Diego, the County of San Diego, and one Board member from among the east county cities, south county cities, north county coastal or north county inland cities. The Airport Authority also has the following citizen committees: Advisory (General), Airport Art Advisory, and Airport Noise Advisory; and the following Board committees: Audit, Capital Improvement Program Oversight, Executive, Finance, Executive Personnel & Compensation, and Ground Transportation (*ad hoc*).

SDCRAA is a self-sustaining agency that generates revenues through user fees and rents from airline and non-airline business partners operating at SAN. Since the Airport Authority is not funded by tax revenues, accounts are maintained in an enterprise fund on the accrual basis of accounting. Under accrual accounting, revenues are recognized as soon as they are earned, and expenses are recognized as soon as a liability is incurred, regardless of the timing of related cash inflows and outflows.

The Master Plan

The Port District prepared SDIA's first comprehensive Master Plan document in 2001. This Master Plan, however, was not adopted, and the associated environmental analysis was not completed prior to the transfer of airport ownership and operation to the Authority in January 2003. As a result, the Airport Authority began efforts to update the Master Plan of the San Diego International Airport in early 2007, culminating in the 2008 Master Plan adopted by the Authority Board that year. The Plan and the adjoining Environmental Impact Report (EIR) mainly addressed the expansion of Terminal 2 West and the development for the north airport area.

Airport Development Plan

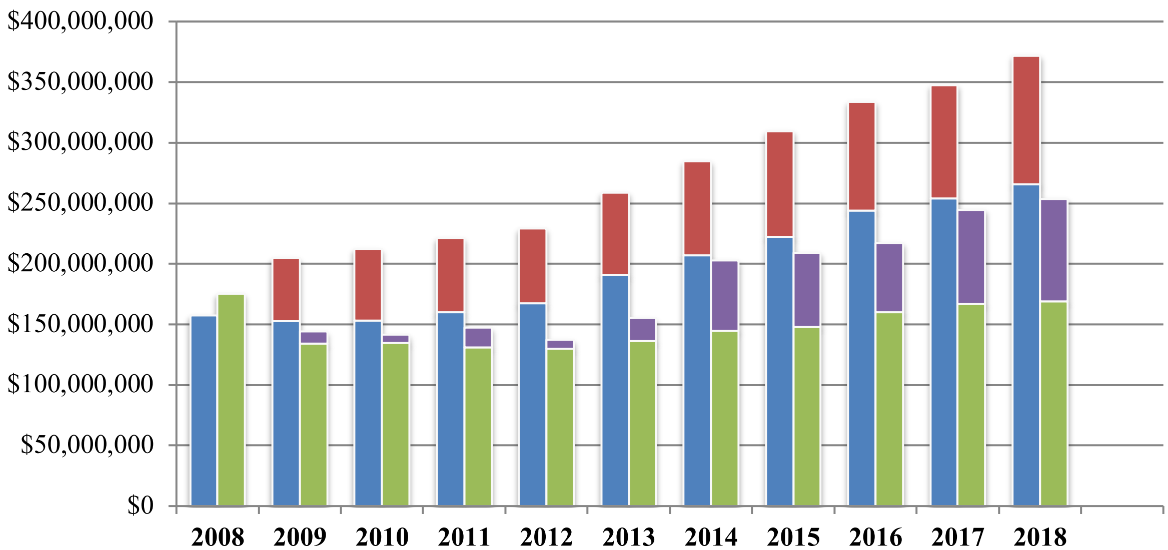
The Airport Development Plan (ADP) is the next master-planning phase for SAN. The ADP identifies improvements to meet increasing demand through 2035 that exclude the addition of a second runway. Most importantly, the plan outlines the replacement of Terminal 1, airfield and access improvements, and the creation of non-airline revenue opportunities.

The San Diego Taxpayers Educational Foundation (SDTEF) has conducted research on issues relevant to taxpayers since 1987. This report is the second report in a two-part series reviewing government agencies that do not use local tax revenues to fund their operations in the County of San Diego and is part of a larger, ongoing examination of governance structures being conducted by the San Diego County Taxpayers Association.

II. **Financials** (Appendix A)

The Airport Authority completed fiscal year 2018 with an operating income of $96.7 million before depreciation. Fiscal year 2018 also grew compared to fiscal year 2017, with enplanements increasing 10.7%, total passengers increasing 10.8%, and freight and mail tons increasing 1.6%. Total airline revenues increased by $6.8 million, primarily due to an increased cost recovery for the airlines, which was higher in fiscal year 2018 compared to 2017. Landing fees decreased by $712,000 due to airfield-related cost savings. Aircraft parking fees increased by $309 thousand due to additional overnight aircraft parking positions. Building rentals increased by $5.7 million due to increased cost recovery from airline rents. Security surcharge increased by $2.8 million, primarily due to increased terminal security charges. Other aviation revenue decreased by $1.3 million or 47.2%, mostly due to common use cost recovery charges. Concession revenue increased by $4.4 million to reflect increased enplanements. Parking and ground transportation increased by $3.8 million due to higher enplanements as well and higher trip fees from transportation network companies. Ground and non-airline terminal rentals increased by $2.1 million. This increase was primarily due to fuel facility rentals and scheduled rent increases.

San Diego County Regional Airport Authority Revenues and Expenses FY 2008 - FY 2018



Source: FY 2008 - FY 2018 CAFRs; In 2018 Dollars

For fiscal year 2018, total operating expenses increased by $15.7 million or 6.1%. Salaries and benefits increased by $992,000 due to planned wage and benefit increases. Contractual services increased by $877,000 mainly due to higher expenses in custodial services. Safety and security increased by $2.3 million or 8.1% due to higher law enforcement and emergency services costs. Utilities increased by $1.8 million or 16.5%, due to higher usage as a result of the increase in total passengers. Equipment and systems increased by $92 thousand or 18.2%, mainly due to additional computer equipment and licenses. Insurance increased by $142 thousand or 14.9%, primarily due to higher coverage costs of various policies. Increased community outreach drove business development expenditures to increase by 38.3%. Depreciation increased by $10.3 million due to the Parking Plaza and international passenger area being placed in service.

Expenses Detail (Appendix B)

The expenses of the San Diego County Regional Airport Authority can be classified into the following thirteen groups: salaries and benefits, contractual services, safety and security, space rental, utilities, maintenance, equipment and systems, materials and supplies, insurance, employee development and support, business development, equipment rental and repairs, and non-operating expenses.

Agency Expenses by Category

	Expenses		Overall Change	Percent of Total Expenses	
	FY 2008	FY 2018		FY 2008	FY 2018
Salaries and Benefits	$38,229,514	$ 47,866,000	25.2%	28.87%	18.87%
Contractual Services	$31,801,399	$ 45,249,000	42.3%	24.02%	17.84%
Safety and Security	$22,197,557	$ 30,733,000	38.45%	16.77%	12.12%
Space Rental	$12,662,248	$10,190,000	-19.52%	9.56%	4.02%
Utilities	$7,468,880	$12,509,000	67.5%	5.64%	4.93%
Maintenance	$10,146,293	$ 12,603,000	24.2%	7.66%	4.97%
Equipment & Systems	$1,548,369	$ 598,000	-61.4%	1.17%	0.24%
Materials & Supplies	$ 923,446	$ 656,000	-28.96	0.70%	0.26%
Insurance	$1,425,243	$1,098,000	-22.96%	1.076%	0.433%
Employee Development and Support	$ 1,202,222	$ 1,248,000	3.81%	2.40%	1.28%
Business Development	$ 3,174,564	$ 3,246,000	2.25%	2.40%	1.28%
Equipment Rental and Repairs	$ 1,621,548	$ 3,124,000	92.7%	1.22%	1.23%
Non-Operating Expenses	$ 10,236,000	$ 84,502,000	726%	7.73%	33.32%

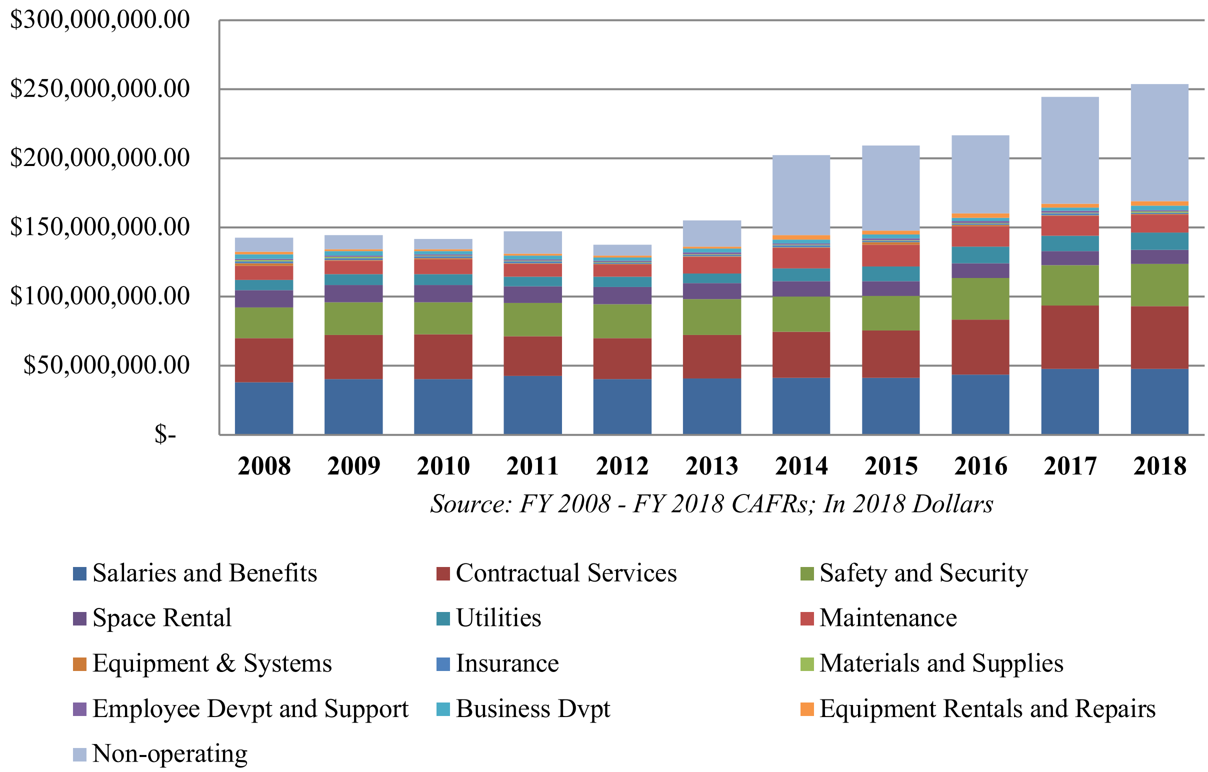
Source: FY 2008 – FY 2018 CAFRs; In 2018 Dollars

The table above groups the Authority's expenses with percent changes in growth, along with change in percent to total expenses. During the period from fiscal year 2008 to fiscal year 2018, the Airport Authority's fastest growing expenses were equipment rental and repairs and utilities, which in fiscal year 2018 comprised 6.16% of total expenses, reflecting a relatively stable pattern when compared to 6.86% in fiscal year 2008. Notably, equipment and systems, materials and supplies, insurance, and space rental all declined in cost to represent a -61.4%, -28.96%, -22.96%, and -19.52 overall change, respectively.

Non-operating expenses include interest expenses from projects such as the Rental Car Center and the International Arrivals Facility, and the Quieter Home Program. The Quieter Home Program has provided sound reduction benefits for nearly 9,000 residents in 3,500 residences. The Airport

Authority annually receives approximately $12 million in grants for the program to which it matched $2.75 million in 2018. The Comprehensive Annual Financial Reports reflect the net amount for revenue net expenses for the program received from grant funding. From inception through the end of fiscal year 2018, the Airport Authority has spent $201.5 million and received reimbursement for $162.2 million. The figure below provides an overview of the Airport Authority's expenses by category over the last ten years.

San Diego County Regional Airport Authority Expenses by Category FY 2008 - FY 2018



Revenues Detail (Appendix C)

The revenues of the San Diego County Regional Airport Authority can be classified into the following eleven groups: landing fees, aircraft parking fees, building rentals, security surcharge, other aviation revenue, concession revenue, parking and ground transportation, ground and non-airline terminal rentals, other operating revenues, non-operating revenues, and capital grants and contributions. The table below groups the Authority's revenues with percent changes in growth, along with change in percent to total revenues.

Agency Revenues by Category

	Revenues		Overall Change	Percent of Total Revenues	
	FY 2008	FY 2018		FY 2008	FY 2018
Landing Fees	$28,763,900	$23,900,000	-3.49%	17.88%	11.06%
Aircraft Parking Fees	-	$3,236,000	-	-	1.50%
Building Rentals	$28,185,439.06	$62,241,000	120.82%	17.52%	28.79%
Security Surcharge	$10,011,551.59	$32,303,000	222.66%	6.22%	14.94%
Other Aviation Revenue	$2,100,114.31	$1,476,000	-29.78%	1.31%	0.68%
Concession Revenue	$45,051,401.35	$65,610,000	45.63%	28.0%	30.35%
Parking and Ground Transportation	$36,052,736.76	$53,254,000	47.71%	22.40%	24.63%
Ground and Non-Airline Terminal Rentals	$6,048,282.76	$22,109,000	265.54%	3.76%	10.23%
Other Operating Revenues	$1,390,396.48	$1,701,000	22.34%	0.86%	0.79%
Non-Operating Revenues	$59,059,000	$106,030,000	79.5%	36.70%	27.53%
Capital Grants and Contributions	$3,310,467.81	$13,329,000	302.63%	2.06%	0.038%

Source: FY 2008 – FY 2018 CAFRs; In 2018 Dollars

During the period from fiscal year 2008 to fiscal year 2018, the Airport Authority's fastest growing revenues were capital grants and contributions, growing by 302.63%. The Airport Authority notes that capital grants are dependent on FAA grant eligible projects and that grant awards are different than grant revenue, where an award typically has revenue spread out over several years. Capital grants and contributions is followed by Ground and Non-Airline Terminal Rentals and Security Surcharge, which represent the Airport Authority's fastest growing operating revenues by reflecting a 265.54% increase. All of these revenues comprised only 15% of total revenues, where Concession Revenue, Building Rentals and Parking and Ground Transportation providing the bulk of the revenue sources in fiscal year 2018.

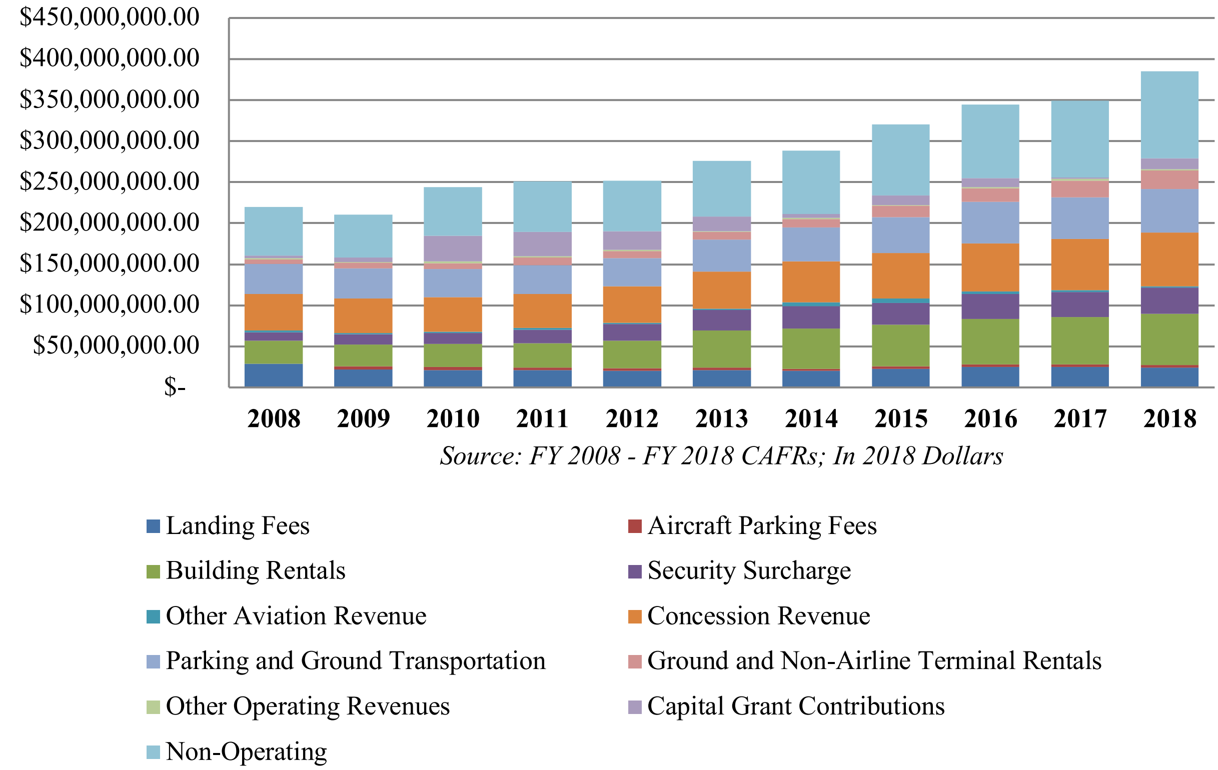
Non-operating revenues include proceeds from legal settlements, gain on the sale of assets, unrealized gain on investments, and other miscellaneous revenues. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions and grants. Passenger Facility Charges and Customer Facility Charges are the largest components of non-operating revenue.

The U.S. Congress has established the general requirements and identified the permitted and prohibited uses of airport revenues. Congress placed restrictions on the use of airport revenue in four separate acts. In 1982, Congress determined that: "All revenues generated by the airport, if it is a public airport, will be expended for the capital or operating costs of the airport, the local airport system, or other local facilities which are owned or operated by the owner or operator of the airport and directly related to the actual transportation of passengers or property."[4] Five years later,

[4] FAA's Policy and Procesures Concerning the Use of Airport Revenue – Chapter 15. Accessed through: https://www.faa.gov/airports/resources/publications/orders/compliance_5190_6/media/5190_6b_chap15.pdf

Congress extended the restriction on the use of airport revenue to include any local taxes on aviation fuel. In 1994, Congress defined certain unlawful uses of airport revenue, required airports to be as self-sustaining as possible, and required the Federal Aviation Administration (FAA) to publish a policy on the use of airport revenue. In its Revenue Use Policy, for example, the FAA states that airport revenue may not be used for purposes other than capital and operating costs of the airport, the local airport system, or other local facilities owned or operated by the sponsor and directly and substantially related to the air transportation of passengers or property. Finally, Congress extended these restrictions in 1996 to include private airports that have received federal assistance.

San Diego County Regional Airport Authority Revenues by Category FY 2008 - FY 2018



Ground transportation fees, especially those related to ridesharing companies, have been of great interest to the public. Ground transportation fees are included under non-airline revenues, which totaled $142.7 million in 2018, or 53% of total revenues. In 2015, the Airport Authority signed permits for ridesharing companies to operate at SAN as part of a pilot program in 2015. By removing the fingerprinting requirement from the Airport Authority's background check process for several ground transportation providers, including TNCs, taxi cab providers and shared ride vans or Vehicles for Hire, the Airport Authority regulated and expanded Uber and Lyft's (now under a Transportation Network Company fee) operations to and from SAN.

According to the Airport Authority, the surcharges are meant to cover airport fees as part of an "incentive-based program" to promote the use of cleaner fuel taxis and other pick-up vehicles. TNCs have no Alternative Fuel Vehicle Incentive Rate or Non-Alternative Fuel Vehicle Premium Rate, as their contributions are based on their greenhouse gas emissions, with a penalty if they do not meet emission targets. These "trip fees" for TNCs, which are passed onto consumers, have fluctuated over the years, peaking in 2016 at $4.06 and decreasing to $3.00 for fiscal year 2019. Taxis and other modes of transportation have different fees. A complete schedule of fees for fiscal year 2019 can be found below.

FY 2019 Ground Transportation Schedule of Fees

Mode	Base Fee	Alternative Fuel Vehicle Incentive Rate	Non-Alternative Fuel Vehicle Premium Rate
Charter/Limousine*	$209.00	N/A	N/A
Courtesy/Hotel-Motel	$1.89	$1.41	$3.77
Off-Airport Parking	$1.89	$1.41	$3.77
Off-Airport Rent-A-Car*	$200.00	$150.00	$400.00
Taxicab	$3.86	$2.90	$7.71
Transportation Network Company (TNC)	$3.00	N/A	N/A
Vehicle-For-Hire	$3.07	$2.30	$6.14

*Off-Airport Rent-A-Car and Charter/Limousine will remain with annual Permit Fee
- Charter/Limousine Permit Fees effective January 1, 2018 – December 31, 2018
- Must be an approved CAV/AFV
- Subject to Change

Source: FY2019 Ground Transportation Schedule of Fees

III. Reserves

At the end of fiscal year 2018, the Airport Authority had $788,579,042 in total cash, cash equivalents, and investments. The Airport Authority's investment policy and State Government Code authorize among its investment types the following: U.S. Treasury obligations, U.S. agency securities, supranationals, banker's acceptances, commercial paper, negotiable certificates of deposit, medium-term notes, money market mutual funds, repurchase agreements, the Local Agency Investment Fund, the San Diego County Investment Pool, the Local Investment Pool, U.S. State and California agency indebtedness, placement service certificates of deposits, time certificates of deposit, and bank deposits.

**SDCRAA Total Cash, Cash Equivalents, and Investments
FY 2008 – FY 2018**

Fiscal Year	Restricted, Designated	Unrestricted, Designated	Unrestricted, Undesignated	Total Cash, Cash Equivalents, and Investments
2008	$ 154,327,611.19	$ 11,000,741.44	$ 91,811,719.61	$ 257,140,072.24
2009	$ 188,824,028.42	$ 7,169,908.49	$ 79,550,765.33	$ 275,544,702.24
2010	$ 146,967,978.27	$ 23,965,373.34	$ 121,567,948.02	$ 292,501,299.62
2011	$ 580,219,961.78	$ 9,059,632.71	$ 118,258,443.68	$ 707,538,038.17
2012	$ 360,760,752.48	$ 9,871,479.93	$ 123,652,503.76	$ 494,284,736.16
2013	$ 553,217,841.78	$ 10,269,230.38	$ 158,649,503.12	$ 722,136,575.28
2014	$ 702,186,399.90	$ 18,112,052.69	$ 158,163,685.40	$ 878,462,137.99
2015	$ 506,842,934.05	$ 23,834,181.16	$ 170,257,483.14	$ 700,934,598.36
2016	$ 367,173,869.15	$ 32,584,242.55	$ 218,457,941.89	$ 618,216,053.59
2017	$ 344,820,949.55	$ 26,315,152.45	$ 261,615,539.00	$ 632,751,641.00
2018	$ 519,554,019.00	$ 39,294,169.00	$ 229,730,854.00	$ 788,579,042.00

Source: FY 2008 – FY 2018 Comprehensive Annual Financial Reports; in 2018 dollars

Certain provisions of the Airport Authority's investment policy explicitly address interest rate risk, credit risk, and concentration of credit risk. For example, for U.S. State and California agency indebtedness, the policy requires 5 years maximum maturity, and A grade as a minimum quality requirement, 20% maximum percentage of portfolio, and 5% maximum investment in one issuer. These requirements vary across investment types, and the balances available for withdrawal for pool investment types are based on the accounting records maintained by external agencies such as LAIF and SDCIP. Money market mutual funds, municipal bonds, and some of the previously mentioned are investment types that can be authorized by debt agreements, in addition to the general provisions of the California Government Code and the Airport Authority's investment policy

Bond rating agencies typically measure an airport authority's ability to meet its on-going obligations three ways. First, agencies use a ratio called "days' cash on hand," which identifies the sum of all unrestricted cash and investments and certain restricted cash and investments in the funds divided by the daily operating and maintenance expenditure budget (annual operating and maintenance budget divided by 365 days).[5] The budget used in the denominator excludes annual depreciation expense due to the non-cash nature of the reduction in the value of an asset.

Bond rating agencies also look at volume and carrier diversity. These risk factors outline an airport's underlying market characteristics, such as the size of the enplanement base, origin and destination passenger mix, diversity of carriers and competition from other airports. The Airline Contractual Framework for Cost Recovery risk factor largely focuses on the underlying use and rate-setting agreements between an airport and its airline carriers. The San Diego County Regional

[5] Reno-Tahoe International Airport Master Plan. Chapter 5 – Financial Feasibility Analysis and Facilities Implementation Plan. Accessed through: https://renoairport.com/sites/default/files/PDFs/Other/Reduced_RNO%20MP_Financial%20Plan_Draft0618_0.pdf

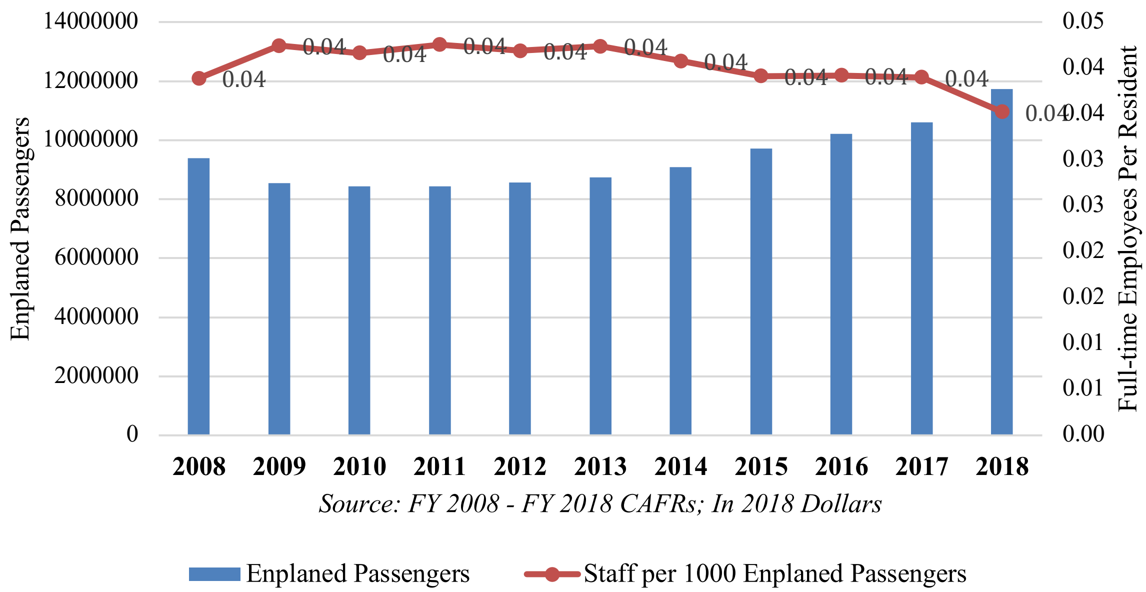
Airport Authority made a commitment to the airlines that the Airline Contractual Framework for Cost Recovery would not surpass $12 per passenger through 2013; the Airport Authority holds that they have maintained their promise even through last year, where it was $10.35.

IV. Staffing Levels and Personnel Costs

For fiscal year 2019, Personnel is listed as one of the main drivers of the budget. Overall personnel costs were budgeted at $49.2 million for fiscal year 2019, a $1.3 million increase from the previous year's adjusted budget. Trends in staffing mirror the regional population trend, with an overall increase in employees and population counts. Between fiscal year 2008 and fiscal year 2018, the Airport Authority increased staffing levels by 48 full-time employees. At the same time that staffing increased by an average of 2.4% over the last ten years, the population the Authority serves has increased by 10%. For fiscal year 2018, the Airport Authority budgeted for 437 full-time employees. In fiscal year 2019, Contractual Services are budgeted to have a net increase of $2.8 million (5.9%) from the previous year reflecting an increase in shuttle operations and janitorial services; security costs are projected to increase by $2.1 million (6.7%), reflecting an increase in Port District Harbor Police Department law enforcement, Customs and Border Protection, Aircraft Rescue and Firefighting, and guard service—the San Diego Unified Port District being one of its providers.

SAN's enplaned passengers, or any revenue passenger boarding at the airport, including connecting passengers, grew 10.7% in fiscal year 2018, compared to a 5.8% increase nationally. Total enplaned passengers were 11.7 million, compared to 10.6 million in fiscal year 2017. The cost per enplaned passenger in fiscal year 2008 was $6.26, whereas in fiscal year 2018 it was $10.35.

San Diego County Regional Airport Authority Staffing vs Enplaned Passengers FY 2008 - FY 2018



Source: FY 2008 - FY 2018 CAFRs; In 2018 Dollars

FY 2017 Staff Salaries for Comparable Agencies

	Position	Regular Pay	Salary (Regular Pay with Benefits)
San Diego County Regional Airport Authority[6]	President and CEO	$ 182,000.83	$ 283,845.11
	General Counsel	$ 243,280.35	$ 337,299.72
	Director of Human Resources	$ 159, 534.66	$ 243,702.14
San Francisco International Airport[7]	Director	$284,553.07	$351,149.87
	General Counsel	$224,768.03	$282,648.52
	People, Performance and Development Director	$203,606.69	$254,577.85
Hillsborough County Aviation Authority[8]	President and CEO	$475,542	$796,056
	Executive Vice President		$306,000
	Director		$194,820

Source: Transparent California; City and County of San Francisco Annual Salary Ordinance; Tampa Bay Times; The Washington Post; Hillsborough County Aviation Authority FY2017 Budget

The Airport Authority's defined benefit pension plan is separately administered by the City of San Diego's City Employees' Retirement System (CERS). The San Diego County Regional Airport Authority Retirement Plan and Trust provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. CERS is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for the City of San Diego, the District and the Airport Authority, administered by the Retirement Board of Administration.

The Airport Authority contributes to the Federal Social Security Program. The CERS Board issues a publicly available financial report that includes financial statements and required supplementary information for CERS. The City of San Diego municipal code requires member contributions to be actuarially determined to provide a specific level of benefit. Member contribution rates, as a percentage of salary, vary according to age at entry, benefit tier level and certain negotiated contracts, which provide for the Airport Authority to pay a portion of the employees' contributions. The Airport Authority contribution rate, as determined through actuarial valuation, was 11.9% for 2014, 10.9% for 2013, and 14.5% for 2012, and is expressed as a percentage of covered payroll.

[6] SAN's Airline Cost per Enplaned Passenger is $11.7; Debt Service Coverage is 2.4; Debt per enplaned passenger is $104.2.
[7] SFO's Airline Cost per Enplaned Passenger is $16.0; Debt Service Coverage is 1.4; Debt per enplaned passenger is $177.
[8] TPA's Airline Cost per Enplaned Passenger is $5.0; Debt Service Coverage is 2.2; Debt per enplaned passenger is $76.

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/ deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The Airport Authority has adopted and implemented GASB statements No. 75, No. 85, and No.86.

	June 30, 2017
Valuation date	June 30, 2016
Measurement date	June 30, 2017
Actuarial cost method	Entry-age normal funding method
Asset valuation method	Expected value with smoothing
Actuarial assumptions	
Investment rate of return	6.75%
Projected salary increase	3.05%
Cost-of-living-adjustment	1.9% per annum, compounded
Termination rate	3.0% - 11.0%
Disability rate	0.01%-0.30%
Mortality	0.02%-13.54%

A summary of pension costs since fiscal year 2008 is presented in the following table. The annual contribution listed is the Annual Required Contribution or the Actuarially Determined Contribution outlined in the SDCERS annual valuation report for the given fiscal year.

San Diego County Regional Airport Authority Pension Costs FY 2008 – 2018

Fiscal Year	**Annual Pension Costs** *In Millions*	**Airport Cost Funded** *In Millions*	**Ratio of Total Pension Costs to Expenses**
2008	$ 4.894	$ .58	0.0310
2009	$ 4.926	$ 2.758	0.0266
2010	$ 4.999	$ 1.825	0.0252
2011	$ 6.289	$ 2.164	0.0332
2012	$ 4.356	$ 2.236	0.0203
2013	$ 4.582	$ 2.328	0.0208
2014	$ 4.882	$ 1.959	0.0289
2015	$ 5.852	$ 2.403	0.0313
2016	$ 3.897	$ 1.959	0.0176
2017	$ 4.047	$ 2.013	0.0210
2018	$ 5.48	$ 1.479	0.0270

Source: FY 2008 – FY 2018 Comprehensive Annual Financial Reports; in 2018 dollar

V. Long-Term Debt

The Airport Authority's total long-term liabilities per enplaned passenger total $139.42. The following chart summarizes the San Diego County Regional Airport Authority's long-term liabilities as of the end of fiscal year 2018.

San Diego County Regional Airport Authority FY 2018 Long Term Debt

	Balance Outstanding June 30, 2018
Compensated Absences, net of current position	$183,209
Other noncurrent liabilities	$626,423
Long-term debt, net of current portion	$1,614,294,048
Net pension liability	$20,222,458
Total Long-Term Liabilities	$1,635,326,138

Source: San Diego County Regional Airport Authority FY 2017-FY 2018 CAFRs

On August 3, 2017, the Airport Authority issued $291,210,000 of Series A and B Subordinate Airport Revenue Bonds (Series 2017 Bonds) to cover construction costs of the Terminal 2 Parking Plaza and international arrivals facility, which opened in 2018. More than $291 million in Subordinate Airport Revenue Bonds were issued at a favorable all-in borrowing cost of 3.74% for the bonds, the lowest long-term rate the Authority has ever attained. According to the Airport Authority, this favorable cost saves an estimated $43.4 million in debt service cost over the 30-year term of the bonds.

On October 5, 2010, the Airport Authority issued $572.6 million in three Series 2010 Bonds to finance certain capital improvements at SDIA, fund a portion of the interest accruing on the Subordinate Series 2010 Bonds, refund $142.2 million of the Airport Authority's outstanding commercial paper notes, fund the subordinate bond reserve fund, and pay the costs of issuance of the Subordinate Series 2010 Bonds. The first two Series 2010 series of bonds bear interest at rates ranging from 2% to 5% to mature in fiscal years 2012 to 2041. The third series of bonds were issued as Build America Bonds and include a cash subsidy payment from the U.S. Treasury; currently, 32.69% of interest payable.

As of June 30, 2018, the principal balance on the subordinate Series 2010 Bonds was $537.0 million. On January 30, 2013, the Airport Authority issued $379.6 million of Senior Airport Revenue Bonds to finance certain capital improvements at SDIA, fund a portion of the interest accrued on the senior Series 2013 Bonds, fund the senior reserve fund, and pay the costs of issuance of the Senior Series 2013 Bonds. The Series 2013 Bonds were structured as serial and term bonds that bear interest at rates ranging from 3.00% to 5.00% and mature in fiscal years 2016 to 2044. The bonds were issued at a premium of $55.9 million, which is being amortized over the life of the bonds. Interest on the Senior Series 2013 Bonds is payable semiannually on January 1 and July 1 of each year. Interest expense for the fiscal year ended June 30, 2018, amounted to $18.26 million, including accrued interest of $9.48 million. The principal balance on the Series 2013 Bonds as of June 30, 2018 was $373.3 million.

The Senior Series 2013 Bonds are special obligations of the Airport Authority, and as senior lien bonds, the Series 2013 Bonds require that charges for services be set each fiscal year at rates sufficient to produce pledged revenues at least 125% times the senior debt service for that year. On February 19, 2014, the Airport Authority issued $305,285,000 of Series A and B Senior Special Facilities Revenue Bonds. The Series 2014 Bonds were issued to finance a portion of the costs of the development and construction of a consolidated rental car facility and related improvements at SDIA, fund a portion of the interest on the Series 2014 Bonds, fund deposits to the senior reserve fund, the rolling coverage fund and pay the costs of issuance of the Series 2014 Bonds. The first of the series were structured as tax exempt non-AMT term bonds that bear interest at 5.00%; the second were structured as federally taxable bonds that bear interest at rates ranging from 2.54% to 5.59% and mature in fiscal years 2019 to 2045. As of June 30, 2018, the principal balance on the Series 2014 Bonds was $305.3 million.

The SDIA's Passenger Facility Charge (PFC) program currently authorizes the imposition of a $4.50 fee on enplaning passengers to pay for the cost to design and construct eligible capital projects or to repay debt service issued to build such projects. There are currently four active applications which provide authority to impose and use PFC revenue through November 1, 2037. A proposed new application would provide funding for the new International Arrivals facility, and many question whether user fees are a type of taxation, as they effectively inflate the price customers pay for the Airport Authority's service.

Current Applications	**Collection Start**	**Estimated Collection End**	**Authorized Amount**	**Approved PFC Level**
10-08-C-00-SAN	October 2012	October 2036	$1,118,567,229	$4.50
12-10-C-00-SAN	October 2036	November 2037	$31,299,883	$4.50
16-12-C-00-SAN	November 2037	March 2039	$43,795,768	$4.50
Proposed New Application	**Proposed Collection Start**	**Estimated Collection End**	**Proposed Amount**	**Proposed PFC Level**
18-13-C-00-SAN	March 2039	January 2040	$40,000,000	$4.50

VI. Recent and Upcoming Projects

San Diego International Airport Transit Plan

The Airport Transit Plan report was prepared in 2010 and an update to the Plan was prepared in 2016. The Airport Transit Plan recommends specific transit improvements to enhance access to San Diego International Airport and identifies four potential programs to improve public transit ridership for airport employees and passengers:

- Increase Marketing and Wayfinding
- Enhance the Trolley to Terminals Shuttle
- Improve MTS Route 992 as a Rapid Bus
- Operate an Old Town Transit Center Shuttle

These efforts feed into the efforts to accommodate the increase in passengers and improving operations. As the busiest single-runway airport in the U.S. and third-busiest in the world, SAN has experienced significant growth in international arrivals in the past 25 years – from about 50,000 passengers a year in the early 1990s to more than 400,000 a year in 2017. Some of the airport's recent and upcoming projects are outlined below.

International Arrivals Facility

June 2018 marked the completion of a new 130,000-square-foot International Arrivals facility at SAN's Terminal 2. At 130,000 square feet, the new facility is five times larger than the previous facility. It also increases the number of international gates at the airport from three to six and offers the latest biometric facial recognition technologies, as well as an expanded baggage claim and passenger wait area.

Rental Car Center

The Rental Car Center opened in 2016, which moved all rental car operations to one centralized location on the north side of the airport. This also removed all rental car traffic from North Harbor Drive. Further, the airport replaced 81 rental car company shuttles with fewer than 40 Airport Authority-owned alternative fuel shuttle buses, which operate mostly on a new on-airport roadway. After the Rental Car Center opened, a traffic study confirmed that total traffic on eastbound North Harbor Drive decreased by up to 15%, and total westbound traffic decreased by up to 7.7%. The Airport Authority also added a fourth westbound lane to North Harbor Drive to create more capacity for vehicles accessing the airport.

Parking Plaza

The airport also opened a 2,900-space Parking Plaza in front of Terminal 2 in May 2018, providing a net increase of 1,700 spaces of critical close-in parking. The $127.8 million Parking Plaza features numerous sustainable features, including advanced parking guidance technology to reduce unnecessary vehicle circulation. The project also includes 16 electronic vehicle charging port and a 145 electric-vehicle-ready parking stalls.

2017 Annual Sustainability Report

Since 2015, SAN began producing a combined annual/sustainability report that focuses on five key areas: community, customers, employees, financials, and operations.

As part of their Community core area, SDCRAA places importance on Harbor Drive and on its role connecting SAN to the San Diego Bay. In 2017, officials launched the next master planning phase for the airport referred to as the Airport Development Plan (ADP), including the replacement of Terminal 1. This planning process also proposes to move most airport-bound traffic off Harbor Drive and onto a new roadway that would be built on airport property. The plan has been and continues to be discussed by bodies of decision makers and technical experts.

As part of their Operational core area, SAN signed the "Airports Sustainability Declaration" in 2017, a voluntary and non-binding call for airports to "develop, implement, and expand initiatives that improve the sustainability and resilience of airports and their surrounding communities." Additionally, The Authority received a FAA grant to develop a Sustainability Management Plan (SMP) that will ultimately comprise seven stand-alone plans. Currently, two plans (Strategic Energy Plan and Water Stewardship Plan) are already developed and being implemented. In 2017, an Air Quality Management Plan (AQMP) and a Clean Transportation Plan (CTP) were created; other plans that will be developed in future years include a Zero Waste Plan and a Climate Resilience Plan.

As part of their Customer core area, SAN achieved an overall satisfaction rating of 4.1 out of 5 in the Airport Service Quality (ASQ) survey in 2017, where respondents commended the airport on its waiting time at security inspection, waiting time and helpfulness at check-on, and ease of wayfinding in the airport. With the continued increase in the use of TNCs (such as UBER and Lyft), the Airport planned to move them to the transportation islands to avoid curbside congestion and allow for consolidated pick-ups and drop-offs.

As part of their Financial core area, SAN issued more than $291 million in bonds in 2017 to fund portion the Parking Plaza and new international arrivals facility. As international visitors stay 30% longer and spend 43% more than domestic visitors, driving a big part of the Airport's overall estimated $11.9 billion economic annual impact developing new direct routes from international destinations remains a priority. In 2017, the Airport Authority began using a new paving technology that uses recycled automobile tires in which for every dollar spent on this type of preservation has been calculated to save $6 to $10 in maintenance in the long-term.

As part of their Employee core area, the Airport Authority anticipates changes to its staffing model due to the goals and objectives outlined in the Five-Year Strategic Plan and the envisioned Airport Development Plan. In 2018, the Airport Authority planned to be focused on engagement and retention while preparing to support the Airport Development implementation.

Appendix A: Financials

San Diego County Regional Airport Authority Revenues and Expenses FY 2008 - FY 2018

Source: FY 2008 - FY 2018 CAFRs; In 2018 Dollars

	Nominal Revenue			CPI		Real Revenue			
	Operating	Non-Operating	Total			Operating	Non-Operating	Total	Yearly Change
2008	$ 135,682,000		$ 135,682,000	1.161567651	2008	$ 157,603,822	$ -	$ 157,603,822	
2009	$ 130,977,000	$ 44,664,000	$ 175,641,000	1.165715005	2009	$ 152,681,854	$ 52,065,495	$ 204,747,349	0.299126801
2010	$ 133,694,000	$ 51,498,000	$ 185,192,000	1.14690526	2010	$ 153,334,352	$ 59,063,327	$ 212,397,679	3.74%
2011	$ 144,007,000	$ 55,083,000	$ 199,090,000	1.11180809	2011	$ 160,108,148	$ 61,241,725	$ 221,349,873	4.21%
2012	$ 153,550,000	$ 56,614,000	$ 210,164,000	1.08926627	2012	$ 167,256,836	$ 61,667,721	$ 228,924,556	3.42%
2013	$ 177,498,000	$ 63,473,000	$ 240,971,000	1.073541469	2013	$ 190,551,464	$ 68,140,898	$ 258,692,361	13.00%
2014	$ 195,737,000	$ 73,596,000	$ 269,333,000	1.056404603	2014	$ 206,777,468	$ 77,747,153	$ 284,524,621	9.99%
2015	$ 210,505,000	$ 82,727,000	$ 293,232,000	1.055152162	2015	$ 222,114,806	$ 87,289,573	$ 309,404,379	8.74%
2016	$ 233,994,000	$ 86,368,000	$ 320,362,000	1.042004937	2016	$ 243,822,903	$ 89,995,882	$ 333,818,786	7.89%
2017	$ 248,847,000	$ 91,513,000	$ 340,360,000	1.020273785	2017	$ 253,892,071	$ 93,368,315	$ 347,260,385	4.03%
2018	$ 265,830,000	$ 106,030,000	$ 371,860,000	1	2018	$ 265,830,000	$106,030,000	$ 371,860,000	7.08%

Average Annual % Change
9.20%

Greatest Annual % Change
29.91%

Lowest Annual % Change
3.42%

	Nominal Expense			CPI		Real Expense			
	Operating	Non-Operating	Total			Operating	Non-Operating	Total	Yearly Change
2008	$ 150,750,000		$ 150,750,000	1.161567651	2008	$ 175,106,323.41	$ -	$ 175,106,323	
2009	$ 115,278,000	$ 8,524,000	$ 123,802,000	1.165715005	2009	$ 134,381,294.33	$ 9,936,555	$ 144,317,849	-17.58%
2010	$ 117,288,000	$ 6,122,000	$ 123,410,000	1.14690526	2010	$ 134,518,224.18	$ 7,021,354	$ 141,539,578	-1.93%
2011	$ 117,841,000	$ 14,578,000	$ 132,419,000	1.11180809	2011	$ 131,016,577.16	$ 16,207,938	$ 147,224,515	4.02%
2012	$ 119,169,000	$ 7,031,000	$ 126,200,000	1.08926627	2012	$ 129,806,772.13	$ 7,658,631	$ 137,465,403	-6.63%
2013	$ 126,796,000	$ 17,977,000	$ 144,773,000	1.073541469	2013	$ 136,120,764.11	$ 19,299,055	$ 155,419,819	13.06%
2014	$ 136,821,000	$ 54,885,000	$ 191,706,000	1.056404603	2014	$ 144,538,334.13	$ 57,980,767	$ 202,519,101	30.30%
2015	$ 140,250,000	$ 58,143,000	$ 198,393,000	1.055152162	2015	$ 147,985,090.73	$ 61,349,712	$ 209,334,803	3.37%
2016	$ 153,651,000	$ 54,435,000	$ 208,086,000	1.042004937	2016	$ 160,105,100.63	$ 56,721,539	$ 216,826,639	3.58%
2017	$ 163,726,000	$ 76,085,000	$ 239,811,000	1.020273785	2017	$ 167,045,345.69	$ 77,627,531	$ 244,672,877	12.84%
2018	$ 169,120,000	$ 84,502,000	$ 253,622,000	1	2018	$ 169,120,000	$ 84,502,000	$ 253,622,000	3.66%

Annual Average % Change
4.47%

Greatest Annual % Change
30.30%

Lowest Annual % Change
-17.58%

Non Cash write offs and unrealized gain/loss

2008	
2009	$ 316,000
2010	$ (1,004,000)
2011	$ (92,000)
2012	$ (3,032,000)
2013	$ (4,279,000)
2014	$ 434,000
2015	$ 1,367,000
2016	$ 2,247,000
2017	$ (17,121,000)
2018	$ (13,229,000)

GASB entry (non cash)

2009		
2010		
2011		
2012		
2013		
2014		
2015		
2016	$ (1,514,601)	reduced expenses
2017	$ 1,679,109	increased expenses
2018	$ 3,537,583	increased expenses

San Diego Taxpayers
Educational Foundation

2508 Historic Decatur Rd. #220 | San Diego, CA 92106 | T: 619-234-6423

Appendix B: Expenses Detail

San Diego County Regional Airport Authority Expenses by Category FY 2008 - FY 2018

Source: FY 2008 - FY 2018 CAFRs; In 2018 Dollars

Year	Salaries and Benefits	Contractual Services	Safety and Security	Space Rental	Utilities	Maintenance	Equipment & Systems	Materials and Supplies	Insurance	Employee Devpt and Support	Business Dvpt	Equipment Rentals and	Non-operating	Total	CPI Deflator
2008	$ 32,912,000	$ 27,378,000	$ 19,110,000	$ 10,901,000	$ 6,430,000	$ 8,735,000	$ 1,333,000	$ 795,000	$ 1,227,000	$ 1,035,000	$ 2,733,000	$ 1,396,000	$ 8,812,000.00	$ 122,797,000	1.161567651
2009	$ 34,741,000	$ 27,464,000	$ 19,930,000	$ 10,888,000	$ 6,912,000	$ 8,002,000	$ 678,000	$ 641,000	$ 1,096,000	$ 1,030,000	$ 2,509,000	$ 1,387,000	$ 8,524,000	$ 123,802,000	1.165715005
2010	$ 35,386,000	$ 27,999,000	$ 20,131,000	$ 10,906,000	$ 6,871,000	$ 9,231,000	$ 891,000	$ 413,000	$ 1,166,000	$ 990,000	$ 2,033,000	$ 1,271,000	$ 6,122,000	$ 123,410,000	1.14690526
2011	$ 38,267,000	$ 26,113,000	$ 21,344,000	$ 10,906,000	$ 6,413,000	$ 8,174,000	$ 570,000	$ 345,000	$ 1,066,000	$ 1,041,000	$ 2,275,000	$ 1,327,000	$ 14,578,000	$ 132,419,000	1.11180809
2012	$ 37,237,000	$ 26,906,000	$ 22,625,000	$ 11,415,000	$ 6,674,000	$ 8,497,000	$ 403,000	$ 304,000	$ 764,000	$ 916,000	$ 2,093,000	$ 1,335,000	$ 7,031,000	$ 126,200,000	1.08926627
2013	$ 38,092,000	$ 29,284,000	$ 23,994,000	$ 10,897,000	$ 6,659,000	$ 11,204,000	$ 469,000	$ 406,000	$ 795,000	$ 1,235,000	$ 2,444,000	$ 1,317,000	$ 17,977,000	$ 144,773,000	1.073541469
2014	$ 39,135,000	$ 31,559,000	$ 24,151,000	$ 10,478,000	$ 8,680,000	$ 13,982,000	$ 643,000	$ 440,000	$ 988,000	$ 1,171,000	$ 2,661,000	$ 2,932,000	$ 54,885,000	$ 191,705,000	1.056404603
2015	$ 39,212,000	$ 32,422,000	$ 23,466,000	$ 10,433,000	$ 10,152,000	$ 14,516,000	$ 1,805,000	$ 519,000	$ 1,145,000	$ 1,136,000	$ 2,493,000	$ 2,951,000	$ 58,143,000	$ 198,393,000	1.055152162
2016	$ 42,025,000	$ 38,215,000	$ 28,721,000	$ 10,367,000	$ 11,480,000	$ 14,122,000	$ 708,000	$ 536,000	$ 949,000	$ 1,242,000	$ 2,390,000	$ 2,852,000	$ 54,435,000	$ 208,042,000	1.042004937
2017	$ 46,874,000	$ 44,927,000	$ 28,422,000	$ 10,206,000	$ 10,736,000	$ 14,270,000	$ 502,000	$ 651,000	$ 956,000	$ 1,393,000	$ 2,351,000	$ 2,438,000	$ 76,085,000	$ 239,811,000	1.020273785
2018	$ 47,866,000	$ 45,249,000	$ 30,733,000	$ 10,190,000	$ 12,509,000	$ 12,603,000	$ 598,000	$ 656,000	$ 1,098,000	$ 1,248,000	$ 3,246,000	$ 3,124,000	$ 84,502,000	$ 253,622,000	1

Year	Salaries and Benefits	Salaries and Benefits Change	As a % of Total Expenses	Contractual Services	Contractual Services Change	As a % of Total Expenses	Safety and Security	Safety and Security Change	As a % of Total Expenses
2008	$ 38,229,514.54		26.80%	$ 31,801,399.15		22.30%	$ 22,197,557.81		15.56%
2009	$ 40,498,104.98	5.93%	28.06%	$ 32,015,196.89	0.67%	22.18%	$ 23,232,700.05	4.66%	16.10%
2010	$ 40,584,389.54	0.21%	28.67%	$ 32,112,200.38	0.30%	22.69%	$ 23,088,349.80	-0.62%	16.31%
2011	$ 42,545,560.19	4.83%	28.90%	$ 29,032,644.66	-9.59%	19.72%	$ 23,730,431.88	2.78%	16.12%
2012	$ 40,561,008.10	-4.66%	29.51%	$ 29,307,798.26	0.95%	21.32%	$ 24,644,649.36	3.85%	17.93%
2013	$ 40,893,341.64	0.82%	26.31%	$ 31,437,588.38	7.27%	20.23%	$ 25,758,554.01	4.52%	16.57%
2014	$ 41,342,394.12	1.10%	20.41%	$ 33,339,072.85	6.05%	16.46%	$ 25,513,227.56	-0.95%	12.60%
2015	$ 41,374,626.58	0.08%	19.76%	$ 34,210,143.40	2.61%	16.34%	$ 24,760,200.64	-2.95%	11.83%
2016	$ 43,790,257.49	5.84%	20.20%	$ 39,820,218.68	16.40%	18.37%	$ 29,927,423.81	20.87%	13.81%
2017	$ 47,824,313.39	9.21%	19.55%	$ 45,837,840.33	15.11%	18.73%	$ 28,998,221.51	-3.10%	11.85%
2018	$ 47,866,000.00	0.09%	18.87%	$ 45,249,000.00	-1.28%	17.84%	$ 30,733,000	5.98%	12.12%
Average	$ 42,319,046	2.34%	24.28%	$ 34,923,918	3.85%	19.65%	$ 25,689,483	3.50%	14.62%

Year	Space Rental	Space Rental Change	As a % of Total Expenses	Utilities	Utilities Change	As a % of Total Expenses	Maintenance	Maintenance Change	As a % of Total Expenses
2008	$ 12,662,248.97		8.88%	$ 7,468,880.00		5.24%	$ 10,146,293.43		7.11%
2009	$ 12,692,304.97	0.002373671	8.79%	$ 8,057,422.11	7.88%	5.58%	$ 9,328,051.47	-0.080644421	6.46%
2010	$ 12,508,148.77	-1.45%	8.84%	$ 7,880,386.04	-2.20%	5.57%	$ 10,587,082.46	13.50%	7.48%
2011	$ 12,125,379.03	-3.06%	8.24%	$ 7,130,025.28	-9.52%	4.84%	$ 9,087,919.33	-14.16%	6.17%
2012	$ 12,433,974.47	2.55%	9.05%	$ 7,269,763.09	1.96%	5.29%	$ 9,255,495.50	1.84%	6.73%
2013	$ 11,698,381.39	-5.92%	7.53%	$ 7,148,712.64	-1.67%	4.60%	$ 12,027,958.62	29.95%	7.74%
2014	$ 11,069,007.43	-5.38%	5.47%	$ 9,169,591.95	28.27%	4.53%	$ 14,770,649.15	22.80%	7.29%
2015	$ 11,008,402.51	-0.55%	5.26%	$ 10,711,904.75	16.82%	5.12%	$ 15,316,588.78	3.70%	7.32%
2016	$ 10,802,465.19	-1.87%	4.98%	$ 11,962,216.68	11.67%	5.52%	$ 14,715,193.73	-3.93%	6.79%
2017	$ 10,412,914.25	-3.61%	4.26%	$ 10,953,659.35	-8.43%	4.48%	$ 14,559,306.91	-1.06%	5.95%
2018	$ 10,190,000.00	-2.14%	4.02%	$ 12,509,000.00	14.20%	4.93%	$ 12,603,000.00	-13.44%	4.97%
Average	$ 11,600,293	-2.12%	6.85%	$ 9,114,687	5.90%	5.06%	$ 12,036,140	3.11%	6.73%

	GASB entry (non cash)	
2010		
2011		
2012		
2013		
2014		
2015		
2016		
2017	$ (1,514,601)	reduced expenses
2018	$ 1,679,109	increased expenses
0	$ 3,537,583	increased expenses

Appendix C: Revenues Detail

San Diego County Regional Airport Authority Revenues by Category FY 2008 - FY 2018

Source: FY 2008 - FY 2018 CAFRs; In 2018 Dollars

Year	Landing Fees	Aircraft Parking Fees	Building Rentals	Security Surcharge	Other Aviation Revenue	Concession Revenue	Parking and Ground Transportation	Ground and Non-Airline Terminal Rentals	Other Operating Revenues	Capital Grant Contributions	Non-Operating	Total	CPI Deflator
2008	$ 24,763,000		$ 24,265,000	$ 8,619,000	$ 1,808,000	$ 38,785,000	$ 31,038,000	$ 5,207,000	$ 1,197,000	$ 2,850,000	$50,844,000	$189,376,000	1.16156765
2009	$ 18,689,000	$ 3,221,000	$ 23,057,000	$ 10,204,000	$ 1,565,000	$ 36,280,000	$ 31,492,000	$ 5,776,000	$ 693,000	$ 4,646,000	$ 44,664,000	$180,287,000	1.165715
2010	$ 18,672,000	$ 3,406,000	$ 23,835,000	$ 11,900,000	$ 1,584,000	$ 36,249,000	$ 30,296,000	$ 5,923,000	$ 1,829,000	$ 27,350,000	$ 51,498,000	$212,542,000	1.14690526
2011	$ 18,579,000	$ 2,921,000	$ 26,980,000	$ 14,886,000	$ 1,597,000	$ 37,103,000	$ 31,645,000	$ 8,656,000	$ 1,640,000	$ 26,355,000	$ 55,083,000	$225,445,000	1.11180809
2012	$ 18,419,000	$ 3,134,000	$ 30,633,000	$ 18,649,000	$ 1,595,000	$ 40,427,000	$ 31,470,000	$ 8,044,000	$ 1,179,000	$ 20,834,000	$ 56,614,000	$230,998,000	1.08926627
2013	$ 19,658,000	$ 3,191,000	$ 41,840,000	$ 23,360,000	$ 1,591,000	$ 42,041,000	$ 35,750,000	$ 9,162,000	$ 905,000	$ 16,077,000	$ 63,473,000	$257,048,000	1.07354147
2014	$ 19,107,000	$ 2,503,000	$ 46,001,000	$ 25,777,000	$ 4,488,000	$ 47,770,000	$ 38,959,000	$ 9,603,000	$ 1,529,000	$ 3,924,000	$ 73,596,000	$273,257,000	1.0564046
2015	$ 21,390,000	$ 2,716,000	$ 48,153,000	$ 25,180,000	$ 4,893,000	$ 52,496,000	$ 41,633,000	$ 13,074,000	$ 971,000	$ 10,765,000	$ 82,727,000	$303,998,000	1.05515216
2016	$ 23,985,000	$ 2,701,000	$ 53,536,000	$ 29,223,000	$ 2,760,000	$ 56,274,000	$ 48,106,000	$ 16,226,000	$ 1,183,000	$ 10,477,000	$ 86,368,000	$330,839,000	1.04200494
2017	$ 24,612,000	$ 2,927,000	$ 56,574,000	$ 29,468,000	$ 2,799,000	$ 61,256,000	$ 49,407,000	$ 20,053,000	$ 1,750,000	$ 1,904,000	$ 91,513,000	$342,263,000	1.02027378
2018	$ 23,900,000	$ 3,236,000	$ 62,241,000	$ 32,303,000	$ 1,476,000	$ 65,610,000	$ 53,254,000	$ 22,109,000	$ 1,701,000	$ 13,329,000	$106,030,000	$385,189,000	1

Year	Landing Fees	Landing Fees Change	As a % of Total Expenditure	Aircraft Parking Fees	Aircraft Parking Fees Change	As a % of Total Expenditure	Building Rentals	Building Rentals Change	As a % of Total Expenditure
2008	$ 28,763,899.75		13.08%	$ -		0.00%	$ 28,185,439.06		12.81%
2009	$ 21,786,047.73	-24.26%	10.37%	$ 3,754,768.03	#DIV/0!	1.79%	$ 26,877,890.87	-4.64%	12.79%
2010	$ 21,415,015.02	-1.70%	8.79%	$ 3,906,359.32	4.04%	1.60%	$ 27,336,486.88	1.71%	11.21%
2011	$ 20,656,282.51	-3.54%	8.24%	$ 3,247,591.43	-16.86%	1.30%	$ 29,996,582.27	9.73%	11.97%
2012	$ 20,063,195.43	-2.87%	7.97%	$ 3,413,760.49	5.12%	1.36%	$ 33,367,493.65	11.24%	13.26%
2013	$ 21,103,678.20	5.19%	7.65%	$ 3,425,670.83	0.35%	1.24%	$ 44,916,975.06	34.61%	16.28%
2014	$ 20,184,722.74	-4.35%	6.99%	$ 2,644,180.72	-22.81%	0.92%	$ 48,595,668.12	8.19%	16.83%
2015	$ 22,569,704.75	11.82%	7.04%	$ 2,865,793.27	8.38%	0.89%	$ 50,808,742.06	4.55%	15.84%
2016	$ 24,992,488.42	10.73%	7.25%	$ 2,814,455.34	-1.79%	0.82%	$ 55,784,776.33	9.79%	16.18%
2017	$ 25,110,978.39	0.47%	7.19%	$ 2,986,341.37	6.11%	0.86%	$ 57,720,969.10	3.47%	16.53%
2018	$ 23,900,000.00	-4.82%	6.20%	$ 3,236,000.00	8.36%	0.84%	$ 62,241,000	7.83%	16.16%
Average	$ 22,776,910	-1.33%	8.25%	$ 2,935,902	#DIV/0!	1.05%	$ 42,348,366	8.65%	14.53%

Year	Security Surcharge	Security Surcharge Change	As a % of Total Expenditure	Other Aviation Revenue	Other Aviation Revenue Change	As a % of Total Expenditure	Concession Revenue	Concession Revenue Change	As a % of Total Expenditure
2008	$ 10,011,551.59		4.55%	$ 2,100,114.31		0.95%	$45,051,401.35		0.2048042
2009	$ 11,894,955.91	18.81%	5.66%	$ 1,824,343.98	-13.13%	0.87%	$42,292,140.38	-6.12%	20.12%
2010	$ 13,648,172.60	14.74%	5.60%	$ 1,816,697.93	-0.42%	0.75%	$41,574,168.78	-1.70%	17.05%
2011	$ 16,550,375.23	21.26%	6.60%	$ 1,775,557.52	-2.26%	0.71%	$41,251,415.57	-0.78%	16.46%
2012	$ 20,313,726.67	22.74%	8.07%	$ 1,737,379.70	-2.15%	0.69%	$44,035,767.50	6.75%	17.50%
2013	$ 25,077,928.72	23.45%	9.09%	$ 1,708,004.48	-1.69%	0.62%	$45,132,756.90	2.49%	16.36%
2014	$ 27,230,941.44	8.59%	9.43%	$ 4,741,143.86	177.58%	1.64%	$50,464,447.87	11.81%	17.48%
2015	$ 26,568,731.44	-2.43%	8.28%	$ 5,162,859.53	8.89%	1.61%	$55,391,267.90	9.76%	17.27%
2016	$ 30,450,510.28	14.61%	8.83%	$ 2,875,933.63	-44.30%	0.83%	$58,637,785.84	5.86%	17.01%
2017	$ 30,065,427.89	-1.26%	8.61%	$ 2,855,746.32	-0.70%	0.82%	$62,497,890.96	6.58%	17.90%
2018	$ 32,303,000.00	7.44%	8.39%	$ 1,476,000.00	-48.31%	0.38%	$65,610,000.00	4.98%	17.03%
Average	$ 22,192,302	12.79%	7.56%	$ 2,552,162	7.35%	0.90%	$ 50,176,277	3.96%	17.70%

Appendix D: Pensions

San Diego County Regional Airport Authority Pension Costs FY 2008 - FY 2018

Source: FY 2008 - FY 2018 CAFRs; In 2018 Dollars

Nominal Pension Costs

Year	ARC	Contributions Made	Annual OPEB Cost	Net OPEB Obligation	Total	CPI Deflator
2008	$ 4,894,000	$ 58,000	$ 1,309,000	$ 1,251,000	$ 7,512,000	1.16156765
2009	$ 4,926,093	$ 2,758,000	$ 1,449,000	$ 58,000	$ 9,191,093	1.165715
2010	$ 4,999,976	$ 1,825,000	$ 1,733,000	$ 92,000	$ 8,649,976	1.14690526
2011	$ 6,289,996	$ 2,164,000	$ 2,164,000	$ 60,000	$ 10,677,996	1.11180809
2012	$ 4,356,000	$ 2,236,000	$ 2,238,000	$ 61,000	$ 8,891,000	1.08926627
2013	$ 4,582,000	$ 2,328,000	$ 2,328,000	$ 62,000	$ 9,300,000	1.07354147
2014	$ 4,882,000	$ 1,959,000	$ 2,328,000	$ 59,000	$ 9,228,000	1.0564046
2015	$ 5,852,753	$ 2,403,000	$ 2,403,000	$ 59,000	$ 10,717,753	1.05515216
2016	$ 3,897,545	$ 1,959,000	$ 1,959,000	$ 59,000	$ 7,874,545	1.04200494
2017	$ 4,047,780	$ 2,013,000	$ 2,013,000	$ 59,000	$ 8,132,780	1.02027378
2018	$ 5,480,984	$ 2,012,419	$ 2,333,652	$ 97,418	$ 9,924,473	1

Real Pension Costs

Year	ARC	Contributions Made	Annual OPEB Cost	Net OPEB Obligation	Total	% Change
2008	$ 5,684,712.08	$ 67,370.92	$ 1,520,492.06	$ 1,453,121.13	$ 8,725,696.20	
2009	$ 5,742,420.53	$ 3,215,041.98	$ 1,689,121.04	$ 67,611.47	$ 10,714,195.02	22.79%
2010	$ 5,734,498.78	$ 2,093,102.10	$ 1,987,586.82	$ 105,515.28	$ 9,920,702.98	-7.41%
2011	$ 6,993,268.44	$ 2,405,952.71	$ 2,405,952.71	$ 66,708.49	$ 11,871,882.34	19.67%
2012	$ 4,744,843.87	$ 2,435,599.38	$ 2,437,777.91	$ 66,445.24	$ 9,684,666.41	-18.42%
2013	$ 4,918,967.01	$ 2,499,204.54	$ 2,499,204.54	$ 66,559.57	$ 9,983,935.66	3.09%
2014	$ 5,157,367.27	$ 2,069,496.62	$ 2,459,309.91	$ 62,327.87	$ 9,748,501.67	-2.36%
2015	$ 6,175,544.98	$ 2,535,530.65	$ 2,535,530.65	$ 62,253.98	$ 11,308,860.25	16.01%
2016	$ 4,061,261.13	$ 2,041,287.67	$ 2,041,287.67	$ 61,478.29	$ 8,205,314.77	-27.44%
2017	$ 4,129,843.82	$ 2,053,811.13	$ 2,053,811.13	$ 60,196.15	$ 8,297,662.23	1.13%
2018	$ 5,480,984.00	$ 2,012,419.00	$ 2,333,652.00	$ 97,418.00	$ 9,924,473.00	19.61%

Average Annual % Change
2.67%