Montgomery-Gibbs Executive Airport and Brown Field Municipal Airport

AIRPORTS ADVISORY COMMITTEE

AGENDA

Online Meeting

To view the meeting please click here

Tuesday, October 13, 2020

3:00 p.m. – 4:00 p.m.

1.	**CALL TO ORDER**	Tom Reid, Chair
2.	**ROLL CALL**	Tom Reid, Chair
3.	**NON-AGENDA PUBLIC COMMENT – Instructions Provided Below**	Tom Reid, Chair
4.	**APPROVAL OF MINUTES – September 8, 2020**	Tom Reid, Chair
5.	**UNFINISHED BUSINESS – None**	Tom Reid, Chair
6.	**NEW BUSINESS** A. Receive and File - Proposed Airports Division Business Plan Presentation	Jorge Rubio, Airports
7.	**STAFF'S REPORTS**	Jorge Rubio, Airports
8.	**AIR TRAFFIC CONTROL TOWER REPORT**	Joel Ryan, FAA
9.	**OPERATIONS REPORTS**	Jorge Rubio, Airports
10.	**COMMITTEE COMMENTS**	Tom Reid, Chair
11.	**ADJOURNMENT**	Tom Reid, Chair

Meeting will be aired live and recorded. PUBLIC COMMENT: Any member of the public may address the Committee on any subject in its area of responsibility on any matter not presently pending or previously discussed at the Committee. Pursuant to the provisions California Executive Order 29-20, Committee meeting will be held via teleconference until further notice. In lieu of in-person attendance, members of the public may submit their comments via a public comment webform. Members of the public wishing to address the Committee under Public Comment must submit a Public Comment webform prior to the meeting. Instructions for word limitations and deadlines will be noted on the webform. Pursuant to open meeting laws, no discussion or action, other than a referral, shall be taken by the Committee on any issue brought forth under non-agenda public comment. The information contained in this agenda is available in alternative formats and can be requested by calling 858-573-1441 or e-mailing jerubio@sandiego.gov at least three (3) working days prior to the meeting to insure availability.

CITY OF SAN DIEGO
AIRPORTS ADVISORY COMMITTEE
DRAFT MINUTES
Meeting of September 8, 2020

Montgomery-Gibbs Terminal, 3750 John J. Montgomery Drive, San Diego, CA 92123
Via teleconference

1. CALL TO ORDER
Chairman Reid called the meeting to order at 3:04 PM.

2. ROLL CALL
A quorum was present.

MEMBERS PRESENT:	MEMBERS ABSENT:
Buzz Gibbs Kearny Mesa Community	J.H. Aldrich Montgomery Field Aviation Lessee Community
Lisa Golden Otay Mesa Community	Jackie Ander Serra Mesa Community
David Gordon Special Expertise	Tom Ricotta Brown Field Aviation Lessee
Ron Lee Brown Field Aviation User Group	
Gary List Brown Field Aviation User Group	
Rich Martindell Special Expertise	
Vice-Chairman Chuck McGill Montgomery Gibbs Aviation User Group	
Mike Oglivie Tierrasanta Community Council	
Chairman Tom Reid Clairemont Community	
Joel Ryan* Air Traffic Control Tower	

*Mr. Joel Ryan is the new non-voting member representing the Montgomery -Gibbs Executive Airport

STAFF PRESENT:
Jorge Rubio, Enza Charles, Thurman Hodges, Charlie Broadbent, Millie Moore, David Reed, Andy Schwartz, and Debbie Shauger.

3. NON-AGENDA PUBLIC COMMENT
None

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4. APPROVAL OF MINUTES

Chairman Reid requested any comments, changes, or deletions to the meeting minutess from July 14, 2020. Vice Chairman McGill stated that the minutes should reflect Mr. Martindell being out the country from September thru December and not him. Mr. Gordon made a motion to approve the minutes with one change, seconded by Mr. Martindell.

5. UNFINISHED BUSINESS

None

6. NEW BUSINESS

A. Receive and File – Airports' Real Estate Assets Presentation

Deputy Director Rubio gave the Airports' Real Estate Asset Presentation for Brown Field Municipal Airport and Montgomery – Gibbs Executive Airport.

Discussion took place and included the following:

Mr. Gordon inquired regarding Corporate Helicopter progress. Mr. Rubio responded the property team had held meetings over the last few months. Currently they are going over some environmental concerns. They were given a 2-year extension and moving along with the process.

Mr. Gordon asked if having a management change at Real Estate Assets Department (READ) will affect the Gibb's airport's RFP process. Mr. Rubio responded that Ms. Geitz is the interim Director of READ who is familiar with the Airports, but there might be a possible delay but will continue with the current recommendation.

Mr. Gordon inquired about the rent other City department will be paying the Airports. Mr. Rubio stated the policy is to pay full market rate, therefore all other City agencies are paying rent.

Vice-Chairman McGill inquired regarding the Four Points Sheraton Hotel and back rent. Mr. Rubio responded the City is proceeding with litigation with the hotel owner with the hope to reach a resolution soon.

Mr. Martindell asked why it has taken a long time for the Metropolitan Airport Project (MAP) at Brown Field. Mr. Rubio stated the MAP is a massive project requiring Federal coordination to assure that all protocols are followed.

Mr. Martindell inquired when the transfer of Gibbs ownership is taking Place. Mr. Rubio stated Airports is working with the proposer and READ and will move to the City Council within a few months.

7. STAFF REPORTS

Brown Field Municipal Airport – *Mr. Schwartz, SDM Airport Manager*

- Operations were up 28% in July 34% in August and 4% overall for this year at Brown Field (SDM) from same time last year.
- Airfield runway lighting computer has been repaired but is still having some trouble.
- Southbay Fence has serviced and repaired all the gates.
- The new Operations Assistant Eli Barber began work on July 27, 2020. He came from Montgomery-Gibbs Airport (MYF) where he worked for Gibbs as an A&P Mechanic and a graduate from Embry Riddle University.
- It is rattle snake season and there were two sightings and removals. For rattle snake problem, tenants should contact the Humane Society and they will relocate the snakes.
- Runway Safety Action Team (RSAT) meeting for SDM has been scheduled for September 22, 2020 between 10:00 a.m. – 1:00 p.m. Those interested in attending were asked to contact Mr. Schwartz

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via email.

Montgomery Gibbs Executive Airport – *Mr. Broadbent, MYF Airport Manager*

- Operations are up 5% from the same reporting period last year and Operations totaled 26,613 for August.
- Repairs on Taxi-lane Kilo lighting will be conducted on September 10th and 11th.
- The Runway Safety Action team meeting was held virtually August 12, 2020 and additional hot spot location at the intersection of Runway 23 and 28L was determined.

Deputy Director Report – *Jorge Rubio*

- Mr. Rubio introduced David Reed as the new Airports Program Manager. Mr. Reed comes from Santa Barbara Municipal Airport and listed his job experience to include Runway Projects, Environmental concerns, Noise program, Grant experience, incident command system, and certification as an Airport Security Coordinator.
- Mr. Reed stated he is happy to be on board and excited to work for the City Airports.
- Mr. Rubio gave an overview of the COVID-19 as continual cleaning, wearing mask and social distancing is practiced daily.
- Mr. Rubio stated there is a slight increase of 5% in Operations at MYF and SDM had 30% increase in operations.
- The Airports' Master Plan are in the first stages of the City performing its first screen check of the MYF Environmental Impact Report (EIR).
- There is a draft letter of an agreement with the NAVY Leap Frogs in the works.
- At SDM there is a proposed drop zone that the Navy requested to use, and the FAA is evaluating to see how safe the site is.
- Mr. Rubio provided background regarding changing Taxiway Kilo to two (2) lanes and since the project was funded by the FAA, Airports would need to reimburse the FAA for the change if that was to occur.
- Mr. Rubio stated that next AAC meeting will be held on Zoom and instructions will be provided.

8. AIR TRAFFIC CONTROL TOWER REPORT

- Mr. Ryan will follow up regarding the disconnect between him and the controllers regarding using Taxiway Charlie during Fire Fighter Helicopter operations.
- MYF is the 4th busiest general aviation airport in the nation and the 22nd busiest overall in the United States.
- There will be potential reduced services due to reduced staffing.
- Hot Spot #2 between Foxtrot and Runway 10R was removed due to the City installing signage. However, a new Hot Spot was added at intersection of Runway 23 and Foxtrot. An LTA (Letters to Airmen) was issued last week effective this Sunday.
- Mr. Osenkowski has transferred, and Mr. Ryan has replaced him as the new MYF ATCT Manager.

Chairman Reid expressed his appreciation for Mr. Ryan's professionalism.
Mr. Martindell inquired about the disparity between towers related to clearance.
Mr. Ryan responded not all controllers are versed with the new Letter of Agreement (LOA) between the San Diego sector and he will contract the FAA's SoCal Approach manager to request the controller receive proper training.

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9. OPERATIONS AND AIRCRAFT NOISE REPORT

Airport Operations reports provided in packet. No questions.

10. COMMITTEE COMMENTS

Mr. Gordon requested getting two (2) windsocks on the approach end of runways 28R and 28L.
Chairman Reid welcomed Mr. Reed to the Airports.
Next meeting to be held on Tuesday, October 13, 2020

11. ADJOURNMENT

The meeting adjourned at 4:11 PM.

Respectfully,
Millie Moore

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The City *of*

SAN DIEGO

PROPOSED

REAL ESTATE ASSETS DEPARTMENT

AIRPORTS DIVISION

BUSINESS PLAN (FY 2021)

Executive Summary

The Airports Division (Airports), part of the Real Estate Assets Department, is responsible for operating the City's two General Aviation airports, Montgomery-Gibbs Executive Airport (MYF) and Brown Field Municipal Airport (SDM), within the City of San Diego. Both airports act as relievers for San Diego International Airport and accommodate all aviation activities except scheduled airline service.

MYF is one of the top busiest General Aviation airport in the nation and the Federal Aviation Administration (FAA) categorizes it as a Regional Asset. SDM has the longest available civilian runway in the County and is a Customs and Border Patrol Landing Rights Airport. The FAA categorizes SDM as a National Asset. Aviation lessees include: Fixed Base Operators (FBOs) that provide fuel, aircraft maintenance and aircraft storage facilities; flight schools; San Diego Fire-Rescue helicopter operations; San Diego Police Air Support Unit; emergency medical transport operations and several hundred individual aircraft owners. The majority of the Airports' revenues are derived from non-aeronautical lessees that include: a hotel, business-park, restaurants, SDFR Fire Station 43, San Diego Police Department Eastern Division, office space tenants, and other individual lessees. Airport's staff administers all these leases.

Airports' staff has the responsibility of operating both airports safely and efficiently, as well as maintaining and developing the airports in conformance with FAA regulations and in compliance with all Grant Assurances.

In late 2019 the COVID-19 Coronavirus pandemic adversely affected the aviation industry, as such, Airports is being more budget conservative and is charting a path for recovery. Fortunately, the City's airport system continues to be viable for all users and is adaptable.

The City's General Aviation airports have significant potential for development and the Airports has prepared "Airport Master Plans" for both airports, which are now in the process of completing Environmental Impact Reports (EIRs), in compliance with the California Environmental Quality Act (CEQA). Airports has also negotiated four major development projects at its two airports. Beginning 2016, the City Council approved two (2) new Fixed Based Operator (FBO) leases at Montgomery-Gibbs Executive Airport and one (1) new lease for an existing FBO lessee at Montgomery-Gibbs Executive Airport. Also, at Montgomery-Gibbs Executive Airport, staff initiated a Request for Proposal and will be recommending a selected proposer to City Council soon for 26.2 acres of an existing Fixed Based Operator (FBO). At the Brown Field Municipal Airport, Airports has shepherded the development of a 200 plus -acre master planned development, which the City Council has approved via a "Lease Development Agreement" and 59 parcel leases and is currently going through environmental review.

Airports' Division Real Estate Section is undertaking a program to "enhance and focus" their real estate efforts to increase private investment on the airports and generate increased revenue for the Airports Enterprise Fund. The intention of this project is to

more concisely define short-term and long-term goals for real property development, which will optimize the value of the Airports real estate assets, in conjunction with the "Preferred Alternatives" for both airport's new Master Plans. This project will further refine the Division's ability to:

- Have a current inventory Airport Lease Agreements and property assets along with a valid system to track and update same.
- Ensure that "market rate" studies have been completed per lease agreements and implemented.
- Clearly identify aeronautical and non-aeronautical leaseholds.
- Track annually the inspection of all Airports' property.
- Ensure that staff have the necessary tools to be productive and efficient.

The "AIRPORTS DIVISION BUSINESS PLAN (FY 2021)" is intended to ensure that the City's Airports System continues to be operated safely and efficiently, is in compliance with all appropriate regulations, including environmental, is financially self-sufficient, encourages airport business growth and opportunities, is customer focused both internally and externally, maximizes the City's Return on Investment for Airport property, and is managed by professional airport management staff. The goals and objectives of this plan were reviewed using the "SMART" and "GROW" models to clarify and refine both. "Action Plans", articulated in the plan, address the attainment of specific goals/objectives and were developed by answering the "Six W's". (See attached for "SMART" & "GROW" models, and the "Six W's".) This plan is intended to be a "living and working" document that adapts as conditions change.

The Airports management team remains committed to making the City of San Diego's airports world renowned General Aviation transportation portals serving a world class City. This can be evidenced by the number of recent operations and planning documents published by the Airports Division, the number of new leases prepared in compliance with City policies, and the marked reduction in "hold-over" leases eliminated.

AIRPORTS DIVISION BUSINESS PLAN (FY 2021)

Mission:

To develop, operate, and maintain Montgomery-Gibbs Executive Airport and Brown Field Airport as world class General Aviation Reliever Airports, providing access to the National Air Transportation System in a safe, efficient, economically self-sufficient, environmentally sensitive, and professional manner.

Vision:

World renowned General Aviation Airports, to serve a world-class city.

Values:

Integrity

- Do the right thing
- Be ethical, truthful, and fair
- Take responsibility for our actions

Service

- Exhibit pride in all that we do
- Treat others as we would like to be treated
- Anticipate and promptly respond to requests

People

- Value customers and employees as partners
- Recognize that an engaged City workforce is the key to quality customer service
- Promote diversity as a strength

Excellence

- Foster a high-performance culture
- Establish clear standards and predictable processes
- Measure results and seek improvement in everything we do

Goals and Objectives:

1. **Ensure City Airports are operated safely and efficiently**.

a. Conduct daily, periodic, and annual airfield inspections at both airports to ensure safety.
b. Pass annual CALTRANS Aeronautics inspections without deficiencies
c. Receive acceptable reports from the FAA's Runway Safety Action Team's (RSAT) airport evaluation.
d. Maintain capability for emergency repairs.
e. Ensure that physical security is maintained at both airports.
f. Maintain the pilot community informed of unusual circumstances that may take place from time-to-time.

2. **Ensure the Airports comply with all applicable federal, state, and local regulations as access portals to the National Air Transportation System.**

   a. Ensure that the Airport Master Plans for both Brown Field Municipal Airport and Montgomery-Gibbs Executive Airport are current and valid.
   b. Conduct annual hangar and facility inspections.
   c. Correct discrepancies found during inspections in a timely manner in accordance with the Airports Operations Policy Manual.

3. **Ensure the City's airports are financially self-sufficient, maximize aviation uses, and invest in Airports infrastructure.**

   a. Ensure that all available Airports properties are held under appropriate leases or use agreements. Leases should only be held in "hold-over" status when in the City's best interest and are appropriate to the use.
   b. Maximize the City's Return on Investment by ensuring that all leases comply with City policies, are monitored regularly, and are evaluated based on market rate studies.
   c. Develop an Asset Management program that includes a prioritized list of projects with detailed action plans for implementation.
   d. Ensure that Airports "**Rates and Charges**" are evaluated annually to be fair and reasonable, and adjusted appropriately in accordance with City policy.
   e. Annually publish an "**Airports Division Business Plan**" which will be presented to the Airports Advisory Committee and appropriate Council Committee(s).

4. **Create a climate in which airport businesses and local businesses can thrive and contribute to a resilient and economically prosperous City.**

   a. Ensure that the Airport Master Plans for both Brown Field Municipal Airport and Montgomery-Gibbs Executive Airport are current and valid.
   b. Use and keep updated a "**Minimum Standards**" document that encourages, promotes, and ensures that:

i. The delivery of high-quality General Aviation products, services, and facilities to Airport users.
ii. The design and development of quality General Aviation improvements at the Airport.
iii. General Aviation safety and security.
iv. The economic health of General Aviation businesses.
v. The orderly development of Airport property for General Aviation purposes.

c. Use, and update as needed the "**Airports Division Property Management Manual**" that addresses day-to-day Airports property management functions.
d. Refine the operation of the Airports Division Real Estate Section by enhancing and focusing their program to increase private investment on the airports generating increased revenue for the Airports Enterprise Fund.
    i. Streamline and improve processes to make it easier for businesses and customers to conduct business with the Airports Division Real Estate Section.

5. Be customer focused and responsive to citizen's concerns, particularly about noise and safety.

a. Seek and embrace input from the Airports Advisory Committee, Community Planning Groups, and the general public.
b. Create and distribute an annual Airports Division "**Customer Satisfaction Survey**".
c. Involve the Airports Advisory Committee, users, citizens, and other interested parties in the operation, utilization and development of the Airports.
d. Respond to community noise and safety complaints within two business days.
e. Airports Division will publish a bi-annual airport newsletter.

6. Be extraordinary stewards of Airports property, especially environmentally unique and sensitive habitat.

a. Ensure that all Airports properties and real property improvements are maintained in the best possible condition and that environmentally sensitive habitat, on the Airports, are maintained and protected in accordance with appropriate standards.
b. Ensure that the Airports Division maintains and monitors environmentally sensitive habitat professionally.
c. Conduct annual inspections of all Airports property.
d. Update the inventory of all Airport Lease Agreements and Airport owned real property assets.

e. Identify all aeronautical and non-aeronautical leases.
f. Utilize the **Airports** Division Property Management Manual to annually:
    i. Complete regular market rate studies for relevant leases.
    ii. Track and update all leases.
    iii. Review and implement rent adjustments.

7. **Retain and recruit qualified professionals, well versed in airport management and provide recurrent training to maintain a high level of competency.**

    a. Place emphasis on education and aviation experience in the selection of management level employees.
    b. Encourage membership in professional organizations, such as the American Association of Airport Executives.
    c. Encourage Certification and/or Accreditation from the American Association of Airport Executives.
    d. Encourage attendance at professional conferences and workshops related to the airport industry.
    e. Recognize employees who demonstrate exceptional performance and knowledge in the airport management field.

<u>Performance Measures (listed by Goal)</u>:

1. **Ensure City Airports are operated safely and efficiently.**

    a. Inspect all Airport facilities <u>every day</u>, morning and evening, per FAA standards making appropriate Log entries.
    b. Staff both Montgomery-Gibbs Executive Airport and Brown Field Airport with Airports Division personnel seven days per week.
    c. Ensure annual CALTRANS Aeronautics inspections of the Airports shall have no repeat discrepancies.
    d. Ensure FAA's Runway Safety Action Team's (RSAT) airport evaluations find no repeat recommendations nor uncorrected runway incursion issues.

2. **Ensure the Airports comply with all applicable federal, state, and local regulations as access portals to the National Air Transportation System.**

    a. Ensure that the Airport Master Plans for both Brown Field Airport and Montgomery-Gibbs Executive Airport are current and valid.
    b. Use and keep updated the "**Minimum Standards**" document that encourages, promotes, and ensures that all commercial operations permitted on the Airports comply with all FAA Airport Improvement Program Grant Assurances.
    c. Conduct annual hangar and facility inspections and correct discrepancies in a timely manner.

3. **Ensure the City's airports are financially self-sufficient, maximize aviation uses, and invest in Airports infrastructure.**

    a. Ensure that all available Airports properties are held under appropriate leases or use agreements. Leases should only be held in "hold-over" status when in the City's best interest and are appropriate to the use.
    b. As current leases come to term and new leases are negotiated, maximize the City's Return on Investment, by ensuring that all leases comply with City policies, are monitored regularly, and are based on market rate studies (appraisals).
    c. As required by City policy ensure that all Airports Division "**Rates and Charges**" are evaluated annually to be fair and reasonable; and are adjusted appropriately.

4. **Create a climate in which airport businesses and local businesses can thrive and contribute to a resilient and economically prosperous City.**

    a. Ensure the Airport Master Plans and Airport Layout Plans for both Brown Field Airport and Montgomery-Gibbs Executive Airport are current.
    b. Use and keep updated the "**Minimum Standards**" document that encourages, promotes, and ensures that all commercial operations permitted on the Airports comply with all FAA Airport Improvement Program Grant Assurances.

5. **Be customer focused and responsive to citizen's concerns, particularly noise and safety concerns.**

    a. Continue to seek and embrace public input, keeping a record of that input.
    b. Continue to involve the Airports Advisory Committee, users, citizens, and other interested parties in the operation, utilization and development of the Airports.
    c. Ensure that the pilot community is aware of airport noise regulations and that the airport noise regulations are uniformly enforced with appropriate documentation.
    d. Airport Managers will coordinate quarterly Pilot Meetings to discuss current operational issues with the pilot users' group, either in person or virtually.
    e. Create a "**Customer Satisfaction Survey"** to be distributed annually. Results of the Customer Survey to be reported annually to the Airports Advisory Committee and Council Committee(s).
    f. Document the response of all noise complaints within two business days.
    g. Airport Division will publish a bi-annual airport electronic newsletter.

6. **Be extraordinary stewards of Airports property, especially environmentally unique and sensitive habitat.**

a. Inspect Airports properties and real property developments weekly to ensure that all Airports properties are maintained in the best possible condition and that environmentally sensitive habitat, on the Airports, is maintained and protected in accordance with appropriate standards.
b. Ensure that the Airports Division complies with all environmental agency requirements and FAA guidance.
c. Conduct annual inspections of all Airports property emphasizing Fire and Life Safety issues along with occupancy usage.
d. Utilize and refine the existing Airports Properties Management plan to annually track and update all Airport Lease Agreements and Airport owned real property assets, to ensure that the inventory of such is accurate and current, reflecting all aeronautical and non-aeronautical uses.

7. **Retain and recruit experienced professionals, well versed in airport management and provide recurrent training to maintain a high level of competency.**

    a. Emphasize that new Airport Operations and management employees, should have aviation experience and aviation education.
    b. Each Fiscal Year provide employees opportunities to attend professional conferences and workshops related to the airport industry.
    c. Support membership in the American Association of Airport Executives for employees and encourage Certification and/or Accreditation from the organization by paying expenses associated with the process.
    d. Develop employees and recognize employees who demonstrate exceptional performance and knowledge in the airport management field by promoting them to increased responsibilities and positions.
    e. Provide real estate staff with specialized training and “hands-on” experience in project management to better manage current and future real estate development projects.

<u>Financial Analysis</u>:

A review of the **City of San Diego *Comprehensive Annual Financial Report (CAFR)* for the Fiscal Year ending June 30, 2019** provides the following.

From the Combining Statement of Fund Net Position (Balance Sheet), it is observed that the Airport Enterprise Fund has **Total Assets of $46,890,000** of which $30,480,000 are Capital Assets, consisting of infrastructure on the airfields, compared to only **$4,228,000** in **Total Liabilities**. By reconciling the Net Position, the **Total Net Position is $43,230,000** which is a decrease of $1,470,000 from the previous fiscal year.

The Current Ratio is 41.14 dollars of Current Assets to one dollar of Current Liabilities, and **Net Working Capital is $15,935,000**. Net Working Capital is the difference between

Current Assets of $16,332,000 and Current Liabilities of $397,000. Current Assets include Cash and Investments and Receivables, which includes FAA AIP Grants. Current Liabilities include Accounts Payable, Accrued Wages and Benefits, and Long-Term Liabilities Due Within One Year. The Airports Enterprise Fund remains *liquid*.

The Debt to Total Net Assets (Equity) Ratio is 9.91% and the Debt Ratio (Total Liabilities to Total Assets) is 9.02%. Both the Debt to Total Net Assets (Equity) Ratio and the Debt Ratio remain within acceptable limits. Total Liabilities decreased from the previous year by $4,640,000 to $4,228,000 due primarily to decrease in Accounts Payable of $4,617,000.

From the Combining Statement of Revenues, Expenses, and Changes in Fund Net Position (Income Statement), it is observed that Total Operating Revenues were $5,619,000 which is an increase of $731,000 from the previous year and Total Operating Expenses were $8,205,000 an increase of $858,000 from the previous year. This created an Operating Loss of ($2,586,000). The increase in Operating Revenue of $731,000 from the previous year is attributed primarily to an increase in revenue from "Charge for Services" and "Revenue from Use of Property". The increase of Operating Expenses of $858,000 was due to an increase in "*Contractual Services".*

The Operating Loss was approximately 46% of Operating Revenues.

The Net Loss Before Contributions and Transfers of ($2,155,000) compared to Operating revenues is approximately 38.3% due to Earnings on Investments of $430,000 helping to reduce the Loss Before Contributions and Transfers to ($2.155,000). It was subsequently offset by Contributions and Transfers, primarily Capital Contributions of $685,000 producing a negative change in the Net Position of ($1,470,000) to Total Net Position of $43,230,000.

From the Combining Statement of Cash Flows it is observed that "Cash at the Beginning of the Year" was $14,620,000; "Cash Flows From Operating Activities" was $102,000 (it is *noted that Depreciation is reconciled out as an adjustment*), "Cash Flows From Non-Capital Financing" was $101,000; "Cash Flows Used From Capital and Related Financing" was ($236,000); "Cash Flows From Investing" (Interest) was $451,000, and "Cash at the End of the Year" was $15,038,000.

The Net Increase (Decrease) in Cash from FY 2018 to FY 2019 was an increase in Cash of $418,000. The increase in cash attributed to minimal Capital Improvement projects for the year due to the completion of the Master Plan Study for both Airports.

The "**Cash at the End of the Year**" of **$15,038,000** will be allocated as follows:

CIP Projects	Brown Field	Montgomery-Gibbs Exec.	**Total**
Environmental Mitigation for Localizer	$ -	$ 80,000	$ 80,000
Other Environmental Mitigation	50,000	50,000	100,000
Various CIP Projects	1,000,000	-	1,000,000
Master Plans	153,500	153,500	307,000
Totals:	**$ 1,203,500**	**$ 283,500**	**$ 1,487,000**
O & M Projects			
Contract Services Mowing, Sweeping, etc, Supplies, etc..			**$5,500,000**
Emergency Reserve (~12% of Total Annual Operating Revenues)			**674,280**
Unbudgeted Fund Balance			**7,376,720**
Grand Totals:			**$15,038,000**

A review of the City of San Diego Comprehensive Annual Financial Reports (CAFR) for the past five fiscal years from Fiscal Years 2015 to 2019, reveals that Total Assets have increased by $11,321,000; Net Position has increased by $11,223,000; Operating Income has been at its lowest with a loss of ($2,586,000) in the current fiscal year and was at the highest with income of $845,000 in FY 2015; Operating Efficiency has varied from a low of (50%) in FY 2018 to a high of 18.3% in FY 2015; Debt has remained relatively low from FY 2015 to FY 2019 at minimal levels of 20% or less, when compared to Assets and Net Assets (Equity). Cash flow has fluctuated from increases of as much as $1,535,000 in FY2017 to decreases of ($2,495,000) in FY 2016. Total Cash has remained relatively stable between $14,314,000 and $16,809,000 over the past five (5) fiscal years, as of FY2019, it remains at $15,038,000. (See the Comparison Table)

The Airports Enterprise Fund remains fiscally sound, carrying only 5.9% of Net Liability compared to Total Assets, and is liquid with 41.14 dollars of Current Assets for every

dollar of Current Liabilities, but it remains operationally less than optimal efficiency with Operating Losses and Net Loss After Contributions and Transfers in the past four fiscal years. It must be noted that both the Operating Loss and Net Loss account for ***Depreciation***, which is not reconciled and adjusted out until "Cash From Operating Activities" is calculated. (Depreciation is an expense that accounts for the decline in the useful value of fixed assets due to normal wear and tear and the passage of time. In the public sector this acknowledgement that the cost incurred to acquire property and equipment must be spread out over its useful life is worth noting, but is an expense that has little impact on the true "bottom line" for public "enterprise" entities that do not pay taxes.) None the less, Operational efficiency will be enhanced as the Airports Division continues to bring new leases to fruition and eliminates hold-over leases by using the RFP process, with rents based on Fair Market Value established by appraisal.

The Airports Division remains committed to the goals of being financially self-sufficient, maximizing aviation uses, and investing in Airports infrastructure.

City of San Diego Airports Enterprise Fund Comparison

FY2015 to FY2019 based on Comprehensive Annual Financial Reports

FY	Total Assets	Current Assets	Total Liabilities	Current Liabilities	Net Position	Operating Income/Loss	Current Ratio	Debt Ratio	Debt/Eq	Cash	Cash +/-
2015	$ 35,569,000	$ 17,686,000	$ 3,195,000	$ 674,000	$ 32,007,000	$ 845,000	26.24	8.98%	9.98%	$ 16,809,000	$ 1,530,000
2016	$ 47,512,000	$ 18,806,000	$ 6,514,000	$ 3,825,000	$ 40,940,000	$ (156,000)	4.92	13.70%	15.90%	$ 14,314,000	$ (2,495,000)
2017	$ 45,326,000	$ 16,817,000	$ 4,326,000	$ 726,000	$ 41,924,000	$ (997,000)	23.16	9.50%	10.30%	$ 15,849,000	$ 1,535,000
2018	$ 52,865,000	$ 20,469,000	$ 8,868,000	$ 4,965,000	$ 44,700,000	$ (2,459,000)	4.12	16.8%	19.8%	$ 14,620,000	$ (1,229,000)
2019	$ 46,890,000	$ 16,332,000	$ 4,228,000	$ 397,000	$ 43,230,000	$ (2,586,000)	41.14	9.02%	9.91%	$ 15,038,000	$ 418,000

The SMART Model

The SMART model can be used to help establish goals. This model is designed to assess existing goals and/or facilitate the establishment of new goals. Whether existing or new, every goal needs to meet the following **SMART** model criteria:

• **Specific—**simple, straightforward, compelling (without specificity, a goal can never truly be reached).
• **Measurable—**tangible, able to be tracked (an effective goal requires a statement of the tangible evidence that the goal has been reached).
• **Attainable—**possible, yet challenging enough to be motivating. If a goal requires an organization to reach beyond its true self, the goal will become burdensome and ultimately detrimental to the process. However, the goal should be challenging enough to cause the airport's policymakers, management, and staff to "rise up" to achieve it.
• **Relevant—**important to stakeholders and connected to the organization's values. Goals that are explicitly connected to values are motivational and, generally, easier to achieve as a result.
• **Time Bound—**includes a beginning and ending point. Identifying start and end dates provides the "race-track" needed to keep an organization on course with a clear finish line to pursue.

The GROW Model

• **Goal—**A goal is a statement of a desired result, outcome, or level of attainment that needs to be reached to realize the mission and vision for the airport. All goals need to be SMART goals.
• **Reality—**This component focuses on the current state of the airport. It includes an assessment of the current reality of the situation at the airport, the magnitude of the work that needs to be accomplished, and the people who need to do the work.
• **Options—**This component focuses on identifying the various ways to achieve a specific goal. An analysis of the alternatives and the issues, challenges, problems, and risks associated with each option can be used to help identify the most appropriate alternative.
• **Will—**This component focuses on determining whether or not the resources will be available and the people will be ready, willing, and able to perform the tasks necessary to achieve the goal. There is a subjective element to this decision as airport managers and policymakers will need to assess the readiness, willingness, and ability of others to make and keep a commitment to achieve the goal.

The Six W's

- **Who** is going to perform the tasks (the **people)**?
- **What** specific actions need to be performed (the **tasks**)?
- **When** are the tasks going to be completed (the **schedule**)?
- **Where** are the tasks going to be accomplished (the **location**)?
- **Why** do the tasks need to be performed (the **reason**)?
- **How** is the objective going to be accomplished (the **approach** and the **resources**)?

Monthly Airport Operations Report
September 2020

SD Airports

MONTGOMERY-GIBBS EXECUTIVE AIRPORT

Flight Operations (Month)	Sep-20	Sep-19	% Diff
	26,630	19,959	33.4%

Based A/C	483

Flight Operations (CY)	2020 YTD	2019 YTD	% Diff
	198,881	180,512	10.2%

Flight Operations (FY)	FY21 YTD	FY20 YTD	% Diff
	81,097	67,809	19.6%

Operations Office Revenue	FY21 YTD	FY20 YTD	% Diff
Landing Fees	$2,290.00	$4,193.00	-45.4%
Transient A/C Parking	$3,906.00	$4,362.00	-10.5%
Monthly A/C Parking*	$86,018.30	$52,479.01	63.9%
Vehicle Parking	$787.00	$2,515.00	-68.7%
Conference Room	$0.00	$90.00	-100.0%
Other	$1,820.00	$1,600.00	13.8%
Total	$94,821.30	$65,239.01	45.3%

Total Operations 10-Year History	
2019	253,090
2018	226,588
2017	207,103
2016	200,676
2015	216,295
2014	215,114
2013	186,192
2012	182,455
2011	193,341
2010	185,506

* Revenue increase reflects acquisition of Lot A-8 Hangar inventory

BROWN FIELD MUNICIPAL AIRPORT

Flight Operations (Month)	Sep-20	Sep-19	% Diff
	9,302	6,948	33.9%

Based A/C	157

Flight Operations (CY)	2020 YTD	2019 YTD	% Diff
	73,049	65,764	11.1%

Flight Operations (FY)	FY21 YTD	FY20 YTD	% Diff
	30,780	23,325	32.0%

Operations Office Revenue	FY21 YTD	FY20 YTD	% Diff
Landing Fees	$7,570.00	$3,554.00	113.0%
Transient A/C Parking	$1,011.00	$1,179.00	-14.2%
Vehicle Parking	$2,902.00	$2,404.00	20.7%
Other	$200.00	$205.00	-2.4%
Total	$11,683.00	$7,342.00	59.1%

Total Operations 10-Year History	
2019	86,358
2018	78,916
2017	77,355
2016	86,027
2015	93,529
2014	90,266
2013	89,707
2012	92,043
2011	101,117
2010	91,025