

# Airports



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## Division Description

The Airports Division, part of the Real Estate Assets Department (READ), is responsible for operating two general aviation airports, Montgomery Field (MYF) and Brown Field (SDM), within the City of San Diego. General aviation includes all aviation activities except scheduled airline and military flights. The City's two airports support a significant portion of the San Diego region's total annual flight operations and can accommodate a variety of general aviation aircraft. Aviation lessees at the Airports include Fixed Base Operators (FBOs) that sell fuel and provide airplane and helicopter maintenance, storage facilities, flight schools, Fire-Rescue Department helicopter operations, the San Diego Police Department Air Support Unit, and several hundred individual aircraft owners. The majority of the Airports' revenues are derived from non-aviation lessees that include a hotel, business park, restaurants, Fire Station 43, City Field Engineering, United States Border Patrol, office space tenants, and other individual lessees. City staff has the responsibility of maintaining the Airports in conformance with Federal Aviation Administration (FAA) regulations and guidelines and administering the various revenue-producing leases.

The Division's mission is:

*To operate, maintain, and develop Montgomery and Brown Field Airports to meet the general aviation needs of the San Diego region in a safe, efficient, economically self-sufficient, environmentally sensitive, and professional manner in accordance with federal, State, and local regulations to ensure that the Airports provide access to the National Air Transportation System while respecting the concerns of the community and stakeholders*

## Goals and Objectives

The following goals and objectives represent the action plan for the Division:

***Goal 1: Ensure City Airports are operated safely and efficiently and that airport facilities are constructed and maintained in accordance with applicable rules and regulations***

It is necessary to maintain the airport runways, taxiways, lighting, navigational aids, obstruction clearances, and other airport components in good condition to meet the level of safety required by federal regulations. Maintaining a

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minimum level of safety is a requirement of eligibility for federal grants. The Division will move toward accomplishing this goal by focusing on the following objective:

- Maintain the Airports as safe and reliable components of the Regional and National Air Transportation Systems in conformance with all applicable federal, State, and local regulations

***Goal 2: Develop the City Airports to be financially self-sufficient, maximize aviation uses, create economic activity, and meet the general aviation needs of the region***

As an enterprise fund, it is the goal of the Airports Division to have sufficient revenues to operate independently of the City's General Fund. Federal regulations require airport operators to spend their revenues on the maintenance and upkeep of their airports. By creating economic activity and maximizing aviation uses, the Division can generate the revenues necessary to meet the aviation needs of the region and remain self-sufficient. The Division will move toward accomplishing this goal by focusing on the following objectives:

- Maintain the Airports as a self-sufficient, economically viable enterprise
- Provide for the needs of general aviation and provide conditions for viable aviation businesses
- Provide a facility that offers necessary services to support airport business, local area business, and visitors at reasonable prices

***Goal 3: Provide highly trained professional staff to promote a climate of trust and foster positive relationships with tenants, users, business interests, the community, and regulatory agencies***

Key airport staff members need to interact on a daily basis with the FAA, California Department of Transportation (Caltrans) Division of Aeronautics, airport users, tenants, and members of the community. It is necessary that staff have a working knowledge of, and proficiency in, the application of federal regulations so that they can be viewed as knowledgeable professionals in their field. A close and cooperative relationship with the Airports Advisory Committee involves airport users and the nearby communities in the operation of the airport and enhances dialogue among the different stakeholders. The Division will move toward accomplishing this goal by focusing on the following objectives:

- Involve the Airports Advisory Committee, users, residents, and other beneficiaries in the operation, utilization, and development of the Airports
- Recruit and retain experienced professionals versed in airport management and provide training to maintain readiness

***Goal 4: Be responsive to resident complaints and encourage pilots to practice a good neighbor policy***

A dedicated Noise Abatement Officer responds to citizen complaints, enforces airport noise rules established by the City Council, provides noise abatement information to pilots, and participates in local planning group meetings. This effort has been shown to reduce community opposition to airport operations. The Division will move toward accomplishing this goal by focusing on the following objective:

- Minimize the negative impacts of the Airports' operations

## Key Performance Indicators

| Performance Measure   | Actual FY2013 | Actual FY2014 | Target FY2015 |
|---|---------------|---------------|---------------|
| 1. Percent adherence to Federal Aviation Administration (FAA) grant requirements  | 100%          | 100%          | 100%          |
| 2. Number of days/year Airports are closed or otherwise unavailable to serve as part of the Regional and National Air Transportation System | 0             | 0             | 0             |
| 3. Average number of working days to respond to a noise complaint   | 1             | 1             | 1             |
| 4. Percent of total revenue derived from aviation-related activities  | 41%           | 41%           | 41%           |
| 5. Percent deviation between cost of services at City airports and other similar regional airports  | 10%           | 10%           | 10%           |

## Service Efforts and Accomplishments

The Airports Division had a number of accomplishments and successes in Fiscal Year 2014:

### Montgomery Field (MYF)

- FAA approved the MYF Airport Layout Plan (ALP)
- FAA completed the rehabilitation of the Air Traffic Control Tower
- Completed the FAA grant-funded design of MYF Runway 5/23, Taxiway G
- Created three helicopter parking spaces at the southwest end of Taxiway G
- Completed the FAA grant-funded MYF Access Control Project
- Completed the removal, packaging, and sale of the solar lighting system through auction to the South Carolina Aeronautics Commission

### Brown Field (SDM)

- Hosted CalFire fire-fighting aircraft during the fire season
- Commissioned new Global Position System (GPS) Localizer Performance with Vertical Guidance (LPV) Electronic approach to Runway 8L, allowing aircraft to descend to 200 feet above ground level and land with a three-quarter-mile visibility
- Lease Development Agreement (LDA), Site Development Permit (SDP), Environmental Impact Report (EIR), Metro Airpark Project approved by City Council
- Weather computer relocated to the control tower, allowing weather information to be broadcast when the tower is closed
- Gulfstream 650 completed a world-record-setting, around-the-world flight originating and terminating at Brown Field
- Completed design for the SDM Runway 8L/26R Rehabilitation



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## Department Summary

|                                      | FY2013<br>Actual    | FY2014<br>Budget    | FY2015<br>Adopted   | FY2014–2015<br>Change |
|--------------------------------------|---------------------|---------------------|---------------------|-----------------------|
| FTE Positions (Budgeted)             | 18.00               | 18.00               | 19.00               | 1.00                  |
| Personnel Expenditures               | \$ 1,454,426        | \$ 1,545,237        | \$ 1,713,233        | \$ 167,996            |
| Non-Personnel Expenditures           | 2,643,496           | 4,246,260           | 3,514,562           | (731,698)             |
| <b>Total Department Expenditures</b> | <b>\$ 4,097,922</b> | <b>\$ 5,791,497</b> | <b>\$ 5,227,795</b> | <b>\$ (563,702)</b>   |
| <b>Total Department Revenue</b>      | <b>\$ 4,713,049</b> | <b>\$ 4,690,334</b> | <b>\$ 4,778,882</b> | <b>\$ 88,548</b>      |

## Airports Fund

### Department Expenditures

|              | FY2013<br>Actual    | FY2014<br>Budget    | FY2015<br>Adopted   | FY2014–2015<br>Change |
|--------------|---------------------|---------------------|---------------------|-----------------------|
| Airports     | \$ 4,097,922        | \$ 5,791,497        | \$ 5,227,795        | \$ (563,702)          |
| <b>Total</b> | <b>\$ 4,097,922</b> | <b>\$ 5,791,497</b> | <b>\$ 5,227,795</b> | <b>\$ (563,702)</b>   |

### Department Personnel

|              | FY2013<br>Budget | FY2014<br>Budget | FY2015<br>Adopted | FY2014–2015<br>Change |
|--------------|------------------|------------------|-------------------|-----------------------|
| Airports     | 18.00            | 18.00            | 19.00             | 1.00                  |
| <b>Total</b> | <b>18.00</b>     | <b>18.00</b>     | <b>19.00</b>      | <b>1.00</b>           |

### Significant Budget Adjustments

|   | FTE  | Expenditures | Revenue |
|---|------|--------------|---------|
| <b>Montgomery Field Localizer Antenna Protection Project</b><br>Addition of one-time expenditures to restore sensitive habitat to a site remote from the localizer antenna.   | 0.00 | \$ 550,000   | \$ -    |
| <b>Operations and Maintenance Projects Support</b><br>Addition of 1.00 Program Manager for operations and maintenance projects support.   | 1.00 | 142,506      | -       |
| <b>Addition of Property Agent</b><br>Addition of 1.00 Property Agent and associated expenditures to manage the department's portfolio of tenants.   | 1.00 | 119,744      | -       |
| <b>Equipment/Support for Information Technology</b><br>Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements and priority analyses.  | 0.00 | 75,952       | -       |
| <b>Non-Discretionary Adjustment</b><br>Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.   | 0.00 | 39,178       | -       |
| <b>Salary and Benefit Adjustments</b><br>Adjustments to reflect the annualization of the Fiscal Year 2014 negotiated salary compensation schedule, changes to savings resulting from positions to be vacant for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiation adjustments. | 0.00 | 22,932       | -       |

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## Significant Budget Adjustments (Cont'd)

|  | FTE         | Expenditures        | Revenue          |
|--|-------------|---------------------|------------------|
| <b>Supplemental Cost of Living Adjustment (COLA)</b><br>Adjustment to reflect the allocation of the pay-go costs for the continued funding of the Supplemental COLA Benefit.                                   | 0.00        | 458                 | -                |
| <b>Reduction of Noise Abatement Officer</b><br>Reduction of 1.00 Noise Abatement Officer.  | (1.00)      | (114,472)           | -                |
| <b>One-Time Reductions and Annualizations</b><br>Adjustment to reflect the removal of one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2014. | 0.00        | (1,400,000)         | -                |
| <b>Revised Revenue</b><br>Adjustment to reflect Fiscal Year 2015 revenue projections.  | 0.00        | -                   | 88,548           |
| <b>Total</b>   | <b>1.00</b> | <b>\$ (563,702)</b> | <b>\$ 88,548</b> |

## Expenditures by Category

|                               | FY2013<br>Actual    | FY2014<br>Budget    | FY2015<br>Adopted   | FY2014-2015<br>Change |
|-------------------------------|---------------------|---------------------|---------------------|-----------------------|
| <b>PERSONNEL</b>              |                     |                     |                     |                       |
| Personnel Cost                | \$ 905,934          | \$ 961,435          | \$ 1,045,919        | \$ 84,484             |
| Fringe Benefits               | 548,492             | 583,802             | 667,314             | 83,512                |
| <b>PERSONNEL SUBTOTAL</b>     | <b>1,454,426</b>    | <b>1,545,237</b>    | <b>1,713,233</b>    | <b>167,996</b>        |
| <b>NON-PERSONNEL</b>          |                     |                     |                     |                       |
| Supplies                      | \$ 56,482           | \$ 263,290          | \$ 163,620          | \$ (99,670)           |
| Contracts                     | 2,210,387           | 3,694,031           | 2,946,370           | (747,661)             |
| Information Technology        | 146,544             | 45,715              | 121,667             | 75,952                |
| Energy and Utilities          | 139,860             | 151,730             | 175,883             | 24,153                |
| Other                         | 672                 | 900                 | 900                 | -                     |
| Transfers Out                 | 89,550              | 74,261              | 89,789              | 15,528                |
| Capital Expenditures          | -                   | 15,577              | 15,577              | -                     |
| Debt                          | -                   | 756                 | 756                 | -                     |
| <b>NON-PERSONNEL SUBTOTAL</b> | <b>2,643,496</b>    | <b>4,246,260</b>    | <b>3,514,562</b>    | <b>(731,698)</b>      |
| <b>Total</b>                  | <b>\$ 4,097,922</b> | <b>\$ 5,791,497</b> | <b>\$ 5,227,795</b> | <b>\$ (563,702)</b>   |

## Revenues by Category

|                                 | FY2013<br>Actual    | FY2014<br>Budget    | FY2015<br>Adopted   | FY2014-2015<br>Change |
|---------------------------------|---------------------|---------------------|---------------------|-----------------------|
| Charges for Services            | \$ 559,830          | \$ 483,946          | \$ 575,596          | \$ 91,650             |
| Fines Forfeitures and Penalties | 496                 | -                   | -                   | -                     |
| Other Revenue                   | 4,792               | -                   | -                   | -                     |
| Rev from Money and Prop         | 4,132,103           | 4,206,388           | 4,203,286           | (3,102)               |
| Rev from Other Agencies         | 15,828              | -                   | -                   | -                     |
| <b>Total</b>                    | <b>\$ 4,713,049</b> | <b>\$ 4,690,334</b> | <b>\$ 4,778,882</b> | <b>\$ 88,548</b>      |

## Personnel Expenditures

| Job<br>Number | Job Title / Wages | FY2013<br>Budget | FY2014<br>Budget | FY2015<br>Adopted | Salary Range | Total |
|---------------|-------------------|------------------|------------------|-------------------|--------------|-------|
|---------------|-------------------|------------------|------------------|-------------------|--------------|-------|

### FTE, Salaries, and Wages

|          |                                 |      |      |      |                     |           |
|----------|---------------------------------|------|------|------|---------------------|-----------|
| 20000012 | Administrative Aide 1           | 1.00 | 1.00 | 1.00 | \$36,962 - \$44,533 | \$ 44,533 |
| 20000036 | Airport Manager                 | 2.00 | 2.00 | 2.00 | 51,272 - 61,797     | 120,703   |
| 20000034 | Airport Noise Abatement Officer | 1.00 | 1.00 | 0.00 | 54,059 - 65,333     | -         |



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## Personnel Expenditures (Cont'd)

| Job Number                               | Job Title / Wages                   | FY2013 Budget        | FY2014 Budget        | FY2015 Adopted        | Salary Range              | Total               |
|--|-------------------------------------|----------------------|----------------------|-----------------------|---------------------------|---------------------|
| 2000035                                  | Airport Operations Assistant        | 3.00                 | 3.00                 | <b>3.00</b>           | 34,944 - 41,642           | 119,601             |
| 20000119                                 | Associate Management Analyst        | 1.00                 | 1.00                 | <b>1.00</b>           | 54,059 - 65,333           | 65,333              |
| 20001168                                 | Deputy Director                     | 1.00                 | 1.00                 | <b>1.00</b>           | 46,966 - 172,744          | 114,999             |
| 20000426                                 | Equipment Operator 1                | 1.00                 | 1.00                 | <b>1.00</b>           | 37,690 - 45,115           | 45,115              |
| 20000468                                 | Grounds Maintenance Worker 2        | 1.00                 | 1.00                 | <b>1.00</b>           | 31,762 - 37,773           | 35,507              |
| 20001222                                 | Program Manager                     | 0.00                 | 0.00                 | <b>1.00</b>           | 46,966 - 172,744          | 81,946              |
| 20000768                                 | Property Agent                      | 1.00                 | 0.00                 | <b>1.00</b>           | 59,363 - 71,760           | 59,364              |
| 20000831                                 | Senior Airport Operations Assistant | 2.00                 | 2.00                 | <b>2.00</b>           | 38,376 - 45,802           | 90,852              |
| 20000927                                 | Senior Clerk/Typist                 | 1.00                 | 1.00                 | <b>1.00</b>           | 36,067 - 43,514           | 43,514              |
| 20001003                                 | Supervising Property Agent          | 0.00                 | 1.00                 | <b>1.00</b>           | 66,768 - 80,891           | 79,678              |
| 20001053                                 | Utility Worker 2                    | 2.00                 | 2.00                 | <b>2.00</b>           | 33,322 - 39,666           | 77,564              |
| 20000756                                 | Word Processing Operator            | 1.00                 | 1.00                 | <b>1.00</b>           | 31,491 - 37,918           | 37,918              |
|  | Bilingual - Regular                 |                      |                      |                       |                           | 2,912               |
|  | Overtime Budgeted                   |                      |                      |                       |                           | 26,380              |
| <b>FTE, Salaries, and Wages Subtotal</b> |                                     | <b>18.00</b>         | <b>18.00</b>         | <b>19.00</b>          |                           | <b>\$ 1,045,919</b> |
|  |                                     | <b>FY2013 Actual</b> | <b>FY2014 Budget</b> | <b>FY2015 Adopted</b> | <b>FY2014-2015 Change</b> |                     |
| <b>Fringe Benefits</b>                   |                                     |                      |                      |                       |                           |                     |
|  | Employee Offset Savings             | \$ 2,502             | \$ 8,043             | \$ 4,900              | \$ (3,143)                |                     |
|  | Flexible Benefits                   | 105,038              | 118,019              | 153,159               | 35,140                    |                     |
|  | Long-Term Disability                | 5,260                | 4,840                | 3,497                 | (1,343)                   |                     |
|  | Medicare                            | 11,244               | 11,448               | 13,113                | 1,665                     |                     |
|  | Other Post-Employment Benefits      | 114,352              | 106,097              | 121,320               | 15,223                    |                     |
|  | Retiree Medical Trust               | 392                  | 396                  | 483                   | 87                        |                     |
|  | Retirement 401 Plan                 | 1,330                | 1,587                | 1,551                 | (36)                      |                     |
|  | Retirement ADC                      | 203,441              | 230,509              | 265,253               | 34,744                    |                     |
|  | Retirement DROP                     | 8,784                | 8,782                | 8,782                 | -                         |                     |
|  | Retirement Offset Contribution      | 951                  | -                    | -                     | -                         |                     |
|  | Risk Management Administration      | 18,299               | 16,099               | 18,941                | 2,842                     |                     |
|  | Supplemental Pension Savings Plan   | 42,102               | 42,111               | 48,251                | 6,140                     |                     |
|  | Unemployment Insurance              | 2,680                | 2,571                | 2,004                 | (567)                     |                     |
|  | Workers' Compensation               | 32,115               | 33,300               | 26,060                | (7,240)                   |                     |
| <b>Fringe Benefits Subtotal</b>          |                                     | <b>\$ 548,492</b>    | <b>\$ 583,802</b>    | <b>\$ 667,314</b>     | <b>\$ 83,512</b>          |                     |
| <b>Total Personnel Expenditures</b>      |                                     |                      |                      |                       | <b>\$ 1,713,233</b>       |                     |

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## Revenue and Expense Statement (Non-General Fund)

| Airports Fund  | FY2013<br>Actual     | FY2014*<br>Budget    | FY2015<br>Adopted    |
|--|----------------------|----------------------|----------------------|
| <b>BEGINNING BALANCE AND RESERVES</b>                |                      |                      |                      |
| Balance from Prior Year                              | \$ 7,119,024         | \$ 4,198,742         | \$ 6,616,355         |
| Continuing Appropriation - CIP                       | 6,539,956            | 7,589,956            | 9,640,774            |
| Federal Aviation Administration Reserve              | 850,000              | 850,000              | –                    |
| Reserved Fund Balance                                | 675,000              | 675,000              | 675,000              |
| <b>TOTAL BALANCE AND RESERVES</b>                    | <b>\$ 15,183,980</b> | <b>\$ 13,313,698</b> | <b>\$ 16,932,129</b> |
| <b>REVENUE</b>                                       |                      |                      |                      |
| Aviation Leasing                                     | \$ 1,399,982         | \$ 1,370,931         | \$ 1,380,460         |
| City Field Engineering Lease - Montgomery Field      | 235,250              | 235,250              | 235,250              |
| City Fire Station #43 Lease - Brown Field            | 69,003               | 53,718               | 53,718               |
| City SDPD Eastern Division Leases - Montgomery Field | 495,676              | 497,840              | 504,435              |
| Commercial Leasing                                   | 1,831,662            | 1,843,649            | 1,914,423            |
| Flowage Fees   | 270,743              | 207,385              | 249,035              |
| Interest Earnings                                    | 83,274               | 200,000              | 110,000              |
| Landing Fees   | 47,558               | 50,000               | 50,000               |
| Monthly Aircraft Parking                             | 176,608              | 140,000              | 140,000              |
| Miscellaneous Revenue                                | 1,669                | –                    | –                    |
| Reimbursable Utilities (Crownair & Casa Machado)     | 14,253               | 14,256               | 14,256               |
| Transient Aircraft Parking                           | 36,987               | 24,251               | 24,251               |
| Vehicle Airport Parking                              | 12,902               | 12,000               | 12,000               |
| Lease Penalties                                      | 17,257               | 5,000                | 5,000                |
| Other Revenues                                       | 20,225               | 36,054               | 86,054               |
| <b>TOTAL REVENUE</b>                                 | <b>\$ 4,713,049</b>  | <b>\$ 4,690,334</b>  | <b>\$ 4,778,882</b>  |
| <b>TOTAL BALANCE, RESERVES, AND REVENUE</b>          | <b>\$ 19,897,029</b> | <b>\$ 18,004,032</b> | <b>\$ 21,711,011</b> |
| <b>CAPITAL IMPROVEMENT PROGRAM (CIP) EXPENSE</b>     |                      |                      |                      |
| CIP Expenditures                                     | \$ 1,353,581         | \$ 2,400,000         | \$ –                 |
| <b>TOTAL CIP EXPENSE</b>                             | <b>\$ 1,353,581</b>  | <b>\$ 2,400,000</b>  | <b>\$ –</b>          |
| <b>OPERATING EXPENSE</b>                             |                      |                      |                      |
| Personnel Expense                                    | \$ 1,454,751         | \$ 1,529,997         | \$ 1,596,304         |
| Non-Personnel Expense                                | 2,639,261            | 4,261,500            | 3,631,491            |
| <b>TOTAL OPERATING EXPENSE<sup>1</sup></b>           | <b>\$ 4,094,012</b>  | <b>\$ 5,791,497</b>  | <b>\$ 5,227,795</b>  |
| <b>EXPENDITURE OF PRIOR YEAR FUNDS</b>               |                      |                      |                      |
| CIP Expenditures                                     | \$ –                 | \$ 2,228,167         | \$ 2,400,000         |
| <b>TOTAL EXPENDITURE OF PRIOR YEAR FUNDS</b>         | <b>\$ –</b>          | <b>\$ 2,228,167</b>  | <b>\$ 2,400,000</b>  |
| <b>TOTAL EXPENSE</b>                                 | <b>\$ 5,447,593</b>  | <b>\$ 10,419,664</b> | <b>\$ 7,627,795</b>  |
| <b>RESERVES</b>                                      |                      |                      |                      |
| Continuing Appropriation - CIP                       | \$ 7,586,375         | \$ 5,361,789         | \$ 7,240,774         |
| Federal Aviation Administration Reserve              | 850,000              | 850,000              | –                    |

## Revenue and Expense Statement (Non-General Fund)

| Airports Fund                               | FY2013<br>Actual     | FY2014 <sup>*</sup><br>Budget | FY2015<br>Adopted    |
|---|----------------------|-------------------------------|----------------------|
| Reserved Fund Balance                       | 675,000              | 675,000                       | 675,000              |
| <b>TOTAL RESERVES</b>                       | <b>\$ 9,111,375</b>  | <b>\$ 6,886,789</b>           | <b>\$ 7,915,774</b>  |
| <b>BALANCE</b>                              | <b>\$ 5,338,060</b>  | <b>\$ 697,579</b>             | <b>\$ 6,167,442</b>  |
| <b>TOTAL BALANCE, RESERVES, AND EXPENSE</b> | <b>\$ 19,897,029</b> | <b>\$ 18,004,032</b>          | <b>\$ 21,711,011</b> |

<sup>\*</sup> At the time of publication, audited financial statements for Fiscal Year 2014 were not available. Therefore, the Fiscal Year 2014 column reflects final budget amounts from the Fiscal Year 2014 Adopted Budget. As such, current fiscal year balances and reserves are estimates of carryover from the previous fiscal year.

<sup>1</sup>Total Operating Expenditures may not match department budget pages due to the inclusion of operating expenditures in funds not budgeted through the annual budget process.



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