

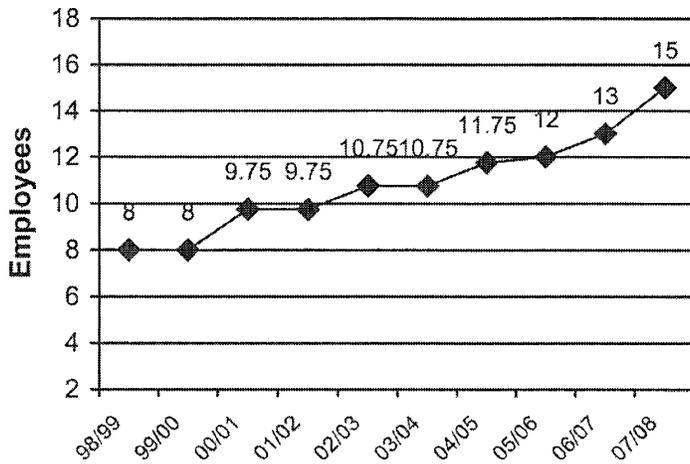
**MISSION STATEMENT**

To provide for the safe and efficient operation of the airport and deliver to the community aviation services through the total efforts of knowledgeable, conscientious, dedicated staff empowered by the public they serve.

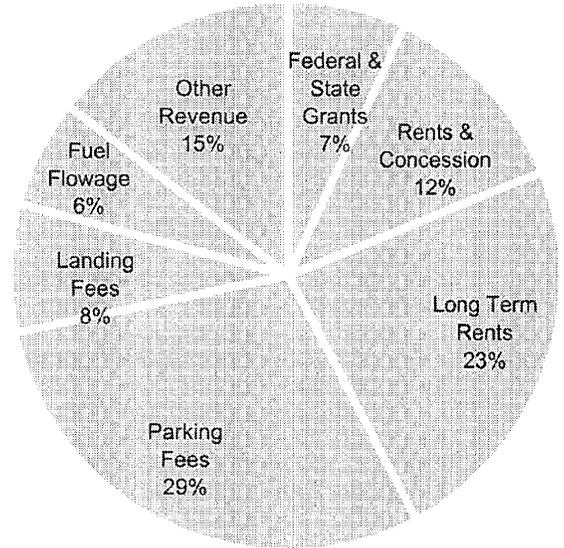
## SCHEDULE 11

OPERATING DETAIL	ACTUAL	ACTUAL	RECOMMENDED	ADOPTED
	2005-06	2006-07	ESTIMATES	ESTIMATES
(1)	(2)	(3)	2007-08	2007-08
			(4)	(5)
REVENUES:				
OPERATING REVENUES				
Federal Aid Seceurity	269,612	270,844	270,848	270,848
RENTS and Concessions	431,562	430,126	447,560	447,560
Rents - Long Term	746,961	706,866	897,043	897,043
Parking Fees	1,104,395	1,080,844	1,131,000	1,131,000
Landing Fees	299,021	282,805	290,000	290,000
Fuel Flowage	225,219	225,632	235,000	235,000
Other Revenues	166,651	274,560	557,620	557,620
TOTAL OPERATING REVENUES	3,243,421	3,271,677	3,829,071	3,829,071
NONOPERATING REVENUES				
Grants-Federal/State	3,399,913	8,356,301	10,000	10,000
CALTRANS AERONATICAL LN	0	0	0	0
Proc Frm IDssue-N/L A	1,332,414	0	0	14,500,000
Trans in from gen fund	0	0	0	0
PFF Fire	122,850	109,327	0	0
CAR RENTAL FAC LOAN	0	0	333,000	333,000
Other	623,889	1,347,914	14,000	14,000
Interest	22,816	145,310	20,000	20,000
TOTAL NONOPERATING REVENUES	5,501,882	9,958,852	377,000	14,877,000
TOTAL REVENUES	8,745,303	13,230,529	4,206,071	18,706,071
EXPENSES:				
OPERATING EXPENSES				
Salaries and Benefits	1,031,021	1,059,657	1,272,285	1,272,285
Services and Supplies	1,791,153	2,206,264	1,618,694	1,618,694
Countywide Overhead	304,537	362,635	263,003	263,003
Taxes & Assessments	421	34,137	26,009	26,009
TOTAL OPERATING EXPENSES	3,127,132	3,662,693	3,179,991	3,179,991
NONOPERATING EXPENSES				
Contribution for eqt	0	0	14,500	14,500
Caltrans loan payment	0	407,728	398,994	398,994
TOTAL NONOPERATING EXPENSES	0	407,728	413,494	413,494
OPERATING EXPENSES				
Depreciation	484,503	649,228	630,000	630,000
TOTAL OPERATING EXPENSES	484,503	649,228	630,000	630,000
NONOPERATING EXPENSES				
General Fund Loan Payment	240,000	247,979	333,000	333,000
Operating Transfers In/Out	0	0	0	0
TOTAL NONOPERATING EXPENSES	240,000	247,979	333,000	333,000
TOTAL EXPENSES	3,851,635	4,967,628	4,556,485	4,556,485
NET INCOME (LOSS)	4,893,668	8,262,901	(350,414)	14,149,586
FIXED ASSET EXPENDITURES				
Capital Projects	5,161,151	12,690,423	10,000	14,510,000
Fixed Assets	0	0	0	0
Land	0	0	0	0
TOTAL FIXED ASSET EXPENDITURES	5,161,151	12,690,423	10,000	14,510,000

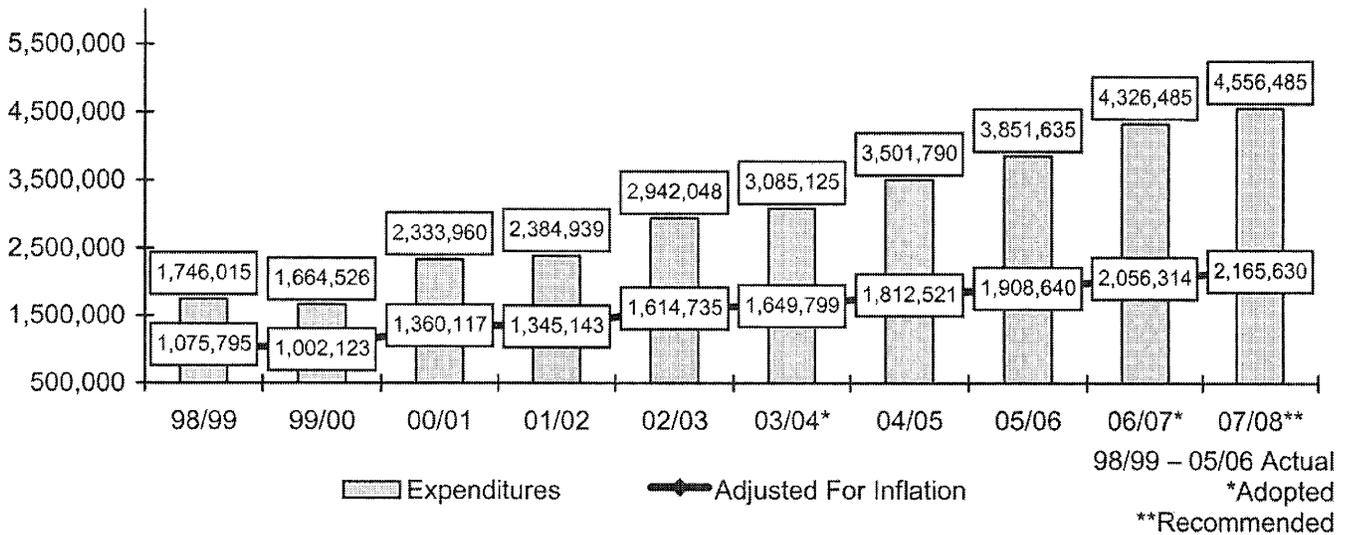
**Number of Employees**  
(Full Time Equivalent)



**Source of Funds**



**10 Year Operating Expenses Adjusted For Inflation**



**SERVICE PROGRAMS**

**San Luis Obispo and Oceano County Airport Operations**

Present and implement policies and procedures to insure the safety of airport users and enhance customer service. These policies and procedures produce the framework to manage, administer, operate, maintain, and provide security for the San Luis Obispo and Oceano County Airports serving commercial airline, private and business aviation users.

Total Expenditures: \$3,926,485 Total Staffing (FTE): 15

### **Capital Projects at County Airports**

Funding of approved capital projects being carried out at the San Luis Obispo Regional Airport and the Oceano Airport.

Total Expenditures: \$10,000 Total Staffing (FTE): 0.0

#### **DEPARTMENT COMMENTS**

The Airports Division of General Services provides for the safest mode of air transportation to the community while maintaining a vigorous capital improvement program intended to support the aviation system.

#### **Examples of results achieved in the past year: FY 2006-07**

##### **Customer Service:**

- The terminal remodel was completed and provided more efficient processing of passengers with movement of baggage screening equipment behind the ticket counter and the addition of a second TSA screening lane.
- The construction of 65 general aviation hangars is scheduled for completion in May 2007.
- A new airport security system was installed allowing entrance onto the airport with a proximity card. This greatly improved access efficiency for our airport customers who previously had to manually enter a code. The new system also provides increased security as it enables the monitoring of all entry activity.

##### **Internal Business Processing Improvements:**

- Work continues on finding a new Fixed Base Operator (FBO) for the new lease site M.
- Negotiations with a current leaseholder have commenced for development of a new fuel farm facility
- Ongoing negotiations with air carriers to bring additional service to the Airport.

##### **Financial Improvements:**

The Airport received an FAA Grant for the runway extension of 800 ft. (\$15million), including the relocation of Santa Fe Road, and a new Aircraft Rescue & Fire Fighting Vehicle. Work has commenced on the Santa Fe Road relocation, and the extension work is anticipated to commence on May 1. The Airport entered into a consulting agreement to review the feasibility and provide various financial scenarios to fund the completion of the Airport Capital Development Plan of \$101.7million

##### **Employee Development:**

The Airports Division emphasizes training of personnel to meet all the requirements of federal law. Industry courses, conferences and seminars provide the training opportunities for staff. Opportunities provided on the Internet such as those subscribed from the American Association of Airport Executives (AAAE) will continue to be pursued and utilized.

#### **Major Focus for FY 2007-08**

##### **Customer Service:**

- Completion of the Runway Extension
- Quick Turn Around car rental facility
- Fuel Farm Facility
- New Terminal Design
- Terminal Access Road Improvements, including signalization at Aero Drive and Hwy. 227
- Runway Safety Area Improvements consisting of Engineered Material Arresting System (EMAS) installation.

##### **Internal Business Processing Improvements:**

Terminal Development - Separate and apart from the "horizontal" capital development will be the ultimate design and construction of the terminal complex, including the parking structure. Funding and financing of the complex is anticipated to be finalized at fiscal 2006/07 year end.

##### **Financial Improvements:**

Finalizing finance plans for the Airport Development Plan.

**Employee Development:**

Industry courses, conferences and seminars will be continued to provide training opportunities for staff. Opportunities provided on the Internet such as those subscribed from the American Association of Airport Executives (AAAE) will continue to be pursued and utilized.

**COUNTY ADMINISTRATOR’S COMMENTS AND RECOMMENDATIONS**

The Airport is an Enterprise Fund and as such, is self supporting through user fees. The overall budget is recommended at \$3,936,485. While salary and benefit accounts are increasing by 14%, or \$161,783 due to prevailing wage and pension increases as well as the addition of 2.0 FTE Airport Maintenance Worker positions, the overall operational budget is decreasing by 8%, or \$28,397 as a result of a decrease in Countywide overhead of \$99,632 and intrafund billings with the Sheriff and County Fire/CalFire. The 3.25% increase in pension related expense increases the department’s salary and benefit accounts by \$23,591. The Airport Maintenance Worker positions will be offset by a reduction in temporary help and contract security services. The recommended budget includes the principal and interest payment for the CalTrans loan that was used to construct 65 new hangars at the San Luis Obispo County Regional Airport. The payment of \$398,994 is paid with money received from the rental of the new hangars. Additionally, a principal and interest payment of \$333,000 will be made to the General Fund. This loan is for the construction of the rental car facility and will be paid with Customer Facilities Fees.

Airports requested a \$10 million loan from the General Fund as well as support for additional \$4 million in bonds. This request will be considered during the infrastructure financing report to the Board in May 2007.

**BUDGET AUGMENTATION REQUESTS RECOMMENDED**

Unit Amount	Description	Results
Gross: \$99,112 (\$49,556 each)	Add 2.0 FTE Airport Maintenance Workers positions to replace 1.25 FTE in temporary help and contract security services.	1. Replace 1.25 FTE of temporary and contract security services in order to comply with County temporary help policies; 2. Additional 15 acres of land obtained by the County as a result of the runway extension will be maintained according to FAA safety guidelines; 3. 65 new airport rental hangars will be adequately maintained in order to keep their rental value and thus, provide revenue to the Airport Enterprise Fund. Revenues from these hangars are estimated at \$400,000 for 2007-08.
Temporary help reduction of \$43,194		
Reduction of \$25,500 in contract security services		
Net: \$30,418		
General Fund Support: \$0		

**BOARD ADOPTED CHANGES**

The Board approved the Supplemental Document item (page S-16) to provide a cash flow source to the Airport Parking Structure project by canceling reserves for \$9.25 million in the Tax Loss Reserve Fund. The funding will remain in the Tax Loss Reserve Fund until needed. Additionally, a capital project for the Airport Parking Structure was added to the Airport Internal Service Fund for \$15 million of which \$14.5 million will be funded by issuance of debt and \$500,000 funded by parking fees - \$2.00 surcharge.

**GOALS AND PERFORMANCE MEASURES**

<b>Department Goal:</b> Manage the San Luis Obispo and Oceano Airports in a manner that ensures the safety of the traveling public and complies with Federal, State, and local aviation and airport rules, regulations and advisories.							
<b>Communitywide Result Link:</b> A safe community.							
<b>1. Performance Measure: Percentage compliance with annual FAA inspections of appropriate safety and security measures.</b>							
02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Actual Results	07-08 Target	
99%	99%	100%	99%	100%	100%	100%	

**What:** Annual safety and security inspection of certified airports conducted by FAA staff.

**Why:** To ensure the safety of passengers and the public.

**How are we doing?** The Airport has been very successful in meeting safety and security compliance to the 100% standard. The August 2006 FAA Inspection was completed with 100% Compliance. The Airport just completed the 2007 Annual Safety Compliance Inspection and was advised we are 100% in compliance.

**Department Goal:** To cost effectively operate and maintain County Airports to enhance the air transportation service experience of airport users.

**Communitywide Result Link:** A safe, livable and prosperous community.

**2. Performance Measure:** Number of annual enplanements (boarding passengers) / employees, # of operations (take off or landing of aircraft) per employee and # of based aircraft per employee.

02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Actual Results	07-08 Target
14,196	14,393	13,598	14,014	14,493	14,920	15,450
Enplanements/ Employees	Enplanements/ Employees	Enplanements/ Employees	Enplanements/ Employees	Enplanements/ Employees	Enplanements/ Employees	Enplanements/ Employees
9,822	10,172	7,500	7,087	7,126	7,875	7,147
Operations/ Employees	Operations/ Employees	Operations/ Employees	Operations/ Employees	Operations/ Employees	Operations/ Employees	Operations/ Employees
					26	25
					Based Aircraft/ Employees	Based Aircraft/ Employees

**What:** Measures staffing in relationship to workload.

**Why:** This measure helps to show the public that the Airport Enterprise is efficiently staffed.

**How are we doing?** The 06/07 actual results included the impact of the new Delta service. June enplanements of 17,222 were a new record for monthly enplanements. General Aviation accounts for approximately 83% of aircraft operations, therefore, the performance measure of operations/employees serves as a tool to gauge efficiency of staffing. Based aircraft/employees were added as an additional category to be used as a measure and comparison to other airports with General Aviation activity.