



City of Santa Barbara
Airport Department

Memorandum

DATE: October 19, 2011
TO: Airport Commission
FROM: Karen Ramsdell, Airport Director
SUBJECT: Financial Report for First Quarter Ending September 30, 2011

RECOMMENDATION:

That Airport Commission receive the First Quarter Financial report for Fiscal Year 2012.

DISCUSSION:

The Airport Department's revenues and expenses have been updated for the first quarter ending September 30, 2011. The actual revenues and expenditures for fiscal year 2011, FY 2012 Adopted Budget, and FY 2012 Budget with Carry Forward contracts/encumbrances are listed along with actual expenditures for the period.

Budget Assumptions

The FY 2012 Budget included revenues predicated on:

- Passenger traffic – zero growth – 375,000 enplaned passengers
- Landed weight (aircraft) to be decreased by -2.2% or 440,000 thousand pounds
- Airline Terminal occupancy July 1, 2011
- Parking Rate Adjustment scheduled for February 1, 2012
- Boarding Bridge fee based on a rate of \$104/turn with 4,300 turns
- Gift Shop revenue per enplaned passenger – \$1.35
- Restaurant revenue per enplaned passenger - \$3.00

First Quarter Operational Data

Based on the first quarter (July-September) activity:

- Passenger traffic - 99,727 enplanements or estimated 398,908/annual
- Landed weight – 113,745 thousand pounds or 440,312 thousand pounds/annual
- Airline Terminal occupancy – August 18, 2011
- Parking Rate Adjustment to be determined
- Boarding bridge Fee reduced through negotiations to \$42/turn with 4,235 turns (reduction in revenue of \$270,130)
- Gift Shop revenue per enplaned passenger (September) \$2.30
- Restaurant revenue per enplaned passenger (September) \$3.53

Revenues

The City of Santa Barbara's financial system is based on an accrual method. Revenues are recorded when earned/billed not when received, and expenditures are recorded when incurred not when paid. Total revenues through the quarter are \$3,410,034 or -3.5% below first-quarter target estimates.

Commercial and Industrial revenues continue to exceed target with rental rates keeping pace with the marketplace. Major variances are also reflected in the Airline Terminal lines of business due in part to the location of concessions in the new Terminal allowing full access for all passenger traffic, however, first quarter decrease due to move in date. Parking revenue is down 10% this period, \$6.04 per enplaned passenger vs. \$6.16 the same period last year.

Commercial Airline building revenues will also reflect a decrease due to occupancy date and election not to lease certain airline related space. Landing fees slightly below target due to schedule changes, for example, Frontier one flight per day rather than two, Seattle reduced flights however; flight schedules change quarterly and seasonally.

Operating Expenses

Total Operating expenses for the first quarter are -9.8% less than budget at \$2,881,825. Currently there are four vacant positions in the Department requiring an increase use of overtime and hourly positions. Furlough savings will increase by end of the calendar year when the Administrative office is closed for two weeks.

Supplies and services reflect the delay in occupying the new Terminal and a conservative approach for expenditures.

CITY OF SANTA BARBARA
 Airport Operating Fund
 Financial Report
 For Month Ended 9/30/11 (25 % of Fiscal Year)

Sep-11

	Actual	Adopted	Adopted	Adopted	Actual		
	2011	Budget 2012	Budget with carry-forwards 2012	Budget 2012-25 % of Fiscal Year	3 month 2012	\$ Variance	% Variance
Operating Revenue							
Leases							
Commercial & Industrial	\$ 4,276,814	\$ 4,171,000	\$ 4,171,000	\$ 1,042,750	\$ 1,075,788	\$ 33,038	3.2%
Non-Commercial Aviation	1,421,424	1,435,600	1,435,600	\$ 358,900	385,024	\$ 26,124	7.3%
Terminal							
Rental Cars(inc land lease for QTA)	2,313,641	1,824,533	1,824,533	\$ 456,133	562,373	106,240	23.3%
Parking	2,600,010	3,071,000	3,071,000	\$ 767,750	602,625	(165,125)	-21.5%
Concessions	128,030	213,500	213,500	\$ 53,375	39,162	(14,213)	-26.6%
Terminal sub-total	\$ 5,041,681	\$ 5,109,033	\$ 5,109,033	\$ 1,277,258	\$ 1,204,160	\$ (73,098)	-5.72%
Commercial Aviation							
Building	1,217,849	1,880,000	1,880,000	470,000	364,172	(105,828)	-22.5%
Landing Fees	1,056,777	1,097,000	1,097,000	274,250	243,340	(30,910)	-11.3%
Landing Fees (Freight/Charter)	38,604	40,000	40,000	10,000	10,813	813	8.1%
Boarding bridges		448,000	448,000				
Commercial aviation sub-total	2,313,230	3,465,000	3,465,000	754,250	618,325	(135,925)	-18.0%
Total Leases	\$ 13,053,149	\$ 14,180,633	\$ 14,180,633	\$ 3,433,158	\$ 3,283,297	\$ (149,861)	-4.37%
Other							
Interest Income	229,203	214,300	214,300	53,575	48,014	(5,561)	-10.4%
TSA Reimbursement	68,445	163,052	163,052	40,763	67,551	26,788	65.7%
Other	35,659	22,000	22,000	5,500	11,172	5,672	103.1%
Other sub-total	333,307	399,352	399,352	99,838	126,737	26,899	26.94%
Total Operating Revenue	\$ 13,386,456	\$ 14,579,985	\$ 14,579,985	\$ 3,532,996	\$ 3,410,034	\$ (122,962)	-3.5%
Operating Expenses							
Salaries & Benefits	4,799,557	5,243,209	5,243,209	1,310,802	1,352,286	41,484	3.1%
Furlough Savings	(124,240)	(241,578)	(241,578)	(60,395)	-27,094	33,301	-122.9%
Supplies & Services (1)	2,706,796	3,010,402	3,152,867	788,217	585,192	-203,025	-34.7%
ARFF	1,890,064	1,810,438	1,810,438	452,610	451,359	-1,251	-0.3%
Engineering	342,454	327,089	328,668	82,167	81,648	-519	-0.6%
Special Project (2)	845,665	973,173	941,298	235,325	112,017	-123,308	-110.1%
Equipment	30,457	129,276	129,276	32,319	3,600	-28,719	-797.8%
Allocated Costs	1,239,391	1,290,671	1,290,671	322,668	322,817	149	0.0%
Total Operating Expenses	\$ 11,730,144	\$ 12,542,680	\$ 12,654,849	3,163,712	\$ 2,881,825	\$ (281,887)	-9.8%
Net operating gain / (loss)		\$ 2,037,305	\$ 1,925,136	\$ 369,284	\$ 528,209	\$ 158,925	

Notes: