

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: January 19, 2012
To: Harbor Commission
From: Scott Riedman, Waterfront Director
Subject: **Fiscal Year 2012 Mid-Year Budget Review**

RECOMMENDATION:

That Harbor Commission receive and review a status report on the Waterfront Department Fiscal Year 2012 Mid-Year Budget revenues and expenditures.

Fiscal Year 2012 Year-To-Date Revenue

The following table summarizes the Department's revenue 50% of the way through the fiscal year, as of December 31, 2011. In the table, FY12 "Year End Projection" revenue has been estimated using a seasonally weighted three-year average. If the pattern continues for the second half of the year, it is estimated that Department revenue will be 3% over budget (\$390,000) at year end (June 30, 2012).

Waterfront Department Revenue Projection
By Program

	FY 2012 Actual YTD <u>July-Dec</u>	FY 2012 Projection <u>July-June</u>	FY 2012 Budget <u>July-June</u>	Year End Variance \$	Year End Variance %
Property Management	2,422,764	4,316,273	4,155,754	160,519	3.86%
Financial Management (1)	89,673	179,346	202,893	-23,547	-11.61%
Parking Services	1,150,392	2,193,757	2,184,791	8,966	0.41%
Marina Management	2,800,856	5,671,883	5,427,786	244,097	4.50%
Totals	6,463,685	12,361,259	11,971,224	390,035	3.26%

(1) Interest Income

The Property Management program is tracking slightly above expectations primarily due to Stearns Wharf commercial and food service tenants performing above budget expectations.

The Financial Management program consists of interest earned on the Department's reserves. Interest revenue is not meeting the budget projection provided by the Finance Department for the first two quarters of FY 2012.

The Parking Services program is on track to meet budget expectations.

Marina Management revenue is expected to finish the year above budget expectations, primarily due to slip transfers taking place during the first two quarters of the fiscal year. Visitor fees are down, due to the economy and Marina 1 construction.

Attachment I shows Department FY 2012 year-to-date revenue at the line item level, and includes a comparison to FY 2011 figures for the July-December time period.

Fiscal Year 2012 Year-To-Date Expenditures

Overall, the Department spent or encumbered approximately 56% of its Fiscal Year 2012 budget as of December 31, 2011, as shown on the table below.

Waterfront Department Expenditures

By Program 12/31/11

	FY 2012 Budget	YTD 12/31/2011 Expenditures	FY 2012 % Of Budget
Admin & Community Relations	1,715,348	839,641	48.95%
Property Management	345,823	261,430	75.60%
Financial Management	191,486	94,084	49.13%
Parking Services	909,040	529,658	58.27%
Harbor Patrol	1,930,066	985,018	51.04%
Marina Management	284,043	142,615	50.21%
Harbor Maintenance	2,735,394	1,716,044	62.73%
Wharf Maintenance	936,028	489,353	52.28%
Facilities Design & Capital Programs	2,934,735	1,635,720	55.74%
Total	11,981,963	6,693,563	55.86%

The table includes encumbrances, which are funds that were “promised” at the beginning of the fiscal year but are actually expended throughout the year, usually on a monthly basis. If unspent encumbrances are backed out, the Department has expended slightly less than 50% of its budget as of mid year. Additionally, 84% of the principal on the Department’s annual debt service (\$583,000) is paid prior to December 31 each year per the loan agreements. The encumbrance and debt service amounts are shown on Attachment 2. As of December 31, 2012, the Department is on track to stay within its budgeted expenditures.

- Attachments: 1. Waterfront Department FY 2012 YTD Revenue by line item
2. Waterfront Department FY 2012 YTD Expenditures /Consolidated