

# CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

## MEMORANDUM

**Date:** January 24, 2013  
**To:** Harbor Commission  
**From:** Scott Riedman, Waterfront Director  
**Subject:** **Business Services Report**

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### Fiscal Year 2013 Mid-Year Budget Review

The following brief report summarizes the Waterfront Department's Fiscal Year 2013 Mid-Year Budget revenues and expenditures.

### Fiscal Year 2013 Year-To-Date Revenue

The first column in the following table summarizes the Department's revenue 50% of the way through the fiscal year, as of December 31, 2012. The column in the table below, titled "Fiscal Year 13 Projection July – June", 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 approximately 2.46% above budget (\$297,361) at year end (June 30, 2013).

### Waterfront Department Revenue Projection

By Program

	FY 2013 Actual YTD <u>July-Dec</u>	FY 2013 Projection <u>July-June</u>	FY 2013 Budget <u>July-June</u>	Year End Variance \$	Year End Variance %
Property Management	2,742,922	\$4,673,435	4,675,952	(2,517)	-0.05%
Financial Management (1)	72,249	\$144,498	150,900	(6,402)	-4.24%
Parking Services	1,213,187	\$2,290,594	2,137,240	153,354	7.18%
Marina Management	2,716,055	\$5,261,398	5,108,472	152,926	2.99%
<b>Totals</b>	<b>6,744,413</b>	<b>12,369,925</b>	<b>12,072,564</b>	<b>297,361</b>	<b>2.46%</b>

(1) Interest Income

The Property Management program is tracking right at budget expectations primarily due to commercial and food service tenants performing at or above budget expectations. Both Stearns Wharf and Harbor Food Services are above revenue expectations including the Waterfront Grill which is up 75% over last year at the same time.

The Financial Management program consists of interest earned on the Department's reserves. Interest revenue is not meeting the budget projection. Interest income projections are provided by the Finance Department as part of the budget development process and continue to reflect overall low rates in the financial sector.

The Parking Services program is on track to exceed budget expectations. The great weather last summer coupled with a pleasantly warm fall season have proven, again, to be a significant factor for the solid year in Parking Services.

Marina Management revenue is expected to finish the year above budget expectations, primarily due to an increase in visiting boaters and the subsequent visitor fees as well as a healthy amount of slip transfers taking place during the first two quarters of the fiscal year.

Attachment I shows Department Fiscal Year 2013 year-to-date revenue at the line item level, and includes a comparison to Fiscal Year 2012 figures for the July-December time period.

### **Fiscal Year 2013 Year-To-Date Expenditures**

Overall, the Department spent or encumbered approximately 55% of its Fiscal Year 2013 budget as of December 31, 2012, as shown on the table below.

#### **Waterfront Department Expenditures** By Program 12/31/12

	FY 2013 Budget	YTD 12/31/2012 Expenditures	FY 2013 % Of Budget
Admin & Community Relations	1,790,352	889,071	49.66%
Property Management	372,828	201,740	54.11%
Financial Management	201,826	116,865	57.90%
Parking Services	936,317	460,788	49.21%
Harbor Patrol	2,028,357	1,033,687	50.96%
Marina Management	334,682	128,818	38.79%
Harbor Maintenance	2,888,510	1,775,243	61.46%
Wharf Maintenance	975,193	564,093	57.84%
Facilities Design & Capital Programs	3,634,683	2,125,445	58.45%
<b>Total</b>	<b>13,162,748</b>	<b>7,295,751</b>	<b>55.42%</b>

The table includes encumbrances, which are funds that were “promised” by entering into a contract 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, approximately 86% or \$636,000, of the principal on the Department’s annual debt service is paid in accordance with loan agreements prior to December 31 each year. 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 Fiscal Year 2013 YTD Revenue Summary
  2. Waterfront Department Fiscal Year 2013 YTD
  3. Expenditures /Consolidated

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