

# CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

## MEMORANDUM

**Date:** September 19, 2013  
**To:** Harbor Commission  
**From:** Scott Riedman, Waterfront Director  
**Subject:** Fiscal Year 2013 Preliminary Budget Review

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### RECOMMENDATION:

That Harbor Commission receive a staff report providing a brief summary of the Waterfront Department's revenues and expenditures as of June 30, 2013, and provide comments as appropriate.

### DISCUSSION:

#### Waterfront Department Revenues

Total revenue for the Department was \$12,924,113 for Fiscal Year 2013, which exceeded the original budget of \$12,072,564 by \$851,549 or 7.05%. Overall, the Department received approximately \$614,100 or 5% more revenue than in Fiscal Year 2012.

The attached revenue spreadsheet shows Fiscal Year 2013 budget targets, actual Fiscal Year 2013 revenue received and Fiscal Year 2012 revenues for comparison purposes (Attachment 1). Fiscal Year 2013 revenue totals for the four primary Waterfront programs are summarized below:

<b>Fiscal Year 2013 Revenue Summary</b>				
<u>Description</u>	Fiscal Year 2013 <u>Budget</u>	Fiscal Year 2013 <u>Actual</u>	\$ variance over (under) <u>Budget</u>	% variance over (under) <u>Budget</u>
Property Management	4,675,952	5,051,947	375,995	8.04%
Financial Management	150,900	150,685	(215)	(0.14%)
Parking Services	2,137,240	2,332,915	195,675	9.16%
Marina Management	5,108,472	5,388,566	280,094	5.48%
<b><i>Department Total Revenue</i></b>	<b>12,072,564</b>	<b>12,924,113</b>	<b>851,549</b>	<b>7.05%</b>

Property Management income for Fiscal Year 2013 totaled \$5,051,947, approximately 8% (\$375,995) more than the projected budget and approximately \$550,100 (12.24%) more than Fiscal Year 2012. The most significant improvement was related to The Waterfront Grill which was up approximately 38% compared to Fiscal Year 2012. The increase in revenue from the Santa Barbara Waterfront Center was due to the Maritime Museum satisfying their lease buyout option as discussed during Fiscal Year 2014 budget hearings.

Financial Management (interest income) revenue for Fiscal Year 2013 totaled \$150,684, which was \$216 less than projected. 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.

Parking Services revenue for Fiscal Year 2013 was \$2,332,915, which exceeded the projected budget by 9.16% or \$195,675. In comparison to Fiscal Year 2012, Parking Services was up 1.54% or \$35,389 in Fiscal Year 2013.

The Marina Management program revenue was \$5,388,566, which exceeded budget estimates by \$280,094 or 5.48%. Signs of a slowly recovering economic climate were evidenced by an increase in revenue on Visitor Fees of 9.4% over budget and Slip Transfer Fees increasing by \$199,822.

### Expenditures

Total operating fund expenditures for the Department for Fiscal Year 2013 were \$12,376,296 (Attachment 2) or -5.46% under budget.

Salary and Benefits expenditures were \$5,537,685 for the year, which was \$203,731 or 3.55% less than budgeted. Supplies and Services expenditures were \$3,695,273 for the Fiscal Year 20123 which was \$74,078 or 2.05% over budget. This was the one primary expenditure area that exceeded budgeted amounts. The primary reasons for the overage include approximately \$22,000 in additional bank fees due to the increased usage of debit/credit cards in Waterfront Department services, an increase of approximately \$15,000 in temporary salaries, and a \$13,000 increase in janitorial supplies that accompanied the Department acquiring the additional responsibility of maintaining the Leadbetter and Stearns Wharf public restrooms.

In Fiscal Year 2013, \$1,540,978 in transfers were made to fund Department-sponsored capital projects. The Department's debt service continues to be under budget due to the length of time needed for the California Department of Boating and Waterways to process the Marina 1 loan and repayment. At year-end, the Department was approximately \$785,000 or 5.96% under budget. This is primarily due to the Principal and Interest (Debt Service) line items coming in \$272,697 under budget, Total Salaries and Benefits coming in \$203,731 as mentioned above.

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Attachments: 1. Fiscal Year 2013 Revenue Summary  
2. Fiscal Year 2013 Expenditures Summary

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