

# CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

## MEMORANDUM

**Date:** September 15, 2016  
**To:** Harbor Commission  
**From:** Scott Riedman, Waterfront Director  
**Subject:** **Waterfront Department Fiscal Year 2016 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, 2016, and provide comments as appropriate.

#### 1. Revenue

The Waterfront Department, as a whole, saw revenues exceed budget estimates by 9.6%. The Department continues to see positive gains in revenue that can be attributed to a number of factors including five years of unseasonably good weather, as well as a harbor that provides residents and visitors with great amenities and a clean and safe environment.

Revenue totals for FY 2016 programs are summarized below in Table 1:

<b>Table 1: Waterfront Department Revenue By Program</b>				
Program	Revised FY 2016 Budget	FY 2016 Actual	Variance Over/(Under) Budget	Variance %
Property Management	5,091,282	5,820,898	729,616	14.3%
Financial Management (1)	95,700	115,477	19,777	20.7%
Parking Services	2,651,934	2,887,096	235,162	8.9%
Marina Management	5,609,682	5,911,112	301,430	5.4%
<b>Totals</b>	<b>13,448,598</b>	<b>14,734,582</b>	<b>1,285,984</b>	<b>9.6%</b>

(1) *Interest Income*

Property Management income for FY 2016 totaled \$5,820,898. This total is approximately \$730,000, or a 14.3% increase over the budgeted amount. All property management revenue categories are above budget including Wharf and Harbor commercial up 12% and 14%, respectively. In addition, Harbor food service and Wharf food service were up 17% and 8% over budgeted amounts. Cruise ship revenues continue to be a strong source of revenue for the Department with 28 ships scheduled to visit Santa Barbara in Fiscal Year 2017.

Financial Management was 21% above budget estimates coming in at \$115,477. Financial Management activities are managed by the City's Finance Department.

Parking Services revenue for FY 2016 totaled \$2,887,096, which was \$235,162, or 8.9% above budget. The Department realized revenue increases in all but two parking lots, Stearns Wharf and La Playa East. The decrease in revenue for Stearns Wharf was somewhat expected as the Department transitioned from a 90-minutes free with validation program to 90-minutes free program to accommodate the new parking hardware and software that operates the Wharf. In addition, construction at the base of State Street has made access to the Wharf difficult for both pedestrians and automobiles. La Playa East was down 17%, or \$1,886 likely due to the fact that a good portion of the lot was used as construction staging for Santa Barbara City College construction projects during the winter and summer breaks.

Revenue from the Marina Management program totaled \$5,911,112, which was \$301,430, or 5% over budgeted estimates, primarily due to another year of heavy activity regarding slip transfer fees. Visitor fees were down 5%, or \$24,431, likely due to Phase 6 of the Marina One project which required the Department to severely limit visitor slips in order to accommodate displaced slip holders during the construction.

## **2. Expenditures**

The Waterfront Department saw expenditures total \$14,492,716, or 4.23% below budgeted estimates. Expenditures at the consolidated level can be found in Attachment 1. The reduction in expenditures comes primarily from two categories: a \$195,575 savings in Salaries and Benefits and over \$164,000 savings in Principal and Interest a good portion of which is due to paying off one City General Fund Loan. This will likely be reduced further in Fiscal Year 2017 due to the Department recently receiving approval to pay off the lone remaining City General Fund Loan.

Expenditures at the programmatic level can be found in Attachment 2 and show all programs coming in below budgeted expenditures.

## **3. Revenues: 2016 vs. 2015**

The attached revenue spreadsheet (Attachment 3) shows FY 2016 budget targets, actual FY 2016 revenue received, and FY 2015 revenues for comparison purposes. Total revenue for the Department was \$14,734,582 for FY 2016, a 2.46% decrease from Fiscal Year 2015.

Attachments: 1. FY 2016 Expenditures Summary  
2. FY 2016 Expenditures by Program  
3. Revenue by Line Item: FY 2016 vs. FY 2015

Prepared by: Brian Bosse, Waterfront Business Manager

**Waterfront Department Expenditures**

Consolidated 6/30/2016

	Revised FY 2016 Budget	FY 2016 Expense	Variance \$ over/ (under) Budget	FY 2016 Variance %
Salaries & Benefits	6,232,587	6,036,012	(196,575)	-3.15%
Allocated Costs	1,257,973	1,257,973	(0)	0.00%
Supplies & Services	2,993,446	2,900,062	(93,384)	-3.12%
Community Promotions (1)	164,292	119,156	(45,136)	-27.47%
Capital Outlay Transfers (2)	1,453,144	1,453,144	(0)	0.00%
Non Capitalized Transfers (3)	118,366	44,920	(73,447)	-62.05%
Beach Lifeguard Service	101,337	101,337	0	0.00%
Principal	1,986,207	1,882,599	(103,608)	-5.22%
Interest	755,732	695,138	(60,594)	-8.02%
Appropriated Reserve	70,000	0	(70,000)	-100.00%
Other	0	2,375	2,375	n/a
<b>Total</b>	<b>15,133,084</b>	<b>14,492,716</b>	<b>(640,368)</b>	<b>-4.23%</b>
<b>Actual Total Expended</b>	<b>15,133,084</b>	<b>14,492,716</b>	<b>(640,368)</b>	<b>-4.23%</b>

(1) July 4 fireworks and Shuttle Bus

(2) Transfer to fund Capital Projects

(3) Non-capitalized equipment and computer software/hardware

**Waterfront Department Expenditures**

By Program 6/30/2016

	Revised FY 2016 Budget	FY 2016 Expenditures	Variance Over/ (Under) Budget	FY 2016 Variance %
Admin & Community Relations	2,146,977	2,059,049	(87,928)	-4.10%
Property Management	400,545	344,866	(55,679)	-13.90%
Financial Management	333,520	304,624	(28,896)	-8.66%
Parking Services	980,626	967,835	(12,791)	-1.30%
Harbor Patrol	2,210,775	2,071,120	(139,655)	-6.32%
Marina Management	357,508	281,639	(75,869)	-21.22%
Harbor Maintenance	3,219,352	3,174,387	(44,965)	-1.40%
Wharf Maintenance	1,017,073	984,358	(32,715)	-3.22%
Facilities Design & Capital Programs	4,466,708	4,304,839	(161,869)	-3.62%
<b>Total</b>	<b>15,133,084</b>	<b>14,492,716</b>	<b>-640,368</b>	<b>-4.23%</b>

**Waterfront Department Revenue**

Description	Revised FY16 Budget	FY 16 Actual	FY 15 Actual	Variance \$ FY16 - FY15	Variance % FY16 - FY15
Harbor Commercial	877,439	1,001,986	974,819	27,167	2.79%
Wharf Commercial	539,348	605,756	619,978	(14,222)	-2.29%
SB Waterfront Center (Museum)	12,000	12,281	12,163	119	0.98%
Harbor Food Service	1,122,408	1,313,628	1,328,632	(15,004)	-1.13%
Wharf Food Service	1,388,534	1,493,788	1,584,209	(90,421)	-5.71%
SB Waterfront Center (WF Grill)	333,391	368,391	413,817	(45,426)	-10.98%
Harbor Other	200,161	231,700	220,624	11,077	5.02%
SB Waterfront Center (NOAA)	16,800	16,760	11,173	5,587	50.00%
Ice Machine	30,600	35,787	36,589	(802)	-2.19%
CAM	93,809	101,487	97,826	3,661	3.74%
Miscellaneous Revenue	57,000	76,367	64,978	11,389	17.53%
Cruise Ships	419,792	562,967	510,976	51,991	10.17%
<b>Total Property Management</b>	<b>5,091,282</b>	<b>5,820,898</b>	<b>5,875,783</b>	<b>(54,885)</b>	<b>-0.93%</b>

Interest Income	95,700	115,477	124,897	(9,420)	-7.54%
<b>Total Financial Management</b>	<b>95,700</b>	<b>115,477</b>	<b>124,897</b>	<b>(9,420)</b>	<b>-7.54%</b>

EV Charging Station	1,000	0	102	(102)	-100.00%
Cabrillo East	127,500	145,140	131,426	13,715	10.44%
Cabrillo West	137,700	161,793	148,320	13,473	9.08%
Palm Park	474,300	481,055	510,787	(29,732)	-5.82%
Garden Street	255,000	279,302	238,738	40,564	16.99%
Harbor West	153,000	181,346	177,646	3,700	2.08%
Leadbetter	224,400	266,348	244,366	21,982	9.00%
La Playa East	11,220	9,334	12,383	(3,049)	-24.62%
La Playa West	10,200	14,034	10,713	3,321	31.00%
Harbor Lot	612,000	713,116	736,348	(23,232)	-3.16%
Stearns Wharf	262,258	167,401	280,539	(113,138)	-40.33%
Waterfront Parking Permits	380,000	459,861	421,429	38,433	9.12%
Boat Wash Machine	2,856	3,830	4,486	(657)	-14.64%
Misc. Parking	500	4,536	-22	4,558	-20532.34%
<b>Total Parking Services</b>	<b>2,651,934</b>	<b>2,887,096</b>	<b>2,917,260</b>	<b>(30,164)</b>	<b>-1.03%</b>

Live Aboard Fees	156,060	166,695	153,422	13,273	8.65%
Slip Rentals	4,288,834	4,288,151	4,199,917	88,234	2.10%
Visitor Fees	500,000	475,569	486,835	(11,265)	-2.31%
Skiff Tie-Ups	6,630	5,552	6,436	(884)	-13.74%
Fish Hoist 1	7,650	9,830	6,665	3,165	47.48%
Fish Hoist 2	663	223	358	(135)	-37.71%
Wharfage & Dockage	15,300	29,302	29,757	(455)	-1.53%
Slip Transfer Fees	575,000	855,975	1,215,900	(359,925)	-29.60%
Slip Waiting List	2,244	2,230	1,600	630	39.38%
Key Card	11,220	11,463	12,342	(879)	-7.12%
SB Mooring Area Permit	6,120	5,300	6,050	(750)	-12.40%
Yacht Club Hoist	1,961	1,961	1,923	38	2.00%
Miscellaneous Revenue	38,000	58,860	66,856	(7,996)	-11.96%
<b>Total Marina Management</b>	<b>5,609,682</b>	<b>5,911,112</b>	<b>6,188,060</b>	<b>(276,949)</b>	<b>-4.48%</b>

<b>Department Total</b>	<b>13,448,598</b>	<b>14,734,582</b>	<b>15,106,000</b>	<b>(371,418)</b>	<b>-2.46%</b>
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