



**City of Santa Barbara**  
Airport Department

Memorandum

**DATE:** May 21, 2014  
**TO:** Airport Commission  
**FROM:** Hazel Johns, Acting Airport Director *HJ*  
**SUBJECT:** Fiscal Year 2014 Interim Financial Statement  
July 1, 2013 - April 30, 2014

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**RECOMMENDATION:** That Airport Commission accept the interim financial statement for the ten months ended April 30, 2014.

**Discussion:**

The interim financial statements are presented with a discussion of actual revenues and expenditures for 83% of the Fiscal Year.

**Revenues**

Airport Department operating revenue is down 2.1% (\$272,279) from budget at \$12,853,632.

Commercial/Industrial revenue is down 5.3% or \$196,814 from target at \$3,530,269. The loss in revenue is due to vacancies from the Elephant Bar building rent and utilities, lease terminated in September, and Woolever land rental, lease ended in June. The loss of revenue from the two properties for this period is approximately \$206,000.

Non-Commercial includes the rental received from the Fixed Base Operators, air freight operators, Ampersand, and other general aviation users and is 9.4% down from target due to decreased percentage fees and building rental. Prior to finalizing the budget in late June, unanticipated costs were allocated to the Airport and in order to balance the budget revenues were increased to cover the costs.

General aviation landing fees have registered a modest increase due to a 5% increase in operations from FY 2013. Fuel sales are up 6% year-to-date from FY 2013 levels.

Airline Terminal revenues are 3.9% below target due to disparities in parking. Parking revenue has been impacted by the drop in passengers of 2% year-to-date and is 10.5% down from budget projections.

Commercial Aviation revenue, Airline Terminal building rental, landing fees for the commercial airlines and airfreight, and boarding bridge per-turn fees is 8.9% above projections due to negotiated airline rates and charges.

Interest/other revenue is below 22.9% below target due to delays in TSA reimbursement for law enforcement officers.

Revenues	Annual Budget	YTD Actual	Remaining Balance	Percent of Budget
Commercial/Industrial	4,472,500	3,530,269	(942,231)	79%
Non-Commercial Aviation	1,981,929	1,495,734	(486,195)	75%
Terminal	5,103,964	4,088,497	(1,015,467)	80%
Commercial Aviation	3,939,000	3,575,487	(363,513)	91%
Interest	111,100	100,296	(10,804)	90%
Other	142,600	63,349	(79,251)	44%
<b>Total Revenues</b>	<b>15,751,093</b>	<b>12,853,632</b>	<b>(2,897,461)</b>	<b>81.6%</b>

### Expenditures

Overall Departmental operating expenses are 7% below budget (\$957,132) at \$12,772,431.

Salaries and Benefits are 8% below budget with vacant positions in the Airport Patrol, Certification and Operations, Facilities Maintenance, and Administration programs. Patrol vacancies are being covered with overtime and hourly employees. Recruitments continue for all vacant positions.

Materials, Supplies and Services are tracked in four categories: overall supplies and services, ARFF, Engineering reimbursement, and Allocated costs. A variance of 3% below budget is found for overall supplies and services. ARFF, Engineering, and Allocated Costs will remain within the budgeted amounts.

Special Projects are \$389,950 below budget and will remain at that level due to the discontinuation of Long Term Parking Lot 2 shuttle service.

Debt Service for the Airline Terminal project is included in the budget and is being allocated on a monthly basis to reflect payments made in December and June.

<b>Expenses</b>	<b>Annual Budget</b>	<b>YTD Actual</b>	<b>Remaining Balance</b>	<b>Percent of Budget</b>
Salaries & Benefits	5,522,998	4,249,937	1,273,061	77%
Materials, Supplies & Services	7,441,870	5,764,011	1,483,575	80%
Special Projects	863,000	464,050	389,950	54%
Transfers-Out	764,360	740,349	24,011	97%
Debt Service	1,817,106	1,521,054	296,052	84%
Equipment	66,358	33,030	33,328	50%
Appropriate Reserves	95,839	0	95,839	0.0%
<b>Total Expenses</b>	<b>16,571,531</b>	<b>12,772,431</b>	<b>3,799,100</b>	<b>77%</b>

### **Summary**

Notwithstanding the Revenue budget, the Airport Operating Expenditures will continue to be conservatively monitored to ensure balancing at year end.