



**City of Santa Barbara**  
Airport Department

**DATE:** October 21, 2015  
**TO:** Airport Commission  
**FROM:** Hazel Johns, Airport Director  
**SUBJECT:** Fiscal Year 2016 Interim Financial Statement  
July 1, 2015 – September 30, 2015

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**RECOMMENDATION:** That Airport Commission accept the interim financial statement for the three months ended September 30, 2015.

**Discussion:**

The interim financial statements are presented with a discussion actual revenues and expenditures for 25% of the Fiscal Year.

**Revenues**

Airport Department first quarter operating revenue is 0.6% below budget at \$4,032,928.

**Commercial/Industrial** revenue is 2.9% **below target** at \$1,089,030, primarily due to vacancies slightly higher than budgeted. Rental income will increase upon commencement of the rent for the restaurant at 521 Firestone Road.

**Non-Commercial** includes the rental received from the Fixed Base Operators, air freight operators, Ampersand, and other general aviation users and is **2.0% below target** due rental income slightly below budget forecast.

The **Airline Terminal** revenues are **3.2% above target** due to increased revenue from the rental car companies and parking. The rental car companies have indicated a change in pricing to attract more customers. In addition, rentals by non-airport users have increased.

**Commercial Aviation** revenue, Airline Terminal building rental, and landing fees for the commercial airlines and airfreight, is **1.2% above** projections due to rates negotiated with the airlines. Boarding bridge and fuel flowage revenues were also impacted by the timing of receipts.

**Other** revenue is below budget. Reimbursement from the TSA for law enforcement services was received in Fiscal Year 2016 for services rendered in Fiscal Year 2015; these revenues have been reclassified to Fiscal Year 2015.

<b>Revenues</b>	<b>Annual Budget</b>	<b>YTD Actual</b>	<b>Remaining Balance</b>	<b>Percent of Variance</b>
Commercial/Industrial	4,488,390	1,089,030	3,399,360	-2.9%
Non-Commercial Aviation	2,180,594	534,149	1,646,445	-2.0%
Terminal	4,797,693	1,238,089	3,559,604	3.2%
Commercial Aviation	4,544,034	1,149,999	3,394,035	1.2%
Interest	106,600	28,302	78,298	6.2%
Other	116,300	(6,642)	122,942	-123%
<b>Total Revenues</b>	<b>16,233,611</b>	<b>4,032,928</b>	<b>12,200,683</b>	<b>-0.6%</b>

### **Expenditures**

Overall Departmental operating expenses are 17.4% below budget at \$3,640,087. When encumbrances are included, overall departmental operating expenses are 18.4% above budget.

<b>Expenses</b>	<b>Annual Budget</b>	<b>YTD Actual</b>	<b>Encumbrances</b>	<b>Remaining Balance</b>	<b>Percent of Variance</b>
Salaries & Benefits	6,006,251	1,264,587		4,471,664	-15.8%
Materials, Supplies & Services	6,529,252	1,238,668	1,573,629	3,716,955	72.2%
Allocated Costs	1,676,091	419,023		1,257,068	0%
Special Projects	48,415	625	35	47,755	-94.5%
Transfers-Out	1,326,395	331,599		994,796	-23.5%
Debt Service	1,816,586	454,147		1,362,439	0%
Equipment	138,902	9,388	2,750	126,764	-65%
Appropriate Reserves	84,626	0		84,626	-100%
<b>Total Expenses</b>	<b>17,626,517</b>	<b>3,640,087</b>	<b>1,576,413</b>	<b>12,410,017</b>	<b>18.4%</b>

**Salaries and Benefits** are 15.8% below budget with vacancies in Administration, Business and Properties, Patrol, and Certification and Operations. Patrol vacancies are being covered with overtime and hourly employees.

The Airport tracks **Materials, Supplies and Services** in three categories: overall supplies and services, ARFF, and Engineering reimbursement. A variance of 72.2% above budget is found for **overall supplies and services** due to significant contract encumbrances for annual maintenance and parking management. **ARFF, Engineering, and Allocated Costs** will remain within the budgeted amounts.

**Transfers out** were made to the T-hangar fund and Airport capital fund.

**Debt Service** for the Airline Terminal project is included in the budget and payments will be made in December and June.

### **Fiscal Year 2015 Adjustments**

There have been a number of adjustments to Airport Operating Fund revenues and expenditures during the closeout of Fiscal Year 2015. These adjustments include: reclassifying revenue received from TSA as described in the "Other" revenue section above for \$77,440; correcting a rental car billing error of \$37,359; and a transfer to the T-hangar fund to eliminate the negative reserve balance in the fund for \$32,618. The net effect of the adjustments is additional revenue of \$7,463.

### **Summary**

Airport operating revenues currently exceed operating expenditures by \$392,841 in Fiscal Year 2016. Staff will continue to monitor expenses and reduce costs where possible.

Attachment: Airport Operating Fund Financial Report for Month Ended 9/30/2015

CITY OF SANTA BARBARA  
 Airport Operating Fund  
 Financial Report  
 For Month Ended 9/30/15 (25% of Fiscal Year)  
 10/13/2015

25.00%

		Actual	Revised Budget with carry-forwards	Adopted Budget 2016-25% of Fiscal Year	Actual	\$	%
Operating Revenue		2015	2016	Fiscal Year	2016	Variance	Variance
Leases							
	Commercial & Industrial	\$ 4,213,977	\$ 4,488,390	\$ 1,122,098	\$ 1,089,030	\$ (33,067)	-2.9%
	Non-Commercial Aviation	\$ 2,012,470	2,180,594	\$ 545,149	\$ 534,149	\$ (10,999)	-2.0%
Terminal							
	Rental Cars( inc land lease for QTA)	\$ 1,926,746	2,037,693	\$ 509,423	\$ 542,850	\$ 33,427	6.6%
	Parking	\$ 2,516,180	2,502,000	\$ 625,500	\$ 640,059	\$ 14,559	2.3%
	Concessions	\$ 236,567	258,000	\$ 64,500	\$ 55,180	\$ (9,320)	-14.4%
	Terminal sub-total	\$ 4,679,493	\$ 4,797,693	\$ 1,199,423	\$ 1,238,089	\$ 38,666	3.2%
Commercial Aviation							
	Building	\$ 2,369,345	2,606,184	\$ 651,546	\$ 629,319	\$ (22,227)	-3.4%
	Landing Fees	\$ 1,457,330	1,519,250	\$ 379,813	\$ 375,632	\$ (4,181)	-1.1%
	Landing Fees (Freight/Charter)	\$ 50,712	53,050	\$ 13,263	\$ 13,258	\$ (4)	0.0%
	Fuel Flowage Fees	\$ 90,796	118,050	\$ 29,513	\$ 37,162	\$ 7,650	25.9%
	Boarding bridges	\$ 467,443	247,500	\$ 61,875	\$ 94,628	\$ 32,753	52.9%
	Commercial aviation sub-total	\$ 4,435,626	4,544,034	\$ 1,136,009	\$ 1,149,999	\$ 13,991	1.2%
Total Leases		\$ 15,341,566	\$ 16,010,711	\$ 4,002,678	\$ 4,011,268	\$ 8,590	0.2%
Other							
	Interest Income	\$ 109,773	106,600	\$ 26,650	\$ 28,302	\$ 1,652	6.2%
	TSA Reimbursement	\$ 116,800	100,000	\$ 25,000	\$ (9,600)	\$ (34,600)	-138.4%
	Rental Car QTA Reimburse	\$ 21,828	-		\$ -		
	Other	\$ 186,129	16,300	\$ 4,075	\$ 2,958	\$ (1,117)	-27.4%
	Other sub-total	\$ 434,529	222,900	\$ 55,725	\$ 21,660	\$ (34,065)	-61.1%
<b>Total Operating Revenue</b>		<b>\$ 15,776,095</b>	<b>\$ 16,233,611</b>	<b>\$ 4,058,403</b>	<b>\$ 4,032,928</b>	<b>\$ (25,475)</b>	<b>-0.6%</b>
<b>Operating Expenses</b>							
	Salaries & Benefits	\$ 5,267,642	6,006,251	\$ 1,501,563	\$ 1,264,587	\$ (236,976)	-15.8%
	Supplies & Services	\$ 3,575,390	4,043,603	\$ 1,010,901	\$ 625,852	\$ (385,049)	-38.1%
	ARFF	\$ 2,024,143	2,131,980	\$ 532,995	\$ 532,995	\$ -	0.0%
	Engineering	\$ 322,275	353,669	\$ 88,417	\$ 79,822	\$ (8,596)	-9.7%
	Special Project	\$ 40,447	48,415	\$ 12,104	\$ 625	\$ (11,479)	-94.8%
	Equipment	\$ 70,575	138,902	\$ 34,726	\$ 9,388	\$ (25,338)	-73.0%
	Allocated Costs	\$ 1,500,542	1,676,091	\$ 419,023	\$ 419,023	\$ (0)	0.0%
	Appropriated reserves	\$ 0	84,626	\$ 21,157	\$ 0	\$ (21,157)	-100.0%
<b>Total Operating Expenses</b>		<b>\$ 12,801,014</b>	<b>\$ 14,483,536</b>	<b>\$ 3,620,884.10</b>	<b>\$ 2,932,290</b>	<b>\$ (688,594)</b>	<b>-19%</b>
	Net operating gain / (loss)	\$ 2,975,081	\$ 1,750,075		\$ 1,100,637		
	Debt Service-Tfrs out	\$ 1,786,222	\$ 1,816,586	\$ 454,147	\$ 454,147	\$ 0	0.00%
	Capital Tfrs out	\$ 52,972	\$ 1,326,395	\$ 331,599	\$ 253,650	\$ (77,949)	-23.5%
<b>Total Expenses</b>		<b>\$ 14,640,208</b>	<b>\$ 17,626,517</b>	<b>\$ 4,406,629</b>	<b>\$ 3,640,087</b>	<b>\$ (766,543)</b>	<b>-17.4%</b>
	<b>Net Gain/(Loss)</b>	<b>\$ 1,135,887</b>	<b>\$ (1,392,906)</b>		<b>\$ 392,841</b>		

1 Encumbered funds are not included in actuals. Department encumbrances total \$1,576,413.