



City of Santa Barbara
 Airport Department

DATE: May 17, 2017
TO: Airport Commission
FROM: Hazel Johns, Airport Director
SUBJECT: Fiscal Year 2017 Third Quarter Financial Report

RECOMMENDATION:

That Airport Commission receive the Fiscal Year 2017 Third Quarter financial report.

DISCUSSION:

YTD Budget Report Per 1-9						YE Projections		
ACCOUNT DESCRIPTION	REVISED BUDGET	YTD ACTUAL	ENCUMB	AVAILABLE BUDGET	% USED	PROJECTED AT YE	VARIANCE	%
Leases- Commercial/Industrial	(4,472,463)	(3,395,366)	-	(1,077,097)	75.92%	(4,526,370)	53,907	-1%
Leases- Terminal	(5,219,696)	(3,910,581)	-	(1,309,115)	74.92%	(5,258,084)	38,388	-1%
Leases- Non-Commercial Aviation	(2,170,905)	(1,644,792)	-	(526,113)	75.77%	(2,248,148)	77,243	-4%
Leases- Commercial Aviation	(4,555,412)	(3,494,859)	-	(1,060,553)	76.72%	(4,686,076)	130,664	-3%
Investment Income	(112,200)	(80,636)	-	(31,564)	71.87%	(112,500)	300	0%
Miscellaneous	(105,300)	(49,253)	-	(56,047)	46.77%	(113,414)	8,114	-8%
Operating Transfers-In	(691,505)	(691,505)	-	-	100.00%	(692,560)	1,055	0%
Revenue Total	(17,327,481)	(13,266,992)	-	(4,060,489)	76.57%	(17,637,152)	309,671	-2%
Salaries & Benefits	6,309,638	4,442,334	-	1,867,304	70.41%	5,759,066	550,572	9%
Materials, Supplies & Services	8,830,484	5,993,948	906,452	1,930,084	78.14%	8,339,066	491,418	6%
Special Projects	14,646	6,434	374	7,838	46.49%	6,451	8,195	56%
Transfer-Out	780	585	-	195	75.00%	28,280	(27,500)	-3526%
Debt Service	1,819,014	1,364,261	-	454,753	75.00%	1,819,014	-	0%
Capital Outlay Transfers	403,557	324,000	-	79,557	80.29%	908,557	(505,000)	-125%
Equipment	82,100	27,161	-	54,939	33.08%	48,711	33,389	41%
Appropriated Reserve	37,354	-	-	37,354	0.00%	-	37,354	100%
Expense Total	17,497,573	12,158,723	906,826	4,432,024	74.67%	16,909,145	588,428	3%
Grand Total	170,092	(1,108,269)	906,826	371,535	-118.43%	(728,006.61)	898,098.61	528%

At Third-Quarter:

Revenues

At Third Quarter Actual Revenues are at \$13.2M, or 77% of budget, mainly due to the following factor(s):

- Leases for non-commercial aviation and commercial aviation are at 75.77% and 76.7% of budget, respectively. In both cases, increased landing weights, and associated landing fees, are the primary driver for the increase. For commercial aviation, airline landing fees are up significantly at 82% of budget, primarily due to aircraft upgauging and the budget

assumption that the Dallas-Fort Worth flight would take advantage of the Airport incentive program to waive landing fees for one year.

- Commercial/industrial leases have had limited vacancies to date, and are at 75.9% of budget.

Expenditures

Overall, Third Quarter Actual Expenditures are at \$12.2M, which is slightly below budgeted levels at 69%. This is due to the following factors:

- Salary and benefits savings from position vacancies in Airport Patrol, Custodial and Facilities Maintenance, and Certification and Operations. Patrol vacancies are being covered with overtime and hourly employees.
- Materials, supplies, and services doesn't include the lag in payments for utilities and the parking management contractor. There have also been savings in utilities expenditures vs. budget.

At Year-End:

Revenues

Revenues are estimated to end the year approximately \$310,000 above budget. This is due to:

1. Commercial aviation revenues \$131,000 above budget, due to the increased airline landing fees described above.
2. Terminal revenues \$40,000 above budget with parking revenues up due to increased revenue per enplanement and rental car revenues below budget, but above FY 2016 actuals.
3. Commercial/industrial revenues up \$54,000 due to limited vacancies.
4. Non-commercial aviation revenues up \$77,000 due to increased general aviation landing weights.

Expenditures

Expenditures are expected to end the year with a savings of approximately \$600,000 due to:

- Several vacancies in Airport Patrol and the retirement of the Sr. Airport Property Management Specialist in April (\$550,000 total). Recruitment of Airport Patrol Officers is ongoing.
- The budget includes \$227,000 for the grant match for the Runway 7-25 Rehabilitation project. Since this project will use two years of AIP grant amounts, the Airport split the grant match over two years to "smooth" its contributions. This amount will be carried forward and spent in FY2018, when the construction grant is received.
- Capital outlay expenditure of \$505,000 to replace parking revenue control system
- In addition, we anticipate savings in electricity and water totaling approximately \$90,000.

Summary/additional information:

At Third Quarter, revenues exceed expenditures by \$1.1M. By year-end, we anticipate a surplus of approximately \$700,000.

PREPARED BY: Administration Division