



**City of Santa Barbara**  
Airport Department

**DATE:** September 20, 2017  
**TO:** Airport Commission  
**FROM:** Hazel Johns, Airport Director  
**SUBJECT:** Fiscal Year 2017 Fourth Quarter Financial Report

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**RECOMMENDATION:**

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

**DISCUSSION:**

Airport revenues are tracked in a number of categories:

- **Leases- Commercial/Industrial** include revenues from airport-owned land and buildings in the commercial/industrial area.
- **Leases-Terminal** include revenues from rental car companies, parking, and terminal concessions.
- **Leases- Non-Commercial Aviation** includes rental received from Fixed Base Operators, Ampersand, and other general aviation users.
- **Leases- Commercial Aviation** includes Airline Terminal building rental, fuel flowage, and landing fees for the commercial airlines and airfreight.
- **Investment Income**
- **Miscellaneous** revenue for items such as TSA Law Enforcement Officer (LEO) reimbursement and Airport badging.
- **Operating Transfers-In** to reimburse Operating Fund costs associated with the development of 6100 Hollister Ave.

Airport expenditures are tracked in a number of categories:

- **Salaries & Benefits**
- **Materials, Supplies & Services** includes supplies and services, Aircraft Rescue and Firefighting (ARFF), allocated costs, and Engineering reimbursement.
- **Special projects** for airport signage and the Airport Tour Center.
- **Transfer-Out** to the T-hangar fund.
- **Debt Service** for the Airline Terminal project.
- **Capital Outlay Transfers** to the Capital fund.
- **Equipment**

The following chart summarizes Airport revenues and expenditures at the end of the Fourth Quarter for Fiscal Year 2017.

YTD Budget Report Per 1-13					
ACCOUNT DESCRIPTION	REVISED BUDGET	YTD ACTUAL	ENCUMB	AVAILABLE BUDGET	% USED
Leases- Commercial/Industrial	(4,472,463)	(4,462,700)	-	(9,763)	99.78%
Leases- Terminal	(5,219,696)	(5,225,123)	-	5,427	100.10%
Leases- Non-Commercial Aviation	(2,170,905)	(2,211,314)	-	40,409	101.86%
Leases- Commercial Aviation	(4,555,412)	(4,682,779)	-	127,367	102.80%
Investment Income	(112,200)	(114,829)	-	2,629	102.34%
Miscellaneous	(105,300)	(141,451)	-	36,151	134.33%
Operating Transfers-In	(692,560)	(692,560)	-	-	100.00%
Revenue Total	(17,328,536)	(17,530,755)	-	202,219	101.17%
Salaries & Benefits	6,309,638	5,859,125		450,513	92.86%
Materials, Supplies & Services	8,806,446	8,313,022	(7,306)	500,730	94.31%
Special Projects	14,646	9,215	8,569	(3,138)	121.43%
Transfer-Out	28,280	28,280	-	-	100.00%
Debt Service	1,819,014	1,788,400	-	30,614	98.32%
Capital Outlay Transfers	923,317	923,317	-	-	100.00%
Equipment	72,100	42,709	-	29,391	59.24%
Appropriated Reserve	37,354	-	-	37,354	0.00%
Expense Total	18,010,795	16,964,068	1,263	1,045,464	94.20%
Grand Total	682,259	(566,687)	1,263	1,247,683	-82.88%

**At Fourth-Quarter:**

**Revenues**

At Fourth Quarter Actual Revenues are at \$17.5M, or 101% of budget, mainly due to the following factor(s):

- Leases for non-commercial aviation and commercial aviation are at 101.9% and 102.8% 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 112% 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.
- Miscellaneous revenue is at 134% of budget, mainly due to the timing of Law Enforcement Officer (LEO) reimbursement from TSA.

**Expenditures**

Overall, Fourth Quarter Actual Expenditures are at \$17.0M, which is slightly below budgeted levels at 94.2%. This is due to the following factors:

- Salary and benefits savings of \$451,000 from position vacancies in Administration, Business & Property Management, Airport Patrol, Custodial and Facilities Maintenance, and Certification and Operations. Patrol vacancies are being covered with overtime and hourly employees.
- Materials, supplies, and services are \$501,000 under budget with savings in utilities expenditures vs. budget. The budget included \$227,000 for the grant match for the Runway 7-25 Rehabilitation project, which was not used in FY 2017 since the project will occur in FY 2018.

**Summary/additional information:**

At Fourth Quarter, revenues exceeded expenditures by \$567,000. The Fourth Quarter results are close to final Fiscal Year 2017 year-end totals, pending any final adjustments for the purposes of preparing for the annual audit and preparing the City's annual financial report.

**PREPARED BY:** Administration Division