

**CITY OF SANTA BARBARA WATERFRONT DEPARTMENT**

**MEMORANDUM**

**Date:** January 21, 2010  
**To:** Harbor Commission  
**From:** John N. Bridley, Waterfront Director  
**Subject:** **Fiscal Year 2010 Mid-Year Budget Review**

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**RECOMMENDATION:**

That Harbor Commission receive and review a status report on the Waterfront Department Fiscal Year 2010 Mid-Year Budget revenues and expenditures.

**Fiscal Year 2010 Year-To-Date Revenue**

The following table summarizes the Department's revenue 50% of the way through the fiscal year, as of December 31, 2009. In the table, FY10 "Year End Expected" revenue has been estimated using a seasonally adjusted three-year average. If the pattern continues for the second half of the year, it is estimated that Department revenue will be 2% over budget (\$262,976) at year end (June 30, 2010).

<b>Waterfront Department Revenue</b>						
By Program						
	3 yr avg. %	FY 2010 Actual	FY 10	FY10	Expected	
	<u>July-Dec</u>	<u>July-Dec</u>	<u>Expected</u>	<u>Budget</u>	<u>Y.E.</u>	
					<u>Variance</u>	
Property Management	55.49%	2,319,371	4,179,800	4,249,057	-69,257	-1.63%
Financial Management (1)	50.39%	136,090	175,000	125,000	50,000	40.00%
Parking Services	50.20%	1,117,561	2,226,217	2,157,597	68,620	3.18%
Marina Management	50.43%	2,624,532	5,204,307	4,990,694	213,613	4.28%
<b>Totals</b>		<b>6,197,554</b>	<b>11,785,324</b>	<b>11,522,348</b>	<b>262,976</b>	<b>2.28%</b>

(1) Interest revenue is expected to drop off during 3rd and 4th quarters FY 2010

The Property Management program is tracking below expectations due to the economic environment and its effect on the percentage rents generated by Waterfront lessees.

The Financial Management program consists of interest earned on the Department's reserves. Interest revenue is exceeding the budget projection provided by the Finance Department for the first two quarters of FY 2010, but is expected to decline substantially during the third and fourth quarters of the fiscal year.

The Parking Services program is tracking 3% above budget expectations, which is encouraging given the fee increases that affected all Waterfront lots effective July 1, 2009. Sales of annual parking permits also appear to have improved slightly over last year.

Marina Management revenue is expected to finish the year above budget expectations, primarily due to an increase of slip transfers taking place during the first two quarters of the fiscal year.

Attachment I shows Department year-to-date revenue at the line item level, and includes a comparison to FY 2009 figures for the July-December time period.

### **Fiscal Year 2010 Year-To-Date Expenditures**

Overall, the Department spent and encumbered approximately 54% of its Fiscal Year 2010 budget as of December 31, 2009, as shown on the table below.

<b>Waterfront Department Expense</b>			
By Program			
	FY 10	FY 10	FY 10 %
	Budget	YTD	Of
		12/31/09	Budget
Admin & Community Relations	4,642,093	2,499,179	53.84%
Property Management	265,129	189,145	71.34%
Financial Management	195,810	89,586	45.75%
Parking Services	925,257	490,774	53.04%
Harbor Patrol	1,862,844	941,150	50.52%
Marina Management	294,571	138,311	46.95%
Harbor Maintenance	2,674,076	1,511,783	56.53%
Wharf Maintenance	948,459	494,571	52.14%
Facilities Design & Capital Program Mgmt	253,021	115,048	45.47%
<b>Total</b>	<b>12,061,260</b>	<b>6,469,547</b>	<b>53.64%</b>

It should be noted that the table includes \$565,691 in Capital Outlay Transfers from the Administration and Community Relations program to the Capital Program to fund capital projects planned for Fiscal Year 2010. The table also includes encumbrances, which are funds that were "promised" at the beginning of the fiscal year but are actually expended throughout the year, usually on a monthly basis. Additionally, 86% of the principal on the Department's annual debt service (\$615,000) is paid prior to December

31 each year per the loan agreements. The encumbrances and debt service amounts are shown on Attachment 2.

As of December 31, 2009, the Department is on track to stay within its budgeted expenditures.

- Attachments
1. Waterfront Department FY 2010 YTD Revenue by line item
  2. Waterfront Department FY 2010 YTD Expense /Consolidated

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