

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: January 20, 2011
To: Harbor Commission
From: John N. Bridley, Waterfront Director
Subject: **Fiscal Year 2011 Mid-Year Budget Review**

RECOMMENDATION:

That Harbor Commission receive and review a status report on the Waterfront Department Fiscal Year 2011 Mid-Year Budget revenues and expenditures.

Fiscal Year 2011 Year-To-Date Revenue

The following table summarizes the Department's revenue 50% of the way through the fiscal year, as of December 31, 2011. In the table, FY11 "Year End Forecast" 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 4% under budget (\$444,000) at year end (June 30, 2011).

**Waterfront Department Revenue
By Program**

	3 yr avg % <u>July- Dec</u>	FY 2011 Actual <u>July-Dec</u>	FY 2011 Forecast	FY 2011 Budget	Forecast Y.E. <u>Varianc e</u>	<u>%</u>
Property		2,291,052	4,114,613	3,958,574	156,039	3.94%
Management	55.68%					
Financial Management (1)	57.73%	101,217	175,341	215,759	-40,418	-18.73%
Parking		1,034,064				
Services	51.82%		1,995,321	2,159,948	164,627	-7.62%
Marina		2,553,117				
Management	50.85%		5,021,309	5,416,057	394,748	-7.29%
Totals		5,979,450	11,306,585	11,750,338	443,753	-3.78%

(1) Interest income

The Property Management program is tracking slightly above expectations primarily due to Stearns Wharf commercial and food service tenants performing above budget expectations.

The Financial Management program consists of interest earned on the Department's reserves. Interest revenue not meeting the budget projection provided by the Finance Department for the first two quarters of FY 2011.

The Parking Services program is tracking 8% above below expectations. Virtually all Waterfront parking lots are tracking below expectations due to the foggy summer and rain during the fall. The National Weather Service in Oxnard reported the coolest average temperatures for July and August in many years as recorded at Los Angeles and Santa Barbara airports.

Marina Management revenue is expected to finish the year well below budget expectations, primarily due to a lack of slip transfers taking place during the first two quarters of the fiscal year. Visitor fees are also down, possibly due to the economy.

Attachment I shows Department year-to-date revenue at the line item level, and includes a comparison to FY 2010 figures for the July-December time period.

Fiscal Year 2011 Year-To-Date Expenditures

Overall, the Department spent and encumbered approximately 55% of its Fiscal Year 2011 budget as of December 31, 2011, as shown on the table below.

Waterfront Department Expense			
By Program 12/31/10			
	FY 11	YTD	FY 11 %
	Budget	12/31/10	Of
		Expense	Budget
Admin & Community Relations	4,362,970	2,348,326	53.82%
Property Management	265,475	231,044	87.03%
Financial Management	188,680	89,327	47.34%
Parking Services	915,647	502,237	54.85%
Harbor Patrol	1,950,591	968,308	49.64%
Marina Management	275,179	116,770	42.43%
Harbor Maintenance	2,701,090	1,630,759	60.37%
Wharf Maintenance	949,604	465,085	48.98%
Facilities Design & Capital Programs	229,007	109,248	47.71%
Total	11,838,243	6,461,104	54.58%

It should be noted that the table includes \$485,000 in Capital Outlay Transfers from the Administration and Community Relations program to the Capital Program to fund capital

projects planned for Fiscal Year 2011. 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, 88% of the principal on the Department’s annual debt service (\$561,000) 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, 2010, the Department is on track to stay within its budgeted expenditures.

- Attachments
1. Waterfront Department FY 2011 YTD Revenue by line item
 2. Waterfront Department FY 2011 YTD Expense /Consolidated

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