

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: September 20, 2012
To: Harbor Commission
From: Scott Riedman, Waterfront Director
Subject: **Fiscal Year 2012 Preliminary Budget Review**

RECOMMENDATION:

That Harbor Commission receive a staff report providing a brief summary of the Waterfront Department's revenues and expenditures as of June 30, 2012, and provide comments as appropriate.

DISCUSSION:

Waterfront Department Revenues

Total revenue for the Department was \$12,228,354 for Fiscal Year 2012, which exceeded the original budget of \$11,750,037 by \$478,317 or 4.07%. Overall, the Department received approximately \$770,099 or 6.72% more revenue than in Fiscal Year 2011.

The attached revenue spreadsheet shows Fiscal Year 2012 budget targets, actual Fiscal Year 2012 revenue received and Fiscal Year 2011 revenues for comparison purposes (Attachment 1). Fiscal Year 2012 revenue totals for the four primary Waterfront programs are summarized below:

Fiscal Year 2012 Revenue Summary				
<u>Description</u>	<u>Fiscal Year 2012 Budget</u>	<u>Fiscal Year 2012 Actual</u>	<u>\$ Amount over/under Budget</u>	<u>% Variance over/under Budget</u>
Property Management	4,140,296	4,484,657	344,361	8.08%
Financial Management	185,859	160,588	-25,271	-13.60%
Parking Services	2,158,450	2,271,273	112,823	5.23%
Marina Management	5,265,432	5,311,836	46,404	0.90%
Department Total Revenue	11,750,037	12,228,354	478,317	4.07%

Property Management income for Fiscal Year 2012 totaled \$4,484,657, approximately 8% more than the projected budget and approximately \$299,142 more than Fiscal Year 2011. The most significant improvement was related to Stearns Wharf Commercial which was up approximately 19%.

Financial Management (interest income) revenue for Fiscal Year 2012 totaled \$160,588, which was \$25,271 less than projected. Interest income projections are provided by the Finance Department as part of the budget development process and continue to reflect overall low rates in the financial sector.

Parking revenue for Fiscal Year 2012 was \$2,271,271, which exceeded the projected budget by 5.23% or \$112,823. In comparison to Fiscal Year 2011, Parking Services was up 13.91% or \$277,311 in Fiscal Year 2012.

Marina Management program revenue was \$5,311,836, which exceeded budget estimates by \$46,404 or 0.90%.

Expenditures

Total operating fund expenditures for the Department for Fiscal Year 2012 were \$11,607,093 (Attachment 2).

Salary and Benefits expenditures were \$5,370,795 for the year, which was \$90,256 or 1.65% less than budgeted. Supplies and Services expenditures were \$3,529,066 for the Fiscal Year 2012, which was \$73,946 or 2.14% over budget. This was the one primary expenditure area that exceeded budgeted amounts. The primary reasons for the overage include approximately \$48,000 in additional expenses related to cruise ship visits and approximately \$24,000 in permit fees related to the removal of the dry-dock area. The additional expenses were the result of previously unbudgeted expenses related to cruise ship visits including land transportation (MTD), hospitality services, and security.

In Fiscal Year 2012, \$934,483 in transfers were made to fund Department-sponsored capital projects. At year-end, the Department was approximately \$374,870 or 3.13% under budget, which is primarily due to the Principal and Interest (Debt Service) line items coming in \$256,315 under budget, and not needing to use \$50,000 of Appropriated Reserves. The Department's debt service is under budget due to the length of time needed for the California Department of Boating and Waterways to process the Marina 1 loan and repayment.

- Attachments: 1. Fiscal Year 2012 Revenue Summary
2. Fiscal Year 2012 Expenditures Summary

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