

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: August 19, 2010
To: Harbor Commission
From: John N. Bridley, Waterfront Director
Subject: Business Services Report

Fiscal Year 2010 Preliminary Budget Review

Revenue

The attached revenue spreadsheet shows FY 2010 budget targets, actual FY 2010 revenue received, and FY 2009 revenues for comparison purposes (Attachment 1). Revenue totals for FY 2010 are summarized below:

Waterfront Department				
FY 2010 Revenue				
<u>Description</u>	<u>FY 2010 Budget</u>	<u>FY 2010 Actual</u>	<u>Amount over / (under)</u>	<u>% Variance</u>
Property Management	4,249,057	4,081,715	(167,342)	-3.94%
Financial Management (Interest)	125,000	252,029	127,029	101.62%
Parking Services	2,157,597	2,106,318	(51,279)	-2.38%
Marina Management	4,990,694	5,085,497	94,803	1.90%
<i>Department Total Revenue</i>	11,522,348	11,525,559	3,211	0.03%

Property Management income for FY 2010 was \$4,081,715, approximately 3.9% less than the projected budget and approximately \$58,000 less than last fiscal year. The most significant shortfalls were related to Stearns Wharf commercial/retail leases, Stearns Wharf food service and Harbor commercial/retail leases, which were approximately \$205,000 below budget. The shortfall represents approximately 6.9% (\$174,000) less revenue than was received from those three sources during FY 2009.

Financial Management (interest income) revenue for FY 2010 was \$252,000, which was \$127,000 more than was projected. Interest income projections are provided by the Finance Department as part of the budget development process.

Parking revenue for FY 2010 was \$2,106,318, 2.4% below the projected budget, but approximately \$313,000 (17.4%) more than last year due to fee increases in all Waterfront parking lots.

Revenue from the Marina Management program was \$5,085,000, which was \$95,000 (1.9%) over budget, primarily due to a rebound in slip transfer fee revenue in FY 2010.

Total revenue for the Department was \$11,525,559 for FY 2010, which was \$3,200 or 0.03% over budget. Overall, the Department received approximately \$498,000 or 4.5% more revenue than last fiscal year.

Expenditures

Salary and Benefits expenditures were \$5,317,000 for the year, which was \$212,909 less than budgeted, primarily due to furlough savings but also due to employee turnover and replacements that were hired at a lower pay step.

Supplies and Services expenditures were \$3,382,000 for the year, which was \$54,000 under budget (1.6%).

All programs finished the year under budget with the exception of Harbor Patrol, which was \$7,500 over budget (0.4%) due to overtime salaries slightly exceeding budget projections (Attachment 2).

Total operating fund expenditures for the Department for FY 2010 were \$11,573,000. This amount includes \$1,131,000 in transfers to fund the capital projects appropriated in FY 2010. At year-end, the Department was approximately \$501,000 (4.1%) under budget, which is primarily due to the Salaries and Benefits and Supplies and Services line items coming in \$267,000 under budget, and not needing to use \$80,000 of Appropriated Reserves (Attachment 3).

- Attachments:
1. FY 2009 Revenue
 2. FY 2009 Expenditures by Program
 3. FY 2009 Expenditures Summary

Prepared by: Scott Riedman, Waterfront Business Manager