

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: September 15, 2011
To: Harbor Commission
From: Scott Riedman, Interim Waterfront Director
Subject: **Business Services Report**

Fiscal Year 2011 Preliminary Budget Review

Revenue

The attached revenue spreadsheet shows FY 2011 budget targets, actual FY 2011 revenue received and FY 2010 revenues for comparison purposes (Attachment 1). Revenue totals for FY 2011 are summarized below:

| Waterfront Department FY 2011 Revenue | | | | |
|--|-------------------|-------------------|-------------------------------|-----------------------------------|
| | FY 2011 | FY 2011 | \$ Amount | % |
| <u>Description</u> | <u>Budget</u> | <u>Actual</u> | over (under) <u>Budget</u> | variance over <u>Budget</u> |
| Property Management | 3,958,587 | 4,185,515 | 226,928 | 5.73% |
| Financial Management | 215,759 | 188,324 | (27,435) | -12.72% |
| Parking Services | 2,160,381 | 1,994,074 | (166,307) | -7.70% |
| Marina Management | 5,416,057 | 5,090,372 | (325,685) | -6.01% |
| <i>Department Total Revenue</i> | 11,750,784 | 11,458,285 | (292,499) | -2.49% |

Property Management income for FY 2011 was \$4,185,515, approximately 5.7% more than the projected budget and approximately \$103,799 more than FY 2010. The most significant improvement was related to Stearns Wharf food service leases.

Financial Management (interest income) revenue for FY 2011 was \$188,324, which was \$63,705 less than was projected. Interest income projections are provided by the Finance Department as part of the budget development process.

Parking revenue for FY 2011 was \$1,994,074, 7.7% below the projected budget and approximately \$112,255 less than FY 2010 due to cooler than average weather last summer.

Revenue from the Marina Management program was \$5,090,372, which was \$325,685 under budget, primarily due to shortfalls in slip transfer fee revenue and visitor slip rentals in FY 2011.

Total revenue for the Department was \$11,458,285 for FY 2011, which was \$292,499 or 2.5% under budget. Overall, the Department received approximately \$67,287 or 0.58% less revenue than FY 2010.

Expenditures

Salary and Benefits expenditures were \$5,424,451 for the year, which was \$56,374 less than budgeted.

Supplies and Services expenditures were \$3,343,155 for the year, which was \$62,112 under budget (1.8%).

All programs finished the year under budget with the exception of Parking Services, which was \$78,198 over budget (8.5%) due to hourly employee salaries exceeding budget projections. Additional hourly staff were needed for cruise ship visits, traffic control on Stearns Wharf, and training 16 new parking staff in preparation for the summer season.

Total operating fund expenditures for the Department for FY 2011 were \$11,350,134. This amount includes \$969,361 in transfers to fund the capital projects appropriated in FY 2011. At year-end, the Department was approximately \$488,109 (4.1%) under budget, which is primarily due to the Principal and Interest (Debt Service) line items coming in \$250,759 under budget, and not needing to use \$100,000 of Appropriated Reserves (Attachment 2). The Department's debt service is under budget due to the length of time it has been taking for the Department of Boating and Waterways to process the Marina 1 loan and repayment.

Attachments: 1. FY 2011 Revenue
2. FY 2011 Expenditures Summary

Prepared by: Scott Riedman, Interim Waterfront Director