

# CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

## MEMORANDUM

**Date:** January 23, 2014  
**To:** Harbor Commission  
**From:** Scott Riedman, Waterfront Director  
**Subject:** **Mid-Year Budget Report**

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### RECOMMENDATION:

That Harbor Commission receive and review a status report on the Waterfront Department Fiscal Year 2014 Mid-Year Budget revenues and expenditures.

### Fiscal Year 2014 Mid-Year Budget Review

The following report summarizes the Waterfront Department's Fiscal Year 2014 Mid-Year Budget revenues and expenditures.

### Fiscal Year 2014 Year-To-Date Revenue

The following table summarizes the Department's revenue 50% of the way through the fiscal year, as of December 31, 2013. The third column shows actual year-to-date revenues while the fourth column, titled "FY 14 Projection July – June," shows projected revenue at year-end using a seasonally weighted three-year average. If the pattern continues, it is estimated that Department revenue will be approximately 1% above budget (\$182,786) at the end of the fiscal year (June 30, 2014).

### Waterfront Department Revenue Projection By Program

Program	FY 14 Budget (July-June)	FY 14 Actual YTD (July-Dec)	FY 14 Projection (July-June)	Year End Variance \$	Year End Variance %
Property Management	\$ 4,728,839	\$ 2,892,308	\$ 4,778,671	\$ 49,832	1%
Financial Management(1)	\$ 137,700	\$ 64,902	\$ 129,804	\$ (7,896)	-6%
Parking Services	\$ 2,262,750	\$ 1,441,126	\$ 2,394,855	\$ 132,105	6%
Marina Management	\$ 5,315,778	\$ 2,776,131	\$ 5,324,523	\$ 8,745	0%
<b>Totals</b>	<b>\$ 12,445,067</b>	<b>\$ 7,174,467</b>	<b>\$ 12,627,853</b>	<b>\$ 182,786</b>	<b>1%</b>

(1) Interest Income

The Property Management program is tracking right at budget expectations primarily due to commercial and food-service tenants performing at or near budget expectations. The Waterfront Center is tracking significantly below Fiscal Year 2013 due to the Maritime Museum satisfying its loan obligations to the City. This change was expected and has been accounted for in the FY 2014 budget. Miscellaneous revenue consists primarily of revenue associated with cruise ship visits in the fall and remains a strong revenue replacement for the absence of oil rig crew boat wharfage and dockage fees and Maritime Museum lease payments.

The Financial Management program consists of interest earned on the Department's reserves. Interest revenue is not meeting budget projection. Interest income projections are provided by the Finance Department as part of the budget development process and continue to reflect overall low interest rates in the financial sector.

The Parking Services program is on track to exceed budget expectations. This is likely due to a number of factors including a slight increase in parking fees and the completed installation of 13 Luke Self Pay Parking Systems in the five non-staffed Waterfront parking lots. Additionally, the great weather last summer coupled with a warm fall and winter season have proven, again, to be a significant factor for another strong year in Parking Services.

Marina Management revenue is expected to finish the year near budget expectations, despite a slight downturn in visitor fees half way through the fiscal year. Slip transfer fees are tracking slightly above budget estimates and included a flurry of activity at the end of the calendar year.

Attachment 1 shows Waterfront Department Fiscal Year 2014 year-to-date revenue at the line item level, and includes a comparison to Fiscal Year 2013 figures for the July-December time period.

### **Fiscal Year 2014 Year-To-Date Expenditures**

Overall, the Department spent or encumbered approximately 55.5% of its Fiscal Year 2014 budget as of December 31, 2013, as shown on the table below.

#### **Waterfront Department Expenditures By Program as of 12/31/13**

<b>Program</b>	<b>FY 14 Budget</b>	<b>YTD Expenditures as of 12/31/13</b>	<b>FY 13 % of Budget</b>
Admin & Community Relations	\$ 1,892,641	\$ 917,968	48.50%
Property Management	\$ 462,716	\$ 247,218	53.43%
Financial Management	\$ 250,876	\$ 136,889	54.56%
Parking Services	\$ 934,915	\$ 433,025	46.32%

Harbor Patrol	\$ 2,092,778	\$ 1,025,585	49.01%
Marina Management	\$ 338,829	\$ 164,812	48.64%
Harbor Maintenance	\$ 2,957,470	\$ 1,831,884	61.94%
Wharf Maintenance	\$ 983,435	\$ 570,619	58.02%
Facilities Design & Capital Programs	\$ 3,645,329	\$ 2,192,407	60.14%
<b>Total</b>	<b>\$ 13,558,989</b>	<b>\$ 7,520,406</b>	<b>55.46%</b>

The table includes encumbrances, which are funds that were “promised” by entering into a contract at the beginning of the fiscal year but are actually expended throughout the year, usually on a monthly basis. If unspent encumbrances are backed out, the Department has expended right at 50% of its budget as of mid-year. Additionally, approximately 87% or \$739,000, of the principal on the Department’s annual debt service is paid in accordance with loan agreements prior to December 31 each year. The encumbrance and debt service amounts are shown on Attachment 2. As of December 31, 2013, the Department is on track to stay within its budgeted expenditures.

- Attachments: 1. Waterfront Department Fiscal Year 2014 YTD Revenue  
 2. Waterfront Department Expenditures - Consolidated

Prepared by: Brian J. Bosse, Waterfront Business Manager

**Waterfront Department Revenue**

as of December 31, 2013

Description	Annual Budget	Actual YTD 12/31/2013	Actual YTD 12/31/2012	Change from Prior Year \$	Change from Prior Year %
Harbor Commercial	843,367	506,065	474,167	31,898	6.73%
Wharf Commercial	518,405	311,336	311,100	235	0.08%
SB Waterfront Center (Museum)	12,000	5,984	76,690	(70,706)	<b>-92.20%</b>
Harbor Food Service	1,020,000	627,637	589,742	37,894	6.43%
Wharf Food Service	1,295,400	779,430	769,530	9,900	1.29%
SB Waterfront Center (WF Grill)	326,400	208,139	200,347	7,791	3.89%
Harbor Other	186,100	116,192	99,479	16,714	16.80%
SB Waterfront Center (NOAA)	30,000	8,380	24,304	(15,924)	<b>-65.52%</b>
Ice Machine	30,000	14,018	13,531	487	3.60%
CAM	90,167	45,084	43,542	1,542	3.54%
Miscellaneous Revenue	377,000	270,065	140,490	129,574	92.23%
Workers Comp Rebate					
<b>Total Property Management</b>	<b>4,728,839</b>	<b>2,892,328</b>	<b>2,742,922</b>	<b>149,406</b>	<b>5.45%</b>
-					
Interest Income	137,700	64,902	72,249	(7,347)	<b>-10.17%</b>
<b>Total Financial Management</b>	<b>137,700</b>	<b>64,902</b>	<b>72,249</b>	<b>(7,347)</b>	<b>-10.17%</b>
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EV Charging Station	150	238	-	238	238.00%
Cabrillo East	93,500	67,787	46,353	21,434	46.24%
Cabrillo West	99,000	76,201	52,538	23,663	45.04%
Palm Park	386,100	270,639	208,095	62,544	30.06%
Garden Street	181,650	146,547	106,001	40,545	38.25%
Harbor West	113,050	96,703	76,987	19,716	25.61%
Leadbetter	215,000	122,006	129,816	(7,810)	<b>-6.02%</b>
La Playa East	11,000	12,484	10,207	2,277	22.30%
La Playa West	10,000	9,302	8,860	442	4.99%
Harbor Lot	550,000	359,589	328,176	31,413	9.57%
Stearns Wharf	250,000	138,597	134,263	4,334	3.23%
Waterfront Parking Permits	350,000	137,509	110,318	27,191	24.65%
Boat Wash Machine	2,800	1,629	1,176	454	38.58%
Harbor Valet Parking	500	48	418	(370)	<b>-88.52%</b>
Over (short)		1,848	26	1,822	6932.00%
<b>Total Parking Services</b>	<b>2,262,750</b>	<b>1,441,126</b>	<b>1,213,234</b>	<b>227,892</b>	<b>18.78%</b>
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Live Aboard Fees	153,000	75,922	74,293	1,629	2.19%
Slip Rentals	4,122,293	2,071,943	2,037,361	34,582	1.70%
Visitor Fees	450,000	236,652	245,117	(8,465)	<b>-3.45%</b>
Skiff Tie-Ups	6,250	4,320	3,555	765	21.52%
Fish Hoist 1	7,500	4,107	5,572	(1,465)	<b>-26.29%</b>
Fish Hoist 2	650	272	258	14	5.43%
Wharfage & Dockage	15,000	15,291	11,226	4,064	36.20%
Slip Transfer Fees	525,000	342,400	313,500	28,900	9.22%
Slip Waiting List	2,200	2,000	1,880	120	6.38%
Key Card	11,000	7,023	6,460	564	8.72%
SB Mooring Area Permit	6,000	5,946	5,505	441	8.01%
Yacht Club Hoist	1,885	943	924	19	2.01%
Miscellaneous Revenue	15,000	9,413	10,394	(981)	<b>-9.44%</b>
Over/Short	-	(101)	10	(111)	<b>-1091.54%</b>
<b>Total Marina Management</b>	<b>5,315,778</b>	<b>2,776,131</b>	<b>2,716,055</b>	<b>60,076</b>	<b>2.21%</b>
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<b>Department Total</b>	<b>12,445,067</b>	<b>7,174,487</b>	<b>6,744,459</b>	<b>430,028</b>	<b>6.38%</b>

**Waterfront Department Expenditures**

Consolidated as of 12/31/13

Description	FY 14 Budget	YTD Expense as of 12/31/13	FY 13 % of Budget
Total Salaries & Benefits	\$ 5,866,308	\$ 2,866,804	<b>48.87%</b>
Total Supplies & Expenses	\$ 3,906,598	\$ 2,464,532	<b>63.09%</b>
Community Promotions (1)	\$ 60,000	\$ 16,747	<b>27.91%</b>
Transfers to Capital (2)	\$ 1,544,155	\$ 772,078	<b>50.00%</b>
Non-Capitalized Transfers (3)	\$ 107,610	\$ 11,146	<b>10.36%</b>
Beach Lifeguard Service	\$ 90,438	\$ 46,717	<b>51.66%</b>
Computer Software (4)	\$ 40,000	\$ 40,000	<b>100.00%</b>
Other			
Principal	\$ 850,716	\$ 739,105	<b>86.88%</b>
Interest	\$ 993,164	\$ 561,894	<b>56.58%</b>
Fiscal Agent Charges		\$ 1,385	
Appropriated Reserves	\$ 100,000		<b>0.00%</b>
Total Other	\$ 1,943,880	\$ 1,302,384	<b>67.00%</b>
Subtotal	\$ 13,558,989	\$ 7,520,406	<b>55.46%</b>
Encumbrances (5)		\$ 740,793	
<b>Adjusted Total</b>		<b>\$ 6,779,613</b>	<b>50.00%</b>

- (1) July 4th fireworks
- (2) Transfer to fund capital projects
- (3) Non-capitalized equipment and computer hardware
- (4) Marina Management Software
- (5) Funding committed but not yet expended i.e., contracts