



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 14, 2012
TO: Mayor and Councilmembers
FROM: Accounting Division, Finance Department
SUBJECT: Fiscal Year 2012 Mid-Year Review

RECOMMENDATION: That Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget as of December 31, 2011;
- B. Accept the Fiscal Year 2012 Interim Financial Statements for the Six Months Ended December 31, 2011; and
- C. Approve the proposed mid-year adjustments to Fiscal Year 2012 appropriations and estimated revenues.

DISCUSSION:

Each month, staff presents the interim financial statements (Attachment 1) showing the status of revenues and expenditures in relation to budget for each of the City's Funds. Each quarter, the interim financial statements are expanded to include a detailed narrative analysis of the General Fund and Enterprise Funds. This narrative analysis is included in Attachment 2.

In addition to the mid-year budget analysis, staff brings forward recommended adjustments for City Council approval. These adjustments are the result of new information and/or unanticipated events that occurred since the adoption of the budget in June 2011.

Attachment 3 includes proposed adjustments to the current year budget. A discussion of each is presented below.

General Fund

Intergovernmental Revenues

As part of the State's budget balancing plan for FY 2011-12, the Governor signed SB 89 that shifted Motor Vehicle License Fees (MVLFF) from cities and counties to fund state law enforcement grants. As a result, the City's revenue projection for MVLFF of \$200,000 will not materialize. However, the City will receive additional COPS/SLESF grant funds of \$44,188 to fund police personnel costs. Staff recommends reducing the amount budgeted as revenue in the General Fund and increasing COPS/SLESF estimated revenues and appropriations accordingly.

City Attorney

The City Attorney budget includes appropriations for online legal research services, law library updates, and other such legal publications. Due to substantial increases in subscription charges for these services, staff is recommending an additional appropriation of \$10,000 for publications.

In order to fund outside paralegal support for work on the gang injunction litigation, staff is recommending an additional appropriation of \$10,000 for professional services.

County Library Special Revenue Fund

The City received donations of \$48,349 from the Friends of the Library for the benefit of the Solvang, Montecito, and Carpinteria libraries. Most of the funds will be used to supplement the book acquisitions budget and personnel salaries for the three libraries. As for the Goleta branch, donations and Library Services and Technology Act (LSTA) grant revenues will generate \$37,421 in additional revenues that will be spent on book acquisitions and other special supplies. Staff recommends increasing both estimated revenues and appropriations by a total of \$85,770.

Streets Grants Capital Projects Fund

The City previously applied for various grants through the Federal Highway Administration, and staff has now been notified that funding approval was authorized. As a result, adjustments in the amount of \$1,166,567 are needed to reconcile grant awards for various bridge design and construction projects; City matching funds are not required at this time. Attachment 3 details the recommended adjustments to account for the changes in grant funding.

Cater Improvement Project Fund (Water)

1. In establishing the budget for the most recent Cater Ozone loan, staff identified a discrepancy from a similar State Revolving Loan in 2006. Due to an oversight, design costs totaling \$395,353 were not submitted for funding from State loan proceeds, leaving a deficit in the Cater Improvement Project Fund. To eliminate the deficit, staff is recommending a transfer of \$395,353 from the Water Capital Fund to the Cater Improvement Project Fund. Currently, the Water Capital Fund is reporting surplus funds due to capital project cost savings accumulated over the past few years.
2. In the past few years, the Water fund has paid for initial project costs pertaining to the most recent Cater Ozone project in anticipation that these costs would be reimbursed from a pending State Revolving Loan. After receiving approval for a State Revolving Loan to fund the project, staff submitted reimbursement requests for those costs. Therefore, staff recommends transferring \$2,496,631 from the Cater Improvement Project Fund to the Water Operating Fund as reimbursement for costs incurred prior to loan approval.

Airport Fund

Due to unanticipated circumstances, Airport staff is recommending an increase in appropriations in three existing capital projects and funding three new capital projects. Each of these is described below.

Existing Projects:

1. Goleta Sanitary District Upgrade (\$767,000) – The Airport is a member of the Goleta Sanitary District. In October 2007, the City Council approved the third amendment to the Agreement for expansion of the Goleta Sanitary District sewage disposal treatment plant. The Airport's share of the cost is based on capacity allocation of 2.84%. Funding for the design, permitting, and initial construction was funded in 2007; the construction contract has been issued by the District and the Airport's remaining share of costs is \$767,000.
2. Goleta Slough Mitigation (\$551,341) – The Runway Safety Project included approximately \$9 million in mitigation projects in the Goleta Slough Ecological Reserve. These projects must be maintained for seven years after construction. Federal grants were used for the first three years; however, since the grants have closed, the Airport is responsible for providing funds for the remaining maintenance period.

3. Airline Terminal Improvement (\$538,724) – Funding for the Terminal project included Federal Aviation Administration and Airport Improvement Program (AIP) grants. Congress has failed to pass legislation for the FAA and the AIP entitlement grant program since 2007. As a result, the Airport did not receive grant funds in a timely manner and had to use Airport capital funding. In most recent weeks, the Senate and House passed a bill to renew and extend federal aviation grant funding through 2015, and the President is expected to sign it into law. The City will still be required to submit grant applications to be eligible; grant funding is expected to be awarded by June 2012. It is anticipated that the City may be reimbursed for some of the project costs included in this appropriation request.

New Projects:

1. Parking Lot Kiosk (\$120,000) – The Airline Terminal Improvement Project included a redesign of the short-term parking lot using automated parking equipment. The automated equipment requires parking staff to be available to assist when equipment malfunctions, requiring construction of a small kiosk in the short-term parking lot.
2. Parking Lot Kiosk Equipment (\$250,000) – Automated parking equipment will be installed in the short-term parking lot, which is re-opening after completion of the terminal expansion. The equipment purchased will be consistent with equipment already in place at both long-term lots.
3. Building Demolition (\$130,000) – There are structures on the Airport that are no longer habitable, and require removal; project will include the demolition of the Chrysler building and a hangar.

Staff recommends funding all of the additional appropriations totaling \$2,357,065 from reserves in the Airport Operating Fund above amounts required and funded pursuant to City policy.

Wastewater Fund

Due to the Channelkeeper lawsuit filed against the City, legal costs for outside attorney services are projected to be higher than budgeted. As a result, staff recommends an appropriation of \$150,000 funded from Wastewater reserves.

Intra-City Services Fund (Facilities)

Due to safety issues, staff is recommending completing the Dwight Murphy Sports Lighting project in the current year. An appropriation of \$200,000 from the Facilities reserves is needed to cover project costs.

ATTACHMENTS:

1. Summary by Fund Statement of Revenues and Expenditures for the Six Months Ended December 31, 2011
2. Interim Financial Statements for the Six Months Ended December 31, 2011 (Narrative Analysis)
3. Proposed Mid-Year Adjustments

PREPARED BY: Ruby Carrillo, Accounting Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Summary by Fund
For the Six Months Ended December 31, 2011 (50% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
GENERAL FUND					
Revenue	103,255,521	46,879,617	-	56,175,904	45.4%
Expenditures	103,582,186	50,373,720	1,667,627	51,540,840	50.2%
<i>Addition to / (use of) reserves</i>	<u>(326,665)</u>	<u>(3,494,103)</u>	<u>(1,667,627)</u>		
WATER OPERATING FUND					
Revenue	35,671,185	18,522,061	-	17,149,124	51.9%
Expenditures	43,447,024	19,091,003	2,844,852	21,511,169	50.5%
<i>Addition to / (use of) reserves</i>	<u>(7,775,839)</u>	<u>(568,941)</u>	<u>(2,844,852)</u>		
WASTEWATER OPERATING FUND					
Revenue	16,395,810	8,313,526	-	8,082,284	50.7%
Expenditures	17,517,788	7,782,578	1,585,446	8,149,763	53.5%
<i>Addition to / (use of) reserves</i>	<u>(1,121,978)</u>	<u>530,947</u>	<u>(1,585,446)</u>		
DOWNTOWN PARKING					
Revenue	7,036,049	3,630,683	-	3,405,366	51.6%
Expenditures	7,582,431	3,592,610	395,554	3,594,268	52.6%
<i>Addition to / (use of) reserves</i>	<u>(546,382)</u>	<u>38,074</u>	<u>(395,554)</u>		
AIRPORT OPERATING FUND					
Revenue	15,030,488	7,372,233	-	7,658,255	49.0%
Expenditures	15,553,623	6,672,326	569,195	8,312,102	46.6%
<i>Addition to / (use of) reserves</i>	<u>(523,135)</u>	<u>699,907</u>	<u>(569,195)</u>		
GOLF COURSE FUND					
Revenue	2,060,146	907,805	-	1,152,341	44.1%
Expenditures	2,065,870	1,004,885	112,148	948,837	54.1%
<i>Addition to / (use of) reserves</i>	<u>(5,724)</u>	<u>(97,081)</u>	<u>(112,148)</u>		
INTRA-CITY SERVICE FUND					
Revenue	6,119,971	3,037,312	-	3,082,659	49.6%
Expenditures	6,122,735	2,903,307	873,548	2,345,880	61.7%
<i>Addition to / (use of) reserves</i>	<u>(2,764)</u>	<u>134,005</u>	<u>(873,548)</u>		

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Summary by Fund
For the Six Months Ended December 31, 2011 (50% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget
FLEET REPLACEMENT FUND					
Revenue	2,230,083	1,127,178	-	1,102,905	50.5%
Expenditures	1,502,646	340,616	26,169	1,135,861	24.4%
<i>Addition to / (use of) reserves</i>	<u>727,437</u>	<u>786,563</u>	<u>(26,169)</u>		
FLEET MAINTENANCE FUND					
Revenue	2,530,723	1,253,011	-	1,277,712	49.5%
Expenditures	2,482,012	1,019,547	227,931	1,234,535	50.3%
<i>Addition to / (use of) reserves</i>	<u>48,711</u>	<u>233,464</u>	<u>(227,931)</u>		
SELF INSURANCE TRUST FUND					
Revenue	5,391,678	2,588,069	-	2,803,609	48.0%
Expenditures	9,055,327	4,348,914	241,132	4,465,281	50.7%
<i>Addition to / (use of) reserves</i>	<u>(3,663,649)</u>	<u>(1,760,845)</u>	<u>(241,132)</u>		
INFORMATION SYSTEMS ICS FUND					
Revenue	2,306,135	1,154,275	-	1,151,860	50.1%
Expenditures	2,347,350	1,178,495	151,434	1,017,421	56.7%
<i>Addition to / (use of) reserves</i>	<u>(41,215)</u>	<u>(24,220)</u>	<u>(151,434)</u>		
WATERFRONT FUND					
Revenue	12,203,518	6,580,089	-	5,623,429	53.9%
Expenditures	11,981,963	5,929,610	777,383	5,274,970	56.0%
<i>Addition to / (use of) reserves</i>	<u>221,555</u>	<u>650,479</u>	<u>(777,383)</u>		
TOTAL FOR ALL FUNDS					
Revenue	210,231,307	101,365,859	-	108,665,448	48.2%
Expenditures	223,240,958	104,237,610	9,472,420	109,530,928	50.9%
<i>Addition to / (use of) reserves</i>	<u>(13,009,651)</u>	<u>(2,871,751)</u>	<u>(9,472,420)</u>		

*** It is City policy to adopt a balanced budget. In most cases, encumbrance balances exist at year-end. These encumbrance balances are obligations of each fund and must be reported at the beginning of each fiscal year. In addition, a corresponding appropriations entry must be made in order to accommodate the 'carried-over' encumbrance amount. Most differences between budgeted annual revenues and expenses are due to these encumbrance carryovers.*

CITY OF SANTA BARBARA
General Fund
Interim Statement of Budgeted and Actual Revenues
For the Six Months Ended December 31, 2011 (50% of Fiscal Year)

	Annual Budget	YTD Actual	Remaining Balance	Percent Received	Previous YTD
TAXES					
Sales and Use	17,949,013	7,322,448	10,626,564	40.8%	6,749,831
Property Taxes	23,063,000	8,612,610	14,450,390	37.3%	8,701,723
Utility Users Tax	7,144,500	3,615,774	3,528,726	50.6%	3,521,932
Transient Occupancy Tax	13,011,452	7,953,158	5,058,294	61.1%	7,261,448
Franchise Fees	3,593,200	1,659,224	1,933,977	46.2%	1,670,255
Business License	2,229,800	904,302	1,325,498	40.6%	944,434
Real Property Transfer Tax	410,000	182,062	227,938	44.4%	204,871
<i>Total</i>	<u>67,400,965</u>	<u>30,249,578</u>	<u>37,151,387</u>	44.9%	<u>29,054,494</u>
LICENSES & PERMITS					
Licenses & Permits	182,900	109,943	72,957	60.1%	73,076
<i>Total</i>	<u>182,900</u>	<u>109,943</u>	<u>72,957</u>	60.1%	<u>73,076</u>
FINES & FORFEITURES					
Parking Violations	2,403,500	1,187,347	1,216,153	49.4%	1,226,341
Library Fines	133,516	54,765	78,751	41.0%	54,292
Municipal Court Fines	180,000	59,814	120,186	33.2%	88,938
Other Fines & Forfeitures	210,000	107,906	102,094	51.4%	114,197
<i>Total</i>	<u>2,927,016</u>	<u>1,409,832</u>	<u>1,517,184</u>	48.2%	<u>1,483,768</u>
USE OF MONEY & PROPERTY					
Investment Income	740,827	363,313	377,514	49.0%	424,129
Rents & Concessions	397,952	140,030	257,922	35.2%	224,871
<i>Total</i>	<u>1,138,779</u>	<u>503,342</u>	<u>635,437</u>	44.2%	<u>649,000</u>
INTERGOVERNMENTAL					
Grants	488,610	96,244	392,366	19.7%	306,029
Vehicle License Fees	200,000	-	-	0.0%	156,405
Reimbursements	14,040	1,323	12,717	9.4%	5,263
<i>Total</i>	<u>702,650</u>	<u>97,567</u>	<u>405,083</u>	13.9%	<u>467,697</u>
FEES & SERVICE CHARGES					
Finance	860,000	418,008	441,992	48.6%	424,515
Community Development	4,525,570	2,123,498	2,402,072	46.9%	2,163,276
Recreation	2,274,257	1,100,908	1,173,349	48.4%	1,010,553
Public Safety	499,673	284,027	215,646	56.8%	206,516
Public Works	5,286,083	2,512,613	2,773,470	47.5%	2,502,944
Library	675,575	340,574	335,001	50.4%	367,447
Reimbursements	6,227,567	2,924,282	3,303,285	47.0%	2,755,760
<i>Total</i>	<u>20,348,725</u>	<u>9,703,910</u>	<u>10,644,815</u>	47.7%	<u>9,431,012</u>
OTHER MISCELLANEOUS REVENUES					
Miscellaneous	1,392,091	843,783	548,308	60.6%	883,862
Indirect Allocations	6,111,818	3,055,909	3,055,909	50.0%	3,260,255
Operating Transfers-In	3,050,577	905,751	2,144,826	29.7%	541,079
<i>Total</i>	<u>10,554,486</u>	<u>4,805,444</u>	<u>5,749,042</u>	45.5%	<u>4,685,196</u>
TOTAL REVENUES	<u>103,255,521</u>	<u>46,879,617</u>	<u>56,175,904</u>	45.4%	<u>45,844,245</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Six Months Ended December 31, 2011 (50% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>** Remaining Balance</u>	<u>YTD Expended and Encumbered</u>	<u>Previous YTD</u>
GENERAL GOVERNMENT						
<u>Mayor & City Council</u>						
MAYOR	725,196	342,891	977	381,329	47.4%	
<i>Total</i>	<u>725,196</u>	<u>342,891</u>	<u>977</u>	<u>381,329</u>	47.4%	<u>341,672</u>
<u>City Attorney</u>						
CITY ATTORNEY	1,930,640	969,539	-	961,101	50.2%	
<i>Total</i>	<u>1,930,640</u>	<u>969,539</u>	<u>-</u>	<u>961,101</u>	50.2%	<u>957,001</u>
<u>Administration</u>						
CITY ADMINISTRATOR	1,468,399	712,816	1,467	754,116	48.6%	
CITY TV	455,110	201,900	40,067	213,143	53.2%	
<i>Total</i>	<u>1,923,509</u>	<u>914,716</u>	<u>41,534</u>	<u>967,259</u>	49.7%	<u>892,854</u>
<u>Administrative Services</u>						
CITY CLERK	435,245	207,230	13,711	214,303	50.8%	
ADMIN SVCS-ELECTIONS	300,000	84,297	177,360	38,343	87.2%	
HUMAN RESOURCES	1,197,982	545,833	22,511	629,638	47.4%	
ADMIN SVCS-EMPLOYEE DEVELOPMENT	14,447	44	-	14,403	0.3%	
<i>Total</i>	<u>1,947,674</u>	<u>837,405</u>	<u>213,583</u>	<u>896,686</u>	54.0%	<u>717,998</u>
<u>Finance</u>						
ADMINISTRATION	219,098	117,632	10,212	91,254	58.4%	
TREASURY	482,061	195,312	-	286,750	40.5%	
CASHIERING & COLLECTION	417,180	208,087	-	209,093	49.9%	
LICENSES & PERMITS	417,558	191,772	-	225,786	45.9%	
BUDGET MANAGEMENT	396,344	191,839	-	204,505	48.4%	
ACCOUNTING	478,913	244,927	31,591	202,395	57.7%	
PAYROLL	268,474	127,107	-	141,367	47.3%	
ACCOUNTS PAYABLE	207,832	102,858	-	104,974	49.5%	
CITY BILLING & CUSTOMER SERVICE	583,635	237,447	1,831	344,357	41.0%	
PURCHASING	659,344	323,915	2,566	332,864	49.5%	
CENTRAL STORES	160,010	78,066	500	81,444	49.1%	
MAIL SERVICES	102,301	49,288	500	52,513	48.7%	
<i>Total</i>	<u>4,392,750</u>	<u>2,068,248</u>	<u>47,200</u>	<u>2,277,301</u>	48.2%	<u>1,994,526</u>
TOTAL GENERAL GOVERNMENT	<u>10,919,769</u>	<u>5,132,799</u>	<u>303,294</u>	<u>5,483,677</u>	49.8%	<u>4,904,052</u>
PUBLIC SAFETY						
<u>Police</u>						
CHIEF'S STAFF	979,104	501,230	567	477,308	51.3%	
SUPPORT SERVICES	574,199	268,183	988	305,028	46.9%	
RECORDS	1,172,517	543,284	5,434	623,799	46.8%	
COMMUNITY SVCS	729,721	354,682	2,647	372,392	49.0%	
PROPERTY ROOM	165,159	64,845	-	100,314	39.3%	
TRNG/RECRUITMENT	405,269	266,627	15,596	123,047	69.6%	

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Six Months Ended December 31, 2011 (50% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>** Remaining Balance</u>	<u>YTD Expended and Encumbered</u>	<u>Previous YTD</u>
PUBLIC SAFETY						
<u>Police</u>						
RANGE	1,184,348	567,481	47,217	569,650	51.9%	
BEAT COORDINATORS	784,859	330,427	-	454,432	42.1%	
INFORMATION TECHNOLOGY	1,275,768	630,863	13,870	631,035	50.5%	
INVESTIGATIVE DIVISION	4,582,903	2,180,175	4,213	2,398,515	47.7%	
CRIME LAB	130,163	66,095	-	64,068	50.8%	
PATROL DIVISION	14,663,551	7,283,218	131,512	7,248,821	50.6%	
TRAFFIC	1,288,412	654,426	1,100	632,886	50.9%	
SPECIAL EVENTS	772,599	750,927	-	21,672	97.2%	
TACTICAL PATROL FORCE	1,324,561	558,919	-	765,642	42.2%	
STREET SWEEPING ENFORCEMENT	294,783	147,303	-	147,480	50.0%	
NIGHT LIFE ENFORCEMENT	297,965	133,043	-	164,922	44.7%	
PARKING ENFORCEMENT	931,552	404,518	27,800	499,234	46.4%	
CCC	2,361,140	1,070,211	1,854	1,289,074	45.4%	
ANIMAL CONTROL	607,170	274,128	-	333,042	45.1%	
<i>Total</i>	<u>34,525,743</u>	<u>17,051,606</u>	<u>252,797</u>	<u>17,221,340</u>	50.1%	<u>16,501,094</u>
<u>Fire</u>						
ADMINISTRATION	740,779	376,976	4,102	359,701	51.4%	
EMERGENCY SERVICES AND PUBLIC ED	246,838	116,397	-	130,441	47.2%	
PREVENTION	1,109,296	547,918	783	560,596	49.5%	
WILDLAND FIRE MITIGATION PROGRAM	172,505	80,078	16,518	75,909	56.0%	
OPERATIONS	17,119,140	8,299,974	74,546	8,744,620	48.9%	
ARFF	1,698,433	857,098	-	841,335	50.5%	
<i>Total</i>	<u>21,086,991</u>	<u>10,278,440</u>	<u>95,949</u>	<u>10,712,601</u>	49.2%	<u>10,551,082</u>
TOTAL PUBLIC SAFETY	<u>55,612,734</u>	<u>27,330,046</u>	<u>348,746</u>	<u>27,933,942</u>	49.8%	<u>27,052,176</u>
PUBLIC WORKS						
<u>Public Works</u>						
ADMINISTRATION	868,519	396,155	12,633	459,731	47.1%	
ENGINEERING SVCS	4,357,704	2,032,568	19,444	2,305,692	47.1%	
PUBLIC RT OF WAY MGMT	1,176,628	551,363	5,664	619,601	47.3%	
ENVIRONMENTAL PROGRAMS	421,105	95,259	146,578	179,268	57.4%	
<i>Total</i>	<u>6,823,956</u>	<u>3,075,345</u>	<u>184,319</u>	<u>3,564,292</u>	47.8%	<u>3,084,348</u>
TOTAL PUBLIC WORKS	<u>6,823,956</u>	<u>3,075,345</u>	<u>184,319</u>	<u>3,564,292</u>	47.8%	<u>3,084,348</u>
COMMUNITY SERVICES						
<u>Parks & Recreation</u>						
PRGM MGMT & BUS SVCS	370,912	215,146	42	155,724	58.0%	
FACILITIES	731,720	362,994	12,580	356,146	51.3%	
YOUTH ACTIVITIES	743,003	413,784	3,999	325,221	56.2%	
SR CITIZENS	717,260	386,359	826	330,076	54.0%	

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Six Months Ended December 31, 2011 (50% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	** Remaining Balance	YTD Expended and Encumbered	Previous YTD
COMMUNITY SERVICES						
<u>Parks & Recreation</u>						
AQUATICS	1,040,683	644,377	34,167	362,140	65.2%	
SPORTS	423,214	211,103	13,911	198,200	53.2%	
TENNIS	224,714	108,906	-	115,808	48.5%	
NEIGHBORHOOD & OUTREACH SERV	980,833	496,543	4,070	480,220	51.0%	
ADMINISTRATION	522,889	262,132	-	260,757	50.1%	
PROJECT MANAGEMENT TEAM	222,476	116,874	-	105,602	52.5%	
BUSINESS SERVICES	299,201	122,417	4,646	172,138	42.5%	
FACILITY & PROJECT MGT	992,450	561,355	1,510	429,586	56.7%	
GROUNDS MANAGEMENT	4,119,025	1,916,945	88,420	2,113,660	48.7%	
FORESTRY	1,160,228	530,122	124,268	505,838	56.4%	
BEACH MAINTENANCE	146,160	51,850	15,754	78,557	46.3%	
<i>Total</i>	12,694,768	6,400,905	304,191	5,989,672	52.8%	6,195,041
<u>Library</u>						
ADMINISTRATION	420,294	199,937	-	220,357	47.6%	
PUBLIC SERVICES	1,822,641	918,332	700	903,609	50.4%	
SUPPORT SERVICES	1,782,752	728,895	119,341	934,517	47.6%	
<i>Total</i>	4,025,687	1,847,163	120,041	2,058,483	48.9%	1,784,991
TOTAL COMMUNITY SERVICES	16,720,455	8,248,068	424,232	8,048,155	51.9%	7,980,031
COMMUNITY DEVELOPMENT						
<u>Community Development</u>						
ADMINISTRATION	456,182	218,493	823	236,866	48.1%	
ECON DEV	52,667	21,357	-	31,310	40.6%	
CITY ARTS ADVISORY PROGRAM	427,260	361,237	-	66,024	84.5%	
HUMAN SVCS	855,862	435,280	344,785	75,796	91.1%	
RDA	715,653	304,184	-	411,469	42.5%	
RDA HSG DEV	611,074	268,223	-	342,851	43.9%	
LR PLANNING/STUDIES	826,558	348,946	15,472	462,139	44.1%	
DEV & DESIGN REVIEW	1,075,206	511,562	16,709	546,935	49.1%	
ZONING	1,245,146	544,678	3,629	696,839	44.0%	
DESIGN REV & HIST PRESERVATN	975,603	452,346	6,335	516,922	47.0%	
BLDG PERMITS	1,048,775	498,108	7,311	543,357	48.2%	
RECORDS & ARCHIVES	529,868	231,730	11,489	286,648	45.9%	
PLAN CK & COUNTER SRV	1,271,905	597,555	482	673,867	47.0%	
<i>Total</i>	10,091,759	4,793,702	407,036	4,891,020	51.5%	4,834,310
TOTAL COMMUNITY DEVELOPMENT	10,091,759	4,793,702	407,036	4,891,020	51.5%	4,834,310
NON-DEPARTMENTAL						
<u>Non-Departmental</u>						
DUES, MEMBERSHIPS, & LICENSES	22,272	-	-	22,272	0.0%	

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Six Months Ended December 31, 2011 (50% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	** Remaining Balance	YTD Expended and Encumbered	Previous YTD
NON-DEPARTMENTAL						
<u>Non-Departmental</u>						
COMMUNITY PROMOTIONS	1,536,799	903,078	-	633,721	58.8%	
SPECIAL PROJECTS	381,073	148,669	-	232,404	39.0%	
TRANSFERS OUT	43,500	21,750	-	21,750	50.0%	
DEBT SERVICE TRANSFERS	349,983	312,615	-	37,368	89.3%	
CAPITAL OUTLAY TRANSFER	665,457	405,954	-	259,503	61.0%	
APPROP. RESERVE	414,429	-	-	414,429	0.0%	
<i>Total</i>	3,413,513	1,793,759	-	1,619,754	52.5%	1,605,563
TOTAL NON-DEPARTMENTAL	3,413,513	1,793,759	-	1,619,754	52.5%	1,605,563
TOTAL EXPENDITURES	103,582,186	50,373,720	1,667,627	51,540,840	50.2%	49,460,481

*** The legal level of budgetary control is at the department level for the General Fund. Therefore, as long as the department as a whole is within budget, budgetary compliance has been achieved. The City actively monitors the budget status of each department and takes measures to address potential over budget situations before they occur.*

For Enterprise and Internal Service Funds, the legal level of budgetary control is at the fund level. The City also monitors and addresses these fund types for potential over budget situations.

CITY OF SANTA BARBARA
Special Revenue Funds
Interim Statement of Revenues and Expenditures
For the Six Months Ended December 31, 2011 (50% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
TRAFFIC SAFETY FUND					
Revenue	515,000	235,093	-	279,907	45.6%
Expenditures	515,000	235,093	-	279,907	45.6%
<i>Revenue Less Expenditures</i>	-	-	-	-	
CREEK RESTORATION/WATER QUALITY IMPRVMT					
Revenue	2,800,800	1,679,010	-	1,121,790	59.9%
Expenditures	3,545,725	1,374,054	475,165	1,696,506	52.2%
<i>Revenue Less Expenditures</i>	(744,925)	304,957	(475,165)	(574,717)	
SOLID WASTE PROGRAM					
Revenue	18,331,232	8,793,600	-	9,537,632	48.0%
Expenditures	19,129,869	8,953,307	448,470	9,728,092	49.1%
<i>Revenue Less Expenditures</i>	(798,637)	(159,707)	(448,470)	(190,460)	
COMM.DEVELOPMENT BLOCK GRANT					
Revenue	2,730,423	244,300	-	2,486,124	8.9%
Expenditures	2,730,423	1,135,061	307,859	1,287,503	52.8%
<i>Revenue Less Expenditures</i>	-	(890,761)	(307,859)	1,198,620	
COUNTY LIBRARY					
Revenue	1,858,999	611,098	-	1,247,901	32.9%
Expenditures	1,972,766	895,327	91,089	986,350	50.0%
<i>Revenue Less Expenditures</i>	(113,767)	(284,229)	(91,089)	261,551	
STREETS FUND					
Revenue	10,598,577	5,518,995	-	5,079,582	52.1%
Expenditures	14,646,871	5,469,465	1,874,818	7,302,589	50.1%
<i>Revenue Less Expenditures</i>	(4,048,294)	49,530	(1,874,818)	(2,223,007)	
MEASURE A					
Revenue	2,774,034	1,206,399	-	1,567,635	43.5%
Expenditures	3,335,145	1,279,191	1,081,333	974,621	70.8%
<i>Revenue Less Expenditures</i>	(561,111)	(72,792)	(1,081,333)	593,014	

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2011 (50% of Fiscal Year)

WATER OPERATING FUND

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Water Sales - Metered	30,700,000	16,137,605	-	14,562,395	52.6%	15,224,621
Service Charges	450,192	352,246	-	97,946	78.2%	489,285
Cater JPA Treatment Charges	2,619,000	1,157,140	-	1,461,860	44.2%	1,699,736
Investment Income	791,800	354,101	-	437,699	44.7%	527,791
Miscellaneous	604,691	268,218	-	336,473	44.4%	494,745
Operating Transfers-In	505,502	252,751	-	252,751	50.0%	-
TOTAL REVENUES	35,671,185	18,522,061	-	17,149,124	51.9%	18,436,179
EXPENSES						
Salaries & Benefits	7,649,148	3,581,491	-	4,067,657	46.8%	3,493,361
Materials, Supplies & Services	9,996,116	3,200,121	2,324,019	4,471,975	55.3%	3,599,999
Special Projects	1,438,061	192,298	161,373	1,084,391	24.6%	140,144
Water Purchases	7,723,468	3,687,292	336,393	3,699,783	52.1%	3,209,238
Debt Service	4,831,189	2,701,850	-	2,129,339	55.9%	2,618,931
Capital Outlay Transfers	11,284,416	5,642,208	-	5,642,208	50.0%	1,674,851
Equipment	195,427	51,612	338	143,476	26.6%	50,979
Capitalized Fixed Assets	124,200	8,190	22,729	93,281	24.9%	6,285
Other	55,000	25,940	-	29,060	47.2%	26,343
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
TOTAL EXPENSES	43,447,024	19,091,003	2,844,852	21,511,169	50.5%	14,820,132

NOTE - These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2011 (50% of Fiscal Year)

WASTEWATER OPERATING FUND

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Service Charges	14,926,192	7,537,371	-	7,388,821	50.5%	7,082,869
Fees	493,222	287,962	-	205,260	58.4%	474,438
Investment Income	267,300	113,800	-	153,500	42.6%	152,599
Public Works	10,000	23,476	-	(13,476)	234.8%	18,816
Miscellaneous	25,000	13,868	-	11,132	55.5%	66,905
Operating Transfers-In	674,096	337,048	-	337,048	50.0%	-
TOTAL REVENUES	16,395,810	8,313,526	-	8,082,284	50.7%	7,795,627
EXPENSES						
Salaries & Benefits	5,148,257	2,364,565	-	2,783,692	45.9%	2,418,577
Materials, Supplies & Services	6,045,715	2,768,696	1,582,466	1,694,553	72.0%	2,340,719
Special Projects	100,000	4,104	-	95,896	4.1%	150,802
Debt Service	1,352,213	324,512	-	1,027,701	24.0%	334,388
Capital Outlay Transfers	4,592,559	2,296,280	-	2,296,280	50.0%	3,147,750
Equipment	98,044	22,553	44	75,447	23.0%	16,901
Capitalized Fixed Assets	26,000	868	2,936	22,195	14.6%	33,907
Other	5,000	1,000	-	4,000	20.0%	1,000
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
TOTAL EXPENSES	17,517,788	7,782,578	1,585,446	8,149,763	53.5%	8,444,044

NOTE - These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2011 (50% of Fiscal Year)
DOWNTOWN PARKING

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Improvement Tax	840,000	461,216	-	378,784	54.9%	440,041
Parking Fees	5,662,166	2,932,469	-	2,729,697	51.8%	2,675,347
Investment Income	137,600	59,841	-	77,759	43.5%	78,767
Rents & Concessions	40,925	-	-	40,925	0.0%	-
Reimbursements	-	-	-	-	100.0%	4,598
Miscellaneous	1,500	228	-	1,272	15.2%	11,981
Operating Transfers-In	353,858	176,929	-	176,929	50.0%	21,750
TOTAL REVENUES	<u>7,036,049</u>	<u>3,630,683</u>	<u>-</u>	<u>3,405,366</u>	<u>51.6%</u>	<u>3,232,485</u>
EXPENSES						
Salaries & Benefits	3,799,707	1,852,901	-	1,946,806	48.8%	1,792,510
Materials, Supplies & Services	1,842,052	775,173	247,925	818,954	55.5%	669,019
Special Projects	574,522	292,375	141,229	140,918	75.5%	84,140
Transfers-Out	297,121	148,560	-	148,561	50.0%	140,811
Capital Outlay Transfers	1,043,270	521,635	-	521,635	50.0%	330,000
Equipment	25,760	1,965	6,400	17,395	32.5%	6,730
TOTAL EXPENSES	<u>7,582,431</u>	<u>3,592,610</u>	<u>395,554</u>	<u>3,594,268</u>	<u>52.6%</u>	<u>3,023,210</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2011 (50% of Fiscal Year)
AIRPORT OPERATING FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Leases - Commercial / Industrial	4,171,000	2,167,242	-	2,003,758	52.0%	2,134,602
Leases - Terminal	5,183,033	2,532,033	-	2,651,000	48.9%	2,656,004
Leases - Non-Commerical Aviation	1,361,600	759,114	-	602,486	55.8%	786,090
Leases - Commerical Aviation	3,465,000	1,441,135	-	2,023,865	41.6%	1,144,257
Investment Income	214,300	92,269	-	122,031	43.1%	124,848
Miscellaneous	185,052	230,356	-	(45,304)	124.5%	83,460
Operating Transfers-In	450,503	150,083	-	300,420	33.3%	-
TOTAL REVENUES	<u>15,030,488</u>	<u>7,372,233</u>	<u>-</u>	<u>7,658,255</u>	<u>49.0%</u>	<u>6,929,261</u>
EXPENSES						
Salaries & Benefits	5,001,631	2,437,847	-	2,563,784	48.7%	2,302,198
Materials, Supplies & Services	6,646,161	2,969,271	531,761	3,145,128	52.7%	2,851,624
Special Projects	941,298	372,824	28,695	539,779	42.7%	285,256
Transfers-Out	44,212	22,106	-	22,106	50.0%	15,525
Debt Service	1,113,099	-	-	1,113,099	0.0%	-
Capital Outlay Transfers	1,496,334	822,740	-	673,594	55.0%	275,000
Equipment	129,276	47,538	8,739	72,999	43.5%	14,420
Appropriated Reserve	181,613	-	-	181,613	0.0%	-
TOTAL EXPENSES	<u>15,553,623</u>	<u>6,672,326</u>	<u>569,195</u>	<u>8,312,102</u>	<u>46.6%</u>	<u>5,744,022</u>

NOTE - These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2011 (50% of Fiscal Year)

GOLF COURSE FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Fees & Card Sales	1,640,801	732,107	-	908,694	44.6%	778,588
Investment Income	9,900	5,020	-	4,880	50.7%	7,164
Rents & Concessions	302,322	118,717	-	183,605	39.3%	143,935
Miscellaneous	3,500	149	-	3,351	4.2%	43
Operating Transfers-In	103,623	51,812	-	51,812	50.0%	-
TOTAL REVENUES	<u>2,060,146</u>	<u>907,805</u>	<u>-</u>	<u>1,152,341</u>	<u>44.1%</u>	<u>929,730</u>
EXPENSES						
Salaries & Benefits	1,111,449	538,252	-	573,197	48.4%	538,836
Materials, Supplies & Services	547,478	259,249	107,624	180,606	67.0%	278,290
Special Projects	10,724	-	4,524	6,200	42.2%	-
Debt Service	230,294	159,507	-	70,787	69.3%	157,025
Capital Outlay Transfers	92,036	46,018	-	46,018	50.0%	35,000
Equipment	27,500	1,013	-	26,487	3.7%	2,597
Other	1,014	847	-	167	83.5%	847
Appropriated Reserve	45,375	-	-	45,375	0.0%	-
TOTAL EXPENSES	<u>2,065,870</u>	<u>1,004,885</u>	<u>112,148</u>	<u>948,837</u>	<u>54.1%</u>	<u>1,012,595</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2011 (50% of Fiscal Year)

INTRA-CITY SERVICE FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Service charges	99,584	49,792	-	49,792	50.0%	-
Work Orders - Bldg Maint.	3,035,446	1,600,990	-	1,434,456	52.7%	1,569,293
Grants	617,472	199,354	-	418,118	32.3%	-
Service Charges	2,032,567	1,016,284	-	1,016,283	50.0%	866,283
Miscellaneous	-	3,441	-	(3,441)	100.0%	147
Operating Transfers-In	334,902	167,451	-	167,451	50.0%	-
TOTAL REVENUES	<u>6,119,971</u>	<u>3,037,312</u>	<u>-</u>	<u>3,082,659</u>	<u>49.6%</u>	<u>2,435,722</u>
EXPENSES						
Salaries & Benefits	3,107,626	1,465,958	-	1,641,668	47.2%	1,372,817
Materials, Supplies & Services	1,104,526	489,391	165,442	449,692	59.3%	457,658
Special Projects	1,320,989	561,580	562,672	196,737	85.1%	384,301
Equipment	15,000	-	1,449	13,551	9.7%	6,290
Capitalized Fixed Assets	574,595	386,377	143,985	44,233	92.3%	11,436
TOTAL EXPENSES	<u>6,122,735</u>	<u>2,903,307</u>	<u>873,548</u>	<u>2,345,880</u>	<u>61.7%</u>	<u>2,232,503</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2011 (50% of Fiscal Year)

FLEET REPLACEMENT FUND

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Vehicle Rental Charges	1,805,982	900,597	-	905,385	49.9%	895,713
Investment Income	149,700	67,486	-	82,214	45.1%	87,508
Rents & Concessions	224,401	112,201	-	112,200	50.0%	116,171
Miscellaneous	50,000	46,895	-	3,105	93.8%	19,613
TOTAL REVENUES	2,230,083	1,127,178	-	1,102,905	50.5%	1,119,004
EXPENSES						
Salaries & Benefits	158,537	79,741	-	78,796	50.3%	74,429
Materials, Supplies & Services	2,452	551	-	1,901	22.5%	497
Special Projects	300,000	-	-	300,000	0.0%	-
Capitalized Fixed Assets	1,041,657	260,323	26,169	755,165	27.5%	1,307,710
TOTAL EXPENSES	1,502,646	340,616	26,169	1,135,861	24.4%	1,382,636

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2011 (50% of Fiscal Year)

FLEET MAINTENANCE FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Vehicle Maintenance Charges	2,371,918	1,185,959	-	1,185,959	50.0%	1,184,709
Miscellaneous	60,000	17,649	-	42,351	29.4%	7,520
Operating Transfers-In	98,805	49,403	-	49,403	50.0%	-
TOTAL REVENUES	<u>2,530,723</u>	<u>1,253,011</u>	<u>-</u>	<u>1,277,712</u>	<u>49.5%</u>	<u>1,192,229</u>
EXPENSES						
Salaries & Benefits	1,147,349	571,459	-	575,890	49.8%	558,700
Materials, Supplies & Services	1,269,663	438,757	219,463	611,444	51.8%	482,954
Special Projects	60,000	9,331	8,468	42,201	29.7%	11,069
Equipment	5,000	-	-	5,000	0.0%	1,653
TOTAL EXPENSES	<u>2,482,012</u>	<u>1,019,547</u>	<u>227,931</u>	<u>1,234,535</u>	<u>50.3%</u>	<u>1,054,376</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2011 (50% of Fiscal Year)

SELF INSURANCE TRUST FUND

	** Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Insurance Premiums	2,547,084	1,273,542	-	1,273,542	50.0%	1,291,875
Workers' Compensation Premiums	2,500,000	1,250,000	-	1,250,000	50.0%	1,321,791
OSH Charges	182,894	-	-	182,894	0.0%	-
Investment Income	161,700	62,417	-	99,283	38.6%	91,529
Reimbursements	-	-	-	-	100.0%	316
Miscellaneous	-	2,110	-	(2,110)	100.0%	4,192
TOTAL REVENUES	5,391,678	2,588,069	-	2,803,609	48.0%	2,709,703
EXPENSES						
Salaries & Benefits	500,761	218,422	-	282,339	43.6%	193,617
Materials, Supplies & Services	4,860,238	2,283,518	241,132	2,335,588	51.9%	2,465,682
Transfers-Out	3,694,328	1,846,975	-	1,847,353	50.0%	717,988
TOTAL EXPENSES	9,055,327	4,348,914	241,132	4,465,281	50.7%	3,377,287

*** The Self Insurance Trust Fund is an internal service fund of the City, which accounts for the cost of providing workers' compensation, property and liability insurance as well as unemployment insurance and certain self-insured employee benefits on a city-wide basis. Internal Service Funds charge other funds for the cost of providing their specific services.*

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2011 (50% of Fiscal Year)

INFORMATION SYSTEMS ICS FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Service charges	2,286,395	1,143,197	-	1,143,198	50.0%	1,145,792
Miscellaneous	-	1,209	-	(1,209)	100.0%	-
Operating Transfers-In	19,740	9,870	-	9,870	50.0%	-
TOTAL REVENUES	<u>2,306,135</u>	<u>1,154,275</u>	<u>-</u>	<u>1,151,860</u>	<u>50.1%</u>	<u>1,145,792</u>
EXPENSES						
Salaries & Benefits	1,502,407	743,545	-	758,862	49.5%	733,352
Materials, Supplies & Services	553,174	365,552	107,148	80,475	85.5%	344,096
Special Projects	3,700	3,171	1,647	(1,118)	130.2%	3,587
Equipment	276,637	66,227	42,640	167,770	39.4%	116,019
Appropriated Reserve	11,432	-	-	11,432	0.0%	-
TOTAL EXPENSES	<u>2,347,350</u>	<u>1,178,495</u>	<u>151,434</u>	<u>1,017,421</u>	<u>56.7%</u>	<u>1,197,053</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2011 (50% of Fiscal Year)

WATERFRONT FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Leases - Commercial	1,332,869	802,542	-	530,327	60.2%	740,685
Leases - Food Service	2,352,254	1,370,045	-	982,210	58.2%	1,312,582
Slip Rental Fees	3,998,521	1,981,827	-	2,016,694	49.6%	1,926,129
Visitors Fees	463,000	221,922	-	241,078	47.9%	251,673
Slip Transfer Fees	425,000	299,150	-	125,850	70.4%	189,575
Parking Revenue	1,911,450	1,015,547	-	895,903	53.1%	920,971
Wharf Parking	244,000	120,606	-	123,394	49.4%	111,422
Other Fees & Charges	380,911	192,997	-	187,914	50.7%	197,459
Investment Income	185,859	81,156	-	104,703	43.7%	101,217
Rents & Concessions	301,173	175,441	-	125,732	58.3%	178,565
Grants	-	-	-	-	100.0%	4,256
Miscellaneous	155,000	92,115	-	62,885	59.4%	49,182
Operating Transfers-In	453,481	226,740	-	226,741	50.0%	-
TOTAL REVENUES	<u>12,203,518</u>	<u>6,580,089</u>	<u>-</u>	<u>5,623,429</u>	<u>53.9%</u>	<u>5,983,717</u>
EXPENSES						
Salaries & Benefits	5,461,051	2,746,182	-	2,714,869	50.3%	2,690,298
Materials, Supplies & Services	3,455,120	1,570,805	732,383	1,151,932	66.7%	1,474,018
Special Projects	137,020	38,604	45,000	53,416	61.0%	37,501
Debt Service	1,776,789	1,051,353	-	725,436	59.2%	1,042,388
Capital Outlay Transfers	934,483	467,241	-	467,242	50.0%	484,680
Equipment	117,500	52,884	-	64,616	45.0%	14,342
Other	-	2,540	-	(2,540)	100.0%	2,540
Appropriated Reserve	100,000	-	-	100,000	0.0%	-
TOTAL EXPENSES	<u>11,981,963</u>	<u>5,929,610</u>	<u>777,383</u>	<u>5,274,970</u>	<u>56.0%</u>	<u>5,745,768</u>

NOTE - These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

*Fiscal Year 2012 Interim Financial Statements
For the Six Months Ended December 31, 2011 (50% of Year Elapsed)*

General Fund Revenues

The table below summarizes General Fund revenues for the six months ended December 31, 2011. For interim financial statement purposes, revenues are reported on the cash basis (i.e. when the funds are received). The table below includes the budgeted totals as well as the year-to-date (YTD) budget, which for tax revenues and franchise fees has been seasonally adjusted based on a 3-year average of collections through the same period. Because tax revenues are not collected evenly throughout the year, adjusting the year-to-date budget to reflect the unique collection pattern of each type of tax revenue allows for a more meaningful comparison to year-to-date results. For all other revenues, the Year-to-Date Budget column represents 50% (6 months out of the 12 elapsed) of the annual budget column. Unlike tax revenues, these revenues tend to be collected more evenly throughout the year.

Summary of Revenues For the Six Months Ended December 31, 2011 GENERAL FUND								
	Current Year Analysis					Prior Year Analysis		
	Annual Budget	YTD Budget *	YTD Actual	YTD Variance	YTD Percent Rec'd	3-Year Average Bench- mark	Prior Year YTD Actual	Variance Prior Yr To Current Yr
Sales & Use Tax	\$ 17,949,013	\$ 7,061,142	\$ 7,322,448	\$ 261,306	40.80%	39.34%	\$ 6,749,831	8.5%
Property Tax	23,063,000	8,288,842	8,612,610	323,768	37.34%	35.94%	8,701,723	-1.0%
UUT	7,144,500	3,585,825	3,615,774	29,949	50.61%	50.19%	3,521,932	2.7%
TOT	13,011,452	7,791,257	7,953,158	161,901	61.12%	59.88%	7,261,448	9.5%
Bus License	2,229,800	925,144	904,302	(20,842)	40.56%	41.49%	944,434	-4.2%
Prop Trans Tax	410,000	222,630	182,062	(40,568)	44.41%	54.30%	204,871	-11.1%
Total Taxes	63,807,765	27,874,840	28,590,354	715,514	44.81%	43.69%	27,384,239	4.4%
License & Permits	182,900	91,450	109,943	18,493	60.11%	50.00%	73,076	50.5%
Fines & Forfeitures	2,927,016	1,463,508	1,409,832	(53,676)	48.17%	50.00%	1,483,768	-5.0%
Franchise Fee	3,593,200	1,754,560	1,659,224	(95,336)	46.18%	48.83%	1,670,255	-0.7%
Use of Money & Property	1,138,779	569,390	503,342	(66,048)	44.20%	50.00%	649,000	-22.4%
Intergovernmental	702,650	351,325	97,567	(253,758)	13.89%	50.00%	467,697	-79.1%
Fee & Charges	20,348,725	10,174,363	9,703,910	(470,453)	47.69%	50.00%	9,431,012	2.9%
Miscellaneous	9,354,486	4,677,243	4,805,444	128,201	51.37%	50.00%	4,685,196	2.6%
Total Other	38,247,756	19,081,838	18,289,263	(792,575)	47.82%		18,460,006	-0.9%
Total Before Budgeted Variances	102,055,521	46,956,678	46,879,617	(77,061)			45,844,245	
Anticipated Year-End Var	1,200,000	600,000	-	(600,000)	0.00%	50.00%	-	0.0%
Total Revenues	\$ 103,255,521	\$ 47,556,678	\$ 46,879,617	\$ (677,061)	45.40%	46.06%	\$ 45,844,245	

* YTD Budget for Taxes is calculated based on a 3-year average of collections for each revenue source; for all other revenues, YTD Budget is calculated on a straight-line basis based on the number of months elapsed.

*Fiscal Year 2012 Interim Financial Statements
For the Six Months Ended December 31, 2011 (50% of Year Elapsed)*

The local economy is improving, and cash receipts of major tax revenues are ahead of the 3-year average collection rate at mid-year. Key revenues and significant variances are discussed below.

Sales and Use Taxes

Sales tax revenue for the first quarter was about \$261,000 above the YTD budget on a cash basis. However, while representing two quarterly payments year-to-date, the revenues received through December 31, 2011 provide information for the growth in sales tax revenues earned for the quarter ended September 30, 2011. These revenues were 8.4% over those from the prior September. The most growth was seen in apparel stores, restaurants, department stores, and service stations.

Property Tax

Property tax revenue was about \$324,000 above the YTD budget at December 31. However, this appears to be due to the timing of receipts in relation to prior years. In general, the real estate market is still struggling and for this reason we do not expect to see significant increases to property values for a few years. Based on current projections, revenues are projected to be \$47,000 below the adopted budget.

Transient Occupancy Tax

TOT revenue was \$161,900 above the YTD budget at December 31, and 9.1% higher than the same six-month period in the prior year. The year-to-date growth is above normal growth rates realized since fiscal year 2002. This type of performance is consistent with regional lodging industry data related to increased occupancies and room rates. Projections for the rest of year are somewhat moderated; however, staff projects revenues will be \$386,000 above the amended TOT budget.

Intergovernmental

Intergovernmental revenue is approximately \$254,000 below the YTD Budget. Part of the variance is attributed to mutual aid reimbursements being lower than projected. These revenues are generated when the Fire Department provides mutual aid assistance to other locations throughout the state; the City is reimbursed for actual costs plus an overhead factor. The Fire Department budgeted \$400,000 in reimbursements, and is projecting a shortfall of \$200,000 by year-end.

Another factor negatively impacting intergovernmental revenues is the elimination of Motor Vehicle License Fees (MVLFF). As part of the state's budget balancing plan for FY 2011-12, the Governor signed SB 89, which shifted MVLFF previously allocated to cities and counties to the State, in order for the state to fund law enforcement grants. As a result, the City's revenue projection for MVLFF of \$200,000 will not be realized.

Fees & Service Charges

Overall, fees and service charges are about \$470,000 under the YTD budget. The table on the next page provides more details on fees and service charges by Department. The more significant mid-year variances are also discussed.

***Fiscal Year 2012 Interim Financial Statements
For the Six Months Ended December 31, 2011 (50% of Year Elapsed)***

Fees and Service Charges General Fund For the Six Months Ended December 31, 2011								
Department	Annual Budget	YTD Budget	YTD Actual	Budget Variance	Percent Received YTD	Prior Year YTD	Prior Year Variance	Percent Variance
Finance	\$ 860,000	\$ 430,000	\$ 418,008	\$ (11,992)	48.6%	\$ 424,515	\$ (6,507)	-1.5%
Community Development	4,525,570	2,262,785	2,123,498	(139,287)	46.9%	2,163,276	(39,778)	-1.8%
Parks & Recreation	2,274,257	1,137,129	1,100,908	(36,221)	48.4%	1,010,553	90,355	8.9%
Public Safety	499,673	249,837	284,027	34,191	56.8%	206,516	77,511	37.5%
Public Works	5,286,083	2,643,042	2,512,613	(130,429)	47.5%	2,502,944	9,669	0.4%
Library	675,575	337,788	340,574	2,787	50.4%	367,447	(26,873)	-7.3%
Inter-Fund Charges	6,227,567	3,113,784	2,924,282	(189,502)	47.0%	2,755,760	168,522	6.1%
Total	\$ 20,348,725	\$ 10,174,363	\$ 9,703,910	\$ (470,453)	47.7%	\$ 9,431,012	\$ 272,898	2.9%

Community Development revenues are \$139,000 below the YTD budget. However, it is anticipated the revenue projections will be realized due to building permit activity for the Valle Verde project that will occur in the second half of the fiscal year.

Public Works fee revenue was about \$130,000 under the YTD budget. Staff projected an upswing in permit activity for the current year, which has not materialized. Additionally, engineering work orders pertaining to capital projects have not met expectations through December 31.

Inter-Fund charges are \$190,000 below the YTD budget at mid-year. These are reimbursements from other City funds and departments, and other governments for various services. The majority of the variance is related to cost reimbursements from the Redevelopment Agency (RDA). Salary & benefits costs in the RDA are lower than budgeted primarily due to position vacancies. With lower costs incurred to manage RDA operations, reimbursement revenues from the RDA to the General Fund are proportionately lower.

Anticipated Year-End Variances and Budgeted Savings from Concessions

It is important to note that the table on page 1 includes \$1,200,000 in budgeted revenue variances through December 31, 2011 associated with anticipated year-end savings. The Anticipated Year-End Variance is roughly equal to 1.2% of budgeted operating expenditures in the General Fund and represents what staff projected in favorable expenditure variances (i.e. expenditures *under* budget) for the year. As is the case each year, the Anticipated Year-End Variance budgeted will not reflect any actual revenues, but rather favorable variances in expenditures by year-end.

General Fund Expenditures

The table below summarizes the General Fund budget and year-to-date expenditures through December 31, 2011. The "Adjusted Annual Budget" column represents the adopted budget, appropriation carryovers from the prior year, and any supplemental appropriations approved by Council in the current year.

***Fiscal Year 2012 Interim Financial Statements
For the Six Months Ended December 31, 2011 (50% of Year Elapsed)***

As shown below, a year-to-date budget (labeled "YTD Budget") column is included. This column has been seasonally adjusted based on a 3-year average of expenditures, in order to adjust for the seasonal nature of certain expenditures, such as debt service and summer recreation programs. The table includes actual expenditures without encumbrances, and another column for the variance after considering encumbrances. Inclusion of encumbrances can significantly distort the analysis of budgeted and actual expenditures after six months. Outstanding encumbrances include appropriations that were carried forward from prior year as part of the appropriation carryovers, and contracts or blanket purchase orders that have been added in the current year but are expected to be spent over the coming months. The following discussion and analysis does not include the impact of encumbrances.

The year-to-date budget of \$50.6 million at December 31, compared to actual expenditures of \$50.4 million, resulted in a slight variance of \$0.2 million. Significant variances in departments are discussed below.

SUMMARY OF EXPENDITURES GENERAL FUND For the Six Months Ended December 31, 2011							
Department	Adjusted Annual Budget	YTD Budget	YTD Actual	YTD Variance Without Encumbrance	Encum- brance	YTD Variance With Encumb Favorable (Unfavorable)	
						\$	%
Mayor & Council	\$ 725,196	\$ 347,514	\$ 342,891	\$ 4,623	\$ 977	\$ 3,646	0.5%
City Attorney	1,930,640	965,899	969,539	(3,640)	-	(3,640)	-0.2%
City Administrator	1,923,509	947,905	914,716	33,189	41,534	(8,345)	-0.4%
Administrative Svs.	1,947,674	887,166	837,405	49,761	213,583	(163,822)	-8.4%
Finance	4,392,750	2,114,231	2,068,248	45,983	47,200	(1,217)	0.0%
Police	34,525,743	17,135,126	17,051,606	83,520	252,797	(169,277)	-0.5%
Fire	21,086,991	10,490,778	10,278,440	212,338	95,949	116,389	0.6%
Public Works	6,823,956	3,169,728	3,075,345	97,524	184,319	(89,936)	-1.3%
Parks & Recreation	12,694,768	6,266,137	6,400,905	(134,768)	304,191	(438,959)	-3.5%
Library	4,025,687	1,816,390	1,847,163	(30,773)	120,041	(150,814)	-3.7%
Community Development	10,091,759	4,834,962	4,793,702	41,259	407,036	(365,777)	-3.6%
Community Promotion	3,413,513	1,634,049	1,793,759	(159,711)	-	(159,711)	-4.7%
Total	<u>\$ 103,582,186</u>	<u>\$ 50,609,884</u>	<u>\$ 50,373,720</u>	<u>\$ 239,306</u>	<u>\$ 1,667,627</u>	<u>\$ (1,431,463)</u>	-1.4%
% of annual budget		48.9%	48.6%	0.2%	1.6%	-1.4%	

City Attorney expenditures are slightly over the YTD budget; although not significantly higher, the variance has resulted in additional funding needs of \$20,000. The department budget includes appropriations for online legal research services, law library updates, and other such legal publications. Due to substantial increases in subscription charges for these services, expenditures will exceed budget. The appropriations request also includes additional funding for paralegal support for work on the gang injunction litigation.

*Fiscal Year 2012 Interim Financial Statements
For the Six Months Ended December 31, 2011 (50% of Year Elapsed)*

Police Department expenditures are under the YTD budget by \$83,000 mostly due to savings in personnel costs. The Department has experienced a number of position vacancies and personnel out on military leave and long term disability, which accounts for the positive variance.

Fire Department expenditures are under the YTD budget by about \$212,000. The variance is due to savings in personnel costs realized from vacant positions due to employee retirements. Although these vacancies have led to higher overtime costs, since current sworn personnel must backfill vacant positions to maintain constant staffing requirements, staff anticipates the approved budget for overtime will provide sufficient funding through the end of the year.

Public Works expenditures are under the YTD budget by almost \$98,000. The Land Development and Engineering divisions have experienced position vacancies and employee absences due to long-term illnesses, accounting for the majority of the variance.

Parks and Recreation expenditures are over the YTD budget by about \$135,000. The variance is due to equipment purchases for the Carrillo Recreation Center that have been fully expended; thereby front loading the budget in the first six months. It is anticipated expenditures will be within budget by year-end.

Community Promotion expenditures are over the YTD budget by \$160,000. The variance is due to capital outlay transfers recorded in December to provide additional funding to capital projects, thereby front loading the budget in the first six months.

*Fiscal Year 2012 Interim Financial Statements
For the Six Months Ended December 31, 2011 (50% of Year Elapsed)*

Enterprise Fund Revenues and Expenses

Unlike the General Fund, which relies primarily on taxes to subsidize programs and services, Enterprise Fund operations are financed primarily from user fees and other non-tax revenues. The table below summarizes Enterprise Fund revenues and expenses through December 31, 2011, with a comparison to the current year budget and prior year expenses through the first six months. Note that the "YTD Budget" column has been calculated based on a 3-year average collection rate through December 31st. This rate, which is shown as a percentage in the "3 Year Average" column, has been applied to the annual budget amount to arrive at the Year-to-Date Budget. This approach is used in recognition that enterprise fund revenues and certain expenses are seasonally affected and are not necessarily received or incurred evenly throughout the year.

SUMMARY OF REVENUES & EXPENSES Six Months Ended December 31, 2011 ENTERPRISE FUNDS								
	Current Year Analysis						Prior Year Analysis	
	Annual Budget	YTD Budget *	YTD Actual	YTD Variance	YTD Percent	3 Year Average	YTD Actual	% Variance
Water Fund								
Revenues	\$ 35,671,185	\$ 19,041,279	\$ 18,522,061	\$ (519,218)	51.9%	53.4%	\$ 18,436,179	0.5%
Expenses	43,447,024	19,581,574	19,091,003	490,571	43.9%	45.1%	14,820,132	28.8%
Wastewater Fund								
Revenues	16,395,810	8,386,457	8,313,526	(72,931)	50.7%	51.2%	7,795,627	6.6%
Expenses	17,517,788	8,105,481	7,782,578	322,903	44.4%	46.3%	8,444,044	-7.8%
Downtown Parking Fund								
Revenues	7,036,049	3,527,171	3,630,683	103,512	51.6%	50.1%	3,232,485	12.3%
Expenses	7,582,431	3,544,786	3,592,610	(47,824)	47.4%	46.8%	3,023,210	18.8%
Airport Fund								
Revenues	15,030,488	7,748,217	7,372,233	(375,984)	49.0%	51.6%	6,929,261	6.4%
Expenses	15,553,623	7,056,679	6,672,326	384,353	42.9%	45.4%	5,744,022	16.2%
Golf Fund								
Revenues	2,060,146	870,618	907,805	37,187	44.1%	42.3%	929,730	-2.4%
Expenses	2,065,870	1,074,046	1,004,885	69,161	48.6%	52.0%	1,012,595	-0.8%
Waterfront Fund								
Revenues	12,203,518	6,450,780	6,580,089	129,309	53.9%	52.9%	5,983,717	10.0%
Expenses	11,981,963	6,055,684	5,929,610	126,074	49.5%	50.5%	5,745,768	3.2%

* The YTD Budget column has been calculated based on a 3-year average of collections for revenues, and of payments made for expenses through December 31, which has been applied to the annual budget.

*Fiscal Year 2012 Interim Financial Statements
For the Six Months Ended December 31, 2011 (50% of Year Elapsed)*

The expenses shown in the preceding table do not include outstanding encumbrances at December 31, 2011. Inclusion of encumbrances can significantly distort the analysis of budgeted and actual expenditures after six months. Outstanding encumbrances include appropriations that were carried forward from prior year as part of the appropriation carryovers and contracts or blanket purchase orders that have been added in the current year but are expected to be spent over the coming months.

The following discussion highlights some of the more significant revenue and expense variances of the enterprise funds, in relation to budget or prior year.

Water Fund

Water Fund revenues were approximately \$519,000 below the year-to-date budget as of December 31. The variance is due to water sales revenue being lower than projected as a result of demand being 5% lower than anticipated during the first half of the year. Staff will continue to monitor revenues over the next several months.

Expenses for the Water Fund are under the YTD budget by \$490,000. The variance is due to lower expenses for water treatment chemicals and supplies, as well as repairs and maintenance. In addition, water production costs are also lower than budgeted. Staff projects expenditure savings will offset a large portion of the projected revenue shortfalls.

Wastewater Fund

Wastewater Fund revenues are in line with the YTD budget. Wastewater Fund expenses are slightly below the YTD budget due to lower materials and supplies expenses in the first half of the year, which are projected to be expended by year-end. As a result of the Channel Keeper litigation, legal expenses are projected to be over budget; staff is requesting additional appropriations of \$150,000 to cover those costs.

Downtown Parking

Downtown Parking Fund revenues are reporting a positive variance. Most of the variance is due to the success of monthly permits at the Granada Garage, generating higher monthly parking fee revenue than projected. Expenses are in line with the approved budget.

Airport Fund

Airport Fund revenues are about \$376,000 below the YTD budget at December 31. Passenger traffic has decreased 7% from the same period last year, resulting in lower parking revenues. However, a rate adjustment for long-term parking was implemented on February 1, and should lessen the impact of reduced passenger traffic.

Airport expenses are below the YTD budget. Salary and benefits are lower than budget due to position vacancies in Patrol, Marketing, and Maintenance. In addition, supplies and services for the new terminal building have been spent at lower levels than anticipated.

Golf Fund

Over the last several years, the Golf Course has seen a decline in revenue and rounds due to a national downtrend in the sport of golf. For the first six months of the current year, Golf Fund

*Fiscal Year 2012 Interim Financial Statements
For the Six Months Ended December 31, 2011 (50% of Year Elapsed)*

revenues have improved due to good golf course conditions and favorable weather. Despite increased activity, staff is projecting a revenue shortfall of about \$158,000.

Golf Fund expenses were slightly below the YTD budget at December 31st. Staff anticipates expenditure savings from unfilled positions, and by deferring certain purchases budgeted in the current year. By realizing these budget savings, most of the revenue shortfall will be offset.

Waterfront Fund

Waterfront Fund revenues are slightly above the YTD budget. Some of the positive variance is due to parking revenue at the Harbor West lot being 38% higher than the prior year due to the installation of self-pay parking stations that accept credit cards. In addition, Marina management revenue is also higher due to an increase in slip transfers. As for expenses, they are on track to stay within the approved budget.

City of Santa Barbara
Interim Financial Statements for the Six Months Ended December 31, 2011
Proposed Mid-Year Adjustments

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Fund Balance</u>
GENERAL FUND			
Intergovernmental Revenues			
Motor Vehicle License Fees	\$ -	\$ (200,000)	\$ (200,000)
City Attorney			
Publications- legal publications/law library updates	10,000	-	(10,000)
Professional services- paralegal support	10,000	-	(10,000)
Total General Fund	<u>\$ 20,000</u>	<u>\$ (200,000)</u>	<u>\$ (220,000)</u>
SPECIAL REVENUE FUNDS			
Police- Supplemental Law Enforcement Fund			
COPS/SLESF grant funds	\$ -	\$ 44,188	\$ 44,188
Salary and Benefits	44,188	-	(44,188)
Total Police- Supplemental Law Enforcement Fund	<u>\$ 44,188</u>	<u>\$ 44,188</u>	<u>\$ -</u>
County Library Fund			
Book Acquisition - Small Branches	\$ 48,349	\$ -	\$ (48,349)
Donations - Small Branches	-	48,349	48,349
Book Acquisition - Goleta Branch	37,421	-	(37,421)
Donations - Goleta Branch	-	37,421	37,421
Total County Library Fund	<u>\$ 85,770</u>	<u>\$ 85,770</u>	<u>\$ -</u>
Streets Grant Capital Fund			
Adjust Project Budgets per Grant Awards:			
Cabrillo at Mission Creek Bridge	\$ 160,000	\$ 160,000	\$ -
Cota Street Bridge/Mission Creek Replacement	177,060	177,060	-
Ortega Bridge at Mission Creek	141,629	141,629	-
Mason Street Bridge Replacement	510,818	510,818	-
Chapala Yanonali Bridge Seismic Project	177,060	177,060	-
Total Streets Grant Capital	<u>\$ 1,166,567</u>	<u>\$ 1,166,567</u>	<u>\$ -</u>
ENTERPRISE FUNDS			
Water Funds			
Transfer from Water Capital Fund to Cater Impr. Project Fund	\$ 395,353	\$ 395,353	\$ -
Transfer from Cater Impr. Project Fund to Water Operating Fund	2,496,631	2,496,631	-
Total Water Funds	<u>\$ 2,891,984</u>	<u>\$ 2,891,984</u>	<u>\$ -</u>
Airport Capital Fund			
New Projects and Additional Funding Requirements:			
Goleta Sanitary District Upgrade	\$ 767,000	\$ -	\$ (767,000)
Goleta Slough Mitigation	551,341	-	(551,341)
Airline Terminal Improvement	538,724	-	(538,724)
Parking Lot Kiosk	120,000	-	(120,000)
Parking Lot Kiosk Equipment	250,000	-	(250,000)
Building Demolition	130,000	-	(130,000)
Total Airport Capital Fund	<u>\$ 2,357,065</u>	<u>\$ -</u>	<u>\$ (2,357,065)</u>
Wastewater Fund			
Legal Services- Channelkeeper Litigation	\$ 150,000	\$ -	\$ (150,000)
INTERNAL SERVICE FUNDS			
Intra-City Services Fund			
Dwight Murphy Sports Lighting Project	\$ 200,000	\$ -	\$ (200,000)