



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: March 3, 2015
TO: Mayor and Councilmembers
FROM: Accounting Division, Finance Department
SUBJECT: Fiscal Year 2015 Mid-Year Review

RECOMMENDATION: That Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget for the six months ended December 31, 2014;
- B. Accept the Fiscal Year 2015 Interim Financial Statements for the Six Months Ended December 31, 2014; and
- C. Approve the proposed mid-year adjustments to Fiscal Year 2015 appropriations and estimated revenues as detailed in the attached schedule of Proposed Mid-Year Adjustments.

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 2014. A listing and description of each proposed adjustment to the current year budget is provided in Attachment 3.

- ATTACHMENTS:**
1. Summary by Fund Statement of Revenues and Expenditures for the Six Months Ended December 31, 2014
 2. Interim Financial Statements for the Six Months Ended December 31, 2014 (Narrative Analysis)
 3. Schedule of Proposed Mid-Year Adjustments

PREPARED BY: Julie Nemes, Accounting Manager

SUBMITTED BY: Robert Samario, Acting Assistant City Administrator

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, 2014 (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	116,999,614	53,341,863	-	63,657,751	45.6%
Expenditures	<u>117,716,496</u>	<u>57,901,401</u>	<u>2,287,354</u>	57,527,742	51.1%
<i>Addition to / (use of) reserves</i>	<u>(716,882)</u>	<u>(4,559,537)</u>	<u>(2,287,354)</u>		
SOLID WASTE FUND					
Revenue	20,645,776	10,209,649	-	10,436,127	49.5%
Expenditures	<u>20,613,368</u>	<u>9,722,718</u>	<u>268,700</u>	10,621,950	48.5%
<i>Addition to / (use of) reserves</i>	<u>32,408</u>	<u>486,931</u>	<u>(268,700)</u>		
WATER OPERATING FUND					
Revenue	39,347,669	19,336,069	-	20,011,600	49.1%
Expenditures	<u>47,698,870</u>	<u>21,863,189</u>	<u>2,339,235</u>	23,496,445	50.7%
<i>Addition to / (use of) reserves</i>	<u>(8,351,201)</u>	<u>(2,527,120)</u>	<u>(2,339,235)</u>		
WASTEWATER OPERATING FUND					
Revenue	18,883,613	9,136,257	-	9,747,356	48.4%
Expenditures	<u>20,036,066</u>	<u>8,607,076</u>	<u>2,218,026</u>	9,210,964	54.0%
<i>Addition to / (use of) reserves</i>	<u>(1,152,453)</u>	<u>529,182</u>	<u>(2,218,026)</u>		
DOWNTOWN PARKING					
Revenue	7,936,933	4,317,994	-	3,618,940	54.4%
Expenditures	<u>8,465,044</u>	<u>3,883,796</u>	<u>457,495</u>	4,123,753	51.3%
<i>Addition to / (use of) reserves</i>	<u>(528,110)</u>	<u>434,198</u>	<u>(457,495)</u>		
AIRPORT OPERATING FUND					
Revenue	15,469,349	8,075,886	-	7,393,463	52.2%
Expenditures	<u>15,786,050</u>	<u>7,136,053</u>	<u>694,456</u>	7,955,541	49.6%
<i>Addition to / (use of) reserves</i>	<u>(316,701)</u>	<u>939,833</u>	<u>(694,456)</u>		
GOLF COURSE FUND					
Revenue	2,091,048	969,506	-	1,121,542	46.4%
Expenditures	<u>2,080,245</u>	<u>1,072,524</u>	<u>9,740</u>	997,981	52.0%
<i>Addition to / (use of) reserves</i>	<u>10,803</u>	<u>(103,018)</u>	<u>(9,740)</u>		
INTRA-CITY SERVICE FUND					
Revenue	5,477,943	2,577,407	-	2,900,536	47.1%
Expenditures	<u>5,850,858</u>	<u>2,776,977</u>	<u>269,565</u>	2,804,317	52.1%
<i>Addition to / (use of) reserves</i>	<u>(372,916)</u>	<u>(199,569)</u>	<u>(269,565)</u>		

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Summary by Fund
For the Six Months Ended December 31, 2014 (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>
FLEET REPLACEMENT FUND					
Revenue	2,731,151	1,383,938	-	1,347,213	50.7%
Expenditures	<u>5,882,656</u>	<u>1,376,767</u>	<u>1,483,909</u>	3,021,980	48.6%
<i>Addition to / (use of) reserves</i>	<u>(3,151,505)</u>	<u>7,171</u>	<u>(1,483,909)</u>		
FLEET MAINTENANCE FUND					
Revenue	2,640,697	1,333,413	-	1,307,284	50.5%
Expenditures	<u>3,328,709</u>	<u>1,184,661</u>	<u>738,573</u>	1,405,476	57.8%
<i>Addition to / (use of) reserves</i>	<u>(688,012)</u>	<u>148,753</u>	<u>(738,573)</u>		
SELF INSURANCE TRUST FUND					
Revenue	6,507,674	3,248,873	-	3,258,801	49.9%
Expenditures	<u>6,178,328</u>	<u>3,714,591</u>	<u>281,685</u>	2,182,052	64.7%
<i>Addition to / (use of) reserves</i>	<u>329,346</u>	<u>(465,719)</u>	<u>(281,685)</u>		
INFORMATION SYSTEMS ICS FUND					
Revenue	3,120,588	1,560,294	-	1,560,294	50.0%
Expenditures	<u>3,352,141</u>	<u>1,388,252</u>	<u>42,618</u>	1,921,270	42.7%
<i>Addition to / (use of) reserves</i>	<u>(231,553)</u>	<u>172,042</u>	<u>(42,618)</u>		
WATERFRONT FUND					
Revenue	12,661,137	8,084,941	-	4,576,196	63.9%
Expenditures	<u>13,695,537</u>	<u>6,755,784</u>	<u>702,557</u>	6,237,196	54.5%
<i>Addition to / (use of) reserves</i>	<u>(1,034,400)</u>	<u>1,329,157</u>	<u>(702,557)</u>		
TOTAL FOR ALL FUNDS					
Revenue	254,513,192	123,576,091	-	130,937,101	48.6%
Expenditures	<u>270,684,367</u>	<u>127,383,787</u>	<u>11,793,913</u>	131,506,667	51.4%
<i>Addition to / (use of) reserves</i>	<u>(16,171,175)</u>	<u>(3,807,697)</u>	<u>(11,793,913)</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, 2014 (50% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Remaining Balance</u>	<u>Percent Received</u>	<u>Previous YTD</u>
TAXES					
Sales and Use	21,726,115	8,475,993	13,250,122	39.0%	7,873,848
Property Taxes	27,164,000	9,873,692	17,290,308	36.3%	9,405,586
Utility Users Tax	7,257,800	3,567,847	3,689,953	49.2%	3,548,584
Transient Occupancy Tax	17,641,400	10,832,023	6,809,377	61.4%	9,490,697
Business License	2,571,200	1,099,330	1,471,870	42.8%	1,069,479
Real Property Transfer Tax	678,000	276,089	401,911	40.7%	336,468
<i>Total</i>	<u>77,038,515</u>	<u>34,124,974</u>	<u>42,913,541</u>	44.3%	<u>31,724,662</u>
LICENSES & PERMITS					
Licenses & Permits	233,500	95,441	138,059	40.9%	95,729
<i>Total</i>	<u>233,500</u>	<u>95,441</u>	<u>138,059</u>	40.9%	<u>95,729</u>
FINES & FORFEITURES					
Parking Violations	2,681,987	1,348,899	1,333,088	50.3%	1,300,743
Library Fines	105,500	50,487	55,013	47.9%	69,484
Municipal Court Fines	120,000	32,947	87,053	27.5%	47,569
Other Fines & Forfeitures	300,000	175,742	124,259	58.6%	176,700
<i>Total</i>	<u>3,207,487</u>	<u>1,608,075</u>	<u>1,599,412</u>	50.1%	<u>1,594,496</u>
USE OF MONEY & PROPERTY					
Investment Income	627,224	276,229	350,995	44.0%	273,892
Rents & Concessions	398,797	181,292	217,505	45.5%	183,956
<i>Total</i>	<u>1,026,021</u>	<u>457,522</u>	<u>568,499</u>	44.6%	<u>457,848</u>
INTERGOVERNMENTAL					
Grants	304,863	115,776	189,087	38.0%	111,766
Vehicle License Fees	-	38,585	(38,585)	100.0%	39,945
Reimbursements	437,654	126,536	311,118	28.9%	897,236
<i>Total</i>	<u>742,517</u>	<u>280,897</u>	<u>461,620</u>	37.8%	<u>1,048,947</u>
FEES & SERVICE CHARGES					
Finance	949,905	476,494	473,411	50.2%	461,281
Community Development	4,587,515	2,219,425	2,368,090	48.4%	2,100,355
Recreation	3,049,474	1,325,222	1,724,252	43.5%	1,340,107
Public Safety	653,827	274,008	379,819	41.9%	253,929
Public Works	5,951,301	2,892,517	3,058,784	48.6%	2,833,540
Library	762,398	381,352	381,046	50.0%	363,832
Reimbursements	4,471,212	2,491,320	1,979,892	55.7%	2,192,463
<i>Total</i>	<u>20,425,632</u>	<u>10,060,339</u>	<u>10,365,293</u>	49.3%	<u>9,545,507</u>
OTHER REVENUES					
Miscellaneous	1,660,410	1,055,177	605,233	63.5%	921,192
Franchise Fees	3,771,000	1,905,522	1,865,478	50.5%	1,855,070
Indirect Allocations	6,411,155	3,205,578	3,205,577	50.0%	3,146,370
Operating Transfers-In	1,283,377	548,339	735,038	42.7%	668,632
Anticipated Year-End Variance	1,200,000	-	1,200,000	0.0%	-
<i>Total</i>	<u>14,325,942</u>	<u>6,714,616</u>	<u>7,611,326</u>	46.9%	<u>6,591,264</u>
TOTAL REVENUES	<u>116,999,614</u>	<u>53,341,863</u>	<u>63,657,751</u>	45.6%	<u>51,058,453</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Six Months Ended December 31, 2014 (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 & CITY COUNCIL	792,975	364,445	4,057	424,472	46.5%	
ARTS AND COMMUNITY PROMOTIONS	2,615,532	1,900,621	270,215	444,697	83.0%	
<i>Total</i>	<u>3,408,507</u>	<u>2,265,066</u>	<u>274,272</u>	<u>869,169</u>	74.5%	<u>1,461,176</u>
<u>City Attorney</u>						
CITY ATTORNEY	2,303,695	1,144,286	23,918	1,135,491	50.7%	
<i>Total</i>	<u>2,303,695</u>	<u>1,144,286</u>	<u>23,918</u>	<u>1,135,491</u>	50.7%	<u>1,053,219</u>
<u>Administration</u>						
CITY ADMINISTRATOR	1,709,162	714,462	43,389	951,311	44.3%	
CITY TV	575,011	275,354	35,888	263,769	54.1%	
<i>Total</i>	<u>2,284,173</u>	<u>989,816</u>	<u>79,277</u>	<u>1,215,080</u>	46.8%	<u>1,081,373</u>
<u>Administrative Services</u>						
CITY CLERK	501,662	252,751	9,783	239,129	52.3%	
HUMAN RESOURCES	1,486,320	633,783	26,577	825,960	44.4%	
EMPLOYEE DEVELOPMENT	49,468	6,323	3,450	39,695	19.8%	
<i>Total</i>	<u>2,037,450</u>	<u>892,856</u>	<u>39,810</u>	<u>1,104,783</u>	45.8%	<u>1,024,055</u>
<u>Finance</u>						
ADMINISTRATION	260,409	108,659	46,636	105,114	59.6%	
REVENUE & CASH MANAGEMENT	519,455	234,583	17,600	267,272	48.5%	
CASHIERING & COLLECTION	488,983	236,707	-	252,276	48.4%	
LICENSES & PERMITS	499,751	239,705	18,736	241,309	51.7%	
BUDGET MANAGEMENT	475,712	240,571	12,750	222,391	53.3%	
ACCOUNTING	644,696	296,983	42,813	304,900	52.7%	
PAYROLL	317,283	154,105	-	163,178	48.6%	
ACCOUNTS PAYABLE	239,384	117,445	-	121,939	49.1%	
CITY BILLING & CUSTOMER SERVICE	729,975	299,450	148,418	282,108	61.4%	
PURCHASING	643,166	315,704	2,568	324,894	49.5%	
CENTRAL WAREHOUSE	194,491	97,280	61	97,150	50.0%	
MAIL SERVICES	116,186	53,773	6,072	56,341	51.5%	
<i>Total</i>	<u>5,129,491</u>	<u>2,394,964</u>	<u>295,654</u>	<u>2,438,873</u>	52.5%	<u>2,212,647</u>
TOTAL GENERAL GOVERNMENT	<u>15,163,316</u>	<u>7,686,988</u>	<u>712,931</u>	<u>6,763,397</u>	55.4%	<u>6,832,470</u>
PUBLIC SAFETY						
<u>Police</u>						
CHIEF'S STAFF	1,114,970	547,597	1,712	565,662	49.3%	
SUPPORT SERVICES	687,279	337,807	2,505	346,967	49.5%	
RECORDS BUREAU	1,424,883	682,827	10,760	731,296	48.7%	
ADMIN SERVICES	1,103,716	558,243	76,275	469,198	57.5%	

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Six Months Ended December 31, 2014 (50% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	YTD Expended and Encumbered	Previous YTD
PUBLIC SAFETY						
<u>Police</u>						
PROPERTY ROOM	213,855	98,484	148	115,224	46.1%	
TRAINING/RECRUITMENT	541,866	243,282	15,144	283,439	47.7%	
RANGE	1,372,724	633,661	73,965	665,098	51.5%	
COMMUNITY & MEDIA RELATIONS	862,784	406,714	-	456,070	47.1%	
INFORMATION TECHNOLOGY	1,261,880	678,018	18,326	565,537	55.2%	
INVESTIGATIVE DIVISION	4,956,320	2,506,430	2,962	2,446,929	50.6%	
CRIME LAB	159,784	74,892	3,299	81,593	48.9%	
PATROL DIVISION	15,748,702	7,886,985	104,092	7,757,625	50.7%	
TRAFFIC	1,413,132	672,101	1,100	739,931	47.6%	
SPECIAL EVENTS	858,861	706,663	-	152,198	82.3%	
TACTICAL PATROL FORCE	1,640,617	758,088	-	882,529	46.2%	
STREET SWEEPING ENFORCEMENT	349,699	170,574	-	179,125	48.8%	
NIGHT LIFE ENFORCEMENT	323,946	128,588	-	195,358	39.7%	
PARKING ENFORCEMENT	996,316	425,825	20,000	550,491	44.7%	
COMBINED COMMAND CENTER	2,495,608	1,124,320	766	1,370,523	45.1%	
ANIMAL CONTROL	695,107	309,463	7,330	378,314	45.6%	
<i>Total</i>	<u>38,222,049</u>	<u>18,950,562</u>	<u>338,382</u>	<u>18,933,106</u>	50.5%	<u>18,954,484</u>
<u>Fire</u>						
ADMINISTRATION	885,869	438,759	4,361	442,750	50.0%	
EMERGENCY SERVICES AND PUBLIC ED PREVENTION	318,743	160,704	-	158,039	50.4%	
WILDLAND FIRE MITIGATION PROGRAM	1,149,258	567,311	-	581,947	49.4%	
OPERATIONS	196,752	93,455	8,100	95,197	51.6%	
TRAINING AND RECRUITMENT	18,035,119	9,454,738	36,486	8,543,895	52.6%	
ARFF	437,757	192,866	-	244,891	44.1%	
	1,965,145	966,140	-	999,005	49.2%	
<i>Total</i>	<u>22,988,643</u>	<u>11,873,972</u>	<u>48,946</u>	<u>11,065,725</u>	51.9%	<u>11,503,073</u>
TOTAL PUBLIC SAFETY	<u>61,210,692</u>	<u>30,824,533</u>	<u>387,328</u>	<u>29,998,830</u>	51.0%	<u>30,457,557</u>
PUBLIC WORKS						
<u>Public Works</u>						
ADMINISTRATION	1,132,859	457,494	74,850	600,515	47.0%	
ENGINEERING SVCS	5,190,401	2,410,676	35,926	2,743,798	47.1%	
PUBLIC RT OF WAY MGMT	1,097,734	518,609	2,929	576,196	47.5%	
ENVIRONMENTAL PROGRAMS	477,377	110,072	241,839	125,466	73.7%	
<i>Total</i>	<u>7,898,371</u>	<u>3,496,851</u>	<u>355,544</u>	<u>4,045,975</u>	48.8%	<u>3,449,330</u>
TOTAL PUBLIC WORKS	<u>7,898,371</u>	<u>3,496,851</u>	<u>355,544</u>	<u>4,045,975</u>	48.8%	<u>3,449,330</u>
COMMUNITY SERVICES						
<u>Parks & Recreation</u>						
REC PROGRAM MGMT	728,108	345,144	6,328	376,636	48.3%	

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Six Months Ended December 31, 2014 (50% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	YTD Expended and Encumbered	Previous YTD
COMMUNITY SERVICES						
<u>Parks & Recreation</u>						
FACILITIES & SPECIAL EVENTS	776,403	393,476	-	382,927	50.7%	
YOUTH ACTIVITIES	1,081,330	576,876	5,533	498,922	53.9%	
ACTIVE ADULTS	730,330	340,448	1,014	388,868	46.8%	
AQUATICS	1,334,270	687,020	33,325	613,925	54.0%	
SPORTS	568,670	261,945	8,900	297,825	47.6%	
TENNIS	289,547	145,221	-	144,326	50.2%	
NEIGHBORHOOD & OUTREACH SERV	1,205,643	569,888	35,000	600,755	50.2%	
ADMINISTRATION	738,630	369,145	1,819	367,666	50.2%	
PROJECT MANAGEMENT TEAM	425,848	197,363	1,209	227,277	46.6%	
PARK OPERATIONS MANAGEMENT	367,305	161,550	2,650	203,105	44.7%	
GROUNDS & FACILITIES MAINTENANCE	4,956,440	2,259,272	86,965	2,610,203	47.3%	
FORESTRY	1,205,841	586,591	52,986	566,265	53.0%	
BEACH MAINTENANCE	160,875	67,244	6,695	86,935	46.0%	
MEDIANS PARKWAYS & CONTRACTS	1,211,051	453,545	27,426	730,080	39.7%	
<i>Total</i>	<u>15,780,292</u>	<u>7,414,727</u>	<u>269,850</u>	<u>8,095,715</u>	48.7%	<u>7,062,982</u>
<u>Library</u>						
ADMINISTRATION	478,261	238,723	-	239,538	49.9%	
PUBLIC SERVICES	2,832,343	1,308,095	-	1,524,249	46.2%	
SUPPORT SERVICES	1,717,781	895,277	39,838	782,667	54.4%	
<i>Total</i>	<u>5,028,385</u>	<u>2,442,094</u>	<u>39,838</u>	<u>2,546,454</u>	49.4%	<u>2,244,375</u>
TOTAL COMMUNITY SERVICES	<u>20,808,678</u>	<u>9,856,820</u>	<u>309,688</u>	<u>10,642,169</u>	48.9%	<u>9,307,357</u>
COMMUNITY DEVELOPMENT						
<u>Community Development</u>						
ADMINISTRATION	695,290	377,871	798	316,621	54.5%	
RENTAL HOUSING MEDIATION	207,165	103,233	-	103,932	49.8%	
HUMAN SERVICES	1,001,899	506,309	408,217	87,373	91.3%	
HOUSING PRESERVATION AND DEV	37,784	6,511	31,274	(1)	100.0%	
LONG RANGE PLAN & SPEC STUDY	888,268	415,708	10,720	461,840	48.0%	
DEVEL & ENVIRONMENTAL REVIEW	1,397,024	656,755	5,136	735,133	47.4%	
ZONING INFO & ENFORCEMENT	1,411,287	676,316	3,179	731,793	48.1%	
DESIGN REV & HIST PRESERVATION	1,187,654	529,222	2,647	655,785	44.8%	
BLDG INSP & CODE ENFORCEMENT	1,179,595	539,282	8,531	631,782	46.4%	
RECORDS ARCHIVES & CLER SVCS	585,566	254,547	13,007	318,011	45.7%	
BLDG COUNTER & PLAN REV SVCS	1,433,031	692,254	37,695	703,082	50.9%	
<i>Total</i>	<u>10,024,563</u>	<u>4,758,009</u>	<u>521,202</u>	<u>4,745,351</u>	52.7%	<u>4,717,213</u>
TOTAL COMMUNITY DEVELOPMENT	<u>10,024,563</u>	<u>4,758,009</u>	<u>521,202</u>	<u>4,745,351</u>	52.7%	<u>4,717,213</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Six Months Ended December 31, 2014 (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>
NON-DEPARTMENTAL						
<u>Non-Departmental</u>						
OTHER	-	1,749	660	(2,409)	100.0%	
TRANSFERS OUT	198,500	99,250	-	99,250	50.0%	
DEBT SERVICE TRANSFERS	351,276	314,699	-	36,577	89.6%	
CAPITAL OUTLAY TRANSFER	1,725,000	862,500	-	862,500	50.0%	
APPROP.RESERVE	336,101	-	-	336,101	0.0%	
<i>Total</i>	<u>2,610,877</u>	<u>1,278,198</u>	<u>660</u>	<u>1,332,019</u>	49.0%	<u>831,105</u>
TOTAL NON-DEPARTMENTAL	<u>2,610,877</u>	<u>1,278,198</u>	<u>660</u>	<u>1,332,019</u>	49.0%	<u>831,105</u>
 TOTAL EXPENDITURES	 <u>117,716,496</u>	 <u>57,901,401</u>	 <u>2,287,354</u>	 <u>57,527,742</u>	 51.1%	 <u>55,595,032</u>

*** 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 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
Interim Statement of Revenues and Expenditures
Special Revenue Funds
For the Six Months Ended December 31, 2014 (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	525,000	207,789	-	317,211	39.6%
Expenditures	<u>525,000</u>	<u>207,789</u>	-	<u>317,211</u>	39.6%
<i>Revenue Less Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
CREEK RESTORATION/WATER QUALITY IMPRVMT					
Revenue	3,625,652	2,226,884	-	1,398,768	61.4%
Expenditures	<u>4,072,687</u>	<u>1,606,603</u>	<u>341,787</u>	<u>2,124,298</u>	47.8%
<i>Revenue Less Expenditures</i>	<u>(447,035)</u>	<u>620,281</u>	<u>(341,787)</u>	<u>(725,530)</u>	
COMMUNITY DEVELOPMENT BLOCK GRANT					
Revenue	1,838,117	180,988	-	1,657,130	9.8%
Expenditures	<u>2,312,314</u>	<u>391,066</u>	<u>161,950</u>	<u>1,759,299</u>	23.9%
<i>Revenue Less Expenditures</i>	<u>(474,197)</u>	<u>(210,078)</u>	<u>(161,950)</u>	<u>(102,169)</u>	
COUNTY LIBRARY					
Revenue	1,927,415	743,136	-	1,184,279	38.6%
Expenditures	<u>2,080,454</u>	<u>1,022,169</u>	<u>27,397</u>	<u>1,030,889</u>	50.4%
<i>Revenue Less Expenditures</i>	<u>(153,039)</u>	<u>(279,033)</u>	<u>(27,397)</u>	<u>153,390</u>	
STREETS FUND					
Revenue	10,105,799	5,176,387	-	4,929,412	51.2%
Expenditures	<u>10,493,470</u>	<u>4,838,945</u>	<u>235,560</u>	<u>5,418,966</u>	48.4%
<i>Revenue Less Expenditures</i>	<u>(387,671)</u>	<u>337,442</u>	<u>(235,560)</u>	<u>(489,553)</u>	
MEASURE A					
Revenue	3,376,976	1,497,111	-	1,879,865	44.3%
Expenditures	<u>3,900,696</u>	<u>1,777,260</u>	<u>474,249</u>	<u>1,649,187</u>	57.7%
<i>Revenue Less Expenditures</i>	<u>(523,720)</u>	<u>(280,149)</u>	<u>(474,249)</u>	<u>230,677</u>	

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Six Months Ended December 31, 2014 (50% of Fiscal Year)

SOLID WASTE 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	20,092,765	10,096,898	-	9,995,867	50.3%	9,904,855
Other Fees & Charges	297,342	98,671	-	198,671	33.2%	224,908
Investment Income	-	5,163	-	(5,163)	100.0%	-
Grants	20,000	-	-	20,000	0.0%	-
Miscellaneous	235,669	8,918	-	226,751	3.8%	225,996
TOTAL REVENUES	<u>20,645,776</u>	<u>10,209,649</u>	<u>-</u>	<u>10,436,127</u>	49.5%	<u>10,355,759</u>
EXPENSES						
Salaries & Benefits	958,244	454,105	-	504,139	47.4%	403,326
Materials, Supplies & Services	18,789,809	9,223,158	258,656	9,307,995	50.5%	9,032,713
Special Projects	555,532	9,212	10,044	536,276	3.5%	282,824
Transfers-Out	50,000	25,000	-	25,000	50.0%	25,000
Capital Outlay Transfers	-	-	-	-	0.0%	8,778
Equipment	149,783	11,243	-	138,540	7.5%	1,042
Other	100,000	-	-	100,000	0.0%	-
Appropriated Reserve	10,000	-	-	10,000	0.0%	-
TOTAL EXPENSES	<u>20,613,368</u>	<u>9,722,718</u>	<u>268,700</u>	<u>10,621,950</u>	48.5%	<u>9,753,683</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Six Months Ended December 31, 2014 (50% of Fiscal Year)

WATER 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						
Water Sales- Metered	34,869,458	17,973,849	-	16,895,609	51.5%	18,517,530
Service Charges	606,500	363,432	-	243,068	59.9%	328,263
Cater JPA Treatment Charges	2,516,860	415,153	-	2,101,707	16.5%	1,123,203
Investment Income	529,200	225,273	-	303,927	42.6%	270,414
Rents & Concessions	22,872	11,436	-	11,436	50.0%	11,436
Reimbursements	782,779	313,519	-	469,260	40.1%	142,084
Miscellaneous	20,000	33,407	-	(13,407)	167.0%	42,089
TOTAL REVENUES	<u>39,347,669</u>	<u>19,336,069</u>	<u>-</u>	<u>20,011,600</u>	49.1%	<u>20,435,019</u>
EXPENSES						
Salaries & Benefits	8,649,787	4,126,867	-	4,522,920	47.7%	3,847,653
Materials, Supplies & Services	10,786,686	4,116,326	1,972,534	4,697,827	56.4%	3,594,818
Special Projects	949,366	98,413	260,659	590,294	37.8%	215,520
Water Purchases	8,716,165	3,980,891	52,903	4,682,370	46.3%	3,702,052
Debt Service	5,087,163	1,715,623	-	3,371,540	33.7%	2,604,148
Transfer-Out	986,346	986,346	-	-	100.0%	-
Capital Outlay Transfers	11,969,228	6,734,614	-	5,234,614	56.3%	5,594,616
Equipment	236,953	72,116	15,794	149,043	37.1%	14,415
Capitalized Fixed Assets	132,175	8,236	36,346	87,594	33.7%	7,697
Other	35,000	23,756	1,000	10,244	70.7%	24,407
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
TOTAL EXPENSES	<u>47,698,870</u>	<u>21,863,189</u>	<u>2,339,235</u>	<u>23,496,445</u>	50.7%	<u>19,605,326</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 Expenditures
For the Six Months Ended December 31, 2014 (50% of Fiscal Year)

WASTEWATER 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						
Service Charges	17,928,555	8,640,591	-	9,287,964	48.2%	8,794,375
Fees	775,071	397,475	-	377,596	51.3%	365,619
Investment Income	158,100	79,622	-	78,478	50.4%	80,782
Rents & Concessions	20,887	-	-	20,887	0.0%	10,433
Miscellaneous	1,000	18,569	-	(17,569)	1856.9%	1,334
TOTAL REVENUES	<u>18,883,613</u>	<u>9,136,257</u>	<u>-</u>	<u>9,747,356</u>	<u>48.4%</u>	<u>9,252,543</u>
EXPENSES						
Salaries & Benefits	5,893,242	2,662,120	-	3,231,122	45.2%	2,571,201
Materials, Supplies & Services	7,401,610	3,246,648	1,990,449	2,164,513	70.8%	2,661,601
Special Projects	745,482	64,676	194,158	486,647	34.7%	34,670
Debt Service	1,791,664	633,071	-	1,158,593	35.3%	303,572
Capital Outlay Transfers	3,928,500	1,964,250	-	1,964,250	50.0%	2,077,364
Equipment	96,568	33,120	30,918	32,530	66.3%	6,105
Capitalized Fixed Assets	26,000	441	1,500	24,059	7.5%	3,321
Other	3,000	2,750	1,000	(750)	125.0%	1,000
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
TOTAL EXPENSES	<u>20,036,066</u>	<u>8,607,076</u>	<u>2,218,026</u>	<u>9,210,964</u>	<u>54.0%</u>	<u>7,658,834</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 Expenditures
For the Six Months Ended December 31, 2014 (50% of Fiscal Year)

DOWNTOWN PARKING 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						
Improvement Tax	980,000	542,192	-	437,808	55.3%	511,233
Parking Fees	6,535,946	3,550,587	-	2,985,359	54.3%	3,351,708
Other Fees & Charges	3,000	2,059	-	941	68.6%	1,700
Investment Income	102,100	51,018	-	51,082	50.0%	52,132
Rents & Concessions	104,000	51,996	-	52,004	50.0%	44,463
Miscellaneous	18,387	23,391	-	(5,003)	127.2%	7,321
Operating Transfers-In	193,500	96,750	-	96,750	50.0%	21,750
TOTAL REVENUES	<u>7,936,933</u>	<u>4,317,994</u>	<u>-</u>	<u>3,618,940</u>	54.4%	<u>3,990,307</u>
EXPENSES						
Salaries & Benefits	4,183,765	2,062,582	-	2,121,183	49.3%	1,976,345
Materials, Supplies & Services	2,338,253	963,734	139,185	1,235,335	47.2%	952,878
Special Projects	586,431	211,633	315,840	58,958	89.9%	244,431
Transfer-Out	309,125	154,563	-	154,562	50.0%	151,532
Capital Outlay Transfers	970,000	485,000	-	485,000	50.0%	753,876
Equipment	27,470	6,285	2,470	18,715	31.9%	1,107
Appropriated Reserve	50,000	-	-	50,000	0.0%	-
TOTAL EXPENSES	<u>8,465,044</u>	<u>3,883,796</u>	<u>457,495</u>	<u>4,123,753</u>	51.3%	<u>4,080,169</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 Expenditures
For the Six Months Ended December 31, 2014 (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	4,545,175	2,093,168	-	2,452,007	46.1%	2,145,053
Leases-Terminal	4,607,134	2,514,781	-	2,092,353	54.6%	2,603,104
Leases-Non-Commercial Aviation	1,819,730	975,139	-	844,591	53.6%	849,647
Leases-Commercial Aviation	4,218,655	2,295,617	-	1,923,038	54.4%	2,122,009
Investment Income	121,300	52,432	-	68,868	43.2%	61,825
Miscellaneous	157,355	144,748	-	12,607	92.0%	58,448
TOTAL REVENUES	<u>15,469,349</u>	<u>8,075,886</u>	<u>-</u>	<u>7,393,463</u>	52.2%	<u>7,840,086</u>
EXPENSES						
Salaries & Benefits	5,723,701	2,619,919	-	3,103,782	45.8%	2,474,042
Materials, Supplies & Services	7,944,701	3,577,034	683,759	3,683,907	53.6%	3,416,849
Special Projects	94,926	1,577	-	93,349	1.7%	260,135
Transfer-Out	20,354	10,177	-	10,177	50.0%	9,864
Debt Service	1,815,718	907,859	-	907,859	50.0%	915,352
Capital Outlay Transfers	-	-	-	-	0.0%	425,132
Equipment	82,794	19,487	10,697	52,610	36.5%	30,418
Appropriated Reserve	103,856	-	-	103,856	0.0%	-
TOTAL EXPENSES	<u>15,786,050</u>	<u>7,136,053</u>	<u>694,456</u>	<u>7,955,541</u>	49.6%	<u>7,531,792</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 Expenditures
For the Six Months Ended December 31, 2014 (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	1,766,876	819,108	-	947,768	46.4%	862,751
Investment Income	10,100	3,926	-	6,174	38.9%	5,070
Rents & Concessions	313,572	149,765	-	163,807	47.8%	176,250
Miscellaneous	500	(3,293)	-	3,793	-658.6%	32,027
TOTAL REVENUES	<u>2,091,048</u>	<u>969,506</u>	<u>-</u>	<u>1,121,542</u>	46.4%	<u>1,076,098</u>
EXPENSES						
Salaries & Benefits	1,108,919	557,514	-	551,405	50.3%	510,398
Materials, Supplies & Services	621,441	304,223	9,400	307,818	50.5%	305,189
Special Projects	363	-	-	363	0.0%	-
Debt Service	264,895	169,522	-	95,373	64.0%	165,865
Capital Outlay Transfers	80,727	40,364	-	40,364	50.0%	134,743
Equipment	3,000	-	-	3,000	0.0%	-
Other	900	901	340	(341)	137.9%	864
TOTAL EXPENSES	<u>2,080,245</u>	<u>1,072,524</u>	<u>9,740</u>	<u>997,981</u>	52.0%	<u>1,117,059</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 Expenditures
For the Six Months Ended December 31, 2014 (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	2,638,369	1,319,185	-	1,319,184	50.0%	1,265,387
Work Orders - Bldg Maint.	2,604,016	1,225,805	-	1,378,211	47.1%	1,118,302
Grants	27,527	0	-	27,527	0.0%	36,054
Miscellaneous	203,031	29,918	-	173,113	14.7%	42,704
Operating Transfers-In	5,000	2,500	-	2,500	50.0%	-
TOTAL REVENUES	<u>5,477,943</u>	<u>2,577,407</u>	<u>-</u>	<u>2,900,536</u>	47.1%	<u>2,462,447</u>
EXPENSES						
Salaries & Benefits	3,618,855	1,741,342	-	1,877,513	48.1%	1,643,997
Materials, Supplies & Services	1,566,678	790,455	122,119	654,104	58.2%	706,664
Special Projects	610,491	237,896	145,106	227,490	62.7%	445,738
Equipment	15,000	4,361	-	10,639	29.1%	-
Capitalized Fixed Assets	13,349	2,921	2,340	8,087	39.4%	4,188
Appropriated Reserve	26,485	-	-	26,485	0.0%	-
TOTAL EXPENSES	<u>5,850,858</u>	<u>2,776,977</u>	<u>269,565</u>	<u>2,804,317</u>	52.1%	<u>2,800,587</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Six Months Ended December 31, 2014 (50% of Fiscal Year)

FLEET REPLACEMENT 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 Rental Charges	2,244,137	1,122,069	-	1,122,068	50.0%	1,114,403
Investment Income	123,000	57,769	-	65,231	47.0%	62,800
Rents & Concessions	233,966	116,983	-	116,983	50.0%	116,989
Miscellaneous	130,048	87,118	-	42,931	67.0%	55,194
TOTAL REVENUES	<u>2,731,151</u>	<u>1,383,938</u>	<u>-</u>	<u>1,347,213</u>	50.7%	<u>1,349,386</u>
EXPENSES						
Salaries & Benefits	200,432	91,658	-	108,774	45.7%	93,489
Materials, Supplies & Services	2,725	913	-	1,812	33.5%	1,241
Special Projects	75,000	1,534	-	73,466	2.0%	13,659
Capitalized Fixed Assets	5,604,499	1,282,662	1,483,909	2,837,927	49.4%	664,901
TOTAL EXPENSES	<u>5,882,656</u>	<u>1,376,767</u>	<u>1,483,909</u>	<u>3,021,980</u>	48.6%	<u>773,290</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Six Months Ended December 31, 2014 (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	2,527,627	1,263,813	-	1,263,814	50.0%	1,231,716
Reimbursements	10,000	5,000	-	5,000	50.0%	5,000
Miscellaneous	103,070	64,600	-	38,470	62.7%	72,875
TOTAL REVENUES	<u>2,640,697</u>	<u>1,333,413</u>	<u>-</u>	<u>1,307,284</u>	50.5%	<u>1,309,591</u>
EXPENSES						
Salaries & Benefits	1,331,631	589,281	-	742,350	44.3%	613,757
Materials, Supplies & Services	1,221,460	534,669	195,951	490,840	59.8%	475,086
Special Projects	61,300	8,091	8,316	44,893	26.8%	7,500
Debt Service	43,070	21,535	-	21,535	50.0%	21,534
Equipment	9,000	-	-	9,000	0.0%	9,990
Capitalized Fixed Assets	646,181	31,085	534,305	80,792	87.5%	-
Appropriated Reserve	16,067	-	-	16,067	0.0%	-
TOTAL EXPENSES	<u>3,328,709</u>	<u>1,184,661</u>	<u>738,573</u>	<u>1,405,476</u>	57.8%	<u>1,127,867</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Six Months Ended December 31, 2014 (50% of Fiscal Year)

SELF INSURANCE TRUST 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						
Insurance Premiums	2,785,022	1,392,511	-	1,392,511	50.0%	1,378,056
Workers' Compensation Premiums	3,388,165	1,694,083	-	1,694,082	50.0%	1,475,351
OSH Charges	203,462	101,731	-	101,731	50.0%	96,917
Investment Income	55,200	19,605	-	35,595	35.5%	23,069
Miscellaneous	-	3,030	-	(3,030)	100.0%	3,576
Operating Transfers-In	75,825	37,913	-	37,913	50.0%	-
TOTAL REVENUES	<u>6,507,674</u>	<u>3,248,873</u>	<u>-</u>	<u>3,258,801</u>	49.9%	<u>2,976,969</u>
EXPENSES						
Salaries & Benefits	571,460	228,970	-	342,490	40.1%	249,789
Materials, Supplies & Services	5,606,502	3,485,377	281,685	1,839,440	67.2%	2,900,332
Special Projects	121	-	-	121	0.0%	-
Equipment	245	245	-	-	100.0%	66
TOTAL EXPENSES	<u>6,178,328</u>	<u>3,714,591</u>	<u>281,685</u>	<u>2,182,052</u>	64.7%	<u>3,150,187</u>

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 Expenditures
For the Six Months Ended December 31, 2014 (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	3,120,588	1,560,294	-	1,560,294	50.0%	1,257,498
TOTAL REVENUES	<u>3,120,588</u>	<u>1,560,294</u>	<u>-</u>	<u>1,560,294</u>	50.0%	<u>1,257,498</u>
EXPENSES						
Salaries & Benefits	1,950,182	852,379	-	1,097,803	43.7%	786,964
Materials, Supplies & Services	1,017,256	361,016	42,618	613,622	39.7%	297,364
Special Projects	18,400	-	-	18,400	0.0%	-
Capital Outlay Transfers	344,000	172,000	-	172,000	50.0%	106,000
Equipment	8,250	2,843	-	5,407	34.5%	19,811
Capital Fixed Assets	1,000	14	-	986	1.4%	121,345
Appropriated Reserve	13,053	-	-	13,053	0.0%	-
TOTAL EXPENSES	<u>3,352,141</u>	<u>1,388,252</u>	<u>42,618</u>	<u>1,921,270</u>	42.7%	<u>1,331,484</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 Expenditures
For the Six Months Ended December 31, 2014 (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	1,401,007	930,235	-	470,772	66.4%	823,384
Leases - Food Service	2,694,636	1,865,100	-	829,536	69.2%	1,615,205
Slip Rental Fees	4,204,739	2,125,789	-	2,078,950	50.6%	2,071,944
Visitors Fees	455,000	295,197	-	159,803	64.9%	236,652
Slip Transfer Fees	575,000	721,700	-	(146,700)	125.5%	342,400
Parking Revenue	2,069,466	1,356,830	-	712,636	65.6%	1,300,614
Wharf Parking	255,000	142,993	-	112,008	56.1%	138,597
Grants	25,600	-	-	25,600	0.0%	-
Other Fees & Charges	236,723	133,577	-	103,146	56.4%	131,708
Investment Income	117,000	46,232	-	70,768	39.5%	70,227
Rents & Concessions	304,966	158,537	-	146,429	52.0%	169,656
Miscellaneous	322,000	308,751	-	13,249	95.9%	281,209
TOTAL REVENUES	<u>12,661,137</u>	<u>8,084,941</u>	<u>-</u>	<u>4,576,196</u>	<u>63.9%</u>	<u>7,181,596</u>
EXPENSES						
Salaries & Benefits	6,050,691	2,929,698	-	3,120,993	48.4%	2,864,573
Materials, Supplies & Services	4,018,126	1,963,593	684,375	1,370,158	65.9%	1,756,250
Special Projects	261,506	48,635	-	212,871	18.6%	63,463
Debt Service	1,780,351	1,095,838	-	684,513	61.6%	1,300,999
Capital Outlay Transfers	1,385,000	692,500	-	692,500	50.0%	772,078
Equipment	82,759	24,145	78	58,535	29.3%	11,937
Capital Fixed Assets	17,104	-	17,104	-	100.0%	22,896
Other	-	1,375	1,000	(2,375)	100.0%	1,385
Appropriated Reserve	100,000	-	-	100,000	0.0%	-
TOTAL EXPENSES	<u>13,695,537</u>	<u>6,755,784</u>	<u>702,557</u>	<u>6,237,196</u>	<u>54.5%</u>	<u>6,793,581</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 2015 Interim Financial Statements
For the Six Months Ended December 31, 2014 (50% of Year Elapsed)*

General Fund Revenues

The table below summarizes General Fund revenues for the six months ended December 31, 2014. For interim financial statement purposes, revenues are reported on a 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 have 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 for each type of tax 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, 2014 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	\$ 21,726,115	\$ 8,264,614	\$ 8,475,993	\$ 211,379	39.01%	38.04%	\$ 7,873,848	7.6%
Property Tax	27,164,000	9,618,772	9,873,692	254,920	36.35%	35.41%	9,405,586	5.0%
UUT	7,257,800	3,675,350	3,567,847	(107,503)	49.16%	50.64%	3,548,584	0.5%
TOT	17,641,400	10,239,069	10,832,023	592,954	61.40%	58.04%	9,490,697	14.1%
Bus License	2,571,200	991,198	1,099,330	108,132	42.76%	38.55%	1,069,479	2.8%
Prop Trans Tax	678,000	306,456	276,089	(30,367)	40.72%	45.20%	336,468	-17.9%
Total Taxes	77,038,515	33,095,459	34,124,974	1,029,515	44.30%	42.59%	31,724,662	7.6%
License & Permits	233,500	116,750	95,441	(21,309)	40.87%	50.00%	95,729	-0.3%
Fines & Forfeitures	3,207,487	1,603,744	1,608,075	4,332	50.14%	50.00%	1,594,496	0.9%
Franchise Fee	3,771,000	1,870,416	1,905,522	35,106	50.53%	49.60%	1,855,070	2.7%
Use of Money & Property	1,026,021	513,011	457,522	(55,489)	44.59%	50.00%	457,848	-0.1%
Intergovernmental	742,517	371,259	280,897	(90,362)	37.83%	50.00%	1,048,947	-73.2%
Fee & Charges	20,425,632	10,212,816	10,060,339	(152,477)	49.25%	50.00%	9,545,507	5.4%
Miscellaneous	9,354,942	4,677,471	4,809,094	131,623	51.41%	50.00%	4,736,194	1.5%
Total Other	38,761,099	19,365,466	19,216,890	(148,576)	49.58%	49.92%	19,333,791	-0.6%
Total Before Budgeted Variances	115,799,614	52,460,924	53,341,863	880,940			51,058,453	
Anticipated Year-End Var	1,200,000	600,000	-	(600,000)	0.00%	50.00%	-	0.0%
Total Revenues	\$ 116,999,614	\$ 53,060,924	\$ 53,341,863	\$ 280,940	45.59%	45.06%	\$ 51,058,453	4.5%

* 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.

The table above summarizes General Fund revenues for the six months ended December 31, 2014. For interim financial statement purposes, revenues are reported on a cash basis (i.e. when the funds are received). Total revenues are \$280,940 above the budget through December 31, 2014; however, total revenues collected before budgeted variances were \$880,940 over YTD budget. Major revenues and significant variances are discussed below.

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Sales Taxes

Sales tax revenue for the first six months of the fiscal year was \$211,379 above the YTD budget on a cash basis. However, while representing two quarterly sales tax payments year-to-date, the revenues received through December 31, 2014 provide information for the growth in sales tax revenues earned for the quarter ended September 30, 2014, which were 6.9% over those from the prior year. Sales tax revenues continue to show recovery from growth lost during the recession. Staff projects sales tax revenues to be above the original budget of \$21.3 million by approximately \$672,000.

Property Tax

Property tax revenue was \$254,920 above the YTD budget at December 31, 2014. Revenue growth for Fiscal Year 2014 is trending higher than expected based on information provided by the County of Santa Barbara relative to increases in assessed values which were just over 5% per county records. Property tax revenues are projected to exceed the adopted budget by approximately \$505,000 at year-end.

Transient Occupancy Tax

TOT revenue was \$592,954 above the YTD budget at December 31, as shown on the table on the previous page. It is 14% higher than the same six-month period in the prior year. Based on current projections, revenues are expected to be more than \$839,000 above budget at year-end.

Business License Tax

Business License revenue is \$108,132 above the year-to-date budget, which also represents a 2.8% increase over the prior year. Based on current projections, however, business license revenues are projected to be about even with budget at year-end.

Utility Users Tax

Utility Users Tax revenues are \$107,503 below the year-to-date budget. These returns, however, do represent a 0.5% increase over the same six-month period last year. The two main drivers of this slow growth is the increasing segmentation in the telephony market (which pushes down overall traditional landline telephone and cellular telephone service) and the collapse in world oil prices (which reduces the price and demand for natural gas). Based on our current projections, revenues are expected to be more than \$239,000 below budget at year-end.

Intergovernmental

Intergovernmental revenue was approximately \$90,362 below the YTD Budget. The largest component of intergovernmental revenue is mutual aid reimbursements received by the Fire Department for providing assistance to other agencies. The City is reimbursed for the actual costs of providing assistance plus an overhead factor. The Fire Department budgeted \$423,000 in reimbursements and has received \$124,898 in reimbursements as of December 31. Fire Department staff are projecting to meet the budget by year-end.

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Miscellaneous

Total Miscellaneous revenue is \$131,623 above the year-to-date budget primarily due to unanticipated revenues from litigation settlements. The table below describes the largest components of miscellaneous revenue, which includes overhead cost recovery, transfers in, donations, administrative citations, auction revenue, City TV revenue, sale of property, insurance rebates, refunds, and other miscellaneous revenue.

Operating-Transfers In is \$93,350 below the year-to-date budget. The variance is due to a delay by the County in remitting traffic citation revenue to the City, thereby impacting total transfers in to the General Fund through December 31. Staff anticipates this revenue to be at budget by year-end.

Miscellaneous Revenue General Fund For the Six Months Ended December 31, 2014								
Type of Misc. Revenue	Annual Budget	YTD Budget	YTD Actual	Budget Variance	Percent Received YTD	Prior Year YTD	Prior Year Variance	Percent Variance
Miscellaneous	1,660,410	\$ 830,205	1,055,177	\$ 224,972	63.5%	921,192	\$ 133,985	14.5%
Indirect Allocations	6,411,155	3,205,578	3,205,578	-	50.0%	3,146,370	59,208	1.9%
Operating-Transfers In	1,283,377	641,689	548,339	(93,350)	42.7%	668,632	(120,293)	-18.0%
Total	\$ 9,354,942	\$ 4,677,472	\$ 4,809,094	\$ 131,623	51.4%	\$ 4,736,194	\$ 72,900	1.5%

Fees & Service Charges

Overall, fees and service charges are \$152,477 below the YTD budget. The table below provides more details on fees and service charges by department. The more significant mid-year variances are also discussed.

Community Development fees are approximately \$74,400 below the year-to-date budget. This variance is mostly due to a slow start in building-related activity charges, such as planning work orders and building permit fees. However, these revenues are expected to trend upward for the remainder of the year, and in the case of building permits are projected to be over budget by \$67,000.

Parks & Recreation fees are approximately \$199,500 below the year-to-date budget. Most of the increase will be realized later in the year, as parks & recreation programs tend to get higher participation in the summer. However, staff projects there will be an overall shortfall of about \$21,000 mostly due to lower participation in the Active Adults Program, including decreased Arts and Crafts Show membership and dance class attendance.

Public Safety fees are approximately \$52,900 below the year-to-date budget. Most of the variance is due to dismissal fees in the Police Department, largely as a result of temporary decreased staffing in the parking citation section. False alarm billing revenues are also lower

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than projected, but are expected to increase in the latter part of the year as businesses exceed the free false alarm threshold.

Public Works fees are approximately \$83,200 below the year-to-date budget. The variance is due to engineering work order revenue being down at mid-year, which is expected to be under budget by year-end.

Reimbursement revenues are approximately \$255,714 above the YTD budget. The variance is mostly due to revenues of approximately \$147,000 remitted by the State in the current year for SB90 mandated cost reimbursements from fiscal years 1995 through 1998.

Fees and Service Charges General Fund For the Six Months Ended December 31, 2014								
Department	Annual Budget	YTD Budget	YTD Actual	Budget Variance	Percent Received YTD	Prior Year YTD	Prior Year Variance	Percent Variance
Finance	\$ 949,905	\$ 474,953	\$ 476,494	\$ 1,542	50.16%	\$ 461,281	\$ 15,213	3.3%
Community Development	4,587,515	2,293,758	2,219,425	(74,333)	48.38%	2,168,681	50,744	2.3%
Parks & Recreation	3,049,474	1,524,737	1,325,222	(199,515)	43.46%	1,305,375	19,847	1.5%
Public Safety	653,827	326,914	274,008	(52,906)	41.91%	246,664	27,344	11.1%
Public Works	5,951,301	2,975,651	2,892,517	(83,134)	48.60%	2,807,211	85,306	3.0%
Library	762,398	381,199	381,352	153	50.02%	363,832	17,520	4.8%
Reimbursements	4,471,212	2,235,606	2,491,320	255,714	55.72%	2,192,463	298,857	13.6%
Total	\$ 20,425,632	\$ 10,212,816	\$ 10,060,339	\$ (152,477)	49.25%	\$ 9,545,507	\$ 514,831	5.4%

Anticipated Year-End Variances and Budgeted Savings from Concessions

It is important to note that the table on page 1 includes \$1,200,000 for anticipated year-end budget variances. The \$1.2 million is roughly equal to 1.0% of budgeted operating expenditures in the General Fund and, although budgeted as revenue, represents staff's estimate of the 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.

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For the Six Months Ended December 31, 2014 (50% of Year Elapsed)*

General Fund Expenditures

The table below summarizes the General Fund budget and year-to-date expenditures through December 31, 2014. 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.

SUMMARY OF EXPENDITURES GENERAL FUND For the Six Months Ended December 31, 2014							
Department	Adjusted Annual Budget	YTD Budget	YTD Actual	YTD Variance Without Encumbrance	Encum- brance	YTD Variance With Encumb Favorable (Unfavorable)	
						\$	%
Mayor & Council	\$ 3,408,507	\$ 1,954,097	\$ 2,265,066	\$ (310,969)	\$ 274,273	\$ (585,242)	-17.2%
City Attorney	2,303,695	1,177,764	1,144,286	33,478	23,918	9,560	0.4%
City Administrator	2,284,173	1,146,084	989,816	156,268	79,277	76,991	3.4%
Administrative Svs.	2,037,450	1,024,939	892,856	132,083	39,810	92,273	4.5%
Finance	5,129,491	2,486,162	2,394,964	91,198	295,654	(204,456)	-4.0%
Police	38,222,049	19,206,580	18,950,562	256,018	338,382	(82,364)	-0.2%
Fire	22,988,643	11,573,173	11,873,972	(300,799)	48,946	(349,745)	-1.5%
Public Works	7,898,371	3,815,150	3,496,851	318,299	355,544	(37,245)	-0.5%
Parks & Recreation	15,780,292	8,016,388	7,414,727	601,661	269,850	331,811	2.1%
Library	5,028,385	2,396,327	2,442,094	(45,767)	39,838	(85,605)	-1.7%
Community Development	10,024,563	5,282,343	4,758,009	524,334	521,202	3,132	0.0%
Non-Departmental	2,610,877	1,600,990	1,278,198	322,792	660	322,132	12.3%
Total	<u>\$ 117,716,496</u>	<u>\$ 59,679,997</u>	<u>\$ 57,901,401</u>	<u>\$ 1,778,596</u>	<u>\$ 2,287,354</u>	<u>\$ (508,758)</u>	<u>-0.4%</u>
% of annual budget		50.7%	49.2%	1.5%	1.9%	-0.4%	

As shown above, a year-to-date budget (labeled “YTD Budget”) column is included. This column has been developed 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 separate column for the variance after considering encumbrances. Inclusion of encumbrances can significantly distort the analysis of budgeted and actual expenditures during the year. Outstanding encumbrances include certain appropriations that were carried forward from prior year and contracts or blanket purchase orders that have been executed in the current year but are expected to be used throughout the year. The following discussion and analysis does not include the impact of encumbrances.

The year-to-date budget of \$59.7 million at December 31, compared to actual expenditures of \$57.9 million, resulted in a favorable variance of approximately \$1.8 million. Significant variances in departments are discussed below.

Mayor and Council expenditures are over the YTD budget by approximately \$311,000. The variance is mostly due to a timing difference in payments of approximately \$345,000 per quarter for the annual contract with Visit Santa Barbara to promote the City as a tourist destination and location for film production. In the prior year, the third quarter payment was made in January; however, for Fiscal Year 2015, this payment was made in December 2014 thereby reporting 75% of contract expenditures by mid-year. Staff anticipates expenditures to be within budget at year-end.

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Fire Department expenditures are over the YTD budget by approximately \$301,000. This variance is due to higher than anticipated mutual aid expenditures during the first six months of Fiscal Year 2015. Mutual aid expenditures relate to the cost of providing assistance to other locations throughout the state. As of December 31, mutual aid expenditures amounted to \$512,000 in comparison to budgeted mutual aid expenditures of \$351,300. However, the Fire Department has received about \$125,000 in mutual aid reimbursement revenues as of December 31, and anticipates an additional amount of \$437,000 that has already been billed but not yet received. Mutual aid revenues are projected to exceed expenditures by \$50,000 for all mutual aid activities through December 31, 2014. As there is the possibility of additional mutual aid activities by year-end, staff will be monitoring mutual aid revenues and expenditures and will request an adjustment at year-end to record the total revenues and appropriations for all fiscal year 2015 mutual aid activities. At this time, staff anticipates expenditures, excluding mutual aid, will be within budget by year-end.

Parks and Recreation expenditures are below YTD budget by approximately \$601,700. The variance is mostly due to reduced salary and benefit costs as a result of vacant positions. The department is actively recruiting new staff and anticipates that all vacant positions will be filled by April 2015; budget savings of \$241,000 for the fiscal year are projected. Budget savings of \$145,000 are also expected from the Medians and Parkways program, as FY 2014 carryover funds were used for work performed in the current fiscal year.

Library expenditures are over the YTD budget by approximately \$45,800. The variance is due to unanticipated supplies purchases for the Central Library reorganization on the main floor, and the purchase of new color photocopiers for the public and staff. These costs will be offset by budget savings in personnel costs expected by year-end, and higher than projected Literacy Program revenues.

Community Development expenditures are below YTD budget by approximately \$524,400. This variance is largely attributed to salary savings resulting from position vacancies and hourly vacancies in Records, and approximately \$74,000 in across-the-board savings in Supplies and Services.

Non-Departmental expenditures are below YTD budget by approximately \$322,800. This variance is due to the programming of \$406,300 of appropriated reserves to cover contingencies that arise during the course of the fiscal year. As of December 31, \$70,200 appropriated reserves have been used.

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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, 2014, 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								
For The Six Months Ended December 31, 2014								
ENTERPRISE FUNDS								
	Current Year Analysis						Prior Year Analysis	
	Annual Budget	YTD Budget *	YTD Actual	YTD Variance	YTD Percent	3 Year Average	YTD Actual	% Variance
Solid Waste Fund								
Revenues	\$ 20,645,776	\$ 9,998,749	\$ 10,209,649	\$ 210,900	49.5%	48.4%	\$ 10,355,759	-1.4%
Expenses	20,613,368	9,853,190	9,722,718	130,472	47.2%	47.8%	9,753,683	-0.3%
Water Fund								
Revenues	39,347,669	20,775,569	19,336,069	(1,439,500)	49.1%	52.8%	20,435,019	-5.4%
Expenses	47,698,870	24,073,620	21,863,189	2,210,431	45.8%	50.5%	19,605,326	11.5%
Wastewater Fund								
Revenues	18,883,613	9,562,662	9,136,257	(426,405)	48.4%	50.6%	9,252,543	-1.3%
Expenses	20,036,066	9,206,572	8,607,076	599,496	43.0%	46.0%	7,658,834	12.4%
Downtown Parking Fund								
Revenues	7,936,933	3,885,922	4,317,994	432,072	54.4%	49.0%	3,990,307	8.2%
Expenses	8,465,044	4,205,434	3,883,796	321,638	45.9%	49.7%	4,080,169	-4.8%
Airport Fund								
Revenues	15,469,349	7,821,303	8,075,886	254,583	52.2%	50.6%	7,840,086	3.0%
Expenses	15,786,050	7,537,839	7,136,053	401,786	45.2%	47.8%	7,531,792	-5.3%
Golf Fund								
Revenues	2,091,048	1,035,069	969,506	(65,563)	46.4%	49.5%	1,076,098	-9.9%
Expenses	2,080,245	1,101,698	1,072,524	29,174	51.6%	53.0%	1,117,059	-4.0%
Waterfront Fund								
Revenues	12,661,137	6,571,130	8,084,941	1,513,811	63.9%	51.9%	7,181,596	12.6%
Expenses	13,695,537	7,112,092	6,755,784	356,308	49.3%	51.9%	6,793,581	-0.6%
* 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 2015 Interim Financial Statements
For the Six Months Ended December 31, 2014 (50% of Year Elapsed)*

The expenses shown in the preceding table do not include outstanding encumbrances at December 31, 2014. 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.

Solid Waste Fund

Solid Waste Fund revenues are above the year-to-date budget as of December 31 by approximately \$210,900 mostly due to the increase of solid waste rates. Expenses for the Solid Waste Fund are slightly below the YTD budget by approximately \$130,500. The variance is largely attributed to a timing difference in the semi-annual payment of approximately \$258,000 for regional fees to the County of Santa Barbara for waste management services. The payment is typically made in January. Staff anticipates expenditures will be within budget by year-end.

Water Fund

Water Fund revenues are below the year-to-date budget by approximately \$1.4 million, primarily due to a water sales revenue shortfall of \$1.2 million. Budgeted water sales revenue assumed a 20% demand reduction; however during the first half of the fiscal year, customers achieved a 23% reduction in water usage. Conservation efforts have increased and customers are being conscientious due to the current drought situation. This is favorable news for water supply, but has significantly impacted revenues. Staff anticipates that total water sales for Fiscal Year 2015 may be below budget by approximately \$2.9 million.

Since the beginning of the fiscal year, staff has identified five grant funding sources that will offset some of the revenue shortfall. The City has been notified that all grants have been approved, none of which were budgeted. Of these, three grants are under contract and will realize additional revenues of \$800,000 and two other grants are still pending and award amounts are yet to be determined.

Expenses for the Water Fund are below the YTD budget by approximately \$2.2 million. The variance is mostly due to only 34% of total debt service costs of over \$5.1 million occurring in the first half of Fiscal Year 2015, as compared to approximately 48% in prior years. In addition, water purchases are lower in the first six months than projected by approximately \$780,000; however it is expected the water purchases budget will be spent during the remainder of the fiscal year. Staff anticipates expenditures will be within budget by year-end.

Wastewater Fund

Wastewater Fund revenues are below the YTD budget approximately \$426,400. The shortfall is related to the 23% reduction in water usage, as a portion of sewer service charges are based on discharges to the sewer system as measured through water usage. It is projected these revenues may be below budget by \$600,000 at year-end.

*Fiscal Year 2015 Interim Financial Statements
For the Six Months Ended December 31, 2014 (50% of Year Elapsed)*

Wastewater Fund expenses are approximately \$599,500 below the YTD budget. This variance is due to a large number of vacant positions this fiscal year, which have resulted in significant savings in personnel costs. Staff anticipates for positions to be filled within the next six months.

Downtown Parking Fund

Downtown Parking Fund revenues are above the YTD budget by approximately \$432,100. Most of the variance is due to increased hourly parking and monthly parking revenues from an improved downtown economy and the use of credit cards in the lots. In addition, beginning in August 2014, there was a fee increase in the Cota Commuter Lot that realized higher revenues. Expenses are below the YTD budget by approximately \$321,600. This variance is primarily due to lower facilities and equipment repair costs in the first half of the year.

Airport Fund

Airport Fund revenues are above the YTD budget at December 31 by approximately \$254,600 due to higher rental car and commercial aviation revenues. The rental car companies had a change in pricing to attract more customers that contributed to the increase, and higher rentals by non-airport users were also noted. As for commercial aviation revenues, airline terminal building rental and landing fees, as well as airfreight are 8.8% above budget. Changes to the United aircraft fleet mix toward bigger planes significantly increased boarding bridge usage and landing weights, which positively impacted revenues. An increase in freight and charter landing weights and fees also contributed to higher revenues.

Expenses for the Airport Fund are below the YTD budget by approximately \$401,800. The variance is mostly due to position vacancies in the department, and the closure of Long-Term Lot 2 throughout the holiday period. Approximately \$63,000 of the variance is due to equipment purchases that will be expensed in the second half of the fiscal year.

Golf Fund

Golf Fund revenues are below the YTD budget by approximately \$65,600. The variance is mostly due to lower greens fee revenue; at mid-year, paid rounds are 6.4% below FY 2014 performance and 7.4% below the FY 2015 budget. Concession and range fee revenues are also down. The drought measures and general condition of the range have impacted revenues, and it is anticipated that any additional significant reduction in water allowances may impact further the quality of the turf areas on the course, which may further impact revenue generation. Overall, it is expected that revenues will end the year approximately \$96,000 under budget.

Golf Fund expenses are below the YTD budget by approximately \$29,200. Staff has been holding discretionary spending and seeking ways to reduce costs given the challenges faced in improving revenues. Cost savings are expected in salaries due to the retirement of a fulltime employee and the use of hourly staff to back fill the position. In addition, water conservation efforts are expected to reduce costs by about \$39,000. Staff will be closely monitoring revenues and expenses over the next several months to determine the need to make any additional cost reductions to meet budget at year-end.

*Fiscal Year 2015 Interim Financial Statements
For the Six Months Ended December 31, 2014 (50% of Year Elapsed)*

Waterfront Fund

Waterfront Fund revenues are above the YTD budget by approximately \$1.5 million. Good summer weather, and an unseasonably warm fall and winter season contributed to significant increases in revenues through December 31. In particular, slip transfer fees are above projections, increasing about \$287,000 or 84% from the prior year. Leases with businesses on the wharf and harbor, and parking lots also realized higher revenues.

Expenses for the Waterfront Fund are below the YTD budget by approximately \$356,300. This variance is primarily due to equipment and computer hardware that will be purchased later in the fiscal year, and the programming of \$100,000 of appropriated reserves in the operating budget to cover contingencies that arise during the course of the fiscal year. As of December 31, no appropriated reserves have been used.

City of Santa Barbara
Interim Financial Statements for the Six Months Ended December 31, 2014
Proposed Budget Adjustments

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
GENERAL FUND (1000)			
Arts and Community Promotions			
Increase Appropriations for TV Santa Barbara PEG Fees	\$ 12,208		\$ (12,208)
<p>In July 2014, City Council approved the Fiscal Year 2015 grant contract with TV Santa Barbara (TVSB) for operational and capital funding. Included in the contract were \$12,208 of PEG Fees for capital expenditures representing 50% of additional actual PEG fees received by the City for the fiscal year 2014. This recommended entry will increase appropriations in the arts and community promotions budget for the additional PEG Fees due to TVSB per the contract.</p>			
Community Development			
Increase Estimated Revenues for Additional Building & Safety Permit Revenues		67,000	67,000
Increase Appropriations for Salaries & Benefits - One Full-Time Plans Examiner	67,000		(67,000)
<p>In the prior fiscal year, City Council appropriated funds for Building & Safety to hire one part-time hourly Plans Examiner. As a result of the hiring, the division has processed 11% more applications, trained staff and assisted customers with a new State Energy Code, and performed more over-the-counter reviews. Due to the favorable results, staff is requesting one full-time position of Plans Examiner in place of the part-time hourly position. Staff anticipates \$67,000 more in building permit revenue in the fiscal year as a result of increased permit activity, which staff projects are sufficient to cover the additional costs of the full-time position. These recommended entries will increase estimated revenues and appropriations by \$67,000.</p>			
Police			
Increase Appropriations for Community Service Officers - Safety Presence Pilot Project	150,000		(150,000)
Transfer Available Appropriations from the Downtown Parking Fund - Safety Presence Pilot Project		150,000	150,000
<p>On October 28, 2014, City Council voted for the Police Department to move forward with the Community Service Officer option for enhancing the safety presence in the downtown corridor. The Community Service Officers will be part of the Tactical Patrol Force Program and funding will cover salaries and benefits as well as uniforms and office supplies for the project. The \$150,000 funding for the safety presence pilot project was originally budgeted in the Downtown Parking Fund for Fiscal Year 2015. These recommended entries will transfer the appropriations from the Downtown Parking Fund to the Police Department in the General Fund.</p>			
Library			
Increase Estimated Revenues for Additional Literacy Program Funding		9,355	9,355
Increase Appropriations for the Central Library Reorganization	9,355		(9,355)
<p>During Fiscal Year 2015, the Central Library Reorganization project has been in process on the main floor of the Library. As part of the project, the Library Department is projecting additional unbudgeted costs in special services supplies as well as costs for new color photocopiers. Staff is projecting sufficient costs savings in other areas to offset all but \$9,355 of these unanticipated costs. These costs will be covered by anticipated additional revenues from the Literacy Program. These recommended entries will increase estimated revenues and appropriations by \$9,355.</p>			
Total General Fund	<u>\$ 238,563</u>	<u>\$ 226,355</u>	<u>\$ (12,208)</u>

	Increase (Decrease) in Appropriations	Increase (Decrease) in Estimated Revenues	Addition to (Use of) Reserves
CAPITAL OUTLAY FUND (3000)			
Increase Appropriations for Davis Center and Westside Center Facility Improvement Project	\$ 50,000	\$ -	\$ (50,000)
Transfer Available Appropriations from Streets Capital Fund		50,000	50,000

As part of the Fiscal Year 2015 budget, City Council appropriated \$100,000 in General Fund resources in the Streets Capital Fund for the design of future Community Development Block Grant eligible projects. The funds were appropriated in a Streets Division account (Streets Engineering) that is intended for miscellaneous streets related issues and is not typically used for specific capital projects. In November 2015, the Neighborhood Advisory Council approved \$50,000 to be used to complete the design of the Euclid Avenue Sidewalks and \$50,000 for the design of facility safety and access improvements at the Louise Lowry Davis Center and the Westside Community Center. These recommended entries will transfer the available appropriations in the Streets Capital Fund to the new projects in the Streets Capital Fund and Capital Outlay Fund.

Total Capital Outlay Fund	\$ 50,000	\$ 50,000	\$ -
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SPECIAL REVENUE FUNDS

Police Asset Forfeiture Fund (2310)

Increase Appropriations for Air Quality Study from Asset Forfeiture Capital Improvement Reserve	\$ 20,000		\$ (20,000)
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The Police Department used available appropriations in the General Fund in January 2015 for an unbudgeted Air Quality Study at the Police Department. These appropriations are needed for other projects in the Patrol Budget prior to June 30, 2015. This recommended entry will increase appropriations in the Asset Forfeiture Fund from the new Asset Forfeiture Capital Improvement Reserve by \$20,000 to cover the cost for the study out of the Asset Forfeiture Fund rather than the General Fund.

Total Police Asset Forfeiture Fund	\$ 20,000	\$ -	\$ (20,000)
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Miscellaneous Grants Fund (2800)

Increase Estimated Revenues - Domestic Violence Solutions	\$ -	\$ 5,800	\$ 5,800
Increase Appropriations - Domestic Violence Solutions	5,800		(5,800)

Since the adoption of the Fiscal Year 2015 budget, the Police Department received \$5,800 from Domestic Violence Solutions. These funds will be used to offset the cost of officer time spent working with Domestic Violence Solutions in the creation of domestic violence protocols, training and outreach materials. These recommended entries will increase estimated revenues and appropriations by \$5,800.

Total Miscellaneous Grants Fund	\$ 5,800	\$ 5,800	\$ -
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County Library Fund (2500)

Increase Estimated Revenues from the Ariano Trust Gift Account	\$ -	\$ 4,600	\$ 4,600
Increase Appropriations for the Goleta Library - Lobby Enhancements	4,600		(4,600)

Subsequent to the development of the Library Department's Fiscal Year 2015 budget, the City of Goleta requested an enhancement of the lobby at the Goleta Library. To fund project costs, a transfer from the Ariano Trust of \$4,600 is needed. These recommended entries will increase estimated revenues and appropriations by \$4,600.

Decrease Estimated Revenues - Donations from Friends of the Library		(20,000)	(20,000)
Decrease Appropriations for Materials - Solvang	(20,000)		20,000

In December 2014, the Library Department received notification from the Friends of the Santa Ynez Valley Libraries of a reduction in their current year gift to the Solvang Library. The reduction in revenues requires a corresponding reduction in materials appropriations. These recommended entries will decrease estimated donations revenue and materials appropriations by \$20,000.

Total County Library Fund	\$ (15,400)	\$ (15,400)	\$ -
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	Increase (Decrease) in Appropriations	Increase (Decrease) in Estimated Revenues	Addition to (Use of) Reserves
SPECIAL REVENUE FUNDS (cont.)			
Streets Capital Fund (3400)			
Decrease Appropriations in Streets Engineering	\$ (100,000)	\$ -	\$ 100,000
Transfer Available Appropriations to New Euclid Avenue Sidewalk Infill Project	50,000	-	(50,000)
Transfer Available Appropriations to Capital Outlay Fund - New Davis & Westside Centers Project	50,000	-	(50,000)

As part of the Fiscal Year 2015 budget, City Council appropriated \$100,000 in General Fund resources in the Streets Capital Fund for the design of future Community Development Block Grant eligible projects. The funds were appropriated in a Streets Division account (Streets Engineering) that is intended for miscellaneous streets related issues and is not typically used for specific capital projects. In November 2015, the Neighborhood Advisory Council approved \$50,000 to be used to complete the design of the Euclid Avenue Sidewalks and \$50,000 for the design of facility safety and access improvements at the Louise Lowry Davis Center and the Westside Community Center. These recommended entries will transfer the available appropriations in the Streets Capital Fund to the new projects in the Streets Capital Fund and Capital Outlay Fund.

Increase Appropriations for Pedestrian Refuge Island Project	16,422	-	(16,422)
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As of December 31, 2014, Public Works staff have identified \$16,422 of additional needs in the Streets Capital Fund to cover final costs associated with the Pedestrian Refuge Island Project. The project exceeded budget due to additional costs required for staff to perform construction management. This recommended entry will increase appropriations from reserves to cover the final costs of the project.

Increase Appropriations for Highway Safety Improvement Crosswalk Enhancement Project	50,000	-	(50,000)
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As of December 31, 2014, Public Works staff have identified \$50,000 of additional needs in the Streets Capital Fund to cover additional costs associated with the Highway Safety Improvement Crosswalk Enhancement Project. Additional funding is being required to complete the design phase of the project due to higher than anticipated costs related to meeting Caltrans environmental requirements, obtaining approval for the project and coordinating with the Cabrillo Boulevard Bridge Replacement Project. This recommended entry will increase appropriations from reserves to cover the additional design costs of the project.

Total Streets Capital Fund	\$ 66,422	\$ -	\$ (66,422)
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Streets Grants Fund (3410)

Increase Estimated Revenues - Local Surface Transportation Program	\$ -	\$ 2,448	\$ 2,448
Increase Appropriations - Local Surface Transportation Program	2,448	-	(2,448)

Subsequent to the adoption of the Fiscal Year 2015 budget, the Public Works Department received notification that the City would be receiving an increase in its annual allocation for the Local Surface Transportation Program of \$2,448. These recommended entries increase estimated revenues for the increase in the annual allocation and a corresponding increase in appropriations for pavement work as part of the Local Surface Transportation Program.

Total Streets Grants Fund	\$ 2,448	\$ 2,448	\$ -
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ENTERPRISE FUNDS

Water Operating Fund (5000)

Transfer Available Reserves from Water Capital Fund	\$ -	\$ 1,949,833	\$ 1,949,833
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The Water Capital Fund ended Fiscal Year 2014 with \$1,949,833 of available reserves due to the completion of projects under budget and the elimination or postponement of certain projects. This recommended entry will transfer the available reserves in the Water Capital Fund to the Water Operating Fund for future re-appropriation for drought related costs.

Total Water Operating Fund	\$ -	\$ 1,949,833	\$ 1,949,833
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	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
ENTERPRISE FUNDS (cont.)			
Water Capital Fund (5010)			
Transfer Available Reserves to Water Operating Fund	\$ 1,949,833	\$ -	\$ (1,949,833)
The Water Capital Fund ended Fiscal Year 2014 with \$1,949,833 of available reserves due to the completion of projects under budget and the elimination or postponement of certain projects. This recommended entry will transfer the available reserves in the Water Capital Fund to the Water Operating Fund for future re-appropriation for drought related costs.			
Total Water Capital Fund	<u>\$ 1,949,833</u>	<u>\$ -</u>	<u>\$ (1,949,833)</u>
Downtown Parking Fund (5300)			
Decrease Appropriations in the Safety Presence Pilot Project	\$ (150,000)	\$ -	\$ 150,000
Transfer Available Appropriations to the Police Department in the General Fund	150,000	-	(150,000)
On October 28, 2014, City Council voted for the Police Department to move forward with the Community Service Officer option for enhancing the safety presence in the downtown corridor. The Community Service Officers will be part of the Tactical Patrol Force Program and funding will cover salaries and benefits as well as uniforms and office supplies for the project. The \$150,000 funding for the safety presence pilot project was originally budgeted in the Downtown Parking Fund for Fiscal Year 2015. These recommended entries will transfer the appropriations from the Downtown Parking Fund to the Police Department in the General Fund.			
Total Downtown Parking Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
INTERNAL SERVICE FUNDS			
Facilities Management Fund (6300)			
Transfer Funds to the Facilities Capital Fund for the FY15 Budgeted Projects	\$ 1,267,070	\$ -	\$ (1,267,070)
As part of the annual budget process, staff proposes the transfer of funds from the Facilities Management Fund to the Facilities Capital Fund to cover the cost of any planned capital projects in excess of estimated revenues. This recommended entry is a technical correction to transfer \$1,267,070 from the Facilities Management Fund to cover the deficit in the Facilities Capital Fund.			
Total Facilities Management Fund	<u>\$ 1,267,070</u>	<u>\$ -</u>	<u>\$ (1,267,070)</u>
Facilities Capital Fund (6310)			
Transfer Funds from the Facilities Management Fund for FY15 Budgeted Projects	\$ -	\$ 1,267,070	\$ 1,267,070
As part of the annual budget process, staff proposes the transfer of funds from the Facilities Management Fund to the Facilities Capital Fund to cover the cost of planned capital projects in excess of estimated revenues. This recommended entry is a technical correction to transfer \$1,267,070 from the Facilities Management Fund to the Facilities Capital Fund as this transfer was not requested for the fiscal year 2015 budget.			
Facilities Capital Fund (6310) (cont.)			
Adjust Capital Project Budgets:			
Decrease Appropriations - Police Department HVAC Replacement Project	(371,220)	-	371,220
Decrease Appropriations - Central Library Gutter / Eave Repair Project	(75,000)	-	75,000
Decrease Appropriations - Corp Yard Paving Repair Project	(71,000)	-	71,000
Increase Appropriations - Police Carpet and Paint Project	35,000	-	(35,000)
Increase Appropriations - Miscellaneous Staff Projects	99,980	-	(99,980)
Increase Appropriations - Pershing Park Ballfield Project	86,550	-	(86,550)
Increase Appropriations - Miscellaneous Facilities Renewal Projects	131,976	-	(131,976)
Increase Appropriations - Laguna Lot Permeable Paving Project	163,714	-	(163,714)
Since the adoption of the Fiscal Year 2015 budget, the Public Works Department has identified additional funding needs for various facilities projects, such as the Pershing Park Ballfield, the required City match for the Laguna Lot Permeable Paving Project, miscellaneous staff projects, and miscellaneous facilities renewal projects. Staff have identified project savings in the Facilities Capital Fund, primarily in the Police Department HVAC Project, the Central Library Gutter Repair Project and the Corp Yard Paving Repair Project, to cover all of these additional funding needs. These recommended entries will transfer available appropriations from projects expected to be completed under budget, reduced in scope or deferred to the future to the projects requiring additional funding.			
Total Facilities Capital Fund	<u>\$ -</u>	<u>\$ 1,267,070</u>	<u>\$ 1,267,070</u>