



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 24, 2016
TO: Mayor and Councilmembers
FROM: Accounting Division, Finance Department
SUBJECT: Fiscal Year 2016 Third Quarter Review

RECOMMENDATION: That Council:

- A. Receive a report from staff on the status of revenues and expenditures in relation to budget for the nine months ended March 31, 2016;
- B. Accept the Fiscal Year 2016 Interim Financial Statements for the Nine Months Ended March 31, 2016; and
- C. Approve the proposed third quarter adjustments to Fiscal Year 2016 appropriations and estimated revenues as detailed in the attached schedule of Proposed Third Quarter 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 third quarter 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 2015. 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 Nine Months Ended March 31, 2016
 2. Interim Financial Statements for the Nine Months Ended March 31, 2016 (Narrative Analysis)
 3. Schedule of Proposed Third Quarter Adjustments

PREPARED BY: Jennifer Tomaszewski, 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 Nine Months Ended March 31, 2016 (75% 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	125,067,259	81,950,691	-	43,116,568	65.5%
Expenditures	<u>126,736,509</u>	<u>90,712,418</u>	<u>2,411,485</u>	33,612,606	73.5%
<i>Addition to / (use of) reserves</i>	<u>(1,669,250)</u>	<u>(8,761,727)</u>	<u>(2,411,485)</u>		
SOLID WASTE FUND					
Revenue	20,952,792	15,517,280	-	5,435,512	74.1%
Expenditures	<u>20,999,104</u>	<u>15,165,545</u>	<u>233,785</u>	5,599,775	73.3%
<i>Addition to / (use of) reserves</i>	<u>(46,312)</u>	<u>351,736</u>	<u>(233,785)</u>		
WATER OPERATING FUND					
Revenue	48,401,895	35,621,381	-	12,780,514	73.6%
Expenditures	<u>52,606,438</u>	<u>35,729,597</u>	<u>2,004,717</u>	14,872,124	71.7%
<i>Addition to / (use of) reserves</i>	<u>(4,204,543)</u>	<u>(108,215)</u>	<u>(2,004,717)</u>		
WASTEWATER OPERATING FUND					
Revenue	19,077,948	14,565,230	-	4,512,718	76.3%
Expenditures	<u>21,182,457</u>	<u>13,584,827</u>	<u>1,590,295</u>	6,007,336	71.6%
<i>Addition to / (use of) reserves</i>	<u>(2,104,509)</u>	<u>980,403</u>	<u>(1,590,295)</u>		
DOWNTOWN PARKING					
Revenue	8,714,958	6,675,169	-	2,039,789	76.6%
Expenditures	<u>8,894,872</u>	<u>6,412,509</u>	<u>288,962</u>	2,193,402	75.3%
<i>Addition to / (use of) reserves</i>	<u>(179,914)</u>	<u>262,661</u>	<u>(288,962)</u>		
AIRPORT OPERATING FUND					
Revenue	16,338,411	11,873,774	-	4,464,637	72.7%
Expenditures	<u>17,726,517</u>	<u>12,121,862</u>	<u>902,662</u>	4,701,993	73.5%
<i>Addition to / (use of) reserves</i>	<u>(1,388,106)</u>	<u>(248,088)</u>	<u>(902,662)</u>		
GOLF COURSE FUND					
Revenue	2,266,957	1,414,700	-	852,257	62.4%
Expenditures	<u>2,329,493</u>	<u>1,654,473</u>	<u>11,264</u>	663,756	71.5%
<i>Addition to / (use of) reserves</i>	<u>(62,536)</u>	<u>(239,773)</u>	<u>(11,264)</u>		
INTRA-CITY SERVICE FUND					
Revenue	7,416,651	5,611,896	-	1,804,754	75.7%
Expenditures	<u>7,297,972</u>	<u>5,362,899</u>	<u>235,667</u>	1,699,407	76.7%
<i>Addition to / (use of) reserves</i>	<u>118,679</u>	<u>248,997</u>	<u>(235,667)</u>		

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Summary by Fund
For the Nine Months Ended March 31, 2016 (75% 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	3,245,667	2,583,233	-	662,434	79.6%
Expenditures	<u>6,598,649</u>	<u>2,116,691</u>	<u>1,131,260</u>	3,350,699	49.2%
<i>Addition to / (use of) reserves</i>	<u>(3,352,982)</u>	<u>466,543</u>	<u>(1,131,260)</u>		
FLEET MAINTENANCE FUND					
Revenue	2,722,761	2,059,736	-	663,025	75.6%
Expenditures	<u>2,849,686</u>	<u>2,024,068</u>	<u>201,991</u>	623,626	78.1%
<i>Addition to / (use of) reserves</i>	<u>(126,925)</u>	<u>35,668</u>	<u>(201,991)</u>		
SELF INSURANCE TRUST FUND					
Revenue	7,068,083	5,392,958	-	1,675,125	76.3%
Expenditures	<u>6,920,675</u>	<u>4,932,947</u>	<u>55,686</u>	1,932,041	72.1%
<i>Addition to / (use of) reserves</i>	<u>147,408</u>	<u>460,011</u>	<u>(55,686)</u>		
INFORMATION SYSTEMS ICS FUND					
Revenue	3,204,557	2,403,764	-	800,793	75.0%
Expenditures	<u>3,682,136</u>	<u>2,696,058</u>	<u>37,975</u>	948,103	74.3%
<i>Addition to / (use of) reserves</i>	<u>(477,579)</u>	<u>(292,294)</u>	<u>(37,975)</u>		
WATERFRONT FUND					
Revenue	13,458,598	10,984,096	-	2,474,502	81.6%
Expenditures	<u>14,233,529</u>	<u>9,958,785</u>	<u>509,944</u>	3,764,800	73.5%
<i>Addition to / (use of) reserves</i>	<u>(774,931)</u>	<u>1,025,311</u>	<u>(509,944)</u>		
TOTAL FOR ALL FUNDS					
Revenue	277,936,537	196,653,909	-	81,282,627	70.8%
Expenditures	<u>292,058,038</u>	<u>202,472,677</u>	<u>9,615,693</u>	79,969,668	72.6%
<i>Addition to / (use of) reserves</i>	<u>(14,121,502)</u>	<u>(5,818,768)</u>	<u>(9,615,693)</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 Nine Months Ended March 31, 2016 (75% 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	23,367,961	13,720,112	9,647,849	58.7%	15,303,616
Property Taxes	28,742,300	15,686,488	13,055,812	54.6%	14,673,340
Utility Users Tax	7,219,700	5,488,170	1,731,530	76.0%	5,262,367
Transient Occupancy Tax	19,707,100	14,189,114	5,517,986	72.0%	14,173,102
Business License	2,624,400	2,092,511	531,889	79.7%	2,065,824
Real Property Transfer Tax	659,100	539,469	119,631	81.8%	457,033
<i>Total</i>	<u>82,320,561</u>	<u>51,715,864</u>	<u>30,604,697</u>	62.8%	<u>51,935,282</u>
LICENSES & PERMITS					
Licenses & Permits	219,700	107,517	112,183	48.9%	145,435
<i>Total</i>	<u>219,700</u>	<u>107,517</u>	<u>112,183</u>	48.9%	<u>145,435</u>
FINES & FORFEITURES					
Parking Violations	2,701,987	1,600,367	1,101,620	59.2%	1,952,072
Library Fines	89,500	45,503	43,997	50.8%	73,324
Municipal Court Fines	100,000	48,010	51,990	48.0%	48,135
Other Fines & Forfeitures	310,000	251,313	58,687	81.1%	258,871
<i>Total</i>	<u>3,201,487</u>	<u>1,945,193</u>	<u>1,256,294</u>	60.8%	<u>2,332,402</u>
USE OF MONEY & PROPERTY					
Investment Income	633,743	402,989	230,754	63.6%	415,559
Rents & Concessions	419,316	286,652	132,664	68.4%	288,851
<i>Total</i>	<u>1,053,059</u>	<u>689,641</u>	<u>363,418</u>	65.5%	<u>704,410</u>
INTERGOVERNMENTAL					
Grants	260,568	172,690	87,878	66.3%	184,848
Vehicle License Fees	35,000	36,752	(1,752)	105.0%	38,585
Reimbursements	437,900	1,356,161	(918,261)	309.7%	350,183
<i>Total</i>	<u>733,468</u>	<u>1,565,604</u>	<u>(832,136)</u>	213.5%	<u>573,616</u>
FEES & SERVICE CHARGES					
Finance	961,454	728,668	232,786	75.8%	726,082
Community Development	4,887,843	3,978,194	909,649	81.4%	3,291,666
Recreation	3,229,480	2,398,457	831,023	74.3%	2,136,812
Public Safety	611,342	343,749	267,593	56.2%	400,970
Public Works	6,357,295	4,468,404	1,888,891	70.3%	4,410,827
Library	873,320	815,299	58,021	93.4%	704,957
Reimbursements	4,760,907	3,408,754	1,352,153	71.6%	3,533,667
<i>Total</i>	<u>21,681,641</u>	<u>16,141,525</u>	<u>5,540,116</u>	74.4%	<u>15,204,981</u>
OTHER REVENUES					
Miscellaneous	1,944,918	1,216,360	728,558	62.5%	1,327,976
Franchise Fees	3,219,400	2,136,248	1,083,152	66.4%	2,739,815
Indirect Allocations	7,180,832	5,393,166	1,787,666	75.1%	4,808,366
Operating Transfers-In	1,512,193	1,039,572	472,621	68.7%	938,195
Anticipated Year-End Variance	2,000,000	-	2,000,000	0.0%	-
<i>Total</i>	<u>15,857,343</u>	<u>9,785,347</u>	<u>6,071,996</u>	61.7%	<u>9,814,352</u>
TOTAL REVENUES	<u>125,067,259</u>	<u>81,950,691</u>	<u>43,116,568</u>	65.5%	<u>80,710,478</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Nine Months Ended March 31, 2016 (75% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	YTD Expended and Encumbered	Previous YTD
GENERAL GOVERNMENT						
<u>Mayor & City Council</u>						
MAYOR & CITY COUNCIL	803,842	624,376	7,504	171,961	78.6%	
ARTS AND COMMUNITY PROMOTIONS	2,638,967	2,414,979	217,619	6,369	99.8%	
<i>Total</i>	<u>3,442,809</u>	<u>3,039,356</u>	<u>225,123</u>	<u>178,330</u>	94.8%	<u>3,021,506</u>
<u>City Attorney</u>						
CITY ATTORNEY-ADMINISTRATION	634,395	486,507.39	42,500	105,388	83.4%	
CITY ATTORNEY-ADVISORY	932,302	670,387	-	261,915	71.9%	
CITY ATTORNEY-CIVIL LITIGATION	738,668	560,014	-	178,654	75.8%	
CITY ATTORNEY-CODE ENFORCEMENT	228,540	109,680	-	118,860	48.0%	
<i>Total</i>	<u>2,533,905</u>	<u>1,826,589</u>	<u>42,500</u>	<u>664,816</u>	73.8%	<u>2,384,523</u>
<u>Administration</u>						
CITY ADMINISTRATOR	1,606,155	1,138,901	23,893	443,361	72.4%	
CITY TV	642,794	471,507	36,045	135,242	79.0%	
<i>Total</i>	<u>2,248,949</u>	<u>1,610,408</u>	<u>59,938</u>	<u>578,603</u>	74.3%	<u>1,439,536</u>
<u>Administrative Services</u>						
ADMINISTRATION	384,471	239,855	8,239	136,377	64.5%	
CITY CLERK	545,235	368,759	10,407	166,069	69.5%	
ELECTIONS	301,479	156,940	89,579	54,960	81.8%	
HUMAN RESOURCES	1,537,040	1,052,111	19,383	465,546	69.7%	
EMPLOYEE DEVELOPMENT	49,447	27,628	3,850	17,969	63.7%	
<i>Total</i>	<u>2,817,672</u>	<u>1,845,293</u>	<u>131,457</u>	<u>840,921</u>	70.2%	<u>1,321,536</u>
<u>Finance</u>						
ADMINISTRATION	253,839	194,250	9,796	49,794	80.4%	
REVENUE & CASH MANAGEMENT	508,976	346,814	35,855	126,306	75.2%	
CASHIERING & COLLECTION	513,575	375,273	-	138,302	73.1%	
LICENSES & PERMITS	528,331	379,207	7,211	141,913	73.1%	
BUDGET MANAGEMENT	480,869	351,095	-	129,774	73.0%	
ACCOUNTING	866,677	578,497	8,181	280,000	67.7%	
PAYROLL	374,443	281,749	-	92,694	75.2%	
ACCOUNTS PAYABLE	280,816	206,391	-	74,425	73.5%	
CITY BILLING & CUSTOMER SERVICE	696,488	475,091	75,335	146,062	79.0%	
PURCHASING	727,260	542,226	1,215	183,819	74.7%	
CENTRAL WAREHOUSE	203,235	158,208	370	44,658	78.0%	
MAIL SERVICES	120,721	87,438	46	33,237	72.5%	
<i>Total</i>	<u>5,555,231</u>	<u>3,976,237</u>	<u>138,009</u>	<u>1,440,984</u>	74.1%	<u>3,494,036</u>
TOTAL GENERAL GOVERNMENT	<u>16,598,565</u>	<u>12,297,883</u>	<u>597,028</u>	<u>3,703,655</u>	77.7%	<u>11,661,137</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Nine Months Ended March 31, 2016 (75% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	YTD Expended and Encumbered	Previous YTD
PUBLIC SAFETY						
<u>Police</u>						
CHIEF'S STAFF	1,181,521	920,818	20,282	240,421	79.7%	
SUPPORT SERVICES	723,816	492,407	81,965	149,445	79.4%	
RECORDS BUREAU	1,497,490	1,103,283	13,377	380,830	74.6%	
ADMIN SERVICES	1,154,526	1,071,284	10,786	72,455	93.7%	
PROPERTY ROOM	229,172	126,784	52	102,336	55.3%	
TRAINING/RECRUITMENT	617,615	401,268	30,779	185,568	70.0%	
RANGE	1,487,388	1,065,239	42,117	380,032	74.4%	
COMMUNITY & MEDIA RELATIONS	854,936	554,679	-	300,257	64.9%	
INFORMATION TECHNOLOGY	1,337,136	1,083,682	3,930	249,523	81.3%	
INVESTIGATIVE DIVISION	5,119,083	3,348,867	9,123	1,761,094	65.6%	
CRIME LAB	169,633	78,196	-	91,437	46.1%	
PATROL DIVISION	16,015,045	11,981,081	68,224	3,965,739	75.2%	
TRAFFIC	1,399,012	840,418	550	558,044	60.1%	
SPECIAL EVENTS	884,414	838,497	200	45,717	94.8%	
TACTICAL PATROL FORCE	1,683,590	1,425,667	-	257,923	84.7%	
STREET SWEEPING ENFORCEMENT	360,574	272,224	-	88,350	75.5%	
NIGHT LIFE ENFORCEMENT	315,189	244,095	-	71,094	77.4%	
PARKING ENFORCEMENT	1,016,030	654,649	-	361,381	64.4%	
COMBINED COMMAND CENTER	2,741,873	1,837,783	-	904,090	67.0%	
ANIMAL CONTROL	754,588	530,186	6,782	217,620	71.2%	
<i>Total</i>	<u>39,542,631</u>	<u>28,871,108</u>	<u>288,167</u>	<u>10,383,357</u>	73.7%	<u>27,515,201</u>
<u>Fire</u>						
ADMINISTRATION	946,445	735,098	987	210,360	77.8%	
EMERGENCY SERVICES AND PUBLIC ED PREVENTION	317,867	237,763	-	80,104	74.8%	
WILDLAND FIRE MITIGATION PROGRAM	1,287,740	966,838	-	320,902	75.1%	
OPERATIONS	209,358	145,878	1,956	61,524	70.6%	
TRAINING AND RECRUITMENT	19,394,663	15,470,000	31,997	3,892,666	79.9%	
ARFF	722,633	519,962	-	202,671	72.0%	
	<u>2,013,700</u>	<u>1,665,178</u>	<u>-</u>	<u>348,522</u>	82.7%	
<i>Total</i>	<u>24,892,406</u>	<u>19,740,717</u>	<u>34,940</u>	<u>5,116,749</u>	79.4%	<u>17,199,110</u>
TOTAL PUBLIC SAFETY	<u>64,435,037</u>	<u>48,611,825</u>	<u>323,107</u>	<u>15,500,106</u>	75.9%	<u>44,714,311</u>
PUBLIC WORKS						
<u>Public Works</u>						
ADMINISTRATION	1,136,473	754,896	2,820	378,757	66.7%	
ENGINEERING SVCS	5,638,960	4,055,497	52,534	1,530,929	72.9%	
PUBLIC RT OF WAY MGMT	1,196,091	847,930	41,616	306,544	74.4%	
ENVIRONMENTAL PROGRAMS	571,383	232,928	203,475	134,980	76.4%	
<i>Total</i>	<u>8,542,907</u>	<u>5,891,250</u>	<u>300,446</u>	<u>2,351,210</u>	72.5%	<u>5,318,192</u>
TOTAL PUBLIC WORKS	<u>8,542,907</u>	<u>5,891,250</u>	<u>300,446</u>	<u>2,351,210</u>	72.5%	<u>5,318,192</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Nine Months Ended March 31, 2016 (75% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	YTD Expended and Encumbered	Previous YTD
COMMUNITY SERVICES						
<u>Parks & Recreation</u>						
REC PROGRAM MGMT	764,222	537,055	13,400	213,766	72.0%	
FACILITIES & SPECIAL EVENTS	799,651	592,876	720	206,055	74.2%	
YOUTH ACTIVITIES	1,156,433	820,943	5,156	330,334	71.4%	
ACTIVE ADULTS	808,358	533,378	934	274,046	66.1%	
AQUATICS	1,427,010	1,063,733	43,201	320,076	77.6%	
SPORTS	591,967	421,316	8,084	162,567	72.5%	
TENNIS	268,345	194,540	-	73,805	72.5%	
NEIGHBORHOOD & OUTREACH SERV	1,328,751	1,003,038	-	325,713	75.5%	
ADMINISTRATION	846,741	511,421	478	334,841	60.5%	
PROJECT MANAGEMENT TEAM	556,412	354,077	-	202,335	63.6%	
PARK OPERATIONS MANAGEMENT	692,576	468,998	21,749	201,829	70.9%	
GROUND & FACILITIES MAINTENANCE	4,835,187	3,328,771	150,812	1,355,605	72.0%	
FORESTRY	1,327,068	978,803	44,023	304,241	77.1%	
BEACH MAINTENANCE	162,124	106,063	14,703	41,358	74.5%	
MEDIANS PARKWAYS & CONTRACTS	1,272,162	784,838	277,230	210,094	83.5%	
<i>Total</i>	<u>16,837,006</u>	<u>11,699,849</u>	<u>580,491</u>	<u>4,556,666</u>	72.9%	<u>10,587,817</u>
<u>Library</u>						
ADMINISTRATION	557,882	340,977	-	216,905	61.1%	
PUBLIC SERVICES	3,143,303	1,993,228	-	1,150,075	63.4%	
SUPPORT SERVICES	1,762,940	1,280,081	21,374	461,485	73.8%	
<i>Total</i>	<u>5,464,124</u>	<u>3,614,285</u>	<u>21,374</u>	<u>1,828,465</u>	66.5%	<u>3,544,912</u>
TOTAL COMMUNITY SERVICES	<u>22,301,131</u>	<u>15,314,134</u>	<u>601,865</u>	<u>6,385,132</u>	71.4%	<u>14,132,729</u>
COMMUNITY DEVELOPMENT						
<u>Community Development</u>						
ADMINISTRATION	1,450,284	748,460	543	701,281	51.6%	
RENTAL HOUSING MEDIATION	220,324	172,198	-	48,126	78.2%	
HUMAN SERVICES	1,098,760	642,736	378,931	77,093	93.0%	
HOUSING PRESERVATION AND DEV	25,152	4,955	17,256	2,941	88.3%	
LONG RANGE PLAN & SPEC STUDY	890,739	628,876	4,494	257,369	71.1%	
DEVEL & ENVIRONMENTAL REVIEW	1,479,691	998,820	60,880	419,991	71.6%	
ZONING INFO & ENFORCEMENT	1,521,429	1,038,469	1,874	481,086	68.4%	
DESIGN REV & HIST PRESERVATION	1,176,685	838,258	21,294	317,133	73.0%	
BLDG INSP & CODE ENFORCEMENT	1,218,282	917,696	290	300,296	75.4%	
RECORDS ARCHIVES & CLER SVCS	588,810	407,166	2,740	178,904	69.6%	
BLDG COUNTER & PLAN REV SVCS	1,747,579	1,196,096	100,740	450,743	74.2%	
<i>Total</i>	<u>11,417,735</u>	<u>7,593,729</u>	<u>589,040</u>	<u>3,234,965</u>	71.7%	<u>6,900,647</u>
TOTAL COMMUNITY DEVELOPMENT	<u>11,417,735</u>	<u>7,593,729</u>	<u>589,040</u>	<u>3,234,965</u>	71.7%	<u>6,900,647</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Nine Months Ended March 31, 2016 (75% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	YTD Expended and Encumbered	Previous YTD
NON-DEPARTMENTAL						
<u>Non-Departmental</u>						
OTHER	-	1,749	-	(1,749)	100.0%	
TRANSFERS OUT	239,991	49,116	-	190,875	20.5%	
DEBT SERVICE TRANSFERS	344,402	311,481	-	32,921	90.4%	
CAPITAL OUTLAY TRANSFER	855,000	641,250	-	213,750	75.0%	
APPROP.RESERVE	2,001,742	-	-	2,001,742	0.0%	
<i>Total</i>	<u>3,441,135</u>	<u>1,003,596</u>	<u>-</u>	<u>2,437,539</u>	29.2%	<u>1,772,775</u>
TOTAL NON-DEPARTMENTAL	<u>3,441,135</u>	<u>1,003,596</u>	<u>-</u>	<u>2,437,539</u>	29.2%	<u>1,772,775</u>
 TOTAL EXPENDITURES	 <u>126,736,509</u>	 <u>90,712,418</u>	 <u>2,411,485</u>	 <u>33,612,606</u>	 73.5%	 <u>84,499,791</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 Nine Months Ended March 31, 2016 (75% 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	278,668	-	246,332	53.1%
Expenditures	525,000	278,668	-	246,332	53.1%
<i>Revenue Less Expenditures</i>	-	-	-	-	
CREEK RESTORATION/WATER QUALITY IMPRVMT					
Revenue	4,070,672	2,946,591	-	1,124,081	72.4%
Expenditures	6,974,912	5,539,308	429,344	1,006,260	85.6%
<i>Revenue Less Expenditures</i>	(2,904,240)	(2,592,717)	(429,344)	117,822	
COMMUNITY DEVELOPMENT BLOCK GRANT					
Revenue	1,833,936	232,805	-	1,601,131	12.7%
Expenditures	2,109,112	455,271	476,037	1,177,804	44.2%
<i>Revenue Less Expenditures</i>	(275,176)	(222,466)	(476,037)	423,327	
COUNTY LIBRARY					
Revenue	2,123,550	1,477,398	-	646,152	69.6%
Expenditures	2,317,824	1,616,465	12,090	689,269	70.3%
<i>Revenue Less Expenditures</i>	(194,273)	(139,067)	(12,090)	(43,116)	
STREETS FUND					
Revenue	9,989,620	7,843,020	-	2,146,600	78.5%
Expenditures	10,675,916	7,803,254	255,864	2,616,798	75.5%
<i>Revenue Less Expenditures</i>	(686,296)	39,766	(255,864)	(470,198)	
MEASURE A					
Revenue	3,669,665	2,487,736	-	1,181,929	67.8%
Expenditures	4,061,904	2,966,341	286,514	809,049	80.1%
<i>Revenue Less Expenditures</i>	(392,239)	(478,605)	(286,514)	372,880	

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Nine Months Ended March 31, 2016 (75% 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	20,341,706	15,280,384	-	5,061,322	75.1%	15,134,054
Other Fees & Charges	361,642	191,642	-	170,000	53.0%	183,325
Investment Income	12,200	16,964	-	(4,764)	139.0%	9,927
Grants	-	23,979	-	(23,979)	100.0%	-
Miscellaneous	237,244	4,311	-	232,933	1.8%	233,759
TOTAL REVENUES	<u>20,952,792</u>	<u>15,517,280</u>	<u>-</u>	<u>5,435,512</u>	74.1%	<u>15,561,065</u>
EXPENSES						
Salaries & Benefits	998,573	661,197	-	337,376	66.2%	671,186
Materials, Supplies & Services	19,131,521	14,153,459	158,134	4,819,927	74.8%	14,030,879
Special Projects	597,261	284,622	2,440	310,199	48.1%	269,026
Transfers-Out	50,000	37,500	-	12,500	75.0%	37,500
Equipment	156,749	28,766	73,211	54,772	65.1%	20,598
Other	40,000	-	-	40,000	0.0%	-
Appropriated Reserve	25,000	-	-	25,000	0.0%	-
TOTAL EXPENSES	<u>20,999,104</u>	<u>15,165,545</u>	<u>233,785</u>	<u>5,599,775</u>	73.3%	<u>15,029,189</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Nine Months Ended March 31, 2016 (75% 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	41,800,000	30,100,259	-	11,699,741	72.0%	24,153,515
Service Charges	651,100	832,633	-	(181,533)	127.9%	588,019
Cater JPA Treatment Charges	1,680,000	1,055,689	-	624,311	62.8%	852,738
Investment Income	437,950	133,996	-	303,954	30.6%	323,315
Rents & Concessions	22,872	13,342	-	9,530	58.3%	17,154
Reimbursements	745,740	400,932	-	344,808	53.8%	345,021
Miscellaneous	111,000	131,297	-	(20,297)	118.3%	59,197
Operating Transfers-In	2,953,233	2,953,233	-	-	100.0%	1,949,833
TOTAL REVENUES	48,401,895	35,621,381	-	12,780,514	73.6%	28,288,792
EXPENSES						
Salaries & Benefits	9,311,184	6,644,526	-	2,666,658	71.4%	6,018,803
Materials, Supplies & Services	11,568,990	6,417,663	1,881,487	3,269,841	71.7%	5,920,517
Special Projects	1,080,948	343,899	61,086	675,963	37.5%	123,578
Water Purchases	8,644,749	5,669,110	30,046	2,945,593	65.9%	6,306,216
Debt Service	4,692,620	3,848,626	-	843,994	82.0%	3,084,397
Transfer-Out	9,586,101	7,189,576	-	2,396,525	75.0%	1,012,502
Capital Outlay Transfers	7,220,795	5,489,545	-	1,731,250	76.0%	9,351,921
Equipment	167,576	18,285	18,769	130,522	22.1%	87,231
Capitalized Fixed Assets	154,475	81,610	12,330	60,535	60.8%	8,477
Other	29,000	26,756	1,000	1,244	95.7%	24,306
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
TOTAL EXPENSES	52,606,438	35,729,597	2,004,717	14,872,124	71.7%	31,937,948

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 Nine Months Ended March 31, 2016 (75% 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	17,844,201	13,177,355	-	4,666,846	73.8%	12,667,940
Fees	533,668	696,937	-	(163,269)	130.6%	752,153
Investment Income	162,700	123,690	-	39,010	76.0%	123,092
Rents & Concessions	34,358	26,252	-	8,106	76.4%	25,768
Miscellaneous	6,000	43,974	-	(37,974)	732.9%	1,615
Operating Transfers-In	497,021	497,021	-	-	100.0%	-
TOTAL REVENUES	<u>19,077,948</u>	<u>14,565,230</u>	<u>-</u>	<u>4,512,718</u>	<u>76.3%</u>	<u>13,570,568</u>
EXPENSES						
Salaries & Benefits	5,917,398	4,299,059	-	1,618,339	72.7%	3,913,587
Materials, Supplies & Services	7,492,288	4,495,798	1,262,841	1,733,649	76.9%	4,766,923
Special Projects	635,271	104,011	317,950	213,310	66.4%	132,303
Transfer-Out	900,000	900,000	-	-	100.0%	-
Debt Service	1,794,917	619,896	-	1,175,021	34.5%	633,541
Capital Outlay Transfers	4,150,000	3,112,500	-	1,037,500	75.0%	3,449,316
Equipment	71,610	22,929	8,004	40,676	43.2%	36,971
Capitalized Fixed Assets	67,973	27,913	1,500	38,560	43.3%	1,386
Other	3,000	2,720	-	280	90.7%	2,750
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
TOTAL EXPENSES	<u>21,182,457</u>	<u>13,584,827</u>	<u>1,590,295</u>	<u>6,007,336</u>	<u>71.6%</u>	<u>12,936,777</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 Nine Months Ended March 31, 2016 (75% 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	1,080,000	758,443	-	321,557	70.2%	809,803
Parking Fees	7,034,826	5,354,734	-	1,680,092	76.1%	5,234,560
Other Fees & Charges	6,918	8,180	-	(1,262)	118.2%	4,349
Investment Income	104,200	87,911	-	16,289	84.4%	78,809
Rents & Concessions	107,000	80,250	-	26,750	75.0%	79,345
Miscellaneous	7,500	22,013	-	(14,513)	293.5%	51,238
Operating Transfers-In	374,514	363,639	-	10,875	97.1%	132,625
TOTAL REVENUES	<u>8,714,958</u>	<u>6,675,169</u>	<u>-</u>	<u>2,039,789</u>	<u>76.6%</u>	<u>6,390,729</u>
EXPENSES						
Salaries & Benefits	4,352,940	3,271,076	-	1,081,864	75.1%	3,022,687
Materials, Supplies & Services	2,371,221	1,625,077	117,823	628,320	73.5%	1,471,891
Special Projects	469,656	292,039	170,468	7,149	98.5%	345,806
Transfer-Out	318,399	238,799	-	79,600	75.0%	381,844
Capital Outlay Transfers	1,305,000	978,750	-	326,250	75.0%	727,500
Equipment	24,854	6,768	670	17,416	29.9%	15,594
Capitalized Fixed Assets	2,146	-	-	2,146	0.0%	-
Appropriated Reserve	50,657	-	-	50,657	0.0%	-
TOTAL EXPENSES	<u>8,894,872</u>	<u>6,412,509</u>	<u>288,962</u>	<u>2,193,402</u>	<u>75.3%</u>	<u>5,965,322</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 Nine Months Ended March 31, 2016 (75% 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	4,488,390	3,264,929	-	1,223,461	72.7%	3,143,453
Leases-Terminal	4,884,637	3,592,990	-	1,291,647	73.6%	3,537,079
Leases-Non-Commercial Aviation	2,093,650	1,544,057	-	549,593	73.7%	1,461,553
Leases-Commercial Aviation	4,544,034	3,326,461	-	1,217,573	73.2%	3,316,624
Investment Income	106,600	81,969	-	24,631	76.9%	80,553
Miscellaneous	216,300	58,569	-	157,731	27.1%	149,156
Operating Transfers-In	4,800	4,800	-	-	100.0%	-
TOTAL REVENUES	16,338,411	11,873,774	-	4,464,637	72.7%	11,688,418
EXPENSES						
Salaries & Benefits	6,006,251	4,170,548	-	1,835,703	69.4%	3,821,280
Materials, Supplies & Services	8,305,343	5,405,765	892,703	2,006,875	75.8%	5,485,222
Special Projects	48,415	1,585	35	46,795	3.3%	3,414
Transfer-Out	12,662	9,497	-	3,165	75.0%	15,266
Debt Service	1,816,586	1,362,440	-	454,146	75.0%	1,361,788
Capital Outlay Transfers	1,313,733	1,063,248	-	250,485	80.9%	-
Equipment	138,902	108,779	9,925	20,198	85.5%	50,160
Appropriated Reserve	84,626	-	-	84,626	0.0%	-
TOTAL EXPENSES	17,726,517	12,121,862	902,662	4,701,993	73.5%	10,737,130

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 Nine Months Ended March 31, 2016 (75% 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	1,753,034	1,182,873	-	570,161	67.5%	1,180,540
Investment Income	7,900	6,080	-	1,820	77.0%	5,975
Rents & Concessions	325,523	224,100	-	101,423	68.8%	204,286
Miscellaneous	500	1,646	-	(1,146)	329.3%	2,077
Operating Transfers-In	180,000	-	-	180,000	0.0%	-
TOTAL REVENUES	<u>2,266,957</u>	<u>1,414,700</u>	<u>-</u>	<u>852,257</u>	<u>62.4%</u>	<u>1,392,878</u>
EXPENSES						
Salaries & Benefits	1,081,239	800,471	-	280,767	74.0%	809,077
Materials, Supplies & Services	720,175	476,895	11,255	232,025	67.8%	407,532
Special Projects	9	-	9	-	100.0%	-
Debt Service	262,122	177,419	-	84,703	67.7%	180,961
Capital Outlay Transfers	265,048	198,786	-	66,262	75.0%	60,545
Other	900	901	-	(1)	100.1%	901
TOTAL EXPENSES	<u>2,329,493</u>	<u>1,654,473</u>	<u>11,264</u>	<u>663,756</u>	<u>71.5%</u>	<u>1,459,016</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 Nine Months Ended March 31, 2016 (75% 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	3,787,803	2,840,852	-	946,951	75.0%	1,978,777
Work Orders - Bldg Maint.	3,401,421	2,572,270	-	829,151	75.6%	1,932,839
Miscellaneous	94,946	66,294	-	28,652	69.8%	42,201
Operating Transfers-In	132,481	132,481	-	-	100.0%	3,750
TOTAL REVENUES	<u>7,416,651</u>	<u>5,611,896</u>	<u>-</u>	<u>1,804,754</u>	<u>75.7%</u>	<u>3,957,567</u>
EXPENSES						
Salaries & Benefits	3,801,207	2,880,918	-	920,289	75.8%	2,578,156
Materials, Supplies & Services	2,480,732	1,727,947	140,295	612,490	75.3%	1,187,090
Special Projects	545,379	437,895	95,251	12,233	97.8%	416,525
Capital Outlay Transfers	410,612	307,959	-	102,653	75.0%	1,267,070
Equipment	12,854	3,110	-	9,744	24.2%	5,642
Capitalized Fixed Assets	13,347	5,070	120	8,156	38.9%	3,556
Appropriated Reserve	33,841	-	-	33,841	0.0%	-
TOTAL EXPENSES	<u>7,297,972</u>	<u>5,362,899</u>	<u>235,667</u>	<u>1,699,407</u>	<u>76.7%</u>	<u>5,458,039</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Nine Months Ended March 31, 2016 (75% 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	2,809,765	2,233,666	-	576,099	79.5%	1,683,103
Investment Income	116,700	94,548	-	22,152	81.0%	87,920
Rents & Concessions	146,084	109,563	-	36,521	75.0%	175,475
Miscellaneous	173,118	145,457	-	27,661	84.0%	150,323
Operating Transfers-In	-	-	-	-	0.0%	26,156
TOTAL REVENUES	<u>3,245,667</u>	<u>2,583,233</u>	<u>-</u>	<u>662,434</u>	79.6%	<u>2,122,977</u>
EXPENSES						
Salaries & Benefits	207,466	148,181	-	59,285	71.4%	135,648
Materials, Supplies & Services	1,243	1,697	-	(454)	136.5%	1,981
Special Projects	698,567	35,426	39,513	623,628	10.7%	1,623
Capitalized Fixed Assets	5,691,373	1,931,386	1,091,747	2,668,241	53.1%	1,858,146
TOTAL EXPENSES	<u>6,598,649</u>	<u>2,116,691</u>	<u>1,131,260</u>	<u>3,350,699</u>	49.2%	<u>1,997,398</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Nine Months Ended March 31, 2016 (75% 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	2,609,691	1,968,573	-	641,118	75.4%	1,895,720
Reimbursements	10,000	7,500	-	2,500	75.0%	7,500
Miscellaneous	103,070	83,663	-	19,407	81.2%	93,148
TOTAL REVENUES	<u>2,722,761</u>	<u>2,059,736</u>	<u>-</u>	<u>663,025</u>	<u>75.6%</u>	<u>1,996,368</u>
EXPENSES						
Salaries & Benefits	1,339,285	973,363	-	365,922	72.7%	880,132
Materials, Supplies & Services	1,247,377	919,756	193,962	133,659	89.3%	841,779
Special Projects	81,308	20,193	8,029	53,086	34.7%	17,840
Debt Service	43,070	32,303	-	10,767	75.0%	32,303
Equipment	89,307	48,970	-	40,338	54.8%	7,951
Capitalized Fixed Assets	35,338	29,484	-	5,854	83.4%	336,026
Appropriated Reserve	14,000	-	-	14,000	0.0%	-
TOTAL EXPENSES	<u>2,849,686</u>	<u>2,024,068</u>	<u>201,991</u>	<u>623,626</u>	<u>78.1%</u>	<u>2,116,031</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Nine Months Ended March 31, 2016 (75% 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	3,156,625	2,367,469	-	789,156	75.0%	2,088,767
Workers' Compensation Premiums	3,342,571	2,508,084	-	834,487	75.0%	2,541,124
OSH Charges	231,057	173,293	-	57,764	75.0%	152,597
Unemployment Insurance Premium	221,805	166,354	-	55,451	75.0%	-
Investment Income	40,200	33,117	-	7,083	82.4%	30,769
Miscellaneous	-	87,773	-	(87,773)	100.0%	29,805
Operating Transfers-In	75,825	56,869	-	18,956	75.0%	56,869
TOTAL REVENUES	<u>7,068,083</u>	<u>5,392,958</u>	<u>-</u>	<u>1,675,125</u>	76.3%	<u>4,899,931</u>
EXPENSES						
Salaries & Benefits	597,085	432,635	-	164,450	72.5%	340,642
Materials, Supplies & Services	6,323,587	4,500,312	55,683	1,767,591	72.0%	5,072,467
Special Projects	3	-	3	-	100.0%	-
Equipment	-	-	-	-	0.0%	3,354
TOTAL EXPENSES	<u>6,920,675</u>	<u>4,932,947</u>	<u>55,686</u>	<u>1,932,041</u>	72.1%	<u>5,416,463</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
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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	3,204,557	2,403,764	-	800,793	75.0%	2,340,441
TOTAL REVENUES	<u>3,204,557</u>	<u>2,403,764</u>	<u>-</u>	<u>800,793</u>	75.0%	<u>2,340,441</u>
EXPENSES						
Salaries & Benefits	1,953,525	1,420,069	-	533,456	72.7%	1,205,107
Materials, Supplies & Services	1,087,157	815,407	37,393	234,356	78.4%	693,158
Special Projects	18,481	2,764	581	15,136	18.1%	129
Capital Outlay Transfers	604,000	453,000	-	151,000	75.0%	258,000
Equipment	2,750	4,818	-	(2,068)	175.2%	3,302
Capital Fixed Assets	-	-	-	-	0.0%	14
Appropriated Reserve	16,223	-	-	16,223	0.0%	-
TOTAL EXPENSES	<u>3,682,136</u>	<u>2,696,058</u>	<u>37,975</u>	<u>948,103</u>	74.3%	<u>2,159,710</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.

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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	1,428,787	1,204,479	-	224,308	84.3%	1,222,659
Leases - Food Service	2,844,333	2,391,111	-	453,222	84.1%	2,511,713
Slip Rental Fees	4,288,834	3,237,899	-	1,050,935	75.5%	3,142,905
Visitors Fees	500,000	361,190	-	138,810	72.2%	368,475
Slip Transfer Fees	575,000	517,875	-	57,125	90.1%	873,900
Parking Revenue	2,385,820	2,092,541	-	293,279	87.7%	1,941,649
Wharf Parking	262,258	120,971	-	141,288	46.1%	202,366
Grants	10,000	-	-	10,000	0.0%	-
Other Fees & Charges	242,304	208,697	-	33,607	86.1%	193,130
Investment Income	95,700	89,378	-	6,322	93.4%	104,963
Rents & Concessions	310,770	260,323	-	50,447	83.8%	243,522
Reimbursements	-	1,777	-	(1,777)	100.0%	-
Miscellaneous	514,792	497,856	-	16,936	96.7%	413,426
TOTAL REVENUES	<u>13,458,598</u>	<u>10,984,096</u>	<u>-</u>	<u>2,474,502</u>	<u>81.6%</u>	<u>11,218,708</u>
EXPENSES						
Salaries & Benefits	6,272,587	4,561,135	-	1,711,452	72.7%	4,257,824
Materials, Supplies & Services	4,151,182	3,039,893	401,576	709,713	82.9%	2,836,778
Special Projects	265,629	145,821	32,165	87,643	67.0%	148,101
Debt Service	1,841,620	1,093,705	-	747,915	59.4%	1,095,838
Capital Outlay Transfers	1,453,144	1,089,858	72,244	291,042	80.0%	1,038,750
Equipment	112,262	25,998	3,959	82,305	26.7%	26,219
Capital Fixed Assets	37,104	-	-	37,104	0.0%	-
Other	-	2,375	-	(2,375)	100.0%	1,375
Appropriated Reserve	100,000	-	-	100,000	0.0%	-
TOTAL EXPENSES	<u>14,233,529</u>	<u>9,958,785</u>	<u>509,944</u>	<u>3,764,800</u>	<u>73.5%</u>	<u>9,404,885</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.

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General Fund Revenues

The table below summarizes General Fund revenues for the nine months ended March 31, 2016. 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 75% (9 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 Nine Months Ended March 31, 2016 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	\$ 23,367,961	\$ 16,205,681	\$ 13,720,112	\$(2,485,569)	58.71%	69.35%	\$ 15,303,616	-10.3%
Property Tax	28,742,300	14,986,235	15,686,488	700,253	54.58%	52.14%	14,673,340	6.9%
UUT	7,219,700	5,462,425	5,488,170	25,745	76.02%	75.66%	5,262,367	4.3%
TOT	19,707,100	14,802,003	14,189,114	(612,889)	72.00%	75.11%	14,173,102	0.1%
Bus License	2,624,400	2,063,566	2,092,511	28,945	79.73%	78.63%	2,065,824	1.3%
Prop Trans Tax	659,100	462,490	539,469	76,979	81.85%	70.17%	457,033	18.0%
Total Taxes	82,320,561	53,982,400	51,715,864	(2,266,536)	62.82%	65.28%	51,935,282	-0.4%
License & Permits	219,700	164,775	107,517	(57,258)	48.94%	75.00%	145,435	-26.1%
Fines & Forfeitures	3,201,487	2,401,115	1,945,193	(455,922)	60.76%	75.00%	2,332,402	-16.6%
Franchise Fee	3,219,400	2,390,083	2,136,248	(253,835)	66.36%	74.24%	2,739,815	-22.0%
Use of Money & Property	1,053,059	789,794	689,641	(100,153)	65.49%	75.00%	704,410	-2.1%
Intergovernmental	733,468	550,101	1,565,604	1,015,503	213.45%	75.00%	573,616	172.9%
Fee & Charges	21,681,641	16,261,231	16,141,525	(119,706)	74.45%	75.00%	15,204,981	6.2%
Miscellaneous	10,637,943	7,978,457	7,649,099	(329,358)	71.90%	75.00%	7,074,537	8.1%
Total Other	40,746,698	30,535,556	30,234,827	(300,729)	74.20%	74.89%	28,775,196	5.1%
Total Before Budgeted Variances	123,067,259	84,517,956	81,950,690	(2,567,265)			80,710,478	
Anticipated Year-End Var	2,000,000	1,500,000	-	(1,500,000)	0.00%	75.00%	-	0.0%
Total Revenues	\$ 125,067,259	\$ 86,017,956	\$ 81,950,690	\$(4,067,265)	65.53%	68.38%	\$ 80,710,478	1.5%

* 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 nine months ended March 31, 2016. For interim financial statement purposes, revenues are reported on a cash basis (i.e. when the funds are received). Total revenues are \$2,567,265 below YTD budget before budgeted variances. Major revenues and significant variances are discussed below.

Sales Taxes

Sales tax revenue for the first nine months of the fiscal year is \$2,485,569 below the YTD budget on a cash basis. While representing three quarterly sales tax payments year-to-date, the revenues

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received through March 31, 2016 provide information for the growth in sales tax revenues earned for the quarters ended September 30, 2015 and December 31, 2015, which were 3.4% below and 2.1% above those from the prior year, respectively. Sales tax revenue is currently being impacted by various factors, including falling gasoline prices and low inflation. In addition, the State has changed its method of sales tax distribution in the second half of the fiscal year which affected the amount of sales tax revenues received during the third quarter and increased the negative YTD variance. This impact is only temporary and the amounts will be trued up by fiscal year-end.

Staff projects sales tax revenues to be below the original budget of \$23.4 million by approximately \$1,200,000 by fiscal year-end.

Property Tax

Property tax revenue is \$700,253 above the YTD budget at March 31, 2016. Revenue growth for Fiscal Year 2016 is trending higher than expected based on information provided by the County of Santa Barbara relative to increases in assessed values, which exceeded 6% per county records. Property tax revenues are projected to exceed the adopted budget by approximately \$665,000 at year-end.

Utility Users Tax

Utility users tax revenues are \$25,745 above the year-to-date budget. These returns represent a 4.3% increase over the same nine-month period last year. Despite declines in the telephone and natural gas segments of UUT, overall UUT is exceeding both the year-to-date budget and the prior year primarily due to one-time proceeds from recent UUT audits. Two recent UUT audits performed by the City's revenue consultants resulted in approximately \$181,000 of additional one-time General Fund UUT revenues. Ongoing UUT revenues have been impacted by the increasing segmentation in the telephony market, which impacts traditional landline telephone and cellular telephone service, and a decline in natural gas prices. Based on current projections, total UUT revenues, including one-time audit revenues, are expected to be more than \$72,000 below budget at year-end.

Transient Occupancy Tax

Transient occupancy tax revenue is \$612,889 below the YTD budget at March 31, 2016. Overall revenue growth for the first nine months of Fiscal Year 2016 is approximately 0.1%. Transient occupancy tax revenue is impacted by various factors, such as the number of available hotel and motel rooms and room rates. After 5 years of tremendous growth, it is possible the lodging industry has hit a saturation point where revenues grow at a more moderate rate. Based on current year factors and projections, revenues are expected to be more than \$778,000 below budget at year-end.

License and Permits

License and permits revenue is \$57,258 below the YTD budget at March 31. This variance is largely the result of a decline in taxicab permit revenue and animal licensing revenue in the first nine months of the year. Staff projects that these trends will continue through the end of the year, which could result in a revenue shortfall of up to \$75,000 by fiscal year-end.

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Fines and Forfeitures

Fines and forfeitures revenues are \$455,922 below the year-to-date budget. This variance is primarily due to lower police parking citation revenues. Due to a delay by the City's new parking citation processing vendor, approximately \$180,000 of March police parking citation revenues were recorded in April 2016. With this timing adjustment, police parking citation revenues are coming in under the year-to-date budget by approximately \$250,000; however, staff anticipates increased revenues in the 4th quarter.

Franchise Fees

Franchise fee revenues are down nearly 22.0%, or \$603,567, compared to the same nine-month period last year and down \$253,835 compared to the year-to-date budget. The City has been setting aside moneys from the 1% electricity franchise fee surcharge in a special holding account pending the result of a lawsuit challenging the legality of the fee. The City has collected \$563,484 for this fee in the first nine months. In addition, similar to the UUT trends highlighted above, a decline in local natural gas prices is affecting City franchise fee revenues. Staff projects franchise fee revenues to be below budget by approximately \$246,000 by fiscal year-end.

Intergovernmental

Intergovernmental revenue is \$1,015,503 above the YTD Budget. By far 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 \$1,347,766 in reimbursements as of March 31.

Miscellaneous

Total miscellaneous revenue is \$329,358 below the year-to-date budget. 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

Miscellaneous Revenue General Fund For the Nine Months Ended March 31, 2016								
Type of Misc. Revenue	Annual Budget	YTD Budget	YTD Actual	Budget Variance	Percent Received YTD	Prior Year YTD	Prior Year Variance	Percent Variance
Miscellaneous	\$ 1,944,918	\$ 1,458,689	1,216,360	\$ (242,329)	62.5%	\$ 1,327,976	\$ (111,616)	-8.4%
Indirect Allocations	7,180,832	5,385,624	5,393,166	7,542	75.1%	4,808,366	584,800	12.2%
Operating-Transfers In	1,512,193	1,134,145	1,039,572	(94,573)	68.7%	938,195	101,377	10.8%
Total	\$ 10,637,943	\$ 7,978,457	\$ 7,649,099	\$ (329,358)	71.9%	\$ 7,074,537	\$ 574,561	8.1%

of property, insurance rebates, refunds, and other miscellaneous revenue.

Miscellaneous revenues is \$242,329 below the year-to-date budget. This variance is primarily due to timing differences with Library trust donations. Revenues for library trust donations are

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recognized at fiscal year-end in order to cover current year expenditures. In addition, the Library department expects to record \$144,000 of trust donations by year-end to cover costs related to the automated materials handling equipment project.

Operating-transfers in is \$94,573 below the year-to-date budget. The variance is due to lower traffic safety citation revenues from the County, thus impacting total transfers in to the General Fund. Staff anticipates this revenue to be near or at budget by year-end.

Fees & Service Charges

Overall, fees and service charges are \$119,707 under the YTD budget. The table below provides more details on fees and service charges by department. The more significant third quarter variances are also discussed.

Fees and Service Charges General Fund For the Nine Months Ended March 31, 2016								
Department	Annual Budget	YTD Budget	YTD Actual	Budget Variance	Percent Received YTD	Prior Year YTD	Prior Year Variance	Percent Variance
Finance	\$ 961,454	\$ 721,091	\$ 728,668	\$ 7,578	75.79%	\$ 726,082	\$ 2,586	0.4%
Community Development	4,887,843	3,665,882	3,978,194	312,312	81.39%	2,291,666	686,528	20.9%
Parks & Recreation	3,229,480	2,422,110	2,398,457	(23,653)	74.27%	2,136,812	261,645	12.2%
Public Safety	611,342	458,507	343,749	(114,758)	56.23%	400,970	(57,221)	-14.3%
Public Works	6,357,295	4,767,971	4,468,404	(299,567)	70.29%	4,410,827	57,577	1.3%
Library	873,320	654,990	815,299	160,309	93.36%	704,957	110,342	15.7%
Reimbursements	4,760,907	3,570,680	3,408,754	(161,926)	71.60%	3,533,667	(124,913)	-3.5%
Total	\$ 21,681,641	\$ 16,261,231	\$ 16,141,524	\$ (119,707)	74.45%	\$ 15,204,981	\$ 936,544	6.2%

Community Development fees are approximately \$312,000 above the year-to-date budget. This variance is mostly due to large increases in building permits, development permits and other planning and zoning-type fee revenue. Staff expects revenues will exceed budget by \$390,000 at fiscal year-end.

Public Safety fees are approximately \$115,000 below the year-to-date budget. Most of the variance is due to lower dismissal fees and the loss of credit card convenience fees when the Police Department transitioned to a new parking citation processing vendor. Staff anticipates revenues to be below budget at year-end by approximately \$100,000.

Public Works fees are approximately \$300,000 below the year-to-date budget. The variance is due to lower than anticipated engineering work order revenue resulting from staff vacancies and newer staff. Staff expects Public Works fees to be under budget at fiscal year-end by approximately \$300,000.

Library fees are approximately \$160,000 above the year-to-date budget. This variance is primarily due to the timing of the County's per capita contributions. The County has distributed its entire contribution of \$705,000 for Fiscal Year 2016 as of March 31, 2016. Staff anticipates Library fees to be at budget by fiscal year-end.

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Reimbursement revenues are approximately \$162,000 below the YTD budget. The variance is primarily due to lower vehicle release and document viewing fees in the Police Department and certain interdepartmental reimbursements that are not booked until the end of the fiscal year. State laws regarding the towing of vehicles have changed, thereby reducing the number of towed vehicles and impacting vehicle release fee revenues. Staff anticipates that reimbursement revenue will be below budget at year end by approximately \$100,000.

Anticipated Year-End Variances and Budgeted Savings from Concessions

It is important to note that the table on page 1 includes \$2,000,000 for anticipated year-end budget variances. The \$2 million is roughly equal to 2.0% 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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General Fund Expenditures

The table below summarizes the General Fund budget and year-to-date expenditures through March 31, 2016. 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 Nine Months Ended March 31, 2016							
Department	Adjusted Annual Budget	YTD Budget	YTD Actual	YTD Variance Without Encumbrance	Encum- brance	YTD Variance With Encumb Favorable (Unfavorable)	
						\$	%
Mayor & Council	\$ 3,442,809	\$ 2,963,964	\$ 3,039,356	\$ (75,392)	\$ 225,123	\$ (300,515)	-8.7%
City Attorney	2,533,905	1,786,364	1,826,589	(40,225)	42,500	(82,725)	-3.3%
City Administrator	2,248,949	1,702,470	1,610,408	92,062	59,938	32,124	1.4%
Administrative Svcs.	2,817,672	2,131,652	1,845,293	286,359	131,457	154,902	5.5%
Finance	5,555,231	4,165,330	3,976,237	189,093	138,009	51,084	0.9%
Police	39,542,631	29,958,683	28,871,108	1,087,575	288,167	799,408	2.0%
Fire	24,892,406	18,675,343	19,740,717	(1,065,374)	34,940	(1,100,314)	-4.4%
Public Works	8,542,907	6,323,918	5,891,250	432,668	300,446	132,222	1.5%
Parks & Recreation	16,837,006	12,277,692	11,699,849	577,843	580,491	(2,648)	0.0%
Library	5,464,124	4,046,797	3,614,285	432,512	21,374	411,138	7.5%
Community Development	11,417,735	8,706,411	7,593,729	1,112,682	589,040	523,642	4.6%
Non-Departmental	3,441,135	2,849,861	1,003,596	1,846,265	-	1,846,265	53.7%
Total	<u>\$ 126,736,510</u>	<u>\$ 95,588,485</u>	<u>\$ 90,712,417</u>	<u>\$ 4,876,068</u>	<u>\$ 2,411,485</u>	<u>\$ 2,464,583</u>	1.9%
% of annual budget		75.4%	71.6%	3.8%	1.9%	1.9%	

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 \$95.6 million at March 31, compared to actual expenditures of \$90.7 million, resulted in a favorable variance of approximately \$4.9 million. Significant variances in departments are discussed below.

Mayor and Council expenditures are above the YTD budget by approximately \$75,000. 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. Staff anticipates expenditures to be within budget at year-end.

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City Attorney expenditures are slightly above YTD budget by approximately \$40,000. The majority of this is due to unbudgeted replacement benefit payments to CalPERS for liabilities for retirees, under Internal Revenue code 415(b), which is a federal provision that limits the amount of annual retirement benefit an individual can receive from a defined benefit plan, such as CalPERS. Starting in FY 2017, these costs have been built into department budgets.

Police Department expenditures are below the YTD budget by approximately \$1.1 million. This is due to the effect of a high vacancy rate in the department. Overtime is higher at Third Quarter however this is more than offset by salary and benefit savings.

Fire Department expenditures are over the YTD budget by approximately \$1.1 million. This variance is due to higher than anticipated mutual aid expenditures during the first nine months of Fiscal Year 2016. Mutual aid expenditures relate to the cost of providing assistance to other locations throughout the state. As of March 31, mutual aid expenditures amounted to \$925,000 in comparison to budgeted mutual aid expenditures of \$367,500. However, the Fire Department has received approximately \$1.3 million in mutual aid reimbursement revenues as of March 31. Mutual aid revenues are projected to exceed expenditures by \$370,000 for all mutual aid activities through March 31, 2015. 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 2016 mutual aid activities.

Overtime for minimum staffing in Operations and the ARFF programs were higher than budgeted as of March 31, along with vacation cash out costs; however, the ten vacant positions were filled in September with the graduates from the Fire Academy, which will greatly reduce overtime costs going forward. At this time, staff anticipates expenditures, excluding mutual aid, will be within budget by year-end.

Public Works expenditures are below YTD budget by approximately \$433,000. The variance is mostly due to reduced salary and benefit costs as a result of vacant positions and retirements. The City Engineer retired and the position was vacant for 4 months before being filled. The City Surveyor and two Survey Technician positions were vacated, and will remain unfilled for the remainder of the year. A budget savings of \$520,000 for the fiscal year is projected, which will offset the reduction in work order revenues referred to in Fees and Service Charges above.

Parks and Recreation expenditures are below YTD budget by approximately \$578,000. 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 June 2016; budget savings of \$696,000 for the fiscal year are projected.

Community Development expenditures are below YTD budget by approximately \$1.1 million. Approximately \$425,000 of this is due to the timing of a one-time payment for settlement of litigation that was paid in April. The remainder of this variance is largely attributed to salary savings resulting from position vacancies and hourly vacancies, and small savings in across-the-board savings in Supplies and Services. The department plans to utilize approximately \$50,000 of this savings to purchase monitors and tablets needed for electronic plan check services associated with the Tidemark Advantage Replacement project, which will reduce plan preparation costs for applicants, and will also reduce plan review turn-around time. Staff also plan to utilize

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approximately \$15,000 to purchase equipment and enroll staff in several upcoming trainings and conferences scheduled in the last quarter of this fiscal year.

Non-Departmental expenditures are below YTD budget by approximately \$1.8 million. This variance is due to the anticipated year-end surplus of \$1,887,742 established as an appropriated reserve to ensure some level of funds are available at year end to increase reserve balances and provide supplemental funding for capital. The intention was that the appropriated reserve would not be spent during the year. As such, it shows no expenditures as of March 31, 2016.

This variance is also due to the programming of \$400,000 of appropriated reserves to cover contingencies that arise during the course of the fiscal year. As of March 31, \$286,000 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 March 31, 2016, with a comparison to the current year budget and prior year expenses through the first nine months. Note that the "YTD Budget" column has been calculated based on a 3-year average collection rate through March 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 Nine Months Ended March 31, 2016 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	\$ 20,952,792	\$ 15,634,973	\$ 15,517,280	\$ (117,693)	74.1%	74.6%	\$ 15,561,065	-0.3%
Expenses	20,999,104	15,524,638	15,165,545	359,093	72.2%	73.9%	15,029,189	0.9%
Water Fund								
Revenues	48,401,895	35,827,083	35,621,381	(205,702)	73.6%	74.0%	26,338,959	35.2%
Expenses	52,606,438	37,345,310	35,729,597	1,615,713	67.9%	71.0%	31,937,948	11.9%
Wastewater Fund								
Revenues	19,077,948	14,396,220	14,565,230	169,010	76.3%	75.5%	13,570,568	7.3%
Expenses	21,182,457	14,704,862	13,584,827	1,120,035	64.1%	69.4%	12,936,777	5.0%
Downtown Parking Fund								
Revenues	8,714,958	6,301,786	6,675,169	373,383	76.6%	72.3%	6,258,104	6.7%
Expenses	8,894,872	6,681,828	6,412,509	269,319	72.1%	75.1%	5,965,322	7.5%
Airport Fund								
Revenues	16,338,411	12,222,765	11,873,774	(348,991)	72.7%	74.8%	11,688,418	1.6%
Expenses	17,726,517	13,044,944	12,121,862	923,082	68.4%	73.6%	10,737,130	12.9%
Golf Fund								
Revenues	2,266,957	1,601,832	1,414,700	(187,132)	62.4%	70.7%	1,392,878	1.6%
Expenses	2,329,493	1,728,717	1,654,473	74,244	71.0%	74.2%	1,459,016	13.4%
Waterfront Fund								
Revenues	13,458,598	9,941,866	10,984,096	1,042,230	81.6%	73.9%	11,218,708	-2.1%
Expenses	14,233,529	9,885,186	9,958,785	(73,599)	70.0%	69.5%	9,404,885	5.9%

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

The expenses shown in the preceding table do not include outstanding encumbrances at March 31, 2016. Inclusion of encumbrances can significantly distort the analysis of budgeted and actual expenditures after nine months. Outstanding encumbrances include appropriations that were carried forward from prior year as part of the appropriation carryovers and contracts or blanket

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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 are below the year-to-date budget by approximately \$206,000, primarily due to a water sales revenue shortfall. Budgeted water sales revenue were based on a 25%-30% conservation level; however during the first nine months of the fiscal year, customers achieved a 35% reduction in water usage. Staff anticipates that total revenues for Fiscal Year 2016 may be below budget by approximately \$803,000, \$509,000 of this from reduced water sales.

Expenses for the Water Fund are below the YTD budget by approximately \$1.6 million. The savings is projected to reach \$3 million by year end. Approximately \$702,000 is due to savings from salaries and benefits, due to turnover and retirements. \$1,037,000 is due to savings in water purchases, as a result of prior year credits received from COMB and CCWA. COMB and CCWA credits consist of reconciliation of actual expenditures compared to budget. Budgets are submitted to the City using conservative estimates, and then once actuals are realized, there is a true-up of costs. The remainder of the projected savings is spread over several services and supplies line items. For example, the current supply of chemicals purchased to date will last into Fiscal Year 2017 for the Ortega Groundwater Treatment Plant (OGWTP) resulting in an estimated \$900,000 savings. Staff also anticipate savings of \$325,000 in waste disposal costs, as the chemical use (water filter media) is less than expected, thus reducing disposal costs.

Wastewater Fund

Wastewater Fund revenues are in line with the YTD budget at third quarter. It is projected these revenues may be slightly above budget by \$92,000 at year-end. This is due to a combination of a reduction in sewer service charges as a result of the drought, combined with an increase in Miscellaneous Revenues and Sewer Buy-In Fees, due to large projects, in particular the Rethink Project on State Street.

Wastewater Fund expenses are approximately \$1.1 million below the YTD budget. Approximately \$630,000 of this variance is due to the timing of debt services payments for the 2004 Sewer Revenue Bonds, which are paid in the fourth quarter each year. The remaining variance is spread over savings from salaries, services and supplies, and special projects. By year end, the estimated savings will be over \$1.2 million. The projected savings is due to several vacancies throughout the year, combined with savings from several line items in services and supplies, again as a result of the drought, along with a \$209,000 savings in the CMMS contract with was less expensive than originally budgeted.

Downtown Parking Fund

Downtown Parking Fund revenues are above the YTD budget by approximately \$373,000. Although revenues in the Parking Business Improvement Assessment (PBIA) and Hourly Parking

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are projecting to be just shy of budget, revenues in the Monthly and Commuter Permit Parking line items are expected to be over budget. Revenues are projected to be approximately \$185,000 over budget by year end.

Expenses are below the YTD budget by approximately \$269,000. The majority of this savings is tied to professional services, equipment repair, and non-contractual items. Staff anticipates expenditures to be slightly below budget at year-end, by \$159,000.

Airport Fund

Airport Fund revenues are below the YTD budget at March 31 by approximately \$349,000. Reimbursement revenues were delayed for both the TSA law enforcement officer reimbursement and RPZ analysis. The remainder of the reduction in revenues is spread across several revenue sources. Staff project revenues to be below budget by approximately 1%-2% (\$160,000 - \$325,000) by year end.

Expenses for the Airport Fund are below the YTD budget by approximately \$923,000. The variance is mostly due salary savings. There have been substantial vacancies throughout the year, including the Airport Business Development Manager (ABDM) position and Airport Patrol Officers. A new ABDM begins work on May 9th and Patrol officer recruitment is ongoing. Approximately \$44,000 of the variance is due to savings in special projects, specifically the parking shuttle operation for Long Term Parking Lot 2. The Airport parking operator transferred the leases for the parking shuttles to another entity, saving this annual amount. Staff project expenditures to be below budget at year-end by approximately \$5%-6% (\$890,000 - \$1,065,000).

Golf Fund

Golf Fund revenues are below the YTD budget by approximately \$187,000. The variance is mostly due to lower greens fee revenue. At third quarter, paid rounds are 1.8% above FY 2015 performance; however 2.4% below the FY 2016 budget. Concession revenues are in line with budget at mid-year. Overall, it is expected that revenues will end the year approximately \$107,000 below budget.

Golf Fund expenses are below the YTD budget by approximately \$74,000. The savings is projected to be approximately \$110,000 by year end. Of this, approximately \$66,000 is due to salary savings from retirements and vacancies, with the use of hourly staff to back fill positions. Despite water conservation efforts, rate increases will result in water charges over budget by year end. Staff will be closely monitoring revenues and expenses over the next few months to determine the need to make any additional cost reductions to meet budget at year-end, as efforts are underway to transfer management of Golf Operations to Santa Barbara Golf, LLC, next fiscal year.

Waterfront Fund

Waterfront Fund revenues are above the YTD budget by approximately \$1 million. \$580,000 of this surplus is attributable to the Property Management Program. In particular, the harbor food service, wharf food service and commercial harbor revenue, which have received 85% of the budgeted revenues at third quarter. \$260,000 of this surplus is due to increases in parking

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revenue across all waterfront lots, with the exception of Stearns Wharf, likely due to construction. Slip transfer fees are \$93,000 above budget, as well. Continued good summer weather and warm fall and winter seasons contributed to significant increases in revenues through March 31. Cruise ships are over budgeted revenue by approximately \$82,000 as a result of several additional ships visiting Santa Barbara in the first nine months. Staff anticipates revenues for Fiscal Year 2016 will be over budget by approximately \$1.4 million by yearend.

Expenses for the Waterfront Fund are below the YTD budget by approximately \$73,000. This variance is primarily due to 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 March 31, no appropriated reserves have been used. Staff anticipate expenditures to be within budget at yearend.

City of Santa Barbara
Interim Financial Statements for the Nine Months Ended March 31, 2016
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)			
General Government			
Repayment of Waterfront loan to General Fund	\$ -	\$ 900,319	\$ 900,319
<p>The Waterfront Operating Fund will end Fiscal Year 2016 with surpluses exceeding expectations. These recommended entries will transfer funds to the General Fund to fully repay the outstanding loan.</p>			
Transfer from Parks and Recreation Grant Fund for closed out grants	-	15,020	\$ 15,020
<p>Several Parks and Recreation Grant projects have been closed. These recommended entries move residual amounts back to the General Fund.</p>			
Allocate funding from Appropriated Reserve to the City Attorney's Office	(15,696)	-	15,696
<p>Pursuant to the provisions of the Employee Mortgage Loan Assistance Program (EMLAP), the City is forgiving 50% of the "Points Loan" for an employee in the City Attorney's Office that has achieved the 10-year mark.</p>			
City Attorney			
Allocate funding from Appropriated Reserve for Employee Loan Forgiveness	15,696	-	(15,696)
<p>Pursuant to the provisions of the Employee Mortgage Loan Assistance Program (EMLAP), the City is forgiving 50% of the "Points Loan" for an employee in the City Attorney's Office that has achieved the 10-year mark.</p>			
Public Works			
Increase Estimated Revenues and Appropriations for PW Technology Maintenance	25,000	25,000	-
<p>The City receives a 6% technology fee on building permits. 50% of this fee revenue is transferred to the Capital Outlay Fund to fund the Replacement of the City's Permit Tracking System. For Fiscal Year 2016, the City has received higher revenues than budgeted. The recommended entries will increase the estimated revenues and appropriations to transfer 50% of these fees collected to the Capital Outlay Fund.</p>			
Fire Department			
Increase Estimated Revenues and Appropriations for Mutual Aid Activities	28,003	28,003	-
<p>Due to a high fire season, the Fire Department experienced higher than anticipated mutual aid expenditures related to the cost of providing assistance to other locations in the state. These recommended entries increase the appropriations and estimated revenues for the additional meeting and travel costs incurred responding to these calls, which are fully reimbursable per mutual aid agreements.</p>			
Parks and Recreation Department			
Increase Estimated Revenues and Appropriations for the Tennis Program	20,000	20,000	-
<p>The Tennis program is seeing a resurgence in popularity, in particular the group lessons for youth and adults. These lessons are revenue generating, and provided by Tennis professionals under contract to the Parks and Recreation Department. These recommended entries will increase estimated revenues and appropriations in the Tennis program by \$20,000.</p>			

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
GENERAL FUND cont'd			
Library			
Increase Estimated Revenues and Appropriations for the Santa Barbara Library Public Service Program	8,000	8,000	-
<p>The Library received funding from the Association of Library Service to Children in the amount of \$2,000, and from the Santa Barbara Foundation in the amount of \$2,500, for the Arbutnot lecture that was hosted by the Library. In addition, the Santa Barbara Public Library Foundation has given the Library extra funding of \$3,500 for the 1,000 books before Kindergarten. These recommended entries will increase estimated revenues and appropriations by \$8,000 allowing the department to utilize the additional funding.</p>			
Total General Fund	<u>\$ 81,003</u>	<u>\$ 996,342</u>	<u>\$ 915,339</u>
SPECIAL REVENUE FUNDS			
Streets Sweeping Fund (2405)			
Increase Appropriations for Services and Supplies	\$ 36,000	\$ -	\$ (36,000)
<p>In Fiscal Year 2016 the Streets Sweeping Fund paid for an item relating to the prior year, that took a large portion (\$30,000) of the services and supplies budget. In addition, the program had increased postage costs from a bi-annual newsletter. There are sufficient reserves available to offset the increased costs. The recommended entries will use available reserves in the Street Sweeping Fund to fund operating costs through the remainder of the year.</p>			
Total Streets Sweeping Fund	<u>\$ 36,000</u>	<u>\$ -</u>	<u>\$ (36,000)</u>
Streets Capital Fund (3400)			
Decrease Appropriations - Overlays Resurface Program	\$ (50,000)	\$ -	\$ 50,000
Increase Appropriations - Street Light Installation-Citywide	50,000	-	(50,000)
<p>Staff request moving \$50,000 from the Resurface Program to the Street Lights Installation Program for unplanned emergencies that have occurred this fiscal year. Staff identified available funding from a closed overlay contract with remaining budget. Overlay needs still exist, and will be addressed at a later date, however the recommended entries will provide the funding for the emergencies that occurred in the Street Light Installation Program.</p>			
Total Streets Capital Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
SPECIAL REVENUE FUNDS cont'd			
Police Asset Forfeiture Fund (2310)			
Increase Estimated Revenues and Appropriations to Auto Anti-Theft Program	\$ 8,000	\$ 8,000	\$ -
Anti-Theft program revenue comes from a \$1 fee which is included in vehicle registrations. This revenue will fluctuate based on the number of vehicles registered. Fiscal Year 2016 revenue is higher than budgeted which indicates that there are more registered vehicles in the City of Santa Barbara. These recommended entries increase the estimated revenue and appropriations allowing the department the ability to utilize the additional funding.			
Total Police Asset Forfeiture Fund	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ -</u>
Police SLESF Fund (2320)			
Increase Estimated Revenues and Appropriations to Supplemental Law Enforcement Fund COPS Program	\$ 55,812	\$ 55,812	\$ -
The Police Department receives federal revenue to pay for expenses related to an officer position. Fiscal Year 2016 revenues are higher than budget due to carryover credits from Fiscal Year 2015 and an adjustment made by the federal government. The revenues will be used to pay for the expenses relating to a police officer position. The recommended entries increase estimated revenues and expenditures allowing the department the ability to utilize the additional funding.			
Total Police SLESF Fund	<u>\$ 55,812</u>	<u>\$ 55,812</u>	<u>\$ -</u>
Police Grants Fund (2830)			
Increase Estimated Revenues and Appropriations to Domestic Violence Program	\$ 5,800	\$ 5,800	\$ -
The Police Department received \$5,800 from Domestic Violence Solutions to be used to offset the cost of officer time spent working with Domestic Violence Solutions in the creation of domestic violence protocols, trainings and outreach materials. The recommended entries increase estimated revenues and expenditures allowing the department the ability to utilize the additional funding.			
Total Police Grants Fund	<u>\$ 5,800</u>	<u>\$ 5,800</u>	<u>\$ -</u>
Parks and Recreation Grants Fund (2860)			
Decrease Estimated Revenues for Sports Field Project	\$ -	\$ (3,961)	\$ (3,961)
Decrease Appropriations for Joint Use Project	(5,881)	-	5,881
Decrease Appropriations for Family Economic Success Program	(63)	-	63
Decrease Appropriations for Cal Fire UFMP Grant	(13,037)	-	13,037
Transfer to General Fund Reserves from Misc Parks Grants	15,020	-	(15,020)
Several Parks and Recreation Grant projects have been closed. These recommended entries move residual amounts back to the General Fund.			
Total Parks and Recreation Grants Fund	<u>\$ (3,961)</u>	<u>\$ (3,961)</u>	<u>\$ -</u>

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
CAPITAL OUTLAY FUND (3000)			
Decrease Appropriations - Dwight Murphy Field Irrigation Renovation Project	\$ (80,000)	-	80,000
Increase Appropriations - Dwight Murphy Field Renovation Project	80,000	-	(80,000)
<p>The Dwight Murphy Field Irrigation Renovation Project scope has been broadened, and it is no longer specific to irrigation. As such, the name of the project has been changed to Dwight Murphy Field Renovation Project.</p>			
Increase Estimated Revenues and Appropriations for Children's Library Project	38,014	38,014	-
<p>The Children's Library Project scope has been increased to include signage. Additional donations have been identified to fund the increase for the signage costs. The recommended entries will increase the estimated revenues and appropriations to fund the additional scope of the project.</p>			
Transfer from General Fund - PW Technology Maintenance	-	25,000	25,000
<p>The City receives a 6% technology fee on building permits. 50% of this fee revenue is transferred to the Capital Outlay Fund to fund the Replacement of the City's Permit Tracking System. For Fiscal Year 2016, the City has received higher revenues than budgeted. The recommended entries will increase the estimated revenues and appropriations to transfer 50% of these fees collected to the Capital Outlay Fund.</p>			
Total Capital Outlay Fund	<u>\$ 38,014</u>	<u>\$ 63,014</u>	<u>\$ 25,000</u>
ENTERPRISE FUNDS			
Airport Operating Fund (5700)			
Transfer from Airport Grants Fund	\$ -	\$ 107,987	\$ 107,987
<p>The Runway 15L-33R Rehabilitation grant project was completed under budget; therefore, the Airport was able to bill the FAA AIP Grant 47 for engineering and staff time associated with the grant project, that occurred in the Operating Fund. These recommended entries will reimburse the Operating Fund for engineering charges and staff time associated with the project.</p>			
Total Airport Operating Fund	<u>\$ -</u>	<u>\$ 107,987</u>	<u>\$ 107,987</u>
Airport Capital Fund (5710)			
Increase Appropriations for Improvements	\$ 196,989	\$ -	\$ (196,989)
<p>At the second quarter, staff presented a budget adjustment to reimburse the Airport Capital Fund from the Airport Grants Fund, for costs paid before the grant was awarded for the Airfield Electrical and Safety Project. This is a clean up item to also add the appropriation that should have been included in that budget adjustment request.</p>			
Transfer from Airport Grants Fund	-	8,177	8,177
<p>The Runway 15L-33R Rehabilitation project was completed under budget. These recommended entries will reimburse Airport's unused FAA AIP grant match to the Capital Fund.</p>			
Total Airport Capital Fund	<u>\$ 196,989</u>	<u>\$ 8,177</u>	<u>\$ (188,812)</u>

	Increase (Decrease) in Appropriations	Increase (Decrease) in Estimated Revenues	Addition to (Use of) Reserves
ENTERPRISE FUNDS cont'd			
Airport Grants Fund (5720)			
Decrease Appropriations for Non-Building Improvements	\$ (107,987)	\$ -	\$ 107,987
Transfer to Airport Operating Fund	107,987	-	(107,987)
<p>The Runway 15L-33R Rehabilitation grant project was completed under budget; therefore, the Airport was able to bill the FAA AIP Grant 47 for engineering and staff time associated with the grant project, that occurred in the Operating Fund. These recommended entries will reimburse the Operating Fund for engineering charges and staff time associated with the project.</p>			
Decrease Appropriations for Non-Building Improvements	8,177	-	(8,177)
Transfer to Airport Capital Fund	(8,177)	-	8,177
<p>The Runway 15L-33R Rehabilitation project was completed under budget. These recommended entries will reimburse Airport's unused FAA AIP grant match to the Capital Fund.</p>			
Total Airport Grants Fund	\$ -	\$ -	\$ -
Water Capital Fund (5010)			
Increase Appropriations for Recycled Water Plant	\$ 225,000	\$ -	\$ (225,000)
Transfer from Water Drought Fund for Recycled Water Plant	-	225,000	225,000
<p>Additional funding is necessary for the support and technical studies required to operate the El Estero Recycled Water Plant at its fully designed capacity. Ground Water Development Project has savings due to reduction in the project scope. The recommended entries will transfer the funding from the Ground Water Development Project to the Recycled Water Plant.</p>			
Total Water Capital Fund	\$ 225,000	\$ 225,000	\$ -
Water Drought Fund (5011)			
Decrease Appropriations for Ground Water Development Project	\$ (225,000)	\$ -	\$ 225,000
Transfer to Water Capital Fund for Recycled Water Plant	225,000	-	(225,000)
<p>Additional funding is necessary for the support and technical studies required to operate the El Estero Recycled Water Plant at its fully designed capacity. Ground Water Development Project has savings due to reduction in the project scope. The recommended entries will transfer the funding from the Ground Water Development Project to the Recycled Water Plant.</p>			
Decrease Appropriations - Ground Water Development Project	(193,000)	-	193,000
Increase Appropriations - Desalination Facility	193,000	-	(193,000)
<p>The Desalination Facility Project has received several change orders on the Engineering contract that were not budgeted. Ground Water Development Project has savings due to reduction in the project scope. The recommended entries will transfer the funding from the Ground Water Development Project to the Desalination Facility Project.</p>			
Total Water Drought Fund	\$ -	\$ -	\$ -

	Increase (Decrease) in Appropriations	Increase (Decrease) in Estimated Revenues	Addition to (Use of) Reserves
ENTERPRISE FUNDS cont'd			
Wastewater Capital Fund (5110)			
Adjust Capital Project Budgets:			
Decrease Appropriations - EEWTP Drain Restoration Project	\$ (300,000)	\$ -	\$ 300,000
Decrease Appropriations - Storm Water Facilities Improvement	(200,000)	-	200,000
Decrease Appropriations - Biosolids Improvement Project	(225,000)	-	225,000
Increase Appropriations - WW Lift Station Rehabilitation	725,000	-	(725,000)

The WW Lift Station Project (Braemer Force Main No 2 Lift Station) has portions of construction located within the Las Positas Roundabout project area and construction on the Las Positas Roundabout project will start this fall. Therefore, as a coordination effort, The WW Lift Station project will need to occur sooner than planned. To accommodate this earlier construction schedule, staff recommends transferring funding from three projects: 1) The EEWTP Drain Restoration Project is fully funded with an estimated surplus of \$300,000, 2) The Storm Water Facilities Improvement Project was completed with a savings of \$200,000, and 3) Staff is in the process of applying for an SRF loan for the Biosolids Improvement Project, therefore the \$225,000 currently budgeted, along with the savings from the other two other projects are recommended to be transferred to the WW Lift Station Rehabilitation Project. The recommended entries will transfer available appropriations, as requested.

Total Wastewater Capital Fund	\$ -	\$ -	\$ -
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Waterfront Operating Fund (5800)			
Repayment to General Fund for Waterfront loan	\$ 900,319	\$ -	\$ (900,319)

The Waterfront Operating Fund will end Fiscal Year 2016 with surpluses exceeding expectations. These recommended entries will transfer funds to the General Fund to fully repay the outstanding loan.

Total Waterfront Operating Fund	\$ 900,319	\$ -	\$ (900,319)
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Waterfront Capital Fund (5810)			
Transfer from Harbor Preservation Fund for the Seawall ADA Handrail and Sidewalk Project	\$ -	\$ 40,000	\$ 40,000
Increase Appropriations for the Seawall ADA Handrail and Sidewalk Project	40,000	-	(40,000)

The Seawall ADA Handrail and Sidewalk Project replaces the existing handrail along the Marina 2 – 4 seawall with a code compliant handrail. The project was originally budgeted for \$50,000. However, bids received were \$85,000 due to the increased length of the sections to be replaced in Fiscal Year 2016 and again in Fiscal Year 2017. The recommended entries transfer reserves from the Harbor Preservation Fund to fund the increased costs for the project.

Transfer from Harbor Preservation Fund for the Repower Harbor Patrol Vessels Project	-	45,000	45,000
Increase Appropriations for the Repower Harbor Patrol Vessels Project	45,000	-	(45,000)

The Repower Harbor Patrol Vessels Project replaces Harbor Patrol Boat 1 (PB1). The project was originally budgeted for \$110,000 to repower PB1. Staff recommended adding the annual Vessel Reserve Fund allocation of \$75,000 to the budget for a total of \$185,000, to replace PB1 instead of repowering the vessel, with the approval of the Harbor Commission; however, bids received were \$214,055. The recommended entries transfer reserves from the Harbor Preservation Fund to fund the increased costs for the project.

Total Waterfront Capital Fund	\$ 85,000	\$ 85,000	\$ -
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	Increase (Decrease) in Appropriations	Increase (Decrease) in Estimated Revenues	Addition to (Use of) Reserves
Harbor Preservation Fund (5820)			
Transfer to Waterfront Capital Fund for the Seawall ADA Handrail and Sidewalk Project	\$ 40,000	\$ -	\$ (40,000)

The Seawall ADA Handrail and Sidewalk Project replaces the existing handrail along the Marina 2 – 4 seawall with a code compliant handrail. The project was originally budgeted for \$50,000. However, bids received were \$85,000 due to the increased length of the sections to be replaced in Fiscal Year 2016 and again in Fiscal Year 2017. The recommended entries transfer reserves from the Harbor Preservation Fund to fund the increased costs for the project.

Transfer to Waterfront Capital Fund for the Repower Harbor Patrol Vessels Project	45,000	-	(45,000)
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The Repower Harbor Patrol Vessels Project replaces Harbor Patrol Boat 1 (PB1). The project was originally budgeted for \$110,000 to repower PB1. Staff recommended adding the annual Vessel Reserve Fund allocation of \$75,000 to the budget for a total of \$185,000, to replace PB1 instead of repowering the vessel, with the approval of the Harbor Commission; however, bids received were \$214,055. The recommended entries transfer reserves from the Harbor Preservation Fund to fund the increased costs for the project.

Total Harbor Preservation Fund	<u>\$ 85,000</u>	<u>\$ -</u>	<u>\$ (85,000)</u>
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INTERNAL SERVICE FUNDS

Facilities Capital Fund (6310)

Adjust Capital Project Budgets:

Decrease Appropriations - PD HVAC	\$ (99,396)	\$ -	\$ 99,396
Decrease Appropriations - Central Library Gutter/Eave Repair	(65,770)	-	65,770
Increase Appropriations - Library Exterior Paint	165,166	-	(165,166)

The Library Exterior Paint (LEP) Project bids came in much higher than budgeted. The PD HVAC Project is complete and resulted in a savings from budget, and the LEP project was prioritized higher than the Central Library Gutter/Eave Repair. These recommended entries will transfer available appropriations from the completed and lower priority projects to the LEP project, as recommended by staff.

Total Facilities Capital Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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Fleet Replacement Fund (6410)

Transfer to Fire Equipment Fund and PD Equipment Fund

	\$ 400,511	\$ -	\$ (400,511)
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In past years, the Fleet Replacement Fund maintained the reserves for Mobile Data Computer (MDC) equipment purchases for the Fire Department and the Police Department. It has been difficult for Fire and PD staff to track reserve balances, as Fire and PD staff make the purchases, and Fleet has no involvement. Therefore, staff recommend that Fire and PD maintain individual reserves for their own individual tracking. The recommended entries move reserves from the Fleet Replacement Fund to the Fire Equipment Fund and the PD Equipment Fund.

Total Fleet Replacement Fund	<u>\$ 400,511</u>	<u>\$ -</u>	<u>\$ (400,511)</u>
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