



Agenda Item No. _____

File Code No. 230.04

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 15, 2011
TO: Mayor and Councilmembers
FROM: Accounting Division, Finance Department
SUBJECT: Fiscal Year 2011 Mid-Year Review

RECOMMENDATION: That Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget as of December 31, 2010;
- B. Accept the fiscal year 2011 Interim Financial Statements for the Six Months Ended December 31; 2010; and
- C. Approve the changes to appropriations and estimated revenues.

DISCUSSION:

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

In addition to the mid-year budget analysis, staff brings forward any 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 2010.

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

General Fund

Fire Department

1. Mutual Aid Revenues and Expenses – The Fire Department budgeted \$1.25 million in mutual aid revenues and a corresponding expenditure for related overtime costs of \$705,000. The additional revenues above overtime costs are derived from an overhead factor that is included in the amounts reimbursed to cover such costs as wear and tear on vehicles and general administration.

Due to a substantial decline in fire incidents, as well as an apparent change in mutual aid protocols affecting the order in which fire agencies are called, revenues are expected to fall well below amounts budgeted. Staff now estimates revenues will be \$909,134 below budget and, therefore, recommend budgeted revenues be reduced accordingly. In addition, staff recommends lowering budgeted overtime costs by \$550,000.

2. Hazmat Reimbursements – The Fiscal Year 2011 adopted budget includes revenues of \$100,000 in connection with a new fee that was being considered to recover the costs incurred by the Fire Department to respond to vehicle accidents and any associated hazardous spills. After further evaluation and consultation with the City Attorney, this proposal is no longer being considered. As such, staff recommends eliminating this budgeted revenue.
3. Insurance Reimbursements – In Fiscal Year 2010, a water pipe broke in the office building being leased by the Fire Department at 925 De La Vina Street. The break was the result of a remodel being done to the third floor. The water damaged office equipment and furniture on the first and second floors occupied by the Fire Department administrative staff. The City recovered \$52,000 from the owner's insurance carrier. Staff recommends that we budget these revenues, which will be used to pay for additional appropriations related to equipment purchases in the Fire Department as discussed in item 4 below.
4. Purchase of Defibrillators – The Fire Department has portable defibrillators in each of its truck. The current equipment was purchased from a company that no longer supports the equipment. Batteries, paddles, and supplies needed to maintain the equipment are no longer available. These AED units are used frequently and prompt replacement is necessary. The Department must replace the equipment at a cost estimated at \$40,000.

Fire and Police Departments

Allocation of Saving from Labor Concessions – Of the \$1,664,157 achieved in labor concessions from police and fire labor groups, \$365,814 represents estimated savings from the suspension of vacation cash outs that were part of the overall concessions. The balance of \$1,298,343 represents concessions related directly to budgeted salary and benefit costs. Therefore, staff recommends the Police and Fire department budgets be reduced by these actual savings to be realized by year end. These savings are allocable between the Fire and Police Departments as follows:

Fire	\$ 635,369
Police	<u>662,974</u>
Total	<u>\$1,298,343</u>

Non-Departmental

Budgeted Concessions Not Realized – At the time the Fiscal Year budget was adopted, the City was in negotiations with both fire and police labor groups for concessions to help close the projected budget gap. The total amount of concessions expected from fire and police was \$2,006,735. The actual amount of concessions realized was \$1,664,157, a difference of \$342,578. Staff recommends reducing the amount budgeted as revenue, representing expected savings from labor concessions, by the \$342,578 not achieved.

County Library Special Revenue Fund

Book Acquisitions – The City received a donation of \$4,000 for the benefit of the Goleta Library managed by the City of Santa Barbara. The funds will be used to supplement the book acquisition budget. Staff recommends increasing both appropriations and estimated revenues.

Streets Grants Capital Projects Fund

There are a number of adjustments needed to reconcile what has been authorized by Caltrans for various grants, the remaining expenditures on the grants, and the amount of funding. Some of the projects are completed and there are other projects that will receive additional funding from Caltrans. Attachment 3 details the recommended adjustments to account for the changes in funding.

Measure D Special Revenue Fund

Measure D funding expired last year but project expenditures will continue until the projects are completed. The Goleta Transportation Improvement Plan has expired and the funding has been freed up to use elsewhere. The original funds were related to the Fairway Avenue vicinity. By moving the funds to the Hollister Avenue Sidewalk Project, the funds will stay relatively close to the area where they were originally intended, and still take care of a capital need. The Ortega Bridge funds will be used to meet the City's matching funds for the project.

Information Systems Internal Service Fund

Information Systems implemented the new Geographic Information System (GIS) last fiscal year. With the software in place, the City will need to pay annual maintenance (licensing) fees. There are also training needs for staff. Due to the timing of the implementation, the costs were not included in the current year budget. These fees are due and additional appropriations are needed to cover the fees.

- ATTACHMENTS:**
1. Summary by Fund Statement of Revenues and Expenditures for the Six Months Ended December 31, 2010
 2. Interim Financial Statements for the Six Months Ended December 31, 2010 (Narrative Analysis)
 3. Proposed Mid-Year Adjustments

PREPARED BY: Rudy Livingston, Accounting Manager
Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Summary by Fund
For the Six Months Ended December 31, 2010 (50% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget
GENERAL FUND					
Revenue	102,064,107	45,844,245	-	56,219,862	44.9%
Expenditures	102,269,406	49,460,481	934,973	51,873,952	49.3%
<i>Addition to / (use of) reserves</i>	<u>(205,299)</u>	<u>(3,616,236)</u>	<u>(934,973)</u>		
WATER OPERATING FUND					
Revenue	34,632,686	18,436,179	-	16,196,507	53.2%
Expenditures	35,669,711	14,820,132	2,960,741	17,888,838	49.8%
<i>Addition to / (use of) reserves</i>	<u>(1,037,025)</u>	<u>3,616,046</u>	<u>(2,960,741)</u>		
WASTEWATER OPERATING FUND					
Revenue	14,985,411	7,795,627	-	7,189,784	52.0%
Expenditures	19,066,345	8,444,044	1,402,629	9,219,672	51.6%
<i>Addition to / (use of) reserves</i>	<u>(4,080,934)</u>	<u>(648,416)</u>	<u>(1,402,629)</u>		
DOWNTOWN PARKING					
Revenue	6,689,440	3,232,485	-	3,456,955	48.3%
Expenditures	7,391,283	3,023,210	734,434	3,633,639	50.8%
<i>Addition to / (use of) reserves</i>	<u>(701,843)</u>	<u>209,275</u>	<u>(734,434)</u>		
AIRPORT OPERATING FUND					
Revenue	13,065,477	6,929,261	-	6,136,216	53.0%
Expenditures	13,134,132	5,744,022	626,854	6,763,256	48.5%
<i>Addition to / (use of) reserves</i>	<u>(68,655)</u>	<u>1,185,238</u>	<u>(626,854)</u>		
GOLF COURSE FUND					
Revenue	2,049,194	929,730	-	1,119,464	45.4%
Expenditures	2,060,811	1,012,595	108,827	939,389	54.4%
<i>Addition to / (use of) reserves</i>	<u>(11,617)</u>	<u>(82,865)</u>	<u>(108,827)</u>		
INTRA-CITY SERVICE FUND					
Revenue	6,083,553	2,435,722	-	3,647,831	40.0%
Expenditures	6,781,899	2,232,503	824,483	3,724,914	45.1%
<i>Addition to / (use of) reserves</i>	<u>(698,346)</u>	<u>203,220</u>	<u>(824,483)</u>		

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Summary by Fund
For the Six Months Ended December 31, 2010 (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	2,227,068	1,119,004	-	1,108,064	50.2%
Expenditures	4,631,542	1,382,636	440,430	2,808,475	39.4%
<i>Addition to / (use of) reserves</i>	<u>(2,404,474)</u>	<u>(263,631)</u>	<u>(440,430)</u>		
FLEET MAINTENANCE FUND					
Revenue	2,429,418	1,192,229	-	1,237,189	49.1%
Expenditures	2,485,972	1,054,376	183,884	1,247,712	49.8%
<i>Addition to / (use of) reserves</i>	<u>(56,554)</u>	<u>137,853</u>	<u>(183,884)</u>		
SELF INSURANCE TRUST FUND					
Revenue	5,694,553	2,709,703	-	2,984,850	47.6%
Expenditures	6,194,109	3,377,287	423,481	2,393,342	61.4%
<i>Addition to / (use of) reserves</i>	<u>(499,556)</u>	<u>(667,584)</u>	<u>(423,481)</u>		
INFORMATION SYSTEMS ICS FUND					
Revenue	2,302,393	1,145,792	-	1,156,601	49.8%
Expenditures	2,307,501	1,197,053	108,529	1,001,918	56.6%
<i>Addition to / (use of) reserves</i>	<u>(5,108)</u>	<u>(51,262)</u>	<u>(108,529)</u>		
WATERFRONT FUND					
Revenue	11,762,974	5,983,717	-	5,779,257	50.9%
Expenditures	11,850,433	5,745,768	715,336	5,389,329	54.5%
<i>Addition to / (use of) reserves</i>	<u>(87,459)</u>	<u>237,949</u>	<u>(715,336)</u>		
TOTAL FOR ALL FUNDS					
Revenue	203,986,274	97,753,693	-	106,232,581	47.9%
Expenditures	213,843,145	97,494,107	9,464,601	106,884,437	50.0%
<i>Addition to / (use of) reserves</i>	<u>(9,856,871)</u>	<u>259,586</u>	<u>(9,464,601)</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, 2010 (50% of Fiscal Year)

	Annual Budget	YTD Actual	Remaining Balance	Percent Received	Previous YTD
TAXES					
Sales and Use	16,714,359	6,749,831	9,964,528	40.4%	6,412,644
Property Taxes	22,790,000	8,701,723	14,088,277	38.2%	7,566,461
Utility Users Tax	7,040,000	3,521,932	3,518,068	50.0%	3,484,555
Transient Occupancy Tax	11,157,000	7,261,448	3,895,552	65.1%	6,618,032
Franchise Fees	3,266,000	1,670,255	1,595,745	51.1%	1,639,714
Business License	2,168,000	944,434	1,223,566	43.6%	917,418
Real Property Transfer Tax	358,100	204,871	153,229	57.2%	199,690
<i>Total</i>	<u>63,493,459</u>	<u>29,054,494</u>	<u>34,438,965</u>	45.8%	<u>26,838,514</u>
LICENSES & PERMITS					
Licenses & Permits	194,000	73,076	120,924	37.7%	85,941
<i>Total</i>	<u>194,000</u>	<u>73,076</u>	<u>120,924</u>	37.7%	<u>85,941</u>
FINES & FORFEITURES					
Parking Violations	2,469,069	1,226,341	1,242,728	49.7%	1,258,091
Library Fines	115,000	54,292	60,708	47.2%	58,305
Municipal Court Fines	150,000	88,938	61,062	59.3%	67,528
Other Fines & Forfeitures	175,000	114,197	60,803	65.3%	91,046
<i>Total</i>	<u>2,909,069</u>	<u>1,483,768</u>	<u>1,425,301</u>	51.0%	<u>1,474,969</u>
USE OF MONEY & PROPERTY					
Investment Income	848,615	424,129	424,486	50.0%	588,528
Rents & Concessions	421,535	224,871	196,664	53.3%	208,045
<i>Total</i>	<u>1,270,150</u>	<u>649,000</u>	<u>621,150</u>	51.1%	<u>796,574</u>
INTERGOVERNMENTAL					
Grants	1,420,693	306,029	1,114,664	21.5%	229,530
Vehicle License Fees	150,000	156,405	(6,405)	104.3%	134,978
Reimbursements	14,040	5,263	8,777	37.5%	-
<i>Total</i>	<u>1,584,733</u>	<u>467,697</u>	<u>1,117,036</u>	29.5%	<u>364,508</u>
FEES & SERVICE CHARGES					
Finance	858,930	424,515	434,415	49.4%	412,783
Community Development	4,452,856	2,169,379	2,283,477	48.7%	2,284,447
Recreation	2,358,031	1,010,553	1,347,478	42.9%	983,507
Public Safety	476,348	206,516	269,832	43.4%	199,157
Public Works	5,219,373	2,502,944	2,716,429	48.0%	2,539,752
Library	779,643	367,447	412,196	47.1%	370,265
Reimbursements	5,956,688	2,749,657	3,207,031	46.2%	2,727,084
<i>Total</i>	<u>20,101,869</u>	<u>9,431,012</u>	<u>10,670,857</u>	46.9%	<u>9,516,995</u>
OTHER MISCELLANEOUS REVENUES					
Miscellaneous	1,285,183	883,862	401,321	68.8%	955,796
Indirect Allocations	6,520,510	3,260,255	3,260,255	50.0%	3,672,553
Operating Transfers-In	4,705,134	541,079	4,164,055	11.5%	911,816
<i>Total</i>	<u>12,510,827</u>	<u>4,685,196</u>	<u>7,825,631</u>	37.4%	<u>5,540,166</u>
TOTAL REVENUES	<u>102,064,107</u>	<u>45,844,245</u>	<u>56,219,862</u>	44.9%	<u>44,617,667</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Six Months Ended December 31, 2010 (50% 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	686,819	341,672	1,582	343,565	50.0%	
<i>Total</i>	686,819	341,672	1,582	343,565	50.0%	349,502
<u>City Attorney</u>						
CITY ATTORNEY	1,867,900	957,001	-	910,899	51.2%	
<i>Total</i>	1,867,900	957,001	-	910,899	51.2%	1,020,892
<u>Administration</u>						
CITY ADMINISTRATOR	1,289,339	658,816	2,509	628,014	51.3%	
LABOR RELATIONS	110,649	49,989	-	60,660	45.2%	
CITY TV	399,169	184,049	19,180	195,940	50.9%	
<i>Total</i>	1,799,157	892,854	21,689	884,614	50.8%	985,700
<u>Administrative Services</u>						
CITY CLERK	433,472	191,411	17,469	224,593	48.2%	
HUMAN RESOURCES	1,072,931	470,319	14,335	588,277	45.2%	
ADMIN SVCS-EMPLOYEE DEVELOPMENT	135,367	56,268	-	79,099	41.6%	
<i>Total</i>	1,641,770	717,998	31,803	891,968	45.7%	1,071,729
<u>Finance</u>						
ADMINISTRATION	225,246	105,449	7,495	112,301	50.1%	
TREASURY	442,107	196,480	1,700	243,927	44.8%	
CASHIERING & COLLECTION	419,606	209,462	-	210,144	49.9%	
LICENSES & PERMITS	383,444	183,715	-	199,729	47.9%	
BUDGET MANAGEMENT	376,809	182,290	-	194,519	48.4%	
ACCOUNTING	389,626	199,592	39,543	150,491	61.4%	
PAYROLL	266,456	127,999	-	138,457	48.0%	
ACCOUNTS PAYABLE	207,691	101,158	-	106,533	48.7%	
CITY BILLING & CUSTOMER SERVICE	575,806	261,720	-	314,086	45.5%	
PURCHASING	657,198	307,738	2,176	347,284	47.2%	
CENTRAL STORES	158,284	75,964	480	81,840	48.3%	
MAIL SERVICES	86,794	42,960	284	43,550	49.8%	
<i>Total</i>	4,189,067	1,994,526	51,678	2,142,862	48.8%	2,237,398
TOTAL GENERAL GOVERNMENT	10,184,713	4,904,052	106,752	5,173,909	49.2%	5,665,221
PUBLIC SAFETY						
<u>Police</u>						
CHIEF'S STAFF	1,167,171	580,188	-	586,983	49.7%	
SUPPORT SERVICES	568,188	278,145	1,131	288,912	49.2%	
RECORDS	1,298,843	623,085	19,009	656,749	49.4%	
COMMUNITY SVCS	915,200	499,972	3,329	411,898	55.0%	
CRIME ANALYSIS	7,067	3,329	-	3,738	47.1%	
PROPERTY ROOM	128,526	61,842	820	65,864	48.8%	

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Six Months Ended December 31, 2010 (50% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>** Remaining Balance</u>	<u>YTD Expended and Encumbered</u>	<u>Previous YTD</u>
PUBLIC SAFETY						
<u>Police</u>						
TRNG/RECRUITMENT	461,709	267,955	6,122	187,633	59.4%	
RANGE	1,023,098	542,524	13,551	467,023	54.4%	
BEAT COORDINATORS	490,445	284,206	702	205,537	58.1%	
INFORMATION TECHNOLOGY	1,112,749	578,578	44,742	489,429	56.0%	
INVESTIGATIVE DIVISION	4,437,263	2,118,251	3,850	2,315,162	47.8%	
CRIME LAB	219,231	67,120	-	152,111	30.6%	
PATROL DIVISION	13,480,216	6,613,159	116,316	6,750,742	49.9%	
TRAFFIC	1,320,753	565,680	1,304	753,769	42.9%	
SPECIAL EVENTS	984,500	872,561	-	111,939	88.6%	
TACTICAL PATROL FORCE	1,143,556	579,127	-	564,429	50.6%	
STREET SWEEPING ENFORCEMENT	285,115	142,305	-	142,810	49.9%	
NIGHT LIFE ENFORCEMENT	333,926	103,667	-	230,259	31.0%	
PARKING ENFORCEMENT	1,024,125	441,404	22,035	560,686	45.3%	
CCC	2,346,794	985,480	2,539	1,358,775	42.1%	
ANIMAL CONTROL	542,378	292,516	2,797	247,064	54.4%	
<i>Total</i>	<u>33,290,852</u>	<u>16,501,094</u>	<u>238,247</u>	<u>16,551,511</u>	50.3%	<u>16,161,276</u>
<u>Fire</u>						
ADMINISTRATION	816,405	391,423	4,116	420,866	48.4%	
EMERGENCY SERVICES AND PUBLIC ED	210,178	88,034	-	122,144	41.9%	
PREVENTION	1,201,381	519,874	4,858	676,649	43.7%	
WILDLAND FIRE MITIGATION PROGRAM	180,935	79,270	21,412	80,253	55.6%	
OPERATIONS	17,331,070	8,518,998	124,691	8,687,382	49.9%	
ARFF	1,701,697	953,484	-	748,213	56.0%	
<i>Total</i>	<u>21,441,666</u>	<u>10,551,082</u>	<u>155,077</u>	<u>10,735,508</u>	49.9%	<u>10,412,152</u>
TOTAL PUBLIC SAFETY	<u>54,732,518</u>	<u>27,052,176</u>	<u>393,323</u>	<u>27,287,019</u>	50.1%	<u>26,573,428</u>
PUBLIC WORKS						
<u>Public Works</u>						
ADMINISTRATION	872,992	379,100	17,192	476,700	45.4%	
ENGINEERING SVCS	4,353,334	2,119,647	5,377	2,228,310	48.8%	
PUBLIC RT OF WAY MGMT	983,568	477,947	2,243	503,378	48.8%	
ENVIRONMENTAL PROGRAMS	361,153	107,654	72,711	180,788	49.9%	
<i>Total</i>	<u>6,571,047</u>	<u>3,084,348</u>	<u>97,524</u>	<u>3,389,176</u>	48.4%	<u>3,029,511</u>
TOTAL PUBLIC WORKS	<u>6,571,047</u>	<u>3,084,348</u>	<u>97,524</u>	<u>3,389,176</u>	48.4%	<u>3,029,511</u>
COMMUNITY SERVICES						
<u>Parks & Recreation</u>						
PRGM MGMT & BUS SVCS	476,287	236,306	-	239,981	49.6%	
FACILITIES	354,519	182,623	14,509	157,388	55.6%	
CULTURAL ARTS	420,422	202,167	6,302	211,954	49.6%	

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Six Months Ended December 31, 2010 (50% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	** Remaining Balance	YTD Expended and Encumbered	Previous YTD
COMMUNITY SERVICES						
<u>Parks & Recreation</u>						
YOUTH ACTIVITIES	733,831	384,306	7,413	342,111	53.4%	
SR CITIZENS	653,938	295,678	411	357,849	45.3%	
AQUATICS	1,042,852	615,020	35,381	392,451	62.4%	
SPORTS	495,345	203,831	15,011	276,504	44.2%	
TENNIS	258,175	105,151	-	153,024	40.7%	
NEIGHBORHOOD & OUTREACH SERV	989,941	492,456	4,460	493,025	50.2%	
ADMINISTRATION	520,544	255,318	-	265,226	49.0%	
PROJECT MANAGEMENT TEAM	223,659	107,819	-	115,840	48.2%	
BUSINESS SERVICES	302,136	128,301	2,684	171,151	43.4%	
FACILITY & PROJECT MGT	951,580	524,217	1,211	426,151	55.2%	
GROUND MANAGEMENT	4,134,610	1,932,444	59,312	2,142,853	48.2%	
FORESTRY	1,163,333	459,033	92,640	611,660	47.4%	
BEACH MAINTENANCE	164,643	70,010	13,372	81,260	50.6%	
<i>Total</i>	<u>12,885,815</u>	<u>6,195,041</u>	<u>252,706</u>	<u>6,438,069</u>	50.0%	<u>6,665,744</u>
<u>Library</u>						
ADMINISTRATION	399,732	179,583	-	220,149	44.9%	
PUBLIC SERVICES	1,997,383	918,467	3,950	1,074,966	46.2%	
SUPPORT SERVICES	1,773,265	686,941	13,148	1,073,177	39.5%	
<i>Total</i>	<u>4,170,380</u>	<u>1,784,991</u>	<u>17,098</u>	<u>2,368,291</u>	43.2%	<u>1,946,876</u>
TOTAL COMMUNITY SERVICES	<u>17,056,195</u>	<u>7,980,031</u>	<u>269,803</u>	<u>8,806,360</u>	48.4%	<u>8,612,620</u>
COMMUNITY DEVELOPMENT						
<u>Community Development</u>						
ADMINISTRATION	427,609	215,671	724	211,214	50.6%	
ECON DEV	52,296	22,283	-	30,013	42.6%	
CITY ARTS ADVISORY PROGRAM	427,260	361,237	-	66,024	84.5%	
HUMAN SVCS	819,851	402,939	-	416,912	49.1%	
RDA	685,691	334,650	-	351,041	48.8%	
RDA HSG DEV	642,855	288,365	-	354,490	44.9%	
LR PLANNING/STUDIES	716,236	355,320	632	360,284	49.7%	
DEV & DESIGN REVIEW	952,017	430,548	10,074	511,396	46.3%	
ZONING	809,341	384,713	960	423,667	47.7%	
DESIGN REV & HIST PRESERVATN	886,555	370,995	19,401	496,160	44.0%	
SHO/ENVIRON REVIEW/TRAINING	737,535	359,150	3,592	374,793	49.2%	
BLDG PERMITS	1,027,134	507,520	7,099	512,515	50.1%	
RECORDS & ARCHIVES	523,630	233,940	17,256	272,434	48.0%	
PLAN CK & COUNTER SRV	1,252,403	566,977	7,833	677,593	45.9%	
<i>Total</i>	<u>9,960,413</u>	<u>4,834,310</u>	<u>67,570</u>	<u>5,058,532</u>	49.2%	<u>4,992,243</u>
TOTAL COMMUNITY DEVELOPMENT	<u>9,960,413</u>	<u>4,834,310</u>	<u>67,570</u>	<u>5,058,532</u>	49.2%	<u>4,992,243</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Six Months Ended December 31, 2010 (50% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	** Remaining Balance	YTD Expended and Encumbered	Previous YTD
NON-DEPARTMENTAL						
<u>Non-Departmental</u>						
DUES, MEMBERSHIPS, & LICENSES	22,272	1,693	-	20,579	7.6%	
COMMUNITY PROMOTIONS	1,537,890	898,954	-	638,936	58.5%	
SPECIAL PROJECTS	359,264	139,000	-	220,264	38.7%	
TRANSFERS OUT	43,500	21,750	-	21,750	50.0%	
DEBT SERVICE TRANSFERS	350,445	290,081	-	60,364	82.8%	
CAPITAL OUTLAY TRANSFER	508,170	254,085	-	254,085	50.0%	
APPROP. RESERVE	942,979	-	-	942,979	0.0%	
<i>Total</i>	3,764,520	1,605,563	-	2,158,957	42.6%	1,406,782
TOTAL NON-DEPARTMENTAL	3,764,520	1,605,563	-	2,158,957	42.6%	1,406,782
TOTAL EXPENDITURES	102,269,406	49,460,481	934,973	51,873,952	49.3%	50,279,805

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

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

CITY OF SANTA BARBARA
Special Revenue Funds
Interim Statement of Revenues and Expenditures
For the Six Months Ended December 31, 2010 (50% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget
TRAFFIC SAFETY FUND					
Revenue	470,000	250,791	-	219,209	53.4%
Expenditures	470,000	250,791	-	219,209	53.4%
<i>Revenue Less Expenditures</i>	-	-	-	-	
CREEK RESTORATION/WATER QUALITY IMPRVMT					
Revenue	2,407,300	1,548,159	-	859,141	64.3%
Expenditures	4,163,728	1,699,867	410,384	2,053,477	50.7%
<i>Revenue Less Expenditures</i>	(1,756,428)	(151,708)	(410,384)	(1,194,336)	
SOLID WASTE PROGRAM					
Revenue	17,512,032	8,463,235	-	9,048,797	48.3%
Expenditures	18,397,408	8,705,749	162,927	9,528,732	48.2%
<i>Revenue Less Expenditures</i>	(885,376)	(242,514)	(162,927)	(479,935)	
COMM.DEVELOPMENT BLOCK GRANT					
Revenue	2,003,480	1,126,359	-	877,121	56.2%
Expenditures	2,003,480	453,634	76,292	1,473,554	26.5%
<i>Revenue Less Expenditures</i>	-	672,726	(76,292)	(596,434)	
COUNTY LIBRARY					
Revenue	1,748,519	573,414	-	1,175,105	32.8%
Expenditures	1,782,819	846,473	48,775	887,572	50.2%
<i>Revenue Less Expenditures</i>	(34,300)	(273,059)	(48,775)	287,534	
STREETS FUND					
Revenue	9,926,670	4,473,903	-	5,452,767	45.1%
Expenditures	13,933,618	4,661,613	1,556,693	7,715,313	44.6%
<i>Revenue Less Expenditures</i>	(4,006,948)	(187,710)	(1,556,693)	(2,262,545)	
MEASURE A					
Revenue	2,882,759	1,351,888	-	1,530,871	46.9%
Expenditures	2,882,759	1,020,635	568,132	1,293,992	55.1%
<i>Revenue Less Expenditures</i>	-	331,253	(568,132)	236,879	

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2010 (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	30,350,000	15,224,621	-	15,125,380	50.2%	15,880,618
Service Charges	395,000	489,285	-	(94,285)	123.9%	212,379
Cater JPA Treatment Charges	2,272,520	1,699,736	-	572,784	74.8%	1,706,794
Licenses & Permits	-	-	-	-	100.0%	-
Investment Income	860,900	527,791	-	333,109	61.3%	599,974
Grants	-	-	-	-	100.0%	24,243
Reimbursements	-	-	-	-	100.0%	-
Miscellaneous	754,266	494,745	-	259,521	65.6%	368,907
TOTAL REVENUES	<u>34,632,686</u>	<u>18,436,179</u>	<u>-</u>	<u>16,196,507</u>	<u>53.2%</u>	<u>18,792,916</u>
EXPENSES						
Salaries & Benefits	7,606,945	3,493,361	-	4,113,584	45.9%	3,489,417
Materials, Supplies & Services	10,173,513	3,605,592	2,396,664	4,171,257	59.0%	3,853,627
Special Projects	737,378	140,144	86,205	511,029	30.7%	63,884
Water Purchases	8,177,644	3,209,238	409,238	4,559,168	44.2%	3,219,509
Debt Service	5,088,853	2,618,931	-	2,469,922	51.5%	2,600,604
Capital Outlay Transfers	3,349,702	1,674,851	-	1,674,851	50.0%	2,651,246
Equipment	177,227	50,979	-	126,248	28.8%	37,116
Capitalized Fixed Assets	191,932	6,285	68,634	117,013	39.0%	861
Other	43,000	20,750	-	22,250	48.3%	21,299
Appropriated Reserve	123,517	-	-	123,517	0.0%	-
TOTAL EXPENSES	<u>35,669,711</u>	<u>14,820,132</u>	<u>2,960,741</u>	<u>17,888,838</u>	<u>49.8%</u>	<u>15,937,564</u>

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

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2010 (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	14,200,000	7,082,869	-	7,117,131	49.9%	7,047,623
Fees	452,911	474,438	-	(21,527)	104.8%	248,701
Investment Income	296,100	152,599	-	143,501	51.5%	208,851
Public Works	11,400	18,816	-	(7,416)	165.1%	2,024
Miscellaneous	25,000	66,905	-	(41,905)	267.6%	14,800
TOTAL REVENUES	<u>14,985,411</u>	<u>7,795,627</u>	<u>-</u>	<u>7,189,784</u>	<u>52.0%</u>	<u>7,521,999</u>
EXPENSES						
Salaries & Benefits	5,178,153	2,418,577	-	2,759,576	46.7%	2,349,516
Materials, Supplies & Services	5,812,865	2,341,719	1,372,563	2,098,583	63.9%	2,191,564
Special Projects	155,000	150,802	-	4,198	97.3%	354,271
Transfers-Out	-	-	-	-	100.0%	32,500
Debt Service	1,352,038	334,388	-	1,017,650	24.7%	343,983
Capital Outlay Transfers	6,295,500	3,147,750	-	3,147,750	50.0%	1,413,594
Equipment	54,428	16,901	4,340	33,187	39.0%	3,872
Capitalized Fixed Assets	97,261	33,907	25,726	37,628	61.3%	861
Appropriated Reserve	121,100	-	-	121,100	0.0%	-
TOTAL EXPENSES	<u>19,066,345</u>	<u>8,444,044</u>	<u>1,402,629</u>	<u>9,219,672</u>	<u>51.6%</u>	<u>6,690,162</u>

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

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2010 (50% of Fiscal Year)
DOWNTOWN PARKING

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Improvement Tax	840,000	440,041	-	399,959	52.4%	407,481
Parking Fees	5,606,000	2,675,347	-	2,930,653	47.7%	2,820,417
Investment Income	154,700	78,767	-	75,933	50.9%	110,048
Rents & Concessions	23,740	-	-	23,740	0.0%	23,740
Reimbursements	20,000	4,598	-	15,402	23.0%	6,711
Miscellaneous	1,500	11,981	-	(10,481)	798.8%	1,518
Operating Transfers-In	43,500	21,750	-	21,750	50.0%	43,500
TOTAL REVENUES	<u>6,689,440</u>	<u>3,232,485</u>	<u>-</u>	<u>3,456,955</u>	<u>48.3%</u>	<u>3,413,416</u>
EXPENSES						
Salaries & Benefits	3,847,242	1,792,510	-	2,054,732	46.6%	1,754,900
Materials, Supplies & Services	1,807,229	669,019	127,762	1,010,448	44.1%	770,284
Special Projects	730,482	84,140	602,842	43,500	94.0%	364,581
Transfers-Out	312,621	140,811	-	171,810	45.0%	156,311
Capital Outlay Transfers	660,000	330,000	-	330,000	50.0%	629,380
Equipment	25,000	6,730	3,830	14,440	42.2%	78
Capitalized Fixed Assets	-	-	-	-	100.0%	1,890
Appropriated Reserve	8,709	-	-	8,709	0.0%	-
TOTAL EXPENSES	<u>7,391,283</u>	<u>3,023,210</u>	<u>734,434</u>	<u>3,633,639</u>	<u>50.8%</u>	<u>3,677,422</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2010 (50% of Fiscal Year)
AIRPORT OPERATING FUND

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Leases - Commercial / Industrial	3,977,000	2,134,602	-	1,842,398	53.7%	2,107,130
Leases - Terminal	4,927,950	2,656,004	-	2,271,946	53.9%	2,522,995
Leases - Non-Commerical Aviation	1,095,875	786,090	-	309,785	71.7%	565,489
Leases - Commerical Aviation	2,637,000	1,144,257	-	1,492,743	43.4%	1,095,287
Investment Income	231,100	124,848	-	106,252	54.0%	167,195
Miscellaneous	196,552	83,460	-	113,092	42.5%	80,016
TOTAL REVENUES	13,065,477	6,929,261	-	6,136,216	53.0%	6,538,113
EXPENSES						
Salaries & Benefits	4,913,183	2,302,198	-	2,610,985	46.9%	2,285,023
Materials, Supplies & Services	6,432,710	2,851,624	626,854	2,954,232	54.1%	2,836,657
Special Projects	912,307	285,256	-	627,051	31.3%	213,146
Transfers-Out	31,049	15,525	-	15,524	50.0%	-
Capital Outlay Transfers	550,000	275,000	-	275,000	50.0%	325,535
Equipment	24,610	14,420	-	10,190	58.6%	17,920
Appropriated Reserve	270,273	-	-	270,273	0.0%	-
TOTAL EXPENSES	13,134,132	5,744,022	626,854	6,763,256	48.5%	5,678,280

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

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2010 (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	1,725,172	778,588	-	946,584	45.1%	716,017
Investment Income	20,200	7,164	-	13,036	35.5%	18,271
Rents & Concessions	300,322	143,935	-	156,387	47.9%	152,822
Miscellaneous	3,500	43	-	3,457	1.2%	1,848
TOTAL REVENUES	<u>2,049,194</u>	<u>929,730</u>	<u>-</u>	<u>1,119,464</u>	<u>45.4%</u>	<u>888,958</u>
EXPENSES						
Salaries & Benefits	1,095,646	538,836	-	556,810	49.2%	553,022
Materials, Supplies & Services	611,462	279,136	99,303	233,022	61.9%	277,652
Special Projects	14,524	-	9,524	5,000	65.6%	976
Transfers-Out	-	-	-	-	100.0%	507,767
Debt Service	213,407	157,025	-	56,382	73.6%	156,016
Capital Outlay Transfers	70,000	35,000	-	35,000	50.0%	276
Equipment	3,500	2,597	-	903	74.2%	-
Capitalized Fixed Assets	-	-	-	-	100.0%	4,154
Appropriated Reserve	52,272	-	-	52,272	0.0%	-
TOTAL EXPENSES	<u>2,060,811</u>	<u>1,012,595</u>	<u>108,827</u>	<u>939,389</u>	<u>54.4%</u>	<u>1,499,863</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2010 (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						
Work Orders - Bldg Maint.	3,598,018	1,569,293	-	2,028,725	43.6%	1,663,399
Grants	742,970	-	-	742,970	0.0%	818,200
Service Charges	1,742,565	866,283	-	876,282	49.7%	820,740
Miscellaneous	-	147	-	(147)	100.0%	47
Operating Transfers-In	-	-	-	-	100.0%	32,500
TOTAL REVENUES	<u>6,083,553</u>	<u>2,435,722</u>	<u>-</u>	<u>3,647,831</u>	<u>40.0%</u>	<u>3,334,886</u>
EXPENSES						
Salaries & Benefits	2,858,723	1,372,817	-	1,485,906	48.0%	1,451,352
Materials, Supplies & Services	1,109,096	457,658	157,167	494,271	55.4%	446,073
Special Projects	2,010,520	384,301	495,233	1,130,986	43.7%	418,402
Capital Outlay Transfers	-	-	-	-	100.0%	65,414
Equipment	23,000	6,290	-	16,710	27.3%	155
Capitalized Fixed Assets	780,560	11,436	172,083	597,041	23.5%	536
TOTAL EXPENSES	<u>6,781,899</u>	<u>2,232,503</u>	<u>824,483</u>	<u>3,724,914</u>	<u>45.1%</u>	<u>2,381,932</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2010 (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	1,791,427	895,713	-	895,714	50.0%	671,510
Investment Income	153,300	87,508	-	65,792	57.1%	107,609
Rents & Concessions	232,341	116,171	-	116,171	50.0%	121,424
Miscellaneous	50,000	19,613	-	30,388	39.2%	52,709
TOTAL REVENUES	<u>2,227,068</u>	<u>1,119,004</u>	<u>-</u>	<u>1,108,064</u>	<u>50.2%</u>	<u>953,251</u>
EXPENSES						
Salaries & Benefits	150,983	74,429	-	76,554	49.3%	73,814
Materials, Supplies & Services	993	497	-	497	50.0%	560
Capitalized Fixed Assets	4,479,566	1,307,710	440,430	2,731,425	39.0%	724,501
TOTAL EXPENSES	<u>4,631,542</u>	<u>1,382,636</u>	<u>440,430</u>	<u>2,808,475</u>	<u>39.4%</u>	<u>798,875</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2010 (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	2,369,418	1,184,709	-	1,184,709	50.0%	1,240,119
Miscellaneous	60,000	7,520	-	52,480	12.5%	-
TOTAL REVENUES	<u>2,429,418</u>	<u>1,192,229</u>	<u>-</u>	<u>1,237,189</u>	<u>49.1%</u>	<u>1,240,119</u>
EXPENSES						
Salaries & Benefits	1,141,256	558,700	-	582,556	49.0%	556,607
Materials, Supplies & Services	1,255,238	482,954	177,393	594,891	52.6%	433,885
Special Projects	87,279	11,069	5,944	70,266	19.5%	9,707
Equipment	2,200	1,653	547	-	100.0%	-
TOTAL EXPENSES	<u>2,485,972</u>	<u>1,054,376</u>	<u>183,884</u>	<u>1,247,712</u>	<u>49.8%</u>	<u>1,000,199</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2010 (50% of Fiscal Year)

SELF INSURANCE TRUST FUND

	** Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Insurance Premiums	2,583,750	1,291,875	-	1,291,875	50.0%	1,475,307
Workers' Compensation Premiums	2,643,581	1,321,791	-	1,321,790	50.0%	1,241,464
OSH Charges	277,322	-	-	277,322	0.0%	151,259
Investment Income	189,900	91,529	-	98,371	48.2%	138,897
Community Development	-	316	-	(316)	100.0%	-
Miscellaneous	-	4,192	-	(4,192)	100.0%	12,418
TOTAL REVENUES	5,694,553	2,709,703	-	2,984,850	47.6%	3,019,345
EXPENSES						
Salaries & Benefits	523,458	193,617	-	329,841	37.0%	256,338
Materials, Supplies & Services	4,928,992	2,465,682	423,481	2,039,830	58.6%	2,116,280
Transfers-Out	717,988	717,988	-	-	100.0%	300,000
Capital Outlay Transfers	-	-	-	-	100.0%	552
Appropriated Reserve	23,671	-	-	23,671	0.0%	-
TOTAL EXPENSES	6,194,109	3,377,287	423,481	2,393,342	61.4%	2,673,171

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

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2010 (50% of Fiscal Year)

INFORMATION SYSTEMS ICS FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Service charges	2,302,393	1,145,792	-	1,156,601	49.8%	1,222,601
Miscellaneous	-	-	-	-	100.0%	226
TOTAL REVENUES	<u>2,302,393</u>	<u>1,145,792</u>	<u>-</u>	<u>1,156,601</u>	49.8%	<u>1,222,828</u>
EXPENSES						
Salaries & Benefits	1,487,770	733,352	-	754,418	49.3%	719,459
Materials, Supplies & Services	511,979	344,096	33,919	133,964	73.8%	347,563
Special Projects	1,700	3,587	10,082	(11,968)	804.0%	1,415
Equipment	249,213	116,019	64,529	68,666	72.4%	215,280
Appropriated Reserve	56,839	-	-	56,839	0.0%	-
TOTAL EXPENSES	<u>2,307,501</u>	<u>1,197,053</u>	<u>108,529</u>	<u>1,001,918</u>	56.6%	<u>1,283,718</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2010 (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	1,372,773	740,685	-	632,088	54.0%	775,529
Leases - Food Service	2,173,351	1,312,582	-	860,769	60.4%	1,288,356
Slip Rental Fees	3,864,398	1,926,129	-	1,938,269	49.8%	1,831,281
Visitors Fees	555,894	251,673	-	304,221	45.3%	310,659
Slip Transfer Fees	621,957	189,575	-	432,382	30.5%	300,875
Parking Revenue	1,912,769	920,971	-	991,798	48.1%	996,309
Wharf Parking	244,477	111,422	-	133,055	45.6%	119,202
Other Fees & Charges	361,252	197,459	-	163,793	54.7%	186,592
Investment Income	215,759	101,217	-	114,542	46.9%	136,090
Rents & Concessions	299,504	178,565	-	120,939	59.6%	149,840
Grants	12,190	4,256	-	7,934	34.9%	-
Miscellaneous	128,650	49,182	-	79,468	38.2%	102,823
TOTAL REVENUES	<u>11,762,974</u>	<u>5,983,717</u>	<u>-</u>	<u>5,779,257</u>	<u>50.9%</u>	<u>6,197,555</u>
EXPENSES						
Salaries & Benefits	5,480,825	2,690,298	-	2,790,527	49.1%	2,687,524
Materials, Supplies & Services	3,405,267	1,476,558	669,203	1,259,506	63.0%	1,487,267
Special Projects	147,074	37,501	45,000	64,573	56.1%	42,820
Debt Service	1,665,997	1,042,388	-	623,609	62.6%	1,109,556
Capital Outlay Transfers	969,361	484,680	-	484,681	50.0%	565,691
Equipment	81,909	14,342	1,133	66,434	18.9%	10,299
Appropriated Reserve	100,000	-	-	100,000	0.0%	-
TOTAL EXPENSES	<u>11,850,433</u>	<u>5,745,768</u>	<u>715,336</u>	<u>5,389,329</u>	<u>54.5%</u>	<u>5,903,156</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 2011 Interim Financial Statements
For the Six Months Ended December 31, 2010 (50% of Year Elapsed)*

General Fund Revenues

The table below summarizes General Fund revenues for the six months ended December 31, 2010. For interim financial statement purposes, revenues are reported on the cash basis (i.e. when the funds are received). The table below includes the budgeted totals as well as the year-to-date (YTD) budget, which for tax revenues and franchise fees has been seasonally adjusted based on a 3-year average of collections through the same period. Because tax revenues are not collected evenly throughout the year, adjusting the year-to-date budget to reflect the unique collection pattern of each type of tax revenue enables a more meaningful comparison to year-to-date results as shown in the Year-to-Date Actual column. 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 during the year.

Summary of Revenues For the Six Months Ended December 31, 2010 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	\$ 16,714,359	\$ 6,719,172	\$ 6,749,830	\$ 30,658	40.38%	40.20%	\$ 6,412,644	5.3%
Property Tax	22,790,000	8,136,030	8,701,723	565,693	38.18%	35.70%	7,566,461	15.0%
UUT	7,040,000	3,520,000	3,521,932	1,932	50.03%	50.00%	3,484,555	1.1%
TOT	11,157,000	6,761,142	7,261,448	500,306	65.08%	60.60%	6,618,032	9.7%
Bus License	2,168,000	897,552	944,434	46,882	43.56%	41.40%	917,418	2.9%
Prop Trans Tax	358,100	211,995	204,871	(7,124)	57.21%	59.20%	199,690	2.6%
Total Taxes	<u>60,227,459</u>	<u>26,245,892</u>	<u>27,384,238</u>	<u>1,138,346</u>	<u>45.47%</u>	<u>43.58%</u>	<u>25,198,800</u>	<u>8.7%</u>
License & Permits	194,000	97,000	73,076	(23,924)	37.67%	50.00%	85,941	-15.0%
Fines & Forfeitures	2,909,069	1,454,535	1,483,768	29,234	51.00%	50.00%	1,474,969	0.6%
Franchise Fee	3,266,000	1,579,125	1,670,255	91,130	51.14%	48.35%	1,639,714	1.9%
Use of Money & Property	1,270,150	635,075	649,000	13,925	51.10%	50.00%	796,574	-18.5%
Intergovernmental	1,584,733	792,367	467,697	(324,670)	29.51%	50.00%	364,508	28.3%
Fee & Charges	20,101,869	10,050,935	9,431,012	(619,923)	46.92%	50.00%	9,510,604	-0.8%
Miscellaneous	8,894,650	4,447,325	4,685,196	237,871	52.67%	50.00%	5,546,557	-15.5%
Total Other	<u>38,220,471</u>	<u>19,056,361</u>	<u>18,460,004</u>	<u>(596,357)</u>	<u>48.30%</u>		<u>19,418,867</u>	<u>-4.9%</u>
Total Before Budgeted Variances	<u>98,447,930</u>	<u>45,302,252</u>	<u>45,844,242</u>	<u>541,990</u>			<u>44,617,667</u>	
Anticipated Year-End Var	1,248,429	624,215	-	(624,215)	0.00%	50.00%	-	0.0%
Budgeted Labor Concessions **	1,069,405	534,703	-	(534,703)	0.00%	50.00%	-	0.0%
Total Budgeted Variance	<u>2,317,834</u>	<u>1,158,917</u>	<u>-</u>	<u>(1,158,917)</u>			<u>-</u>	
Total Revenues	<u>\$ 100,765,764</u>	<u>\$ 46,461,169</u>	<u>\$ 45,844,242</u>	<u>\$ (616,927)</u>	<u>45.50%</u>	<u>46.11%</u>	<u>\$ 44,617,667</u>	<u>2.7%</u>

* 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.

** Labor concessions for Police and Fire Departments (totaling \$1.3 million) have been reclassified as budgeted expenditure reductions.

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For the Six Months Ended December 31, 2010 (50% of Year Elapsed)*

After six months of activity, we are able to identify some trends in revenues and update our estimates regarding where we expect revenues to end the year. As seen in the table above, total revenues were approximately \$617,000 under the YTD budget through December 31; however, the total revenue collection before budgeted variances was \$542,000. Tax revenues were \$1.1 million above budget but other revenues were approximately \$596,000 under budget.

The local economy is beginning to show signs of recovery and cash receipts of all tax revenues, except Property Transfer Tax, are ahead of the 3-year average collection rate at mid-year. However, it is important to note that, although revenues have been increasing, they are still well below the “pre-recession” levels and will require several years of continued growth to get back to the revenue totals for fiscal year 2008. Key revenues and significant variances are discussed below.

Sales and Use Taxes

Sales tax revenue for the first quarter was almost \$31,000 above the YTD budget on a cash basis. However, while representing two quarterly payments year-to-date, the revenues received through December 31, 2010 provide information for the growth in sales tax revenues earned for the quarter ended September 30, 2010. These revenues were 3.9% over those from the prior September. Sales tax payments for collections for the quarter ended December 31st will not be received until mid-March but it appears that these revenues are slowly improving after two years of declines. At this point, staff is projecting that sales tax revenues will exceed budget by approximately \$701,000 at year-end.

Property Tax

Property tax revenue was almost \$566,000 ahead of the YTD budget at December 31. This represents a \$1.1 million (15%) increase from the same period in the prior year primarily due to a timing issue from last year when \$930,000 in secured taxes were processed later due to the County furlough. Property tax revenue is estimated to end the year at \$22,843,000, a \$53,000 positive variance from the annual budget.

In general, the real estate market is still extremely weak. We do not expect to see significant increases to property values for several years. Property taxes, which are generated through a 1% assessment on all real property, can increase by the lower of the Consumer Price Index or 2% per year. Over the last two years, the CPI used to assess property taxes has been flat. Therefore, revenues are expected to be either flat or grow very modestly over the next few years.

Transient Occupancy Tax

TOT revenue was approximately \$500,000 (4.48%) over the YTD budget at December 31. TOT revenues have continued their strong performance with growth in each of the past 12 months. TOT revenues at December 31, 2010 were 9.7% ahead of revenues for the same period in the prior year. In part, the strong growth is due to the fact that the revenues are building off of significant declines in the prior year during the first half of the year. While revenues are expected to continue their growth in the second half of the year, the rate of growth will likely be moderated since they will be building off the second half of the prior year where revenues

***Fiscal Year 2011 Interim Financial Statements
For the Six Months Ended December 31, 2010 (50% of Year Elapsed)***

actually grew. Overall, revenues are expected to exceed the annual budget by approximately \$1 million by year-end.

Intergovernmental

The largest component of Intergovernmental revenue is mutual aid received by the Fire Department. These revenues are generated when the Fire Department provides mutual aid assistance to other locations throughout the state. The City is reimbursed for the actual costs of providing assistance, plus an overhead factor to provide the service. The Fire Department budgeted \$1.25 million in mutual aid reimbursements for the year but staff is projecting that the department will only receive approximately \$341,000 for the year. This is due to a dramatic decline in mutual aid calls for service. The revenues are intended to not only reimburse the City for direct overtime costs, but also indirect administrative and overhead costs. As a result, the revenues budgeted for mutual aid exceed the budgeted costs for overtime. In this case, the \$909,000 reduction of budgeted revenues will include a \$550,000 reduction in mutual aid overtime costs as shown in the schedule of proposed adjustments (Attachment 3).

Fees & Service Charges

Overall, fees and service charges are almost \$620,000 (3.1%) under YTD budget. The largest negative variances were in Parks & Recreation (\$168,000) Public Works (\$107,000), and Inter-Fund charges (\$229,000), with another \$116,000 negative YTD variance spread across the other departments. The more significant mid-year variances are discussed below.

Fees and Service Charges General Fund For the Six Months Ended December 31, 2010								
Department	Annual Budget	YTD Budget	YTD Actual	Budget Variance	Percent Received YTD	Prior Year YTD	Prior Year Variance	Percent Variance
Finance	\$ 858,930	\$ 429,465	\$ 424,515	\$ (4,950)	49.4%	\$ 412,783	\$ 11,732	2.8%
Community Development	4,452,856	2,226,428	2,169,379	(57,049)	48.7%	2,284,447	(115,068)	-5.0%
Parks & Recreation	2,358,031	1,179,016	1,010,553	(168,463)	42.9%	983,507	27,046	2.7%
Public Safety	476,348	238,174	206,516	(31,658)	43.4%	199,157	7,359	3.7%
Public Works	5,219,373	2,609,687	2,502,944	(106,742)	48.0%	2,533,361	(30,417)	-1.2%
Library	779,643	389,822	367,447	(22,375)	47.1%	370,265	(2,818)	-0.8%
Inter-Fund Charges	5,956,688	2,978,344	2,749,657	(228,687)	46.2%	2,727,084	22,573	0.8%
Total	\$ 20,101,869	\$ 10,050,935	\$ 9,431,012	\$ (619,923)	46.9%	\$ 9,510,604	\$ (79,592)	-0.8%

Parks & Recreation revenues are \$168,000 (7.1%) below the YTD budget due to declining facility rentals and registrations for classes and programs. Revenues have been impacted by the rainy first half of the year, which impacted field rentals and tennis permit sales. Revenues are projected to end the year approximately \$138,000 under budget. The Department has identified expenditure reductions to offset the shortfall.

Public Works fee revenue was \$107,000 (2%) under the YTD budget because of engineering work orders that have not met expectations through December 31. Engineering Work orders are primarily charges for services to other funds throughout the City related to capital projects. Lost time due to the furlough, leave of absence, and leave time limited the available billable hours to use on projects.

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Inter-Fund charges are \$229,000 (3.1%) below the YTD budget at mid-year. These are reimbursements from other City funds and departments, and other governments for various services. Approximately \$77,000 of the variance is related to cost reimbursements from the City Redevelopment Agency (RDA). Salary & benefits costs in the RDA are lower than budgeted due primarily to vacancies of key positions. With lower costs incurred to manage RDA operations, reimbursement revenues from the RDA are proportionately lower.

Approximately \$105,000 of the YTD budget variance is due to reimbursement for law enforcement activities. The City administers a police communications network for a Joint Powers Authority (JPA) with various police agencies throughout the state. Operating expenditures for the JPA are billed twice during the year so mid-year variances are normal. All costs of the JPA will be reimbursed. The police have provided services that are reimbursable through federal and state grants. The reimbursements are received after actual expenditures have been made so they often lag throughout the year. Staff will continue to evaluate and monitor revenues in the next quarter and will report on significant projected year-end shortfalls in the third quarter report.

Anticipated Year-End Variances and Budgeted Savings from Concessions

It is important to note that the table on page 1 includes \$1,158,917 million in budgeted revenue variances through December 31, 2010 associated with anticipated year-end savings. This is comprised of two components: "Anticipated Year-End Variance" and "Budgeted Labor Concessions." The Anticipated Year-End Variance is roughly equal to 1.3% of budgeted operating expenditures in the General Fund and represents what staff projected in favorable expenditure variances (i.e. expenditures *under* budget) for the year. As is the case each year, the Anticipated Year-End Variance budgeted at \$1,248,429 will not reflect any actual revenues; instead, the favorable variances are expected in expenditures by year-end.

The second component relates to savings from labor concessions, including actual savings from the suspension of vacation cash outs secured as of the date of budget adoption and concessions not secured from police and fire labor groups as of the date of budget adoption. The latter concessions were still being negotiated but were anticipated to be achieved later in the year. Actual labor concessions realized from police and fire were \$1,664,157, which is \$342,578 less than budgeted. In total, the concessions realized from police and fire and the savings from the suspension of vacation cash outs totaled \$2,025,170, as shown below:

	Salaries & Benefits	Vacation Cash Outs	Total
Concessions from Police and Fire	\$ 1,298,343	\$ 365,814	\$ 1,664,157
Concessions from All Other Labor Groups	-	361,013	361,013
TOTALS	\$ 1,298,343	\$ 726,827	\$ 2,025,170

Staff recommends allocating the \$1,298,343 from the Budgeted Labor Concessions revenue account to the Police and Fire Department expenditure budgets, which will reduce their overall budgets. Staff also recommends reducing this revenue account by the concessions not realized totaling \$342,578.

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General Fund Expenditures

The table below summarizes the General Fund budget and year-to-date expenditures through December 31, 2010. 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.

As shown below, a year-to-date budget (labeled "YTD Budget") column is included. This represents 50% of the annual budget to coincide with 6 out of 12 months in the fiscal year having elapsed. Unlike revenues, where the collection rate during the year is often seasonally affected, salaries and benefits and several other types of expenditures tend to be incurred fairly evenly throughout the year. The table includes actual expenditures without encumbrances and another column for the variance after considering encumbrances. Inclusion of encumbrances can significantly distort the analysis of budgeted and actual expenditures after six months. Outstanding encumbrances include appropriations that were carried forward from prior year as part of the appropriation carryovers and contracts or blanket purchase orders that have been added in the current year but are expected to be spent over the coming months. The following discussion and analysis does not include the impact of encumbrances.

SUMMARY OF EXPENDITURES GENERAL FUND For the Six Months Ended December 31, 2010							YTD Variance With Encumb Favorable (Unfavorable)	
Department	Adjusted Annual Budget	YTD Budget	YTD Actual	YTD Variance Without Encumbrance	Encum- brance	\$	%	
Mayor & Council	\$ 686,819	\$ 343,410	\$ 341,672	\$ 1,738	\$ 1,582	\$ 156	0.0%	
City Attorney	1,867,900	933,950	957,001	(23,051)	-	(23,051)	-1.2%	
City Administrator	1,799,157	899,579	892,854	6,725	21,689	(14,965)	-0.8%	
Administrative Svcs.	1,641,770	820,885	717,998	102,887	31,803	71,084	4.3%	
Finance	4,189,067	2,094,534	1,994,526	100,008	51,678	48,330	1.2%	
Police *	32,627,878	16,313,939	16,501,094	(187,155)	238,247	(425,402)	-1.3%	
Fire **	20,256,297	10,128,149	10,551,082	(422,934)	155,077	(578,011)	-2.9%	
Public Works	6,571,047	3,285,524	3,084,348	97,524	97,524	103,652	1.6%	
Parks & Recreation	12,885,815	6,442,908	6,195,041	247,867	252,706	(4,840)	0.0%	
Library	4,170,380	2,085,190	1,784,991	300,199	17,098	283,101	6.8%	
Community Dev.	9,960,413	4,980,207	4,834,310	145,897	67,570	78,327	0.8%	
Non-Departmental	3,764,520	1,882,260	1,605,563	276,697	-	276,697	7.4%	
Total	<u>\$ 100,421,063</u>	<u>\$ 50,210,532</u>	<u>\$ 49,460,480</u>	<u>\$ 646,400</u>	<u>\$ 934,974</u>	<u>\$ (184,923)</u>	-0.2%	
% of annual budget		50.0%	49.3%	0.6%	0.9%	-0.2%		

* Includes \$662,974 reduction for budgeted labor concessions.
** Includes \$635,369 reduction for budgeted labor concessions and a reduction in mutual aid overtime of \$550,000.

The adjusted annual budget of almost \$100.4 million includes a \$1.3 million expenditure reduction for budgeted labor concessions in the Police and Fire departments and a reduction of \$550,000 for mutual aid overtime costs. The \$1.3 million in concessions were originally budgeted as revenues, similar to the budgeted year-end variance, but are being allocated to

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these departments now that labor agreements were reached with the public safety employee unions. The \$100.4 million adjusted budget is a \$3 million reduction from the \$103.4 million budget in the prior year. The year-to-date budget of \$50.2 million (50%) at December 31, compared to actual expenditures of \$49.5 million, resulted in a favorable variance of \$646,000 (0.6%) at December 31. Approximately \$516,000 of the variance is due to savings in salaries and benefits in the General Fund, primarily due to position vacancies.

As of December 31st, only the City Attorney, Fire, and Police departments exceeded their YTD budgets. Variances in these departments are discussed below. All departments will be within legal appropriations limits at year-end.

City Attorney departmental expenditures were 1.2% (\$23,000) over the YTD budget. Salaries and benefits expenditures were over the YTD budget due to vacation cash out from the retirement of an assistant City Attorney at the beginning of the year. Materials, supplies, and services were almost \$4,600 over budget due to the purchase of office equipment, paper and copy costs, and legal subscriptions.

Police Department expenditures were approximately 187,155 (0.6%) above the YTD budget at December 31. Police Department expenditures are often above normal at mid-year because there are a disproportionate number of community activities, including July 4th and Fiesta, in the first quarter of the year. Annual expenditures are expected to be within budget without requesting additional appropriations. However, it is possible that, due to the over-hiring of police officers as directed by City Council, expenditures in the department may exceed their current budget by year. In connection with the adoption of the fiscal year 2011 budget, Council added \$200,000 to the appropriated reserves account to fund, as needed, cost overruns in the Police Department due to over-hiring. Staff will continue to monitor the Police budget over the next several months and, if necessary, request that Council allocate funds from the appropriated reserves account to the Police Department.

Fire Department expenditures are in excess of \$400,000 over the YTD budget. This is due primarily to an extraordinary number of firefighters out due to injury that has required a higher than normal degree of overtime to maintain minimum staffing requirements. Many of the injured employees have recently retired and, thus, the level of overtime costs is expected to decrease substantially in the second half of the year. However, it is likely that total expenditures in the Fire Department will still exceed budget by year-end. As with the Police Department, staff will closely monitor the overall budget over the next several months to determine more precisely the extent of any adjustment needed. At such time, staff will return to Council prior to year end with a recommendation for additional appropriations as necessary.

All other departmental expenditures are within the YTD budget; however, a few of these will be briefly discussed below:

Administrative Services Department expenditures are 6.3% under the YTD budget at December 31. This is primarily due to vacant positions for several months of this year and an employee that was out for approximately 4 months on unpaid leave.

Community Development Department expenditures were 7.2% below the YTD budget. This variance is primarily attributable to salary savings from vacant positions, unpaid leave of absence, and an employee that voluntarily elected to work part-time this year. The department is projecting more than \$160,000 overall savings at year-end.

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Non-Departmental expenditures were approximately \$277,000 (7.4%) under the YTD budget because none of the \$943,000 Appropriated Reserve has been used. This reserve is intended to be used for unanticipated needs that may arise during the year and accounts for approximately 25% of the overall budget in this department. Of this total, \$200,000 was established to provide funding to the Police Department as necessary for over-hiring of police officers. We will update Council on the status of this department in our 3rd quarter report.

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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 through December 31, 2010, with a comparison to budget and prior year. 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 Rec'd" 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, like General Fund tax revenues, are seasonally affected and are not necessarily received evenly throughout the year.

As shown below, most enterprise fund revenues are in line with the YTD budget. Only the Airport and Golf Funds had material revenue variances in relation to the YTD budget. A more detailed discussion is provided later in this section of the report.

SUMMARY OF REVENUES & EXPENSES									
Six Months Ended December 31, 2010									
ENTERPRISE FUNDS									
	Current Year Analysis						Prior Year Analysis		
	Annual Budget	YTD Budget *	YTD Actual	YTD Variance	YTD Percent	3 Year Average	YTD Actual	% Variance	
Water Fund									
Revenues	\$ 34,632,686	\$ 19,023,734	\$ 18,436,179	\$ (587,555)	53.2%	54.9%	\$ 18,792,916	-1.9%	
Expenses **	35,669,711	17,834,856	14,820,132	3,014,724	41.5%	50.0%	15,937,564	-7.0%	
Wastewater Fund									
Revenues	14,985,411	7,614,087	7,795,627	181,540	52.0%	50.8%	7,470,775	4.3%	
Expenses **	19,066,345	9,533,173	8,444,044	1,089,129	44.3%	50.0%	6,690,162	26.2%	
Downtown Parking Fund									
Revenues	6,689,440	3,309,935	3,232,485	(77,450)	48.3%	49.5%	3,310,141	-2.3%	
Expenses **	7,391,283	3,695,642	3,023,210	672,432	40.9%	50.0%	3,677,422	-17.8%	
Airport Fund									
Revenues	13,065,477	6,268,816	6,929,261	660,445	53.0%	48.0%	6,538,113	6.0%	
Expenses **	13,134,132	6,567,066	5,744,022	823,044	43.7%	50.0%	5,678,280	1.2%	
Golf Fund									
Revenues	2,049,194	972,343	929,730	(42,613)	45.4%	47.5%	888,958	4.6%	
Expenses **	2,060,811	1,030,406	1,012,595	17,811	49.1%	50.0%	1,499,863	-32.5%	
Waterfront Fund									
Revenues	11,762,974	6,233,200	5,983,717	(249,483)	50.9%	53.0%	6,197,555	-3.5%	
Expenses **	11,850,433	5,925,217	5,745,768	179,449	48.5%	50.0%	5,903,156	-2.7%	

* The YTD Budget column has been calculated based on a 3-year average collection rate through December 31 which has been applied to the annual budget.

** Expenses include encumbrances at December 31

*Fiscal Year 2011 Interim Financial Statements
For the Six Months Ended December 31, 2010 (50% of Year Elapsed)*

Enterprise fund expenses through December 31, 2010, with a comparison to budget and prior year, are also summarized in the table on the previous page. The column labeled "YTD Budget" represents 50% of the annual budget column. Although many expenses tend to be incurred somewhat evenly throughout the year, there are some notable expenses that do not. These expenses, such as debt service and capital projects, can create significant temporary variances from the YTD budget at certain times during the year.

The expenses shown in the table do not include outstanding encumbrances at December 31, 2010. 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.

Expenses in all enterprise funds are under the year-to-date budget at December 31, 2010. Both Salaries & Benefits and Materials, Supplies, & Services expenses were under the YTD budget at December 31 in all of the enterprise funds. The following discussion highlights some of the more significant revenue and expense variances of the enterprise funds, in relation to budget or prior year.

Water Fund

Water Fund revenues were approximately \$588,000 (1.7%) below the year-to-date budget as of December 31st. Of the \$34.6 million in budgeted Water Fund revenue this year, approximately \$30.4 million (87.6%) is derived from charges for metered water service. Water production and metered water sales were both approximately 5% below the normal levels at December 31 and accounted for most of the overall negative revenue variance in the fund. Consumption is the primary factor impacting metered water revenue variances and can be largely affected by weather conditions. We have experienced approximately 300% of normal rainfall in the first half of the year and, consequently, water sales were below the YTD budget. The amount of rainfall in the next six months will significantly impact annual sales. Staff is projecting that metered water sales could be as much as \$1.5 million (4.8%) under budget at year end. This negative variance has been partly offset by reimbursements in excess of budgeted expectations from Carpinteria and Montecito Water Districts, pursuant to a Joint Powers Agreement for costs to treat their water at the Cater Treatment Plant, which have exceeded the YTD budget. The Water Fund also received reimbursement of expenses paid in prior years to the Cachuma Water Project. Staff will continue to monitor the status of revenues and will reduce expenses to the extent possible to minimize the revenue shortfalls.

Expenses for the Water Fund were approximately 8.5% under the YTD budget and \$1.1 million below expenses for the first half of the prior year. The YTD budget variance is primarily the result of salary savings of 4.1% (\$310,000) and almost \$1.5 million costs for materials, supplies, and services. These expenses include water treatment chemicals & supplies, repairs & maintenance, and non-contractual services. Some of the costs are the result of water production that was lower than the amount budgeted. Many off these budgeted costs have been encumbered and will be recognized as needed throughout the remainder of the year.

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Wastewater Fund

Wastewater Fund revenues were in line with the YTD budget. Wastewater Fund expenses were approximately \$1.1 million (5.7%) below the YTD budget through the first six months of the year. Approximately \$342,000 of the variance is related to the timing of debt service payments. The remaining variance is primarily due to materials, supplies and services, which are estimated a year in advance and are actually expended throughout the year as needed. Year-to-date expenses are almost \$1.8 million higher than those from the first half of last year due to an increase in budgeted capital outlay transfers that will be used to fund capital improvements to the wastewater system.

Downtown Parking

Downtown Parking Fund expenses were approximately \$672,000 (9.1%) below the YTD budget. Approximately \$131,000 (3.4%) is attributable to salaries & benefits, \$235,000 from materials, supplies & services, and \$281,000 for special projects. The variance in special projects is due to budgeted expenses for Transit Activities, the My Ride program, and the Employee Bus Program which are not expected to be fully expended throughout the remainder of the year. The expenses are almost \$650,000 below prior year expenses due to a budgeted reduction in capital outlay transfers in the current year. Capital improvements vary from year to year and the improvements planned for this year are lower than those in the prior year.

Airport Fund

Airport Fund revenues are approximately 5% (\$660,000) ahead of the YTD budget at December 31 and approximately 6% (\$391,000) ahead of revenues for the first half of the prior year. Passenger traffic has increased in 7 of the past 12 months, with an overall increase of 1.2% in calendar year 2010. Passenger traffic for the first six months of the year has increased 2.76% from the prior year. Fuel sales have increased 9.3% for general aviation fuel and 4.6% for jet fuel. Commercial/Industrial revenue is 7.3% above target, Non-Commercial Aviation revenues are 1.2% ahead of YTD budget, and Airline Terminal revenue was 7.85% above the YTD budget. Since the 2011 budgeted revenues were developed based on the expectation that the new airline terminal would be occupied by April of 2011, the new date of June 2011 will affect total revenues realized during the year and the current favorable trends.

Airport expenses were \$823,000 below the YTD budget at December 31. Salary and benefits were 7.5% below the YTD budget due to vacancies in Patrol and Maintenance. Materials, Supplies, & Services expenses were almost 5.7% below the YTD budget. With the delayed opening of the new terminal, supplies and services costs are expected to be under budget at year-end.

Golf Fund

Golf Fund revenues were approximately 2.1% below the YTD budget for the first six months of the year; however, revenues are 4.6% higher than those for the first half of the prior year. The number of rounds played is in line with budget at 50.4% but revenues from golf rounds were only 45.1% of the annual budget. Even though the rounds are in line with budget, they are still 11.6% below the number of rounds played two years ago. The disparity between the number of rounds and revenues is primarily due to more rounds being played during off-peak days and hours when fees are lower. Staff is projecting a \$122,000 negative revenue variance at year end.

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Golf Fund expenses were slightly below the YTD budget at December 31st. The Fund will reduce expenses to offset the anticipated negative revenue variance.

Waterfront Fund

Waterfront Fund revenues were 2.1% (\$249,000) below the YTD budget at December 31 and approximately 3.5% (\$214,000) below prior year revenues for the same period. Slip transfer fees were approximately \$140,000 below the YTD budget and parking revenues were almost \$111,000 below the YTD budget. It is difficult to project where slip transfer fees will end the year but staff is anticipating a negative variance at June 30. Parking revenues were down in all lots and this has been attributed to the cold and foggy weather at the Santa Barbara beaches during the first half of the year. Overall, Waterfront revenues are anticipated to end the year approximately 4% (\$444,000) below budget.

Waterfront expenses were approximately \$179,000 (1.5%) below the YTD budget at December 31. Expense savings are anticipated to offset a portion of the projected revenue variance.

**City of Santa Barbara
December 31, 2010
Proposed Mid-Year Adjustments**

	Increase (Decrease) in Appropriations	Increase (Decrease) in Estimated Revenues	Addition to (Use of) Fund Balance
GENERAL FUND			
Administrative Services			
2010 Special Election Costs- Medical Marijuana	20,000	-	(20,000)
Fire			
Mutual Aid Revenue	-	(909,134)	(909,134)
Mutual Aid Overtime	(550,000)	-	550,000
Hazmat Reimbursement	-	(100,000)	(100,000)
Bargained Labor Concessions	(635,369)	-	635,369
Purchase Portable Defibrillators	40,000	-	(40,000)
Insurance Reimbursement	-	52,000	52,000
Police			
POA Bargained Labor Concessions	(615,695)	-	615,695
PMA Bargained Labor Concessions	(47,279)	-	47,279
Non-Departmental			
Budgeted Concessions Not Achieved	-	(342,578)	(342,578)
Police and Fire Labor Concessions Achieved	-	(1,298,343)	(1,298,343)
Total General Fund	(1,788,343)	(2,598,055)	(809,712)
SPECIAL REVENUE FUNDS			
County Library Fund			
Book Acquisition - Goleta Branch	4,000	-	-
Donations - Goleta Branch (Allied Waste)	-	4,000	-
Total County Library Fund	4,000	4,000	-
Streets Grant Capital Fund			
Adjust Project Budgets:			
Haley/De La Vina Bridge Replacement	(270,796)	(270,796)	-
Loma Alta Hill Sidewalk	(50,872)	(50,872)	-
LSTP Funds FY11	(8,218)	(8,218)	-
Bridge Preventive Maintenance	50,462	50,462	-
Chapala Yanonali Bridge Seismic Project	486,915	486,915	-
Jake Boysel Multipurpose Pathway	7,000	7,000	-
Total Streets Grant Capital	214,491	214,491	-
Measure D Fund			
Goleta Transportation Improvement Plan	(133,000)	-	-
Hollister Ave. Sidewalk Infill	68,000	-	-
Ortega Bridge	65,000	-	-
Total Measure D Fund	-	-	-
INTERNAL SERVICE FUNDS			
Information Systems			
Annual Licensing - GIS Software	31,700	-	(31,700)
Training on New Software	5,500	-	(5,500)
Total Information Systems	37,200	-	(37,200)