



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 23, 2023
TO: Mayor and Councilmembers
FROM: Accounting Division, Finance Department
SUBJECT: Fiscal Year 2023 Third-Quarter Review

RECOMMENDATION: That Council:

- A. Receive a report from staff on the status of revenues and expenditures in relation to the budget for the nine months ended March 31, 2023;
- B. Accept the Fiscal Year (FY) 2023 Interim Financial Statements for the nine months ended March 31, 2023; and
- C. Approve proposed Third Quarter (Q3) adjustments to FY 2023 appropriations and estimated revenues as detailed in the attached schedule of Proposed Q3 adjustments.

DISCUSSION:

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

In addition to the Q3 budget analysis, staff bring 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 2022. A listing and description of each proposed current year adjustment is provided in Attachment 3.

Due to economic uncertainties articulated in the FY 2023 adopted budget, a required budget reduction plan of \$1.0 Million was implemented and allocated amongst all General Fund departments. Staff reviewed and consolidated Q3 revenue and expenditure adjustments into the Q3 report for City Council's approval. For General Fund departments, budget reduction targets have been met or will be met by end-of-year. These reductions help achieve a balanced budget, which mitigates risk.

The table below summarizes the General Fund revenue and expenditure budget including actuals through Q3. The total adopted revenue budget is \$184.6 Million and the total adopted expenditure budget is \$185.7 Million, resulting in an operating deficit of \$1.1 Million. The revised budget includes additional expenditures from encumbrances from prior year contractual commitments, along with any City Council approved adjustments since beginning of the year.

General Fund	FY2023 Adopted Budget	FY2023 Revised Budget	Actuals through Q3	FY2023 Projection	Actuals Percent of Revised Budget
Revenues	\$184,618,453	\$184,647,547	\$136,213,216	\$194,557,283	73.8%
Expenditures	185,678,749	201,115,308	137,344,647	197,289,629	68.3%
Surplus/(Deficit)	(\$1,060,296)	(\$16,467,761)	(\$1,131,431)	(\$2,732,346)	

Staff anticipate continued economic recovery from the impacts of COVID-19, which aligns with sales/use tax and transient occupancy tax (TOT) revenue actual trends when comparing the prior fiscal year and FY 2023 adopted budget. Staff are projecting that property tax revenue will be \$1.2 Million more than the adopted budget. Sales tax and TOT leveled off in FY 2023. Staff is projecting a \$2.7 Million deficit in the General Fund by the end of FY 2023 due to some lower department revenues, additional expenditure appropriations of \$1.1 Million for the short-term rental enforcement program in the City Attorney’s Office budget, and lower attrition savings from the recruiting and hiring of multiple city positions reducing the city’s vacancy rate.

Staff are not recommending any additional budget reduction strategies to balance the budget by the end of FY 2023. However, staff will continue to closely monitor revenues, expenditures, fund balance, and reserves each month, and will provide a comprehensive financial projection during the fourth quarter report to address material economic changes.

- ATTACHMENTS:**
1. Summary by Fund Statement of Revenues and Expenditures for Nine Months Ended March 31, 2023
 2. Interim Financial Statements for Nine Months Ended March 31, 2023 (Narrative Analysis)
 3. Schedule of Proposed Third Quarter Adjustments

PREPARED BY: Jessica Yates, Accounting Supervisor

SUBMITTED BY: Keith DeMartini, Finance Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Summary by Fund
For Nine Months Ended March 31, 2023 (75% of Fiscal Year)

	<u>Revised Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
GENERAL FUND (pages 3-7)						
Revenue	184,647,548	136,213,217	3,005	48,437,335	73.8%	133,710,721
Expenditures	<u>201,115,309</u>	<u>137,344,645</u>	<u>3,153,610</u>	60,617,053	69.9%	<u>126,218,277</u>
<i>Addition to / (use of) reserves</i>	<u>(16,467,761)</u>	<u>(1,131,428)</u>	<u>(3,156,615)</u>			<u>7,492,444</u>
SOLID WASTE FUND (page 9)						
Revenue	34,272,920	25,802,740	-	8,470,180	75.3%	24,973,830
Expenditures	<u>35,032,808</u>	<u>23,915,706</u>	<u>924,742</u>	10,192,360	70.9%	<u>21,331,690</u>
<i>Addition to / (use of) reserves</i>	<u>(759,888)</u>	<u>1,887,034</u>	<u>(924,742)</u>			<u>3,642,140</u>
WATER OPERATING FUND (page 10)						
Revenue	70,492,814	51,903,459	-	18,589,355	73.6%	50,296,311
Expenditures	<u>71,954,226</u>	<u>46,195,188</u>	<u>4,823,257</u>	20,935,781	70.9%	<u>47,886,910</u>
<i>Addition to / (use of) reserves</i>	<u>(1,461,412)</u>	<u>5,708,271</u>	<u>(4,823,257)</u>			<u>2,409,401</u>
WASTEWATER OPERATING FUND (page 11)						
Revenue	27,441,554	20,165,426	-	7,276,128	73.5%	19,027,755
Expenditures	<u>28,242,939</u>	<u>19,083,646</u>	<u>1,211,683</u>	7,947,610	71.9%	<u>18,357,815</u>
<i>Addition to / (use of) reserves</i>	<u>(801,385)</u>	<u>1,081,780</u>	<u>(1,211,683)</u>			<u>669,940</u>
DOWNTOWN PARKING FUND (page 12)						
Revenue	10,616,997	7,395,703	-	3,221,294	69.7%	5,037,010
Expenditures	<u>10,749,896</u>	<u>7,385,986</u>	<u>844,868</u>	2,519,043	76.6%	<u>5,781,915</u>
<i>Addition to / (use of) reserves</i>	<u>(132,899)</u>	<u>9,718</u>	<u>(844,868)</u>			<u>(744,905)</u>
AIRPORT OPERATING FUND (page 13)						
Revenue	27,185,151	18,750,192	-	8,434,959	69.0%	23,641,680
Expenditures	<u>30,513,124</u>	<u>18,547,996</u>	<u>2,684,510</u>	9,280,619	69.6%	<u>18,739,152</u>
<i>Addition to / (use of) reserves</i>	<u>(3,327,973)</u>	<u>202,196</u>	<u>(2,684,510)</u>			<u>4,902,529</u>
GOLF COURSE FUND (page 14)						
Revenue	4,042,489	2,938,237	-	1,104,252	72.7%	2,860,096
Expenditures	<u>3,499,658</u>	<u>2,178,339</u>	<u>1,129,957</u>	191,362	94.5%	<u>2,060,587</u>
<i>Addition to / (use of) reserves</i>	<u>542,831</u>	<u>759,898</u>	<u>(1,129,957)</u>			<u>799,509</u>
FACILITIES MANAGEMENT FUND (page 15)						
Revenue	7,124,899	5,144,326	-	1,980,573	72.2%	4,742,640
Expenditures	<u>7,277,281</u>	<u>5,061,427</u>	<u>218,129</u>	1,997,725	72.5%	<u>4,781,665</u>
<i>Addition to / (use of) reserves</i>	<u>(152,382)</u>	<u>82,898</u>	<u>(218,129)</u>			<u>(39,025)</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Summary by Fund
For Nine Months Ended March 31, 2023 (75% of Fiscal Year)

	<u>Revised Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
FLEET REPLACEMENT FUND (page 16)						
Revenue	3,785,316	2,714,825	-	1,070,491	71.7%	2,562,132
Expenditures	<u>4,169,284</u>	<u>1,042,354</u>	<u>1,585,623</u>	1,541,308	63.0%	<u>2,285,649</u>
<i>Addition to / (use of) reserves</i>	<u>(383,968)</u>	<u>1,672,471</u>	<u>(1,585,623)</u>			<u>276,483</u>
FLEET MAINTENANCE FUND (page 17)						
Revenue	3,226,802	2,429,295	-	797,507	75.3%	2,242,442
Expenditures	<u>3,282,043</u>	<u>2,200,106</u>	<u>303,597</u>	778,341	76.3%	<u>2,234,715</u>
<i>Addition to / (use of) reserves</i>	<u>(55,241)</u>	<u>229,189</u>	<u>(303,597)</u>			<u>7,726</u>
SELF INSURANCE TRUST FUND (page 18)						
Revenue	17,067,765	13,781,377	-	3,286,388	80.7%	7,859,027
Expenditures	<u>14,201,213</u>	<u>10,086,801</u>	<u>355,227</u>	3,759,185	73.5%	<u>8,383,280</u>
<i>Addition to / (use of) reserves</i>	<u>2,866,552</u>	<u>3,694,576</u>	<u>(355,227)</u>			<u>(524,253)</u>
INFORMATION TECHNOLOGY FUND (page 19)						
Revenue	5,261,982	3,805,393	-	1,456,589	72.3%	3,399,487
Expenditures	<u>5,483,353</u>	<u>3,903,566</u>	<u>50,817</u>	1,528,969	72.1%	<u>3,541,577</u>
<i>Addition to / (use of) reserves</i>	<u>(221,371)</u>	<u>(98,173)</u>	<u>(50,817)</u>			<u>(142,090)</u>
WATERFRONT OPERATING FUND (page 20)						
Revenue	17,036,131	14,062,765	-	2,973,366	82.5%	13,207,764
Expenditures	<u>19,277,251</u>	<u>13,336,210</u>	<u>959,765</u>	4,981,276	74.2%	<u>11,571,647</u>
<i>Addition to / (use of) reserves</i>	<u>(2,241,119)</u>	<u>726,555</u>	<u>(959,765)</u>			<u>1,636,116</u>
SANTA BARBARA CLEAN ENERGY FUND (page 21)						
Revenue	34,000,000	24,966,910	-	9,033,090	73.4%	5,130,569
Expenditures	<u>33,480,425</u>	<u>25,171,335</u>	<u>1,243,866</u>	7,065,224	78.9%	<u>5,045,319</u>
<i>Addition to / (use of) reserves</i>	<u>519,575</u>	<u>(204,425)</u>	<u>(1,243,866)</u>			<u>85,250</u>
ENERGY AND CLIMATE MANAGEMENT FUND (page 22)						
Revenue	2,646,168	1,998,026	-	648,142	75.5%	1,946,404
Expenditures	<u>3,117,338</u>	<u>1,713,056</u>	<u>205,104</u>	1,199,178	61.5%	<u>1,367,824</u>
<i>Addition to / (use of) reserves</i>	<u>(471,170)</u>	<u>284,971</u>	<u>(205,104)</u>			<u>578,580</u>
TOTAL FOR ALL FUNDS						
Revenue	448,848,536	332,071,891	3,005	116,779,649	74.0%	300,637,867
Expenditures	<u>471,396,149</u>	<u>317,166,360</u>	<u>19,694,754</u>	134,535,035	71.5%	<u>279,588,021</u>
<i>Addition to / (use of) reserves</i>	<u>(22,547,613)</u>	<u>14,905,531</u>	<u>(19,697,759)</u>			<u>21,049,846</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 Nine Months Ended March 31, 2023 (75% of Fiscal Year)

	<u>Revised Budget</u>	<u>YTD Actual</u>	<u>Remaining Balance</u>	<u>Percent Received</u>	<u>Previous YTD</u>	<u>Change Over Prior Year</u>
TAXES						
Sales and Use	26,704,042	22,087,846	4,616,196	82.7%	21,770,112	1.5%
Measure C Sales Tax	28,323,342	23,721,079	4,602,263	83.8%	23,212,483	2.2%
Property Taxes	43,250,489	24,327,523	18,922,966	56.2%	22,881,722	6.3%
Utility Users Tax	7,779,112	6,020,007	1,759,105	77.4%	5,760,313	4.5%
Transient Occupancy Tax	23,583,553	20,096,552	3,487,001	85.2%	19,224,728	4.5%
Business License	2,714,006	2,365,663	348,343	87.2%	2,235,978	5.8%
Cannabis Excise Tax	1,879,977	980,863	899,114	52.2%	1,246,066	-21.3%
Real Property Transfer Tax	1,328,218	706,430	621,788	53.2%	1,035,870	-31.8%
<i>Total Tax Revenues</i>	<u>135,562,739</u>	<u>100,305,962</u>	<u>35,256,777</u>	<u>74.0%</u>	<u>97,367,273</u>	<u>3.0%</u>
LICENSES & PERMITS						
Licenses & Permits	159,858	127,113	32,745	79.5%	154,087	-17.5%
<i>Total</i>	<u>159,858</u>	<u>127,113</u>	<u>32,745</u>	<u>79.5%</u>	<u>154,087</u>	<u>-17.5%</u>
FINES & FORFEITURES						
Police	2,358,618	1,062,861	1,295,757	45.1%	1,964,136	-45.9%
Other Fines & Forfeitures	660,302	328,939	331,363	49.8%	56,581	481.4%
<i>Total</i>	<u>3,018,920</u>	<u>1,391,801</u>	<u>1,627,119</u>	<u>46.1%</u>	<u>2,020,716</u>	<u>-31.1%</u>
USE OF MONEY & PROPERTY						
Investment Income	529,185	1,003,953	(474,768)	189.7%	312,914	220.8%
Rents & Concessions	1,392,631	996,831	395,800	71.6%	657,180	51.7%
<i>Total</i>	<u>1,921,816</u>	<u>2,000,784</u>	<u>(78,968)</u>	<u>104.1%</u>	<u>970,094</u>	<u>106.2%</u>
INTERGOVERNMENTAL						
Library	905,598	889,143	16,454	98.2%	712,410	24.8%
Fire	550,000	479,972	70,028	87.3%	2,223,308	-78.4%
Other Intergovernmental	717,492	540,870	176,622	75.4%	584,655	-7.5%
<i>Total</i>	<u>2,173,090</u>	<u>1,909,985</u>	<u>263,105</u>	<u>87.9%</u>	<u>3,520,373</u>	<u>-45.7%</u>
FEES & SERVICE CHARGES						
Community Development	6,713,279	5,612,887	1,100,392	83.6%	5,576,934	0.6%
Parks & Recreation	4,565,730	2,737,724	1,828,006	60.0%	2,332,136	17.4%
Other Service Charges	4,042,475	3,254,804	787,671	80.5%	2,532,932	28.5%
<i>Total</i>	<u>15,321,484</u>	<u>11,605,414</u>	<u>3,716,070</u>	<u>75.7%</u>	<u>10,442,002</u>	<u>11.1%</u>
OTHER REVENUES						
Interfund Charges & Reimbursement	11,944,594	8,144,118	3,800,476	68.2%	7,421,223	9.7%
Overhead Indirect Allocations	9,654,155	7,177,928	2,476,227	74.4%	6,740,294	6.5%
Interfund Transfers	592,510	483,974	108,536	81.7%	1,338,111	-63.8%
Interfund Loans	24,140	18,105	6,035	75.0%	18,105	0.0%
Miscellaneous	128,442	133,103	(4,661)	103.6%	606,527	-78.1%
Donations	138,709	54,802	83,907	39.5%	63,841	-14.2%
Franchise Fees	4,007,090	2,860,127	1,146,963	71.4%	3,048,075	-6.2%
<i>Total</i>	<u>26,489,640</u>	<u>18,872,158</u>	<u>7,617,482</u>	<u>71.2%</u>	<u>19,236,176</u>	<u>-1.9%</u>
<i>Subtotal Non-Tax Revenues</i>	<u>49,084,809</u>	<u>35,907,256</u>	<u>13,177,553</u>	<u>73.2%</u>	<u>36,343,448</u>	<u>-1.2%</u>
TOTAL REVENUES	<u>184,647,548</u>	<u>136,213,217</u>	<u>48,434,330</u>	<u>73.8%</u>	<u>133,710,721</u>	<u>1.9%</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For Nine Months Ended March 31, 2023 (75% of Fiscal Year)

	<u>Revised Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>YTD Expended and Encumbered</u>	<u>Previous YTD</u>
GENERAL GOVERNMENT						
<u>Mayor & City Council</u>						
MAYOR & CITY COUNCIL	1,054,553	743,502	2,321	308,730	70.7%	668,425
ARTS AND COMMUNITY PROMOTIONS	2,315,403	1,831,827	476,115	7,461	99.7%	1,762,282
<i>Total</i>	<u>3,369,956</u>	<u>2,575,329</u>	<u>478,436</u>	<u>316,191</u>	<u>90.6%</u>	<u>2,430,706</u>
<u>City Attorney</u>						
CITY ATTORNEY-ADMINISTRATION	1,053,401	777,492	113,406	162,504	84.6%	786,168
CITY ATTORNEY-ADVISORY	1,545,447	1,207,309	35,000	303,138	80.4%	1,058,472
CITY ATTORNEY-CIVIL LITIGATION	1,430,514	984,396	-	446,118	68.8%	793,400
CITY ATTORNEY-CODE ENFORCEMENT	1,686,545	335,602	-	1,350,942	19.9%	349,605
<i>Total</i>	<u>5,715,907</u>	<u>3,304,799</u>	<u>148,406</u>	<u>2,262,702</u>	<u>60.4%</u>	<u>2,987,645</u>
<u>Administration</u>						
CITY ADMINISTRATOR	2,601,441	1,609,709	101,841	889,891	65.8%	1,650,976
CITY TV	725,003	544,140	19,035	161,827	77.7%	476,421
CITY CLERK	721,579	485,854	22,128	213,597	70.4%	518,837
<i>Total</i>	<u>4,048,022</u>	<u>2,639,703</u>	<u>143,004</u>	<u>1,265,315</u>	<u>68.7%</u>	<u>2,646,234</u>
<u>Human Resources</u>						
HUMAN RESOURCES	2,586,521	1,457,971	31,516	1,097,034	57.6%	1,396,264
EMPLOYEE RELATIONS	418,693	226,338	82,319	110,036	73.7%	177,207
EMPLOYEE DEVELOPMENT	42,699	14,538	-	28,161	34.0%	4,000
<i>Total</i>	<u>3,047,913</u>	<u>1,698,847</u>	<u>113,835</u>	<u>1,235,231</u>	<u>59.5%</u>	<u>1,577,470</u>
<u>Finance</u>						
ADMINISTRATION	326,809	248,336	10,793	67,681	79.3%	289,442
REVENUE & CASH MANAGEMENT	773,693	414,110	21,365	338,218	56.3%	396,418
CASHIERING & COLLECTION	636,968	416,546	-	220,422	65.4%	431,760
LICENSES & PERMITS	766,641	658,662	11,107	96,872	87.4%	332,227
BUDGET MANAGEMENT	816,288	581,423	1	234,864	71.2%	519,009
ACCOUNTING	1,141,852	833,182	33,232	275,439	75.9%	685,474
PAYROLL	479,984	365,747	-	114,236	76.2%	360,207
ACCOUNTS PAYABLE	278,278	217,231	-	61,047	78.1%	199,185
CITY BILLING & CUSTOMER SERVICE	833,618	544,455	825	288,339	65.4%	507,119
PURCHASING	840,556	622,177	19	218,360	74.0%	625,389
CENTRAL WAREHOUSE	244,738	183,590	-	61,148	75.0%	175,373
MAIL SERVICES	163,466	116,614	11,665	35,187	78.5%	109,059
<i>Total</i>	<u>7,302,891</u>	<u>5,202,074</u>	<u>89,006</u>	<u>2,011,812</u>	<u>72.5%</u>	<u>4,630,663</u>
TOTAL GENERAL GOVERNMENT	<u>23,484,690</u>	<u>15,420,751</u>	<u>972,687</u>	<u>7,091,252</u>	<u>69.8%</u>	<u>14,272,718</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For Nine Months Ended March 31, 2023 (75% of Fiscal Year)

	<u>Revised 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>						
CHIEF'S STAFF	1,090,756	1,106,022	7,247	(22,513)	102.1%	1,321,356
BUSINESS OFFICE	675,625	442,106	2,728	230,790	65.8%	425,535
RECORDS BUREAU	2,142,109	1,244,334	1,191	896,584	58.1%	1,241,929
STRATEGIC OPERATIONS AND PERSONNEL	1,902,857	1,443,155	109,338	350,364	81.6%	1,451,509
PROPERTY ROOM	259,996	204,288	-	55,708	78.6%	160,277
TRAINING, RECRUITMENT AND WELLNESS	2,118,941	1,113,557	69,403	935,981	55.8%	1,144,162
RANGE AND EQUIPMENT	1,593,310	1,151,196	52,380	389,734	75.5%	1,143,330
COMMUNITY & MEDIA RELATIONS	290,304	111,113	-	179,191	38.3%	242,915
INFORMATION TECHNOLOGY/CRIME ANALYSIS	1,757,195	1,407,312	32,909	316,975	82.0%	1,351,488
CRIMINAL INVESTIGATIONS & INTERNAL OP'S	6,238,744	4,244,411	5,596	1,988,737	68.1%	3,920,393
CRIME LAB	170,298	117,680	-	52,618	69.1%	114,027
FIELD OPERATIONS DIVISION	23,352,842	15,970,648	31,066	7,351,129	68.5%	13,950,653
TRAFFIC	772,855	344,499	-	428,356	44.6%	837,445
SPECIAL EVENTS	627,643	548,005	544	79,094	87.4%	523,060
STREET CRIMES UNIT	2,731,971	1,070,733	(0)	1,661,238	39.2%	1,005,150
SPECIAL ENFORCEMENT TEAM	884,466	171,299	-	713,166	19.4%	631,669
PARKING AND STREET SWEEPING	397,555	304,061	-	93,494	76.5%	280,513
PARKING ENFORCEMENT	1,482,760	596,166	3,980	882,613	40.5%	633,321
COMBINED COMMUNICATIONS CENTER	3,140,937	2,596,488	6,661	537,788	82.9%	2,368,773
ANIMAL CONTROL	954,668	544,080	3,386	407,201	57.3%	541,997
<i>Total</i>	<u>52,585,829</u>	<u>34,731,154</u>	<u>326,428</u>	<u>17,528,248</u>	<u>66.7%</u>	<u>33,289,502</u>
<u>Fire</u>						
ADMINISTRATION	1,322,186	970,194	101	351,891	73.4%	843,407
EMERGENCY SERVICES AND PUBLIC ED	578,117	355,682	-	222,435	61.5%	363,258
PREVENTION	1,598,680	975,719	525	622,437	61.1%	902,159
WILDLAND FIRE MITIGATION PROGRAM	726,937	284,786	7,321	434,829	40.2%	209,470
OPERATIONS	26,699,047	19,144,786	162,896	7,391,364	72.3%	19,429,062
TRAINING AND RECRUITMENT	887,072	611,408	-	275,665	68.9%	476,851
ARFF	3,105,504	2,436,531	-	668,973	78.5%	2,241,661
<i>Total</i>	<u>34,917,542</u>	<u>24,779,105</u>	<u>170,843</u>	<u>9,967,593</u>	<u>71.5%</u>	<u>24,465,870</u>
TOTAL PUBLIC SAFETY	<u>87,503,371</u>	<u>59,510,259</u>	<u>497,271</u>	<u>27,495,841</u>	<u>68.6%</u>	<u>57,755,371</u>
PUBLIC WORKS						
<u>Public Works</u>						
ADMINISTRATION	1,522,713	915,670	15,546	591,497	61.2%	931,175
ENGINEERING SVCS	7,039,564	4,478,640	38,032	2,522,892	64.2%	4,142,325
PUBLIC RT OF WAY MGMT	2,092,273	1,216,538	32,366	843,368	59.7%	1,143,773
ENVIRONMENTAL PROGRAMS	803,356	349,694	111,239	342,423	57.4%	477,112
<i>Total</i>	<u>11,457,906</u>	<u>6,960,542</u>	<u>197,183</u>	<u>4,300,180</u>	<u>62.5%</u>	<u>6,694,384</u>
TOTAL PUBLIC WORKS	<u>11,457,906</u>	<u>6,960,542</u>	<u>197,183</u>	<u>4,300,180</u>	<u>62.5%</u>	<u>6,694,384</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For Nine Months Ended March 31, 2023 (75% of Fiscal Year)

	<u>Revised Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>YTD Expended and Encumbered</u>	<u>Previous YTD</u>
COMMUNITY SERVICES						
<u>Parks & Recreation</u>						
REC PROGRAM MGMT	1,167,933	592,320	2,917	572,696	51.0%	490,191
FACILITIES & SPECIAL EVENTS	1,573,652	1,121,507	144,581	307,564	80.5%	905,000
YOUTH ACTIVITIES	1,631,330	1,007,322	10,011	613,997	62.4%	841,629
ACTIVE ADULTS	1,109,737	633,855	7,657	468,226	57.8%	587,260
AQUATICS	2,189,856	1,350,869	150,914	688,073	68.6%	1,338,781
SPORTS	801,188	472,388	127,731	201,069	74.9%	435,926
TENNIS	558,388	294,496	142,630	121,263	78.3%	268,807
NEIGHBORHOOD & OUTREACH SERV ADMINISTRATION	1,235,466	823,324	8,298	403,845	67.3%	700,963
PROJECT MANAGEMENT TEAM	1,249,735	869,189	598	379,949	69.6%	780,794
PARK OPERATIONS MANAGEMENT	752,712	491,180	29,619	231,912	69.2%	360,963
GROUPS & FACILITIES MAINTENANCE	1,041,411	761,331	13,156	266,923	74.4%	491,175
FORESTRY	5,951,966	4,103,356	99,681	1,748,929	70.6%	3,800,688
BEACH MAINTENANCE	1,859,092	1,160,314	35,695	663,083	64.3%	991,565
MEDIANS PARKWAYS & CONTRACTS	165,111	88,626	12,257	64,228	61.1%	100,159
<i>Total</i>	<u>21,870,024</u>	<u>14,117,676</u>	<u>857,308</u>	<u>6,895,041</u>	<u>68.5%</u>	<u>12,453,602</u>
<u>Library</u>						
ADMINISTRATION	932,821	650,006	51,823	230,992	75.2%	475,590
CENTRAL LIBRARY	5,946,744	3,819,657	46,196	2,080,891	65.0%	3,431,378
EASTSIDE LIBRARY	386,328	209,674	1,230	175,423	54.6%	231,354
LIBRARY ON THE GO	192,691	98,525	-	94,165	51.1%	78,112
ADULT EDUCATION	212,056	41,305	-	170,752	19.5%	-
<i>Total</i>	<u>7,670,640</u>	<u>4,819,167</u>	<u>99,250</u>	<u>2,752,223</u>	<u>64.1%</u>	<u>4,216,434</u>
TOTAL COMMUNITY SERVICES	<u>29,540,664</u>	<u>18,936,842</u>	<u>956,557</u>	<u>9,647,264</u>	<u>67.3%</u>	<u>16,670,036</u>
COMMUNITY DEVELOPMENT						
<u>Community Development</u>						
ADMINISTRATION	2,024,906	1,477,873	25,770	521,263	74.3%	1,056,265
RENTAL HOUSING MEDIATION	321,113	237,490	-	83,623	74.0%	215,068
HUMAN SERVICES	862,824	501,835	321,245	39,745	95.4%	540,344
LONG RANGE PLAN & SPEC STUDY	995,328	656,528	557	338,242	66.0%	728,835
DEVEL & ENVIRONMENTAL REVIEW	1,736,654	1,148,662	6,357	581,634	66.5%	1,130,404
ZONING INFO & ENFORCEMENT	1,744,050	959,431	14,021	770,598	55.8%	1,009,914
DESIGN REV & HIST PRESERVATION	1,582,720	1,022,840	4,546	555,334	64.9%	1,072,245
BLDG INSP & CODE ENFORCEMENT	1,776,300	1,091,312	12,543	672,445	62.1%	1,272,160
RECORDS ARCHIVES & CLER SVCS	797,593	497,406	30,286	269,901	66.2%	485,807
BLDG COUNTER & PLAN REV SVCS	3,046,010	1,772,586	62,384	1,211,040	60.2%	1,489,736
CODE COMPLIANCE	771,758	404,273	168	367,317	52.4%	-
<i>Total</i>	<u>15,659,256</u>	<u>9,770,236</u>	<u>477,878</u>	<u>5,411,142</u>	<u>65.4%</u>	<u>9,000,778</u>
TOTAL COMMUNITY DEVELOPMENT	<u>15,659,256</u>	<u>9,770,236</u>	<u>477,878</u>	<u>5,411,142</u>	<u>65.4%</u>	<u>9,000,778</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For Nine Months Ended March 31, 2023 (75% of Fiscal Year)

	<u>Revised Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>YTD Expended and Encumbered</u>	<u>Previous YTD</u>
SUSTAINABILITY AND RESILIENCE						
<u>Sustainability and Resilience</u>						
ADMINISTRATION	75,245	24,187	52,034	(976)	101.3%	54,125
<i>Total</i>	<u>75,245</u>	<u>24,187</u>	<u>52,034</u>	<u>(976)</u>	<u>101.3%</u>	<u>54,125</u>
TOTAL SUSTAINABILITY AND RESILIENCE	<u>75,245</u>	<u>24,187</u>	<u>52,034</u>	<u>(976)</u>	<u>101.3%</u>	<u>54,125</u>
NON-DEPARTMENTAL						
<u>Non-Departmental</u>						
ANTICIPATED SALARY SAVINGS	(4,420,842)	-	-	(4,420,842)	0.0%	-
TRANSFERS OUT	8,233,743	4,644,057	-	3,589,686	56.4%	2,530,802
CAPITAL OUTLAY TRANSFER	29,437,026	22,077,769	-	7,359,257	75.0%	19,240,064
APPROP. RESERVE	144,250	-	-	144,250	0.0%	-
<i>Total</i>	<u>33,394,177</u>	<u>26,721,827</u>	<u>-</u>	<u>6,672,350</u>	<u>80.0%</u>	<u>21,770,865</u>
TOTAL NON-DEPARTMENTAL	<u>33,394,177</u>	<u>26,721,827</u>	<u>-</u>	<u>6,672,350</u>	<u>80.0%</u>	<u>21,770,865</u>
TOTAL EXPENDITURES	<u>201,115,309</u>	<u>137,344,645</u>	<u>3,153,610</u>	<u>60,617,053</u>	<u>69.9%</u>	<u>126,218,277</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 Nine Months Ended March 31, 2023 (75% of Fiscal Year)

	<u>Revised Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
TRAFFIC SAFETY FUND						
Revenue	245,000	168,097	-	76,903	68.6%	147,815
Expenditures	245,000	168,097	-	76,903	68.6%	147,815
<i>Revenue Less Expenditures</i>	-	-	-	-		-
CREEK RESTORATION/WATER QUALITY IMPRVMT						
Revenue	4,845,513	4,202,325	-	643,188	86.7%	3,942,244
Expenditures	5,259,427	3,128,413	539,138	1,591,875	69.7%	2,605,071
<i>Revenue Less Expenditures</i>	(413,914)	1,073,912	(539,138)	(948,688)		1,337,173
COMMUNITY DEVELOPMENT BLOCK GRANT						
Revenue	1,846,634	265,305	-	1,581,329	14.4%	733,954
Expenditures	2,448,829	769,201	1,209,767	469,861	80.8%	880,273
<i>Revenue Less Expenditures</i>	(602,195)	(503,896)	(1,209,767)	1,111,468		(146,320)
COUNTY LIBRARY						
Revenue	446,729	366,512	-	80,216	82.0%	392,869
Expenditures	499,544	309,596	6,176	183,772	63.2%	674,453
<i>Revenue Less Expenditures</i>	(52,816)	56,917	(6,176)	(103,556)		(281,584)
STREETS FUND						
Revenue	13,178,081	10,074,598	-	3,103,483	76.4%	9,226,428
Expenditures	13,326,601	9,216,527	178,667	3,931,407	70.5%	8,708,219
<i>Revenue Less Expenditures</i>	(148,520)	858,071	(178,667)	(827,924)		518,209
MEASURE A FUND						
Revenue	5,045,484	3,835,359	-	1,210,125	76.0%	3,564,377
Expenditures	5,059,908	3,120,325	214,253	1,725,330	65.9%	2,795,205
<i>Revenue Less Expenditures</i>	(14,424)	715,034	(214,253)	(515,205)		769,172

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For Nine Months Ended March 31, 2023 (75% of Fiscal Year)

SOLID WASTE FUND

	<u>Revised 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	33,716,747	25,223,604	-	8,493,143	74.8%	24,026,111
Other Fees & Charges	70,000	28,141	-	41,859	40.2%	901,639
Investment Income	44,500	86,151	-	(41,651)	193.6%	26,905
Grants	155,450	155,450	-	-	100.0%	23,211
Miscellaneous	286,223	309,394	-	(23,171)	108.1%	(4,036)
TOTAL REVENUES	<u>34,272,920</u>	<u>25,802,740</u>	<u>-</u>	<u>8,470,180</u>	<u>75.3%</u>	<u>24,973,830</u>
EXPENSES						
Salaries & Benefits	1,813,767	1,083,067	-	730,699	59.7%	1,064,365
Materials, Supplies & Services	31,344,278	22,277,070	470,954	8,596,254	72.6%	20,117,445
Special Projects	1,366,410	437,725	295,593	633,092	53.7%	93,714
Transfers-Out	50,000	37,500	-	12,500	75.0%	37,500
Capital Outlay Transfers	973	730	-	243	75.0%	1,460
Equipment	394,960	79,613	158,195	157,152	60.2%	17,206
Other	40,000	-	-	40,000	0.0%	-
Appropriated Reserve	22,420	-	-	22,420	0.0%	-
TOTAL EXPENSES	<u>35,032,808</u>	<u>23,915,706</u>	<u>924,742</u>	<u>10,192,360</u>	<u>70.9%</u>	<u>21,331,690</u>
<i>Revenue Less Expense</i>	<u>(759,888)</u>	<u>1,887,034</u>	<u>(924,742)</u>	<u>(1,722,180)</u>		<u>3,642,140</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For Nine Months Ended March 31, 2023 (75% of Fiscal Year)

WATER OPERATING FUND

	<u>Revised 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	60,197,486	43,863,281	-	16,334,205	72.9%	43,744,943
Service Charges	208,765	206,107	-	2,658	98.7%	221,799
Cater JPA Treatment Charges	2,359,556	1,390,060	-	969,496	58.9%	1,485,554
Investment Income	901,175	1,371,288	-	(470,113)	152.2%	535,396
Grants	-	-	-	-	0.0%	710,798
Reimbursements	6,759,704	4,782,135	-	1,977,569	70.7%	2,699,609
Miscellaneous	66,128	290,588	-	(224,460)	439.4%	762,269
Operating Transfers-In	-	-	-	-	0.0%	135,943
TOTAL REVENUES	<u>70,492,814</u>	<u>51,903,459</u>	<u>-</u>	<u>18,589,355</u>	<u>73.6%</u>	<u>50,296,311</u>
EXPENSES						
Salaries & Benefits	13,981,945	9,426,020	-	4,555,925	67.4%	8,751,023
Materials, Supplies & Services	20,973,691	12,471,867	4,569,597	3,932,227	81.3%	10,495,704
Special Projects	803,622	383,093	195,469	225,060	72.0%	272,923
Water Purchases	11,084,565	6,388,287	-	4,696,278	57.6%	6,808,946
Debt Service	9,221,536	5,667,661	-	3,553,875	61.5%	5,639,668
Capital Outlay Transfers	15,167,186	11,647,139	-	3,520,047	76.8%	15,668,303
Equipment	247,606	61,262	16,875	169,469	31.6%	79,681
Capitalized Fixed Assets	290,275	114,711	41,316	134,249	53.8%	138,583
Other	33,800	35,148	-	(1,348)	104.0%	32,080
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
TOTAL EXPENSES	<u>71,954,226</u>	<u>46,195,188</u>	<u>4,823,257</u>	<u>20,935,781</u>	<u>70.9%</u>	<u>47,886,910</u>
<i>Revenue Less Expense</i>	<u>(1,461,412)</u>	<u>5,708,271</u>	<u>(4,823,257)</u>	<u>(2,346,427)</u>		<u>2,409,401</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 Nine Months Ended March 31, 2023 (75% of Fiscal Year)

WASTEWATER OPERATING FUND

	Revised Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Service Charges	26,609,956	19,386,943	-	7,223,013	72.9%	18,502,808
Fees	584,826	477,947	-	106,879	81.7%	348,581
Investment Income	180,700	260,605	-	(79,905)	144.2%	107,143
Rents & Concessions	61,072	36,752	-	24,321	60.2%	42,786
Miscellaneous	5,000	3,179	-	1,821	63.6%	26,437
TOTAL REVENUES	27,441,554	20,165,426	-	7,276,128	73.5%	19,027,755
EXPENSES						
Salaries & Benefits	8,562,134	6,053,582	-	2,508,552	70.7%	5,499,388
Materials, Supplies & Services	10,216,367	6,579,870	1,151,583	2,484,914	75.7%	6,205,265
Special Projects	915,550	264,942	41,575	609,033	33.5%	244,224
Debt Service	3,551,087	2,532,187	-	1,018,900	71.3%	2,553,312
Capital Outlay Transfers	4,743,055	3,557,291	-	1,185,764	75.0%	3,704,880
Equipment	128,500	38,451	17,025	73,024	43.2%	76,911
Capitalized Fixed Assets	122,246	55,810	-	66,436	45.7%	71,849
Other	4,000	1,513	1,500	988	75.3%	1,985
TOTAL EXPENSES	28,242,939	19,083,646	1,211,683	7,947,610	71.9%	18,357,815
<i>Revenue Less Expense</i>	<i>(801,385)</i>	<i>1,081,780</i>	<i>(1,211,683)</i>	<i>(671,482)</i>		<i>669,940</i>

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 Nine Months Ended March 31, 2023 (75% of Fiscal Year)

DOWNTOWN PARKING FUND

	<u>Revised 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	900,000	818,829	-	81,171	91.0%	730,834
Parking Fees	8,283,728	5,708,567	-	2,575,161	68.9%	3,366,721
Other Fees & Charges	30,000	11,260	-	18,740	37.5%	24,108
Investment Income	37,400	58,374	-	(20,974)	156.1%	22,015
Rents & Concessions	157,760	193,508	-	(35,748)	122.7%	118,340
Miscellaneous	144,366	69,859	-	74,507	48.4%	226,221
Operating Transfers-In	1,063,743	535,307	-	528,436	50.3%	548,771
TOTAL REVENUES	<u>10,616,997</u>	<u>7,395,703</u>	<u>-</u>	<u>3,221,294</u>	<u>69.7%</u>	<u>5,037,010</u>
EXPENSES						
Salaries & Benefits	5,255,213	3,627,005	-	1,628,207	69.0%	2,941,395
Materials, Supplies & Services	4,277,069	3,072,266	571,194	633,609	85.2%	2,368,059
Special Projects	439,362	140,746	273,673	24,943	94.3%	299,721
Capital Outlay Transfers	721,087	540,815	-	180,272	75.0%	169,819
Equipment	47,165	5,153	-	42,012	10.9%	2,921
Appropriated Reserve	10,000	-	-	10,000	0.0%	-
TOTAL EXPENSES	<u>10,749,896</u>	<u>7,385,986</u>	<u>844,868</u>	<u>2,519,043</u>	<u>76.6%</u>	<u>5,781,915</u>
<i>Revenue Less Expense</i>	<u>(132,899)</u>	<u>9,718</u>	<u>(844,868)</u>	<u>702,251</u>		<u>(744,905)</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 Nine Months Ended March 31, 2023 (75% of Fiscal Year)

AIRPORT OPERATING FUND

	<u>Revised 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	5,607,214	3,369,080	-	2,238,134	60.1%	3,867,391
Leases-Terminal	9,757,487	7,443,185	-	2,314,302	76.3%	6,132,478
Leases-Non-Commercial Aviation	4,658,247	3,228,163	-	1,430,084	69.3%	3,682,971
Leases-Commercial Aviation	6,374,208	4,273,643	-	2,100,565	67.0%	3,696,983
Investment Income	200,500	333,218	-	(132,718)	166.2%	123,140
Grants	437,036	-	-	437,036	0.0%	5,907,498
Service Charges	-	1,411	-	(1,411)	100.0%	960
Miscellaneous	150,459	101,492	-	48,967	67.5%	105,143
Operating Transfers-In	-	-	-	-	0.0%	125,117
TOTAL REVENUES	<u>27,185,151</u>	<u>18,750,192</u>	<u>-</u>	<u>8,434,959</u>	<u>69.0%</u>	<u>23,641,680</u>
EXPENSES						
Salaries & Benefits	10,276,693	7,217,604	-	3,059,089	70.2%	6,362,269
Materials, Supplies & Services	13,203,172	8,423,478	1,708,488	3,071,206	76.7%	7,314,271
Special Projects	2,790,947	488,114	938,353	1,364,480	51.1%	579,080
Transfer-Out	250,000	187,500	-	62,500	75.0%	-
Debt Service	1,551,750	1,163,813	-	387,938	75.0%	1,166,812
Capital Outlay Transfers	2,055,016	1,014,413	-	1,040,603	49.4%	3,214,966
Equipment	253,990	53,074	37,669	163,247	35.7%	101,754
Appropriated Reserve	131,556	-	-	131,556	0.0%	-
TOTAL EXPENSES	<u>30,513,124</u>	<u>18,547,996</u>	<u>2,684,510</u>	<u>9,280,619</u>	<u>69.6%</u>	<u>18,739,152</u>
<i>Revenue Less Expense</i>	<u>(3,327,973)</u>	<u>202,196</u>	<u>(2,684,510)</u>	<u>(845,660)</u>		<u>4,902,529</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 Nine Months Ended March 31, 2023 (75% of Fiscal Year)

GOLF COURSE FUND

	Revised Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Fees & Card Sales	3,857,737	2,734,320	-	1,123,417	70.9%	2,713,879
Investment Income	22,500	41,073	-	(18,573)	182.5%	13,559
Rents & Concessions	162,252	162,238	-	14	100.0%	133,520
Miscellaneous	-	607	-	(607)	100.0%	(862)
TOTAL REVENUES	4,042,489	2,938,237	-	1,104,252	72.7%	2,860,096
EXPENSES						
Salaries & Benefits	87,333	62,375	-	24,958	71.4%	58,187
Materials, Supplies & Services	3,142,645	1,944,801	1,129,957	67,888	97.8%	1,844,423
Debt Service	41,430	-	-	41,430	0.0%	-
Capital Outlay Transfers	228,000	171,000	-	57,000	75.0%	157,977
Equipment	250	163	-	87	65.3%	-
TOTAL EXPENSES	3,499,658	2,178,339	1,129,957	191,362	94.5%	2,060,587
<i>Revenue Less Expense</i>	<u>542,831</u>	<u>759,898</u>	<u>(1,129,957)</u>	<u>912,889</u>		<u>799,509</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 Nine Months Ended March 31, 2023 (75% of Fiscal Year)

FACILITIES MANAGEMENT FUND

	<u>Revised 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	3,355,887	2,516,916	-	838,971	75.0%	2,315,932
Work Orders - Bldg Maint.	3,608,512	2,627,321	-	981,191	72.8%	2,425,107
Miscellaneous	10,500	89	-	10,411	0.8%	1,602
Operating Transfers-In	150,000	-	-	150,000	0.0%	-
TOTAL REVENUES	<u>7,124,899</u>	<u>5,144,326</u>	<u>-</u>	<u>1,980,573</u>	<u>72.2%</u>	<u>4,742,640</u>
EXPENSES						
Salaries & Benefits	4,629,735	3,179,969	-	1,449,766	68.7%	2,850,404
Materials, Supplies & Services	2,070,928	1,481,394	171,846	417,687	79.8%	1,373,849
Special Projects	287,955	249,093	46,282	(7,421)	102.6%	195,512
Capital Outlay Transfers	193,598	145,198	-	48,400	75.0%	357,899
Equipment	10,000	5,772	-	4,228	57.7%	4,001
Appropriated Reserve	85,065	-	-	85,065	0.0%	-
TOTAL EXPENSES	<u>7,277,281</u>	<u>5,061,427</u>	<u>218,129</u>	<u>1,997,725</u>	<u>72.5%</u>	<u>4,781,665</u>
<i>Revenue Less Expense</i>	<u>(152,382)</u>	<u>82,898</u>	<u>(218,129)</u>	<u>(17,152)</u>		<u>(39,025)</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For Nine Months Ended March 31, 2023 (75% of Fiscal Year)

FLEET REPLACEMENT FUND

	<u>Revised 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	3,182,866	2,226,248	-	956,618	69.9%	2,265,358
Investment Income	204,248	222,790	-	(18,542)	109.1%	95,841
Rents & Concessions	107,553	77,380	-	30,173	71.9%	89,701
Miscellaneous	68,000	164,537	-	(96,537)	242.0%	82,232
Operating Transfers-In	222,649	23,871	-	198,778	10.7%	29,000
TOTAL REVENUES	<u>3,785,316</u>	<u>2,714,825</u>	<u>-</u>	<u>1,070,491</u>	<u>71.7%</u>	<u>2,562,132</u>
EXPENSES						
Salaries & Benefits	231,260	134,314	-	96,946	58.1%	136,663
Materials, Supplies & Services	21,038	3,630	-	17,408	17.3%	17,590
Debt Service	606,371	303,186	104,408	198,778	67.2%	-
Capital Outlay Transfers	-	-	-	-	0.0%	797,585
Capitalized Fixed Assets	3,310,615	601,224	1,481,215	1,228,175	62.9%	1,333,811
TOTAL EXPENSES	<u>4,169,284</u>	<u>1,042,354</u>	<u>1,585,623</u>	<u>1,541,308</u>	<u>63.0%</u>	<u>2,285,649</u>
<i>Revenue Less Expense</i>	<u>(383,968)</u>	<u>1,672,471</u>	<u>(1,585,623)</u>	<u>(470,817)</u>		<u>276,483</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For Nine Months Ended March 31, 2023 (75% of Fiscal Year)

FLEET MAINTENANCE FUND

	<u>Revised 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	3,161,802	2,355,014	-	806,788	74.5%	2,183,841
Reimbursements	5,000	3,750	-	1,250	75.0%	3,750
Miscellaneous	60,000	70,531	-	(10,531)	117.6%	54,851
TOTAL REVENUES	<u>3,226,802</u>	<u>2,429,295</u>	<u>-</u>	<u>797,507</u>	<u>75.3%</u>	<u>2,242,442</u>
EXPENSES						
Salaries & Benefits	1,698,636	1,136,019	-	562,617	66.9%	1,078,644
Materials, Supplies & Services	1,463,788	1,035,872	230,709	197,207	86.5%	1,044,053
Special Projects	64,994	25,964	42,613	(3,584)	105.5%	57,159
Capital Outlay Transfers	1,467	1,100	-	367	75.0%	31,201
Equipment	7,884	1,151	-	6,733	14.6%	7,446
Capitalized Fixed Assets	30,275	-	30,275	-	100.0%	16,213
Appropriated Reserve	15,000	-	-	15,000	0.0%	-
TOTAL EXPENSES	<u>3,282,043</u>	<u>2,200,106</u>	<u>303,597</u>	<u>778,341</u>	<u>76.3%</u>	<u>2,234,715</u>
<i>Revenue Less Expense</i>	<u>(55,241)</u>	<u>229,189</u>	<u>(303,597)</u>	<u>19,166</u>		<u>7,726</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For Nine Months Ended March 31, 2023 (75% of Fiscal Year)

SELF INSURANCE TRUST FUND

	<u>Revised 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	7,658,599	5,743,949	-	1,914,650	75.0%	3,792,596
Workers' Compensation Premiums	4,572,008	3,426,944	-	1,145,065	75.0%	3,123,075
OSH Charges	292,974	219,731	-	73,244	75.0%	217,673
Unemployment Insurance Premium	427,559	307,699	-	119,860	72.0%	208,147
Investment Income	40,800	26,186	-	14,614	64.2%	25,309
Miscellaneous	-	-	-	-	0.0%	3,859
Operating Transfers-In	4,075,825	4,056,869	-	18,956	99.5%	488,369
TOTAL REVENUES	<u>17,067,765</u>	<u>13,781,377</u>	<u>-</u>	<u>3,286,388</u>	<u>80.7%</u>	<u>7,859,027</u>
EXPENSES						
Salaries & Benefits	928,263	607,550	-	320,713	65.5%	575,171
Materials, Supplies & Services	13,272,541	9,478,465	355,227	3,438,849	74.1%	7,807,496
Capital Outlay Transfers	409	307	-	102	75.0%	614
Equipment	-	479	-	(479)	100.0%	-
TOTAL EXPENSES	<u>14,201,213</u>	<u>10,086,801</u>	<u>355,227</u>	<u>3,759,185</u>	<u>73.5%</u>	<u>8,383,280</u>
<i>Revenue Less Expense</i>	<u>2,866,552</u>	<u>3,694,576</u>	<u>(355,227)</u>	<u>(472,796)</u>		<u>(524,253)</u>

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

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For Nine Months Ended March 31, 2023 (75% of Fiscal Year)

INFORMATION TECHNOLOGY FUND

	<u>Revised 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	5,261,982	3,805,393	-	1,456,589	72.3%	3,364,487
Operating Transfers-In	-	-	-	-	0.0%	35,000
TOTAL REVENUES	<u>5,261,982</u>	<u>3,805,393</u>	<u>-</u>	<u>1,456,589</u>	<u>72.3%</u>	<u>3,399,487</u>
EXPENSES						
Salaries & Benefits	3,420,556	2,133,525	-	1,287,031	62.4%	1,860,048
Materials, Supplies & Services	1,918,280	1,649,504	50,493	218,282	88.6%	1,479,803
Special Projects	200	632	-	(432)	316.0%	9,382
Capital Outlay Transfers	131,677	103,758	-	27,919	78.8%	186,595
Equipment	12,640	16,147	324	(3,831)	130.3%	5,749
TOTAL EXPENSES	<u>5,483,353</u>	<u>3,903,566</u>	<u>50,817</u>	<u>1,528,969</u>	<u>72.1%</u>	<u>3,541,577</u>
<i>Revenue Less Expense</i>	<u>(221,371)</u>	<u>(98,173)</u>	<u>(50,817)</u>	<u>(72,380)</u>		<u>(142,090)</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 Nine Months Ended March 31, 2023 (75% of Fiscal Year)

WATERFRONT OPERATING FUND

	<u>Revised 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	2,000,000	1,733,886	-	266,114	86.7%	1,674,117
Leases - Food Service	3,100,000	2,705,126	-	394,874	87.3%	2,606,723
Slip Rental Fees	5,070,940	3,884,385	-	1,186,555	76.6%	3,676,273
Visitors Fees	750,000	553,935	-	196,065	73.9%	606,162
Slip Transfer Fees	1,100,000	890,775	-	209,225	81.0%	1,168,300
Parking Revenue	3,254,325	2,728,551	-	525,774	83.8%	2,422,180
Wharf Parking	220,000	208,764	-	11,236	94.9%	203,524
Grants	-	12,752	-	(12,752)	100.0%	12,752
Other Fees & Charges	252,630	189,048	-	63,583	74.8%	188,731
Investment Income	112,700	180,921	-	(68,221)	160.5%	78,550
Rents & Concessions	392,316	343,869	-	48,448	87.7%	320,631
Miscellaneous	783,220	630,755	-	152,465	80.5%	249,821
TOTAL REVENUES	<u>17,036,131</u>	<u>14,062,765</u>	<u>-</u>	<u>2,973,366</u>	<u>82.5%</u>	<u>13,207,764</u>
EXPENSES						
Salaries & Benefits	8,297,772	5,673,172	-	2,624,599	68.4%	5,522,466
Materials, Supplies & Services	6,062,350	3,944,973	863,499	1,253,878	79.3%	3,451,735
Special Projects	296,875	147,389	57,750	91,736	69.1%	116,851
Debt Service	2,036,965	2,036,965	-	(0)	100.0%	2,038,500
Capital Outlay Transfers	2,250,000	1,500,000	-	750,000	66.7%	409,498
Equipment	147,075	32,198	1,873	113,003	23.2%	30,084
Capitalized Fixed Assets	83,840	-	36,643	47,197	43.7%	-
Other	2,375	1,513	-	863	63.7%	2,513
Appropriated Reserve	100,000	-	-	100,000	0.0%	-
TOTAL EXPENSES	<u>19,277,251</u>	<u>13,336,210</u>	<u>959,765</u>	<u>4,981,276</u>	<u>74.2%</u>	<u>11,571,647</u>
<i>Revenue Less Expense</i>	<u>(2,241,119)</u>	<u>726,555</u>	<u>(959,765)</u>	<u>(2,007,910)</u>		<u>1,636,116</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 Nine Months Ended March 31, 2023 (75% of Fiscal Year)

SANTA BARBARA CLEAN ENERGY FUND

	<u>Revised 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	34,000,000	24,966,910	-	9,033,090	73.4%	3,580,111
Investment Income	-	-	-	-	0.0%	(74)
Operating Transfers-In	-	-	-	-	0.0%	1,550,532
TOTAL REVENUES	34,000,000	24,966,910	-	9,033,090	73.4%	5,130,569
EXPENSES						
Salaries & Benefits	177,610	130,137	-	47,472	73.3%	105,529
Materials, Supplies & Services	31,880,601	24,279,267	1,205,029	6,396,305	79.9%	4,457,839
Special Projects	1,110,847	761,931	38,837	310,079	72.1%	481,951
Other	311,368	-	-	311,368	0.0%	-
TOTAL EXPENSES	33,480,425	25,171,335	1,243,866	7,065,224	78.9%	5,045,319
<i>Revenue Less Expense</i>	<u>519,575</u>	<u>(204,425)</u>	<u>(1,243,866)</u>	<u>1,967,866</u>		<u>85,250</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For Nine Months Ended March 31, 2023 (75% of Fiscal Year)

ENERGY AND CLIMATE MANAGEMENT FUND

	<u>Revised 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	2,552,568	1,914,426	-	638,142	75.0%	1,776,803
Grants	93,600	78,600	-	15,000	84.0%	169,601
Miscellaneous	-	5,000	-	(5,000)	100.0%	1
TOTAL REVENUES	<u>2,646,168</u>	<u>1,998,026</u>	<u>-</u>	<u>648,142</u>	<u>75.5%</u>	<u>1,946,404</u>
EXPENSES						
Salaries & Benefits	812,036	467,373	-	344,663	57.6%	373,264
Materials, Supplies & Services	2,024,878	1,131,424	152,644	740,810	63.4%	891,400
Special Projects	167,778	6,245	51,744	109,789	34.6%	9,402
Debt Service	24,140	18,105	-	6,035	75.0%	18,105
Capital Outlay Transfers	435	326	-	109	75.0%	75,652
Equipment	9,471	10,982	716	(2,227)	123.5%	-
Capitalized Fixed Assets	78,600	78,600	-	-	100.0%	-
TOTAL EXPENSES	<u>3,117,338</u>	<u>1,713,056</u>	<u>205,104</u>	<u>1,199,178</u>	<u>61.5%</u>	<u>1,367,824</u>
<i>Revenue Less Expense</i>	<u>(471,170)</u>	<u>284,971</u>	<u>(205,104)</u>	<u>(551,036)</u>		<u>578,580</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 2023 Interim Financial Statements
For the Nine Months Ended March 31, 2023 (75% of Year Elapsed)

General Fund Revenues

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The *Summary of Revenues, General Fund* table below reports preliminary General Fund revenues for nine months ending March 31, 2023, in Fiscal Year (FY) 2023. For interim financial statement purposes, revenues are reported on a cash basis (i.e., when funds are received). All revenues below have unique collection cycles, therefore may vary from other revenues and result in fluctuations when comparing historical actuals. This table highlights the annual revised budget, projected end-of-year actuals, and actual collections for general tax revenues, franchise fees, and other fees/charges.

SUMMARY OF REVENUES							
For the Nine Months Ended March 31, 2023 Fiscal Year 2023							
GENERAL FUND							
	Current Year Analysis FY2023					Prior Year Analysis FY2022	
	Revised Budget	YTD Actual	**Projected Full-Year	Variance Projection to Budget	Percent Rec'd	Prior Year YTD Actual	Change From FY22
Property Tax	\$43,250,489	\$24,327,523	\$44,456,027	\$1,205,538	56%	\$22,881,722	6%
Sales & Use Tax	26,704,042	22,087,846	29,319,990	2,615,948	83%	21,770,112	1%
Measure C Sales Tax	28,323,342	23,721,079	30,715,679	2,392,337	84%	23,212,483	2%
Transient Occupancy Tax	23,583,553	20,096,552	26,550,000	2,966,447	85%	19,224,728	5%
Utility Users Tax	7,779,112	6,020,007	7,995,727	216,615	77%	5,760,313	5%
Business License	2,714,006	2,365,663	2,500,000	(214,006)	87%	2,235,978	6%
Cannabis Excise Tax	1,879,977	980,863	1,420,188	(459,789)	52%	1,246,066	(21%)
Property Transfer tax	1,328,218	706,430	1,000,000	(328,218)	53%	1,035,870	(32%)
Total Taxes	\$135,562,739	\$100,305,962	\$143,957,611	\$8,394,872	74%	\$97,367,272	3%
License & Permits	159,858	127,113	116,058	(43,800)	80%	154,087	(18%)
Fines & Forfeitures	3,018,920	1,391,801	2,317,533	(701,387)	46%	2,020,716	(31%)
Franchise Fee	4,007,090	2,860,127	4,167,194	160,104	71%	3,048,075	(6%)
Use of Money & Property	1,921,816	2,000,784	3,069,865	1,148,049	104%	970,094	106%
Intergovernmental	2,173,090	1,909,985	2,483,487	310,397	88%	3,520,373	(46%)
Fee & Charges	15,321,484	11,605,414	14,763,861	(557,624)	76%	10,442,002	11%
Miscellaneous	22,482,550	16,012,030	23,681,675	1,199,125	71%	16,188,101	(1%)
Total Other	\$49,084,808	\$35,907,254	\$50,599,672	\$1,514,864	73%	\$36,343,448	(1%)
Total Revenues	\$184,647,547	\$136,213,216	\$194,557,283	\$9,909,736	74%	\$133,710,720	2%

**Projected Full-Year column projects only the general non-departmental revenues and Franchise Fees. All other revenues assume same as budget for this table. Departments will be presenting more detailed projections during the Budget presentations in the upcoming months, and staff will provide more complete projections of all General Fund Revenues, as well.

Summary of Revenues, General Fund

Property Tax

In 1978, a State constitutional amendment (Article XIII A) provided that the ad valorem real property tax rate be limited to 1% of market value and be levied only by the county and shared with all other jurisdictions. The County of Santa Barbara collects the property taxes and distributes them to taxing jurisdictions because of the taxing jurisdictions' assessed valuations, subject to adjustments for voter approved debt. Property taxes are formally due on November 1 and February 1 and become delinquent as of December 10 and April 10, respectively. Taxes become a lien on the property effective March 1 of the preceding year.

As of March 31, 2023, approximately \$24.3 Million in property tax revenues were received. During the budget setting process, 2.5% growth was anticipated in FY 2023 when comparing the previous year's actuals. Actual revenues for this year are now trending to be \$1.2 Million above budget. To

*Fiscal Year 2023 Interim Financial Statements
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note, Proposition 13 impacts the amount of property tax collected as it limits how much the taxable value of a property can rise every year. This property assessment occurs in January for the subsequent year at a restricted rate of 2% or Consumer Price Index (CPI), whichever is lessor. Prior to FY 2022, this increase was 2% for several years. CPI in FY 2022 was 1.016% but returned to 2% in FY 2023.

Sales Taxes

Sales and use tax revenue, collected on a cash basis through March 31, 2023, is approximately \$22.1 Million. Positive sales tax trends have been observed, likely due to a combination of increased consumer spending (particularly in online and auto sales) and higher than expected inflation. Sales tax, currently received, is 8% higher than forecasted at this point in the year and is trending to continue to exceed budgeted revenues for the remainder of FY 2023. Staff continue to monitor this revenue source closely and will evaluate a revised projection as remittances are received in preparation for the Quarter Four (Q4) report.

Measure C Sales Tax

On November 7, 2017, a 1% general sales tax measure (Measure C) was approved, with significant community support for infrastructure needs, which will generate the necessary funds required to improve the citywide PCI rating. Measure C sales tax revenue received at the end of Third Quarter (Q3) is approximately \$23.7 Million on a cash basis, which is roughly 9% higher than expected. Staff will continue to monitor tax remittances received and may consider adjusting the FY 2023 projection at the end of Q4, as revenues will likely exceed the budget. Additional Measure C revenue will be programmed to support capital projects in future budget cycles.

Transient Occupancy Tax

Transient Occupancy Tax (TOT) revenue at Q3 is approximately \$20.1 Million, which is significantly higher than collections in FY 2021 and FY 2022 because of COVID-19 impacts on the travel industry. There is a higher demand for rooms now that travel has picked up, however, the main cause of the growth is related to increases in average daily rates, which are 30%-40% higher than FY 2019 (pre-pandemic rates). TOT revenues are 10% higher than budget anticipated at the end of Q3, and it is likely that revenues will exceed budget at the end of FY 2023. Staff will continue to monitor this revenue source closely and will evaluate a revised projection as additional tax remittances are received in preparation for the Q4 report.

Department and Other Revenues

Cannabis tax revenues have seen a moderate decline (24%) primarily attributable to one Cannabis business, due to consolidation of operations and reduced sales in FY23 compared to FY22.

Various General Fund departments throughout the City generate revenue. These revenue sources have a revised budget of approximately \$33.8 Million. Revenues from departments are comprised of various categories in the *Summary of Revenues, General Fund* table above, but for transparency purposes these variances are broken out by department in the *Summary of Departmental Revenues, General Fund* table below.

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**SUMMARY OF DEPARTMENTAL REVENUES
GENERAL FUND
For the Nine Months Ended March 31, 2023 Fiscal Year 2023**

Department	Revised Budget	YTD Actual		Projected Full Year	Variance Projection to Budget
Mayor & Council	\$120,000	\$51,477	43%	\$103,457	(\$16,543)
City Attorney	311,302	270,000	87%	270,000	(41,302)
City Administrator	227,548	87,523	38%	154,975	(72,573)
Human Resources	35,000	4,396	13%	8,002	(26,998)
Finance	535,631	186,245	35%	205,631	(330,000)
General Government	\$1,229,481	\$599,641	49%	\$742,065	(\$487,416)
Police	4,096,976	2,309,942	56%	3,270,400	(826,576)
Fire	4,531,442	3,181,860	70%	4,538,770	7,328
Public Safety	\$8,628,418	\$5,491,803	64%	\$7,809,170	(\$819,248)
Parks & Recreation	7,714,707	4,935,356	64%	6,973,475	(741,232)
Library	1,006,298	931,613	93%	954,737	(51,561)
Community Services	\$8,721,005	\$5,866,969	67%	\$7,928,212	(\$792,793)
Public Works	7,764,604	5,692,244	73%	7,304,260	(460,344)
Sustainability & Resiliency	0	26,034	100%	52,000	52,000
Community Development	7,462,134	6,216,578	83%	7,605,447	143,313
Total	\$33,805,642	\$23,893,268	71%	\$31,441,154	(\$2,364,488)
% of Annual Budget		70.7%		-7.0%	

Summary of Departmental Revenues, General Fund

General Fund Expenditures

The *Summary of Departmental Expenditures, General Fund* table below summarizes General Fund year-to-date expenditures through March 31, 2023, compared to revised budget, and projected end-of-year actuals. The Revised Budget column represents the adopted budget, appropriation carryovers from the prior year, and all supplemental appropriations approved by the City Council in the current year. Encumbrances as of March 31, 2023, are shown separately from expense actuals as the inclusion of encumbrances within actuals can distort trends. The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to contracts not yet performed and purchase orders not yet filled (executory contracts; and open purchase orders). Commitments for such expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities but rather, as restricted or committed governmental fund balance.

The FY 2023 adopted budget included several targeted reduction plans to assist with lowering City expenditures. A balancing strategy of \$1.0 Million was allocated across General Fund departments, including general reductions and salary-saving measures. Most departments have met or exceeded their goal. Staff remain confident that expenditures will align with or be below budget at end of year, and that reduction goals will be met.

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**SUMMARY OF DEPARTMENTAL EXPENDITURES
GENERAL FUND
For the Nine Months Ended March 31, 2023 Fiscal Year 2023**

Department	Revised Budget	YTD Actual		Projected Full Year	Variance Projection to Budget	YTD Variance Without Encumbrance	Encum- brance	Remaining Budget After Encumbrances
Mayor & Council	\$3,369,956	\$2,575,329	76%	\$3,325,162	\$44,794	\$794,627	\$478,436	\$316,191
City Attorney	5,715,907	3,304,799	58%	5,715,907	-	2,411,108	148,406	2,262,701
City Administrator	4,048,022	2,639,703	65%	3,743,793	304,229	1,408,319	143,004	1,265,315
Human Resources	3,047,913	1,698,847	56%	2,939,066	108,847	1,349,066	113,835	1,235,232
Finance	7,302,891	5,202,074	71%	7,287,224	15,667	2,100,817	89,006	2,011,811
General Government	\$23,484,690	\$15,420,752	66%	\$23,011,152	\$473,537	\$8,063,937	\$972,688	\$7,091,250
Police	52,585,829	34,731,154	66%	50,210,544	2,375,285	17,854,675	326,428	17,528,248
Fire	34,917,542	24,779,105	71%	34,473,062	444,480	10,138,437	170,843	9,967,594
Public Safety	\$87,503,371	\$59,510,260	68%	\$84,683,606	\$2,819,765	\$27,993,112	\$497,270	\$27,495,841
Parks & Recreation	21,870,024	14,117,676	65%	20,578,757	1,291,267	7,752,348	857,308	6,895,040
Library	7,670,640	4,819,167	63%	7,221,653	448,987	2,851,473	99,250	2,752,222
Community Services	\$29,540,664	\$18,936,843	64%	\$27,800,410	\$1,740,254	\$10,603,821	\$956,558	\$9,647,262
Public Works	11,457,906	6,960,542	61%	10,101,200	1,356,706	4,497,364	197,183	4,300,181
Sustainability & Resiliency	75,245	24,187	32%	26,281	48,964	51,058	52,034	(976)
Community Development	15,659,256	9,770,236	62%	14,459,624	1,199,632	5,889,020	477,878	5,411,142
Non-Departmental	33,394,177	26,721,827	80%	37,207,356	(3,813,179)	6,672,350	0	6,672,350
Total	\$201,115,308	\$137,344,647	68%	197,289,629	3,825,679	\$63,770,662	\$3,153,612	\$60,617,049
% of Annual Budget		68.3%				31.7%	1.6%	30.1%

Summary of Departmental Expenditures, General Fund

**SUMMARY OF EXPENDITURES BY TYPE
GENERAL FUND
For the Nine Months Ended March 31, 2023 Fiscal Year 2023**

Department	Revised Budget	YTD Actual		Projected Full Year	Variance Projection to Budget
Salaries	\$79,494,645	\$54,114,301	68%	\$ 75,339,191	\$4,155,454
Benefits	48,921,510	33,717,801	69%	46,176,541	2,744,969
Attrition Savings	(4,420,842)	0	0%	(3,000,000)	(1,420,842)
Salaries & Benefits	\$123,995,313	\$87,832,102	71%	\$118,515,732	\$5,479,581
Supplies & Services	15,751,015	7,411,643	47%	14,450,137	1,300,878
Allocated Costs	15,495,102	11,458,230	74%	15,495,102	0
Special Projects	5,680,819	2,889,292	51%	5,005,847	674,972
Other	145,599	143,061	98%	143,562	2,037
Supplies & Other	\$37,072,535	\$21,902,226	59%	\$35,094,648	\$1,977,886
Equipment	1,810,411	724,545	40%	3,049,863	(1,239,452)
Transfers	38,083,544	26,876,177	71%	40,475,881	(2,392,337)
Debt Service	153,505	9,596	6%	153,505	0
Equipment & Capital	\$40,047,460	\$27,610,317	69%	\$43,679,249	(\$3,631,789)
Expenditure Reductions	0	0	0%	0	0
Total	\$201,115,308	\$137,344,645	68%	\$197,289,629	\$3,825,679
% of Annual Budget		68.3%			1.9%

* The YTD Budget column has been calculated based on a 3-year average of expenses through Dec 31, which has been applied to the annual budget.

Summary of Departmental Expenditures by Character Code, General Fund

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Expenditure Analysis by General Fund

The General Fund revised budget of \$201.1 Million, which includes \$7.9 Million in carried forward appropriations and encumbrances and any FY 2023 council approved amendments, is 68% exhausted (\$137.3 Million) as of March 31, 2023. The *Summary of Departmental Expenditures, General Fund* table above shows performance at department level. 43.5% of the total budget, including Non-Departmental Expenditures, is appropriated to provide public safety services through the Police and Fire Departments. Community Services comprises 14.7% of the total budget, which includes the City's Parks and Recreation and Library Departments. General Government makes up 11.7% of appropriations which includes Finance, City Administration, Mayor & Council, City Attorney, Human Resources, and City Clerk departments.

General Government actual spending of approximately \$15.4 Million, represents 66% of its associated annual budget through Q3. In the Human Resources Department, savings are largely due to the pending Classification and Compensation Study that was approved by City Council on April 11, 2023, and is now at the beginning stages for expenditures. The Finance Department and City Administrator's Office are trending to align with budget.

Public Safety actual spending of approximately \$59.5 Million, represents 68% of associated annual budget. Lower expense trends are mainly related to staffing shortages through Q3 of FY 2023.

The Police Department (PD) expended \$34.7 Million (66%) of its budget. PD has been challenged with on-going staffing shortages, including 25 sworn positions and 22 professional positions. There are also three officers on long term disability due to injury on duty. Some relief will be seen once the five people in the April academy graduate in October 2023. Staff continue to manage schedule and staffing needs to ensure appropriate coverage for the City. Two open officer positions supported expenditure reduction targets, other savings achieved through staffing shortages will be used to purchase new body worn cameras and tasers. Additional discussions between the Police Chief and the City Administrator regarding staffing and equipment needs will continue to occur and adjustments will be proposed accordingly. PD is currently projecting \$2.4 Million in savings within their expenditure budget, which includes the purchase of \$1.3 Million in equipment and providing \$190,000 in financial support to the Street Sweeping program. Some expenditure savings are related to special projects that have not materialized but may as activities generally occur end of year. There are ARPA funds available for homeless services/co-response program and an additional co-response team will be created when the County establishes their second team. The goal is to activate the second team in the Spring.

The Fire Department (FD) expended \$24.8 Million, using 71% of its budget. Most operational costs are tracking at or below expected levels. Minimum staffing overtime will continue to exceed budget due to six vacancies and four operational personnel positions that require coverage due to injury leave. If the overtime trend continues as it has for nine months of FY 2023, budget in this category will be exceeded by approximately \$979,000. An additional overtime impact is related to the Fair Labor Standards Act (FLSA), as it is underfunded (by \$136,000) for the second year in a row. Vegetation Management will require a roll-over of approximately \$265,000 to FY 2024 to maximize the impact of the funding. These funds will be used to supplement a grant awarded by the Coastal Conservancy.

Community Services had actual expenditures of \$18.9 Million, or 64% of associated budget. Savings is anticipated based on this performance trend.

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The Library Department spent \$4.8 Million, or 63% of its annual budget through Q3 FY 2023. The Library continues to be open at reduced hours post-COVID and has limited access to the public at Central Library due to construction. While most of the Lower, Main, and Upper Levels are now open in Q4, this reduced access had significant impacts on user fees and service charges due to the construction projects taking longer than expected. The Library has started selling Merchandise, which will provide additional revenue. The main source of revenue loss projected is from donations: most of the donations received by the Library are restricted rather than for general use. The Central Library construction has also impacted revenue at the Eastside Library, as Central Library staff are using space at the Eastside Library that would normally be rentable space. Despite these challenges, the Library has continued to deliver materials and services through various means, including in-person, virtually, and through the Library on the Go Van, which provides offsite convenient services. Savings in the General Fund for Q3 are due to multiple unexpected vacancies, which are expected to be filled by year end. Required reductions have been met through holding a full-time position vacant.

Parks and Recreation (P&R) Department had Q3 expenditures of \$14.1 Million (65% of its annual budget). Following years of drought, the City experienced heavy rain and windy weather conditions throughout the months of January, February, and March 2023. The winter storm of January 9 impacted the P&R Department and its services significantly, as it flooded the Municipal Tennis Center parking lot, courts, and building, and the Bath Street Pocket Park; washed a significant amount of debris onto City beaches; washed away 12 East Beach Volleyball Courts; damaged Parma, Rattlesnake, Cold Spring, and Tunnel Trails; created a small landslide onto the Thousand Steps beach access; and resulted in mudslides at Franceschi Park. Many trees were also damaged, including 54 street and park trees. While some of the damage such as the Municipal Tennis Center building are being addressed through allocated facility costs, the remaining impacts have been absorbed by the General Fund.

Due to several permanent positions held vacant in Q1, P&R achieved FY 2023 required budget reduction targets (1% of expenditure budget), additionally a large portion of savings is due to the reduction in non-contractual services related to the Trapeze Camp and other programs. An important thing to note is that most Recreation programs are pay to play, therefore any revenue shortfall is generally offset by expenditure savings. The Department continues to provide essential services, such as park maintenance to ensure that the community has access to safe and clean open spaces, food distribution and senior meal programs, recreation programming, camps, and affordable activities for youth and adults. Aside from core functions, the P&R Department continues to advance key capital infrastructure planning, design, and construction to ensure safe and accessible conditions.

The Public Works Department (PWD) had expenditures of \$7.0 Million, or 61% of its annual budget for FY 2023. Engineering and Land Development vacancies contribute to the large expenditure shortfall in Q3, with some savings due to position turnovers in Administration. Discretionary spending is being kept at a minimum (use of in-house resources, and through supply reductions), and there is savings from lower than anticipated costs in both Supplies and Services and Special Projects (including environmental compliance for lower abatement needs). Revenues and expenditures will continue to be closely monitored and staff will provide an update at Q4 of any significant issues if they arise.

The Sustainability & Resilience (S&R) Department had expenditures of \$24,187 related to the CalRecycle program that is solely grant funded. The CalRecycle program's mission is to protect California's environment and climate for the health and prosperity of future generations through the reduction, reuse and recycling of California resources, environmental education, disaster

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recovery, and the transition from a disposable to a fully circular economy.

The Community Development Department (CDD) had expenditures of \$9.8 Million or 62% of its annual budget. If you include encumbrances totaling \$477,878 for professional services agreements related to plan checks, building inspections, municipal code codification services, and Human Service Grant Awards, the percentage of funds used is 65%; all encumbrances are expected to be fully exhausted this year. There are significant savings in Salary and Benefits due to the high number of vacancies that the department is actively recruiting for, many of which have now been filled. The department has experienced a high employee attrition rate during the past couple of years. CDD anticipates reaching a healthy 6-8% vacancy rate later this year. If the recommended transfer of \$824K to Fund 1030 is approved, the anticipated expenditure savings for CDD would be reduced from \$1.2 Million to \$375K.

Non-Departmental expenditures include transfers from the General Fund to other funds. Majority of transfers occurring are to the Measure C fund which supports various capital maintenance and improvement projects. Anticipated year-end attrition savings are also recorded here, which helps balance variances achieved. Prior quarter, a transfer of \$4.0 Million from the General Fund into the Self-Insurance fund (SIF) was adopted to address the growing underfunded reserves in the SIF. The actuarial recommended reserve level in the SIF grew from \$18.3 Million in FY 2022 to \$24.4 Million in FY 2023 – a \$6.1 Million increase. The additional allocations into the SIF in FY 2023 and planned for FY 2024 and beyond are not adequate to bring reserves up to the actuarial recommended level; therefore, staff will consider transferring additional General Fund resources, as available, into the SIF which is in line with Council’s prior direction to allocate additional resources to address the underfunded position, in future budget cycles.

General Fund Reserves Projection

The *General Fund, Fund Balance* table below summarizes reserve projections for FY 2023, compared to actual reserves from prior years. General Fund has two reserve targets, Disaster Reserves and Contingency Reserves.

General Fund, Fund Balance	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Projected at Q3	FY23 v FY22 Projected Change in Reserve
Contingency Reserve Target 10%	\$13,910,966	\$13,799,412	\$14,255,661	\$15,650,447	\$16,862,261	\$1,211,814
Disaster Reserve Target 15%	20,866,449	20,699,118	21,383,491	23,475,670	25,293,392	1,817,722
Total Policy Reserve Target	\$34,777,415	\$34,498,530	\$35,639,152	\$39,126,117	\$42,155,653	\$3,029,536
(Below) / Above Policy	(1,513,888)	(8,526,275)	(1,419,589)	464,613	(5,297,269)	(1,330,885)
Actual Reserves	\$33,263,527	\$25,972,255	\$34,219,563	\$39,590,730	\$36,858,384	\$1,698,651
Self-Insurance Fund Under-Reserve*	(2,109,073)	(4,580,532)	(4,758,252)	(5,889,878)	(\$5,793,359)	96,519
Remaining Contingency Reserve	\$10,288,005	\$692,605	\$8,077,820	\$10,225,182	\$5,771,633	(\$22,552)

General Fund Reserves, Balance Summary

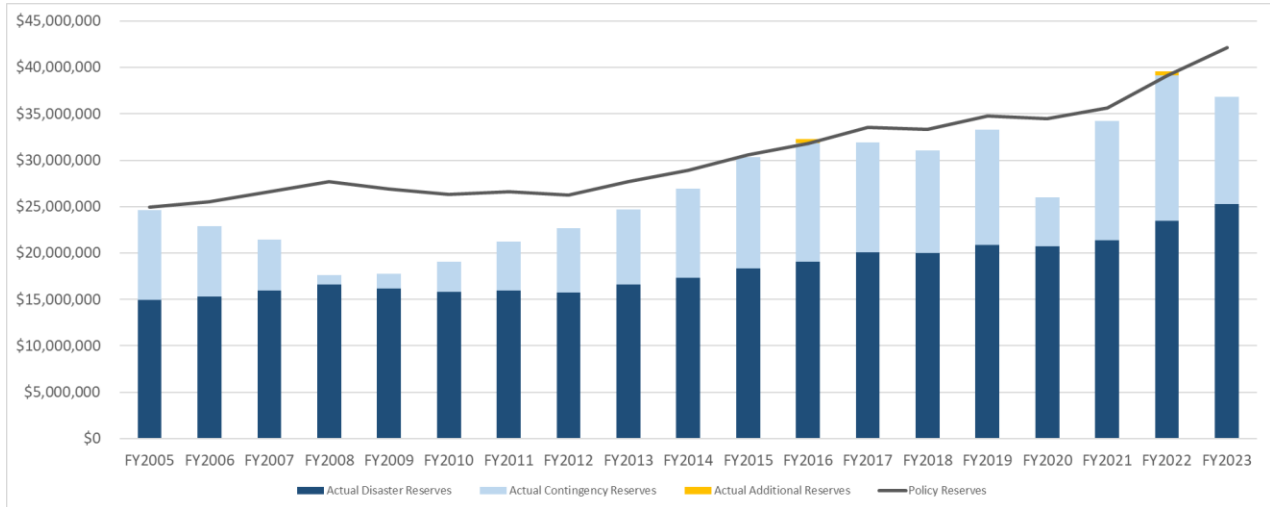
The Disaster Reserve is restricted to use in addressing the financial impacts of natural disasters, such as storms, floods, wildfires, droughts, tsunamis, earthquakes, and any other event that results in significant damage to City facilities and infrastructure or a significant reduction of normal operating revenues. The amount of the required Disaster Reserve is calculated based on 15% of the most recently adopted fiscal year operating expenditure budget.

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The purpose of the Contingency Reserve is to allow for the orderly implementation of a balancing strategy to address the fiscal impacts of unexpected events to minimize the impacts to the organization and community. The most common of these events would be an economic recession that results in a significant impact on key revenues such as sales, transient occupancy, or property taxes. The Contingency Reserve is calculated based on 10% of the most recently adopted fiscal year operating expenditure budget. This table summarizes General Fund reserve targets of 15% Disaster and 10% Contingency as required by City Council Resolution No. 22-126, which amended Resolution No. 12-066 and rescinded Resolution No. 18-056. Any use of the Disaster or Contingency reserves requires a majority vote of approval by the City Council. Staff will continue to address anticipated changes to reserves based on projections in future quarterly reports to City Council.

The FY 2023 adopted budget required strategic use of a small number of reserves to balance the budget. Reserves were largely replenished by the end of FY 2022; however, they are projected to decline slightly by the end of FY 2023. The SIF is still underfunded based on the actuarial recommended level, which continues to present a burden on the General Fund.

The graph below summarizes the General Fund Reserves since FY 2005, including a projection of ending reserves at the end of FY 2023. The FY 2023 adopted budget appropriated use of \$1.0 Million of reserves to balance the budget reduced reserves below policy targets in FY 2023. FY 2023 also includes the use of carryforward appropriation from FY 2022, which is included in the revised budget. Per the City Council revised reserve policy, 50% of the surplus would be allocated to address the ongoing pension costs and liabilities, and the remaining 50% would remain in General Fund reserves to address future budget challenges.



General Fund Reserves, Summary
(FY 2023 are projections, whereas other years are actuals)

Enterprise Operating Fund Revenues and Expenses

Unlike the General Fund, that relies primarily on taxes to fund programs and services, Enterprise Funds, also known as Proprietary Funds, are financed primarily from user fees and other non-tax revenues. The *Summary of Revenues & Expenses, Enterprise Funds* table below reports Enterprise Fund revenues and expenses through March 31, 2023, associated Annual Budget, projected end-of-year actuals and prior year actuals for this same nine-month period. Encumbrances as of March 31, 2023, are shown separately from expense actuals as the inclusion of encumbrances within actuals can distort trends. Proprietary funds of the City include the Water

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Fund, Wastewater Fund, Airport Fund, Waterfront Fund, Solid Waste Fund, Downtown Parking Fund, Clean Energy Fund, and Golf Fund.

SUMMARY OF REVENUES & EXPENSES							
For the Nine Months Ended March 31, 2023 Fiscal Year 2023							
ENTERPRISE FUNDS							
	Current Year Analysis FY2023				Encumbered	Prior Year FY2022	
	Annual Budget	YTD Actual	Projected Year End	YTD Percent		YTD Actual	% Variance
Solid Waste Fund							
Revenues	\$34,272,920	\$25,802,740	\$34,838,346	75.3%	\$0	\$24,973,830	3.3%
Expenses	35,032,808	23,915,706	33,890,862	68.3%	924,742	21,331,690	12.1%
Add / (Use) Reserves	(\$759,888)	\$1,887,033	\$947,484		(\$924,742)	\$3,642,140	
Water Fund							
Revenues	70,492,814	51,903,459	69,842,114	73.6%	0	50,296,311	3.2%
Expenses	71,954,226	46,195,188	68,701,712	64.2%	4,823,257	47,886,910	-3.5%
Add / (Use) Reserves	(\$1,461,412)	\$5,708,271	\$1,140,402		(\$4,823,257)	\$2,409,401	
Wastewater Fund							
Revenues	27,441,554	20,165,426	27,188,918	73.5%	0	19,027,755	6.0%
Expenses	28,242,939	19,083,646	27,747,924	67.6%	1,211,683	18,357,815	4.0%
Add / (Use) Reserves	(\$801,385)	\$1,081,779	(\$559,006)		(\$1,211,683)	\$669,940	
Downtown Parking Fund							
Revenues	10,616,997	7,395,703	9,879,330	69.7%	0	5,037,010	46.8%
Expenses	10,749,896	7,385,986	10,219,549	68.7%	844,868	5,781,915	27.7%
Add / (Use) Reserves	(\$132,899)	\$9,717	(\$340,219)		(\$844,868)	(\$744,905)	
Clean Energy Fund							
Revenues	34,000,000	24,966,910	43,000,669	73.4%	0	5,130,569	100.0%
Expenses	33,480,425	25,171,335	38,711,007	75.2%	1,243,866	5,045,319	398.9%
Add / (Use) Reserves	\$519,575	(\$204,425)	\$4,289,662		(\$1,243,866)	\$85,250	
Airport Fund							
Revenues	27,185,151	18,750,192	26,999,111	69.0%	0	23,641,680	-20.7%
Expenses	30,513,124	18,547,996	25,129,155	60.8%	2,684,510	18,739,152	-1.0%
Add / (Use) Reserves	(\$3,327,973)	\$202,196	\$1,869,956		(\$2,684,510)	\$4,902,528	
Golf Fund							
Revenues	4,042,489	2,938,237	4,089,865	72.7%	0	2,860,096	2.7%
Expenses	3,499,658	2,178,339	3,496,494	62.2%	1,129,957	2,060,587	5.7%
Add / (Use) Reserves	\$542,831	\$759,898	\$593,371		(\$1,129,957)	\$799,509	
Waterfront Fund							
Revenues	17,036,131	14,062,765	17,930,528	82.5%	0	13,207,764	6.5%
Expenses	19,277,251	13,336,210	17,927,843	69.2%	959,765	11,571,647	15.2%
Add / (Use) Reserves	(\$2,241,119)	\$726,555	\$2,685		(\$959,765)	\$1,636,117	

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

Summary of Revenues & Expenses, Enterprise Funds

Solid Waste Fund

The Solid Waste Fund accounts for refuse revenues received from customers, payments remitted to the trash hauler, and franchise and recycling fees paid by hauler that are used for recycling programs in the City. Solid Waste Revenues are at \$25.8 Million at the end of Q3, which aligns with targeted budget. Much of this revenue source is related to Solid Waste service charges (\$25.3 Million). The Solid Waste Fund is 3.3% ahead of the prior year's revenues when comparing the same period (first nine months). Expenditures are \$23.9 Million (68.3% of its budget). Staff project to be below budget largely due Marborg compensation, salaries/benefits, and some savings related to professional services. Solid Waste is anticipating increased revenues as the

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result of higher-than-expected return of excess County landfill reserves, solid waste rate revenue, and interest income revenue.

Water Fund

The Water Fund accounts for the provisions of water services to the residents of the City and some residents of the County. Through the first nine months of FY 2023, Water Fund revenues have totaled approximately \$51.9 Million, or 73.6% of its adopted budget, which includes anticipated seasonal variance in revenues related to higher water demand in summer months. Due to recent storm events, there was a slight shift in water use and because of this, staff anticipate a decrease of 3.8% in rate revenue by year end.

Expenditures ended Q3 at 64.2% of its annual budget, excluding encumbrances, or approximately \$46.2 Million. Encumbrances (committed actuals) of \$4.8 Million bring expenditures up to 70.9% of annual budget, which includes contracted services to be expended throughout the year. Largely due to vacancies and Special Projects (emergency pumping barge), staff anticipates expenditures to be under budget by \$3.3 Million. Given the plentiful rainfall this year staff are no longer anticipating the need to purchase water this year.

Wastewater Fund

The Wastewater Fund accounts for the provision of sewer services to the residents of the City and some residents of the County. Q3 revenues are on target at \$20.2 Million (73.5% of its annual budget). Only a portion of Wastewater rates depend on water usage, which explains why there is less variability in Wastewater rate revenue when compared to Water rate revenue. Various other revenue sources such as interest income, sewer tap fees, pre-treatment analysis, and Fats-Oils-Grease (FOG) disposal fees experienced small variances that contributed to the overall balance of revenues.

Expenditures are below budget at \$19.1 Million (67.6% of its annual budget). Encumbrances of \$1.2 Million bring expenditures up to 71.9% of annual budget. The timing of payments for services and/or obligations account for most variances seen at Q3. Staff turnover continues to drive savings, as does lower than anticipated contracted lab support, reduction in facilities maintenance, and reduced participation in the video assistance program.

Downtown Parking Fund

Downtown Parking Fund accounts for the provision of parking services in the downtown area of the City. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, billing and collection of fees, capital acquisition, construction, and financing and related debt service. At Q3, actual revenues for Downtown Parking are approximately \$7.4 Million or 69.7% of its annual budget. Service charges are down slightly, mainly due to difficulty staffing hourly lots for self-service in the mornings and decreased demand. Increased hourly parking fees coupled with minimal on-street enforcement may encourage street parking; the decrease in service charges is partially offset by increased monthly parking revenue. Other revenue factors include the Parking and Business Improvement Area (PBIA) assessment exceeding projected budget by nearly \$144,000, due to stronger business activity Downtown. Conversely, Intergovernmental revenue had a shortfall of approximately \$41,000 due to staffing shortages within the Crossing Guard Program.

Overall expenditures for Q3 are \$7.4 Million, or 68.7% of its annual budget. Continued vacancies, including a Parking Supervisor, Parking Resources Specialist, and Parking Maintenance Coordinator, contribute to much of these savings. Savings in Supplies and Services, and Special Projects are mainly due to unspent encumbrances of approximately \$844,868 that are anticipated

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to be largely expended by year end. Additional savings are anticipated related to the PBIA assessment study that remains on hold because changes to the State Street Promenade make it difficult to assess the benefits to Downtown businesses based on proximity to the parking facilities.

Clean Energy Fund

The Clean Energy Fund accounts for the cost to procure clean and renewable electricity on behalf of the Santa Barbara Community. The Santa Barbara Clean Energy Fund began operation in October 2021 and started receiving revenue in Q2 FY 2022. Revenues are typically recorded one-month in arrears, so while a typical Q3 report would have nine months of activity, this report only contains eight months of activity. Through eight months, revenues are approximately 75% of budget, which is trending above projection. The energy rates that SBCE charges customers are tied to the rates that Southern California Edison (SCE) charges customers (a slight 1.6 cent per kilowatt-hour premium above the SCE rate). SCE's rates can change throughout the year, and recently, SCE instituted a substantial rate increase in February and plans another increase to go into effect June 2023. This will result in SBCE's projected revenues surpassing its budgeted revenues perhaps by as much as \$9.0 Million.

Expenditures for the SBCE Fund through Q3 are approximately \$25.2 Million or 75.2% of the budget. There has been significant volatility in the cost of energy in the open market, which led to large one-time increases in September and December. At this point, staff believe expenditures at year end will surpass the budget by roughly \$5.2 Million. The combined effect of the increases in revenue and expenditures means that SBCE is projected to enjoy a significant positive variance at year end, which will help bolster reserves of this young fund.

Airport Fund

The Airport Fund accounts for the operation of the municipal airport and the administration of leases of airport property. The Airport Department continues to see a sustained level of commercial airline passenger activity since the beginning of summer in June 2022. Commercial passenger counts hit a new monthly record of 120,000 in October 2022 and just saw the highest February passenger count ever with 96,000 monthly passenger count. Weather related and technical nationwide issues with Southwest Airlines contributed to the sharp decline in December and January passenger counts. Commercial/industrial lease revenue is behind projection due to unfilled Property Division vacancies needed to support necessary workload, but terminal revenue sources show positive trend (ground transportation, rental cars, and parking). Commercial Aviation revenue is trending below budget but should be closer to budget by fiscal year end. Total revenue collected through March 31, 2023, is approximately \$18.8 Million or 69% of its annual budget.

Total Airport expenses of \$18.5 Million and \$2.7 Million in encumbrances encompass 69.6% of its annual budget. The airport is actively recruiting to fill vacancies to ensure operational needs are met. The Airport is seeking additional appropriations to support the Parking Program, which has grown into the Airport's largest revenue source. They are also seeking authorization to reprogram existing appropriations to support the replacement of two terminal boilers, HVAC system repair, and internet fiber installation.

Golf Fund

The Golf Course Fund accounts for the operation of the municipal golf course. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, capital acquisition and construction, financing and related debt service, and billing and collection of fees. At Q3, actual Golf revenues are \$2.9 Million

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or 72.7% of its annual budget. Paid rounds and concession performance are projected to exceed budget this fiscal year. Despite the rainy weather experienced in Q3, the golf course is experiencing high use of the facility and is on target to achieve 64,295 paid rounds of golf which is 2% (1,679 rounds) ahead of budget. Mulligans, the golf course restaurant concessionaire, continues to perform well as the department projects 9.6% in additional revenue above budget. As a result of achieving budget, the City anticipates that the operator will receive an incentive fee for a third consecutive year.

Expenditures at Q3 are \$2.2 Million (62.2% of annual budget), which is consistent with projected levels. Encumbrances of \$1.1 Million for contracted services will be spent by the end of the fiscal year. The Department requests to utilize \$412,399 of Golf Fund Reserves to pay the Golf Safety Improvement Master Plan Loan in full. The current amount of revenue in the Golf Fund reserves is \$1.5 Million above Reserve Policy requirements, and the Department is projected to return \$593,371 to the Reserve by the end of FY 2023.

Waterfront Fund

The Waterfront Fund accounts for the operation of the City managed waterfront that includes a public wharf, a small craft harbor, and parking facilities. Waterfront's revenues and expenditures for Q3 of FY 2023 show signs of business recovery. Actual revenues for Q3 are \$14.1 Million or 82.5% of its annual budget. Slip Permit Transfer Fees are down 23.75% when compared to the prior year. A total of 63 transfers took place in Q3 representing \$890,775 in revenue. Commercial and Food Service Lease revenues (including both Stearns Wharf and the Harbor) are both up compared to last year. Parking revenue is up approximately 11.62% (\$305,422) versus last year. Staff are projecting to exceed FY 2023 budgeted revenues by nearly \$895,000 or 5%.

Actual expenditures for Q3 are \$13.3 Million (69.2% of annual budget) and encumbrances are \$959,765, collectively representing 74.2% of the Waterfront's total annual budget. Salaries and Benefits finished slightly below budget for Q3. The savings are the result of numerous positions being held vacant. As of March 31, 2023, Waterfront operations are forecasting expenditure savings of over \$1,350,000.

The Waterfront Department incurred approximately \$2.5 Million in costs because of the January 2023 storms and swell events. As a result, the Department made use of reserves to cover these costs and acted quickly to make repairs and cleanup. As an Emergency Declaration was declared at the Federal, State, and Local levels, it is the intent of the Waterfront to go after all available reimbursement funding options. The Waterfront is actively working with other City departments and the City's Emergency Services Manager to seek reimbursement from FEMA.

Enterprise Operating Funds: Year-End Projected Reserves

The *Enterprise Operating Funds, Reserves* table below summarizes the anticipated impact on reserves in each major enterprise fund at the end of FY 2023 compared to policy reserve targets.

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Enterprise Operating Funds	FY2022 Policy Reserves	FY2022 Available Reserves	FY2023 Projected Add (Use) of Reserves	FY2023 Projected Available Reserves
Solid Waste	5,174,504	2,441,640	947,484	3,389,124
Water	32,648,426	15,106,164	1,140,402	16,246,566
Wastewater	11,112,046	658,121	(559,006)	99,115
Downtown Parking	2,784,756	58,443	(340,219)	(281,776)
Clean Energy	8,306,226	(9,694,992)	4,289,662	(5,405,330)
Airport	7,632,879	5,403,913	1,869,956	7,273,869
Golf	969,828	1,546,063	593,371	2,139,434
Waterfront	3,932,918	4,207,206	2,685	4,209,891

Enterprise Operating Funds, Reserves

For FY 2023, all enterprises aside from Clean Energy and Downtown Parking, are anticipated to have a funded position. It was mentioned Q2 that the Clean Energy fund would propose a reserve policy, this occurred and was adopted December 8, 2022, by Resolution No. 22-126. This policy noted that the Solid Waste and Clean Energy Enterprise Operating Funds shall utilize the contingency reserve to buffer a significant loss in revenue or the impacts of significant rate increases, and the use of these reserves should be considered one-time revenue as future rates will need to be adjusted to address any ongoing expense increases.

Interdepartmental Services Operating Fund Revenues and Expenses

The City has established internal service funds for centralized services that provide support across most or all funds and departments. These functions primarily include Fleet, Facilities, Risk Management, Creeks, and Information Technology. The interim quarterly reports would typically not discuss in detail major changes in the City’s internal services departments and funds, as major changes typically do not occur during the year.

Self-Insurance Fund

The City purchases insurance policies to cap its exposure to loss for specific hazards. The SIF accumulates revenues through an annual allocation from departments as an expenditure to each department. The SIF then funds the program’s annual renewals for insurance coverage for claims that may arise, and to cover salaries/benefits of staff administering the program.

The SIF has had and is projected to have challenges in receiving adequate annual allocations to the fund from operating departments and not having adequate reserves in the fund to pay future claims. The cost to the City to retain existing property, excess general liability, and other insurance programs has increased substantially over the years. Liability coverage has become more expensive across the nation due to various substantial claims; notable claims related to law enforcement and droughts and wildfires in the Western United States and California included.

The adopted budget included additional allocations into the SIF to begin to increase reserves to achieve the actuarial recommended level over the next nine years. Expenditures of \$10.1 Million represent 71% of total budgeted expenditures through Q3; however, multiple, active claims and other litigation will result in claim payments by the end of FY 2023. Staff anticipate total claim payments to exceed the expenditure budget in FY 2023. Staff will monitor claim payment activity and will likely request a budget adjust during Q4 to increase expenditure appropriation by using reserves.

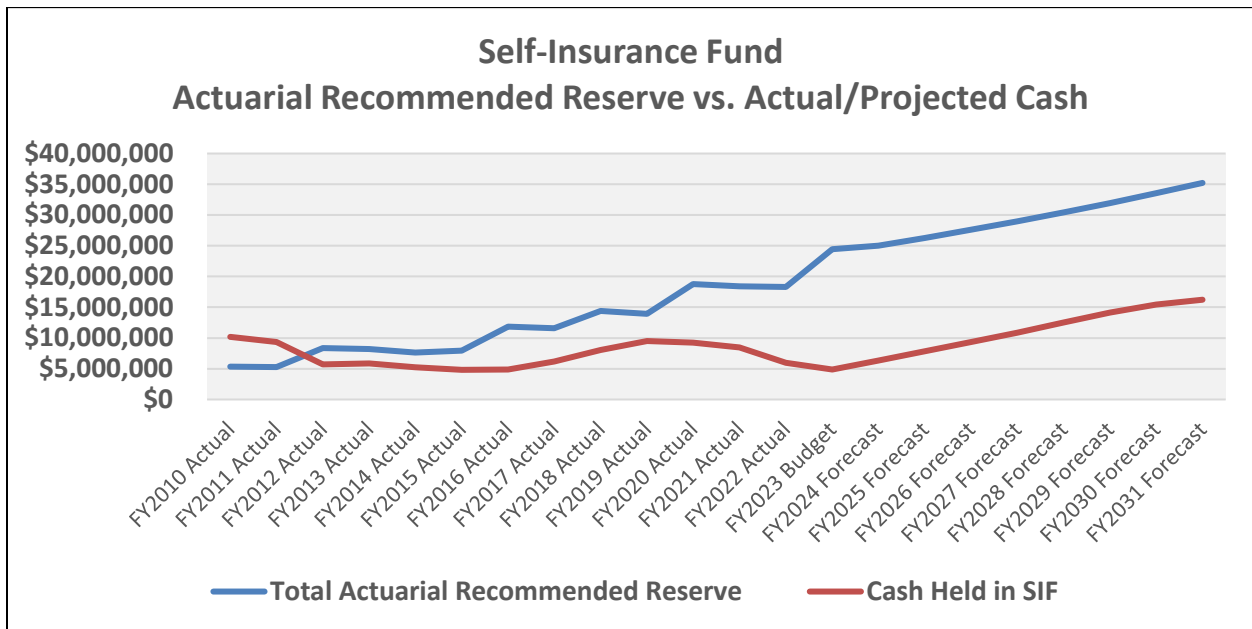
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The most current actuarial report recommended a SIF balance of \$24.1 Million by the end of FY 2023, a \$5.8 Million increase from the prior fiscal year.

On November 16, 2021, staff presented an overview to the Finance Committee of major changes anticipated in the insurance industry, budget considerations for FY 2022 and FY 2023, and substantial increases to operating department allocations into the SIF to ensure ongoing premium and claim payments costs can be met, and adequate reserves are achieved. The Finance Committee unanimously supported implementing a plan to gradually increase allocations into the SIF over the next nine fiscal years to achieve target reserves at or near the actuarial recommended level. Staff built these allocation increases into the FY 2023 budget.

Staff proposed a \$4.0 Million transfer from the General Fund into the SIF by the end of FY 2023. This action was adopted during Q2 and will help stabilize the SIF reserves further to fund the City's insurance programs and reduce future funding challenges.

The graph below, *Self-Insurance Fund, Actuarial Recommendation*, shows the actuarial recommended reserve, the actual/projected cash in the SIF over the past 12 years, and the gradual/substantial reduced reserve levels in recent years.



Self-Insurance Fund, Actuarial Recommendation

City of Santa Barbara
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Schedule of Proposed Third Quarter Budget Adjustments

	Increase (Decrease) in Appropriations	Increase (Decrease) in Estimated Revenues	Addition to (Use of) Reserves
GENERAL FUND (Fund 1000)			
Repurpose existing appropriations of \$57,249 in ARPA Covid testing for Employee Wellness Program.	\$ (57,249)	\$ -	\$ 57,249
	\$ 57,249	\$ -	\$ (57,249)
Increase/decrease appropriations to transfer out of \$823,566 from the Community Development General Fund from salary & benefit savings to the General Plan Update Fund (1030). The General Plan Update Fund has a negative cash balance as a result of expenditures incurred during the last General Plan update. The transfer will resolve the negative cash balance.	\$ (823,566)	\$ -	\$ 823,566
	\$ 823,566	\$ -	\$ (823,566)
			\$ -
Increase revenue and expense appropriation; new contract with Sanctuary Centers to stage construction materials at Spencer Adams Parking lot	\$ 6,760	\$ 6,760	\$ -
Total General Fund (1000)	\$ 6,760	\$ 6,760	\$ -
GPU 1030 Fund (Fund number 1030)			
Approve a transfer in of \$823,566 from the Community Development General Fund to the General Plan Update Fund (1030). The General Plan Update Fund has a negative cash balance as a result of expenditures incurred during the last General Plan update. The transfer will resolve the negative cash balance.	\$ -	\$ 823,566	\$ 823,566
Total GPU 1030 Fund (Fund number 1030)	\$ -	\$ 823,566	\$ 823,566
SPECIAL REVENUE FUNDS			
FEMA Disaster Fund (2707)			
Increase appropriations for remaining litigation expenses related to the business interruption insurance claim related to the Thomas Fire.	\$ 15,000		\$ (15,000)
Total FEMA Disaster Fund (2707)	\$ 15,000	\$ -	\$ (15,000)
FEMA COVID-19 Fund (2709)			
Increase estimated revenues in FEMA reimbursements and increase appropriations in professional services by \$15,000 for FEMA Disaster Fund for final AG Witt invoices related to cost recovery efforts	\$ 15,000	\$ 15,000	\$ -
Total FEMA COVID-19 Fund (2709)	\$ 15,000	\$ 15,000	\$ -
Parks and Recreation Miscellaneous Grants Fund (2860)			
Increase revenue and expense appropriation for final disbursement of Hann Trust	\$ 2,836	\$ 2,836	\$ -
Total Parks and Recreation Miscellaneous Grants Fund (2860)	\$ 2,836	\$ 2,836	\$ -

SPECIAL REVENUE FUNDS (Continued)	Increase (Decrease) in Appropriations	Increase (Decrease) in Estimated Revenues	Addition to (Use of) Reserves
Capital Outlay Fund (3000)			
Move \$100,000 in ARPA appropriations from Eastside Neighborhood Park Community Garden Project to fund the Plaza Del Mar Band Shell Project	\$ (100,000)	\$ -	\$ 100,000
	\$ 100,000	\$ -	\$ (100,000)
Move \$125,000 in ARPA appropriations from Oak Park Dance Floor replacement to fund the Plaza del Mar Bandshell.	\$ (125,000)	\$ -	\$ 125,000
	\$ 125,000	\$ -	\$ (125,000)
Move \$175,000 in ARPA appropriations from Park Major Turf & Irrigation Renewal to fund the Plaza del Mar Bandshell.	\$ (175,000)	\$ -	\$ 175,000
	\$ 175,000	\$ -	\$ (175,000)
Total Capital Outlay Fund (3000)	\$ -	\$ -	\$ -
Measure C Capital Fund (3010)			
The FY2023 Measure C budget includes appropriations for the annual debt service payment for the new Police Building. The timeline has extended, and the first debt issuance payment is not anticipated until FY2025. So the FY2023 expenditure appropriation can be deappropriated. Staff has programmed these funds in the City Administrator's FY2024 recommended budget.	\$ (4,168,880)	\$ -	\$ 4,168,880
Allocate existing expenditure appropriations of \$30,000 from the Measure C Overlays project, which is experiencing savings with projects coming in under budget, to the Modoc Multiuse Path Extension to supplement the project for overlay and paving expenses that are higher than projected.	\$ (30,000)	\$ -	\$ 30,000
	\$ 30,000	\$ -	\$ (30,000)
Allocate existing expenditure appropriations of \$600,000 from the Measure C Overlays project, with savings from projects coming in under budget, to the De La Vina at Vernon St. Bridge project to supplement real property acquisition expenses this fiscal year.	\$ (600,000)	\$ -	\$ 600,000
	\$ 600,000	\$ -	\$ (600,000)
Move expenditure appropriations in the Measure C Capital Fund already appropriated for equipment purchases, to allocate funds for a new paving roller for ongoing production paving projects.	\$ (101,385)	\$ -	\$ 101,385
	\$ 101,385	\$ -	\$ (101,385)
Total Measure C Capital Fund (3010)	\$ (4,168,880)	\$ -	\$ 4,168,880
Streets Grant Capital Fund (3410)			
Increase revenue and expenditure appropriations for the newly awarded Las Positas Rd and Stanley Drive project, funded by Highway Safety Improvement Program grant funds, for the preliminary engineering phase of the intersection of Las Positas and Stanley Drive to replace rectangular rapid flash beacons, intersection lighting, and pedestrian refuge island.	\$ 90,000	\$ 90,000	\$ -
Increase revenue and expenditure appropriations for the newly awarded grant for the De La Vina & Valerio project, funded by Highway Safety Improvement Program grant funds, for the preliminary engineering phase of the intersection of De La Vina and Valerio for curb extensions, signs, and markings to increase pedestrian visibility.	\$ 13,500	\$ 13,500	\$ -
Increase revenue and expenditure appropriations for the Mission and State Lighting Project, funded by Highway Safety Improvement Program, for the Preliminary Engineering phase to cover the additional cost of lighting for dedicated turn lanes on southbound State Street at Mission Street.	\$ 20,000	\$ 20,000	\$ -
Increase revenue and expenditure appropriations in the amount of \$1,236,764 for the Carpinteria Street Bridge Replacement Project, funded by Highway Bridge Program funds, for the preliminary engineering and right of way phases.	\$ 1,236,764	\$ 1,236,764	\$ -
Increase revenue and expenditure appropriations for the Westside and Lower Westside Neighborhood Active Transportation Plan Implementation, funded by newly awarded Active Transportation Program grant funds, for the Project Approval & Environmental Documents phase to provide active transportation routes to disadvantaged school and completes network gaps.	\$ 1,925,000	\$ 1,925,000	\$ -
Increase revenue and expenditure appropriations in the Milpas Street Crosswalk Safety and Sidewalk Widening Project, funded by the newly awarded Active Transportation Program grant funds, for the Project Approval & Environmental Documents phase that will create a safe corridor for active transportation users by widening sidewalks, installing curb extensions, lighting, and accessibility at intersections.	\$ 1,000,000	\$ 1,000,000	\$ -

	Increase (Decrease) in Appropriations	Increase (Decrease) in Estimated Revenues	Addition to (Use of) Reserves
SPECIAL REVENUE FUNDS (Continued)			
Increase revenue and expenditure appropriations for the Cliff Drive, Urban Highway to Complete Street, Transformation Project, funded by the newly awarded Active Transportation Program grant funds, for the Project Approval & Environmental Documents phase to construct a 3.1 mile long multiuse path and 11 new crosswalks along Cliff Drive.	\$ 1,920,000	\$ 1,920,000	\$ -
Total Streets Grant Capital Fund (3410)	\$ 6,205,264	\$ 6,205,264	\$ -
ENTERPRISE FUNDS			
Water Operating Fund (5000)			
Increase expenditure appropriations in the amount of \$2,000,000 from the Water Fund Reserves to transfer to the Water Capital Fund for a contract change order for the Desal Conveyance, to cover additional work outside of the original contract caused by unforeseen underground conditions.	\$ 2,000,000	\$ -	\$ (2,000,000)
Increase expenditure appropriations in the amount of \$50,000 from the Water Fund reserves to transfer to the Water Capital Fund, for additional costs incurred in the Ground Water Development project due to the restart of the Aquifer Storage Recovery Pilot project.	\$ 50,000	\$ -	\$ (50,000)
			\$ -
Total Water Operating Fund (5000)	\$ 2,050,000	\$ -	\$ (2,050,000)
Water Capital Fund (5010)			
Increase revenue and expenditure appropriations in the amount of \$2,000,000 for a contract change order for the Desal Conveyance main contractor, funded from Water Fund reserves, to cover additional work outside of the original contract caused by unforeseen underground conditions.	\$ 2,000,000	\$ 2,000,000	\$ -
Increase revenue and expenditure appropriations in the amount of \$50,000, funded from the Water Fund reserves, for additional costs incurred in the Ground Water Development project due to the restart of the Aquifer Storage Recovery Pilot project.	\$ 50,000	\$ 50,000	\$ -
Reduce existing expenditure appropriations in the Main Replacement project due to staffing shortages, and allocate the funds to the Main Replacement reserve for future water main replacement efforts.	\$ (5,126,432)	\$ -	\$ 5,126,432
Total Water Capital Fund (5010)	\$ (3,076,432)	\$ 2,050,000	\$ 5,126,432
Wastewater Operating Fund (5100)			
Increase expenditure appropriations in the amount of \$500,000 from the Wastewater Operating Fund reserves to transfer to the Wastewater Capital Fund to cover the cost of increasing material costs and the additional cost of contractor support resulting from staff shortages.	\$ 500,000	\$ -	\$ (500,000)
Total Wastewater Operating Fund (5100)	\$ 500,000	\$ -	\$ (500,000)
Wastewater Capital Fund (5110)			
Increase revenue and expenditure appropriations in the amount of \$500,000 for the Sanitary Sewer Overflow Compliance program, funded from Wastewater Operating Fund reserves, to cover the cost of increasing material costs and the additional cost of contractor support resulting from staff shortages.	\$ -	\$ 500,000	\$ 500,000
	\$ 500,000	\$ -	\$ (500,000)
Total Wastewater Capital Fund (5110)	\$ 500,000	\$ 500,000	\$ -
SB Clean Energy Fund (5500)			
Increase estimated revenues and appropriations by \$5,500,000. Electrical Energy Costs - the volatility in the price of electrical energy in the spot energy markets means SBCE has experienced significant increases in cost, and necessitates additional appropriations. Midyear rate increases anticipated means those additional appropriations will be covered by increased estimated revenues.	\$ 5,500,000	\$ 5,500,000	\$ -
Total SB Clean Energy Fund (5500)	\$ 5,500,000	\$ 5,500,000	\$ -
Golf Course Fund (5600)			
Increase appropriations from reserves to pay off the Golf Fund Safety Improvement Master Plan loan to the General Fund.	\$ 412,399	\$ -	\$ (412,399)
Total Golf Course Fund (5600)	\$ 412,399	\$ -	\$ (412,399)

ENTERPRISE FUNDS (Continued)	Increase (Decrease) in Appropriations	Increase (Decrease) in Estimated Revenues	Addition to (Use of) Reserves
Airport Operating Fund (5700)			
Appropriate \$120,000 from reserves to support the parking program.	\$ 120,000	\$ -	\$ (120,000)
Reprogram existing appropriations from the Terminal Expenses Project to the Lessee Building Maintenance Project and appropriate an additional \$67,242 transfer from reserves.	\$ 67,242	\$ -	\$ (67,242)
Increase appropriations and estimated revenues by \$53,000 from a transfer in from the Capital fund for the internet fiber installation.	\$ 53,000	\$ 53,000	\$ -
Total Airport Operating Fund (5700)	\$ 240,242	\$ 53,000	\$ (187,242)
Airport Capital Fund (5710)			
Appropriate \$67,242 from a transfer in from the Airport Operating Fund to the Lessee Building Maintenance Project.	\$ 67,242	\$ -	\$ (67,242)
	\$ -	\$ 67,242	\$ 67,242
Increase/Decrease appropriations by \$53,000 to transfer out to the Operating Fund for the internet fiber installation.	\$ (53,000)	\$ -	\$ 53,000
	\$ 53,000	\$ -	\$ (53,000)
Total Airport Capital Fund (5710)	\$ 67,242	\$ 67,242	\$ -
Waterfront Operating Fund (5800)			
Use of operating reserves to transfer to the capital fund for the boat replacement program	\$ 100,000	\$ -	\$ (100,000)
Total Waterfront Operating Fund (5800)	\$ 100,000	\$ -	\$ (100,000)
Waterfront Capital Fund (5810)			
Use of operating reserves to transfer to the capital fund	\$ 100,000	\$ 100,000	\$ -
Total Waterfront Capital Fund (5810)	\$ 100,000	\$ 100,000	\$ -
INTERNAL SERVICE FUNDS			
Self Insurance Fund (6100)			
Increase expenditure appropriation for General Liability claim payments projected through the end of FY2023 using available Self-Insurance Fund reserves.	\$ 550,000		\$ (550,000)
Increase expenditure appropriation for Worker's Compensation claim payments projected through the end of FY2023 using available Self-Insurance Fund reserves.	\$ 500,000		\$ (500,000)
Total Self Insurance Fund (6100)	\$ 1,050,000	\$ -	\$ (1,050,000)
Fleet Replacement Fund (6410)			
Increase revenue and expenditure appropriations in the Fleet Replacement Fund, funded by an allocation in the Measure C Capital Fund already appropriated for equipment purchases, to purchase a new paving roller for ongoing production paving projects.	\$ 101,385	\$ 101,385	\$ -
Total Fleet Replacement Fund (6410)	\$ 101,385	\$ 101,385	\$ -