



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 28, 2023
TO: Mayor and Councilmembers
FROM: Accounting Division, Finance Department
SUBJECT: Fiscal Year 2023 Second-Quarter Review

RECOMMENDATION: That Council:

- A. Receive a report from staff on the status of revenues and expenditures in relation to budget for the six months ended December 31, 2022;
- B. Accept the Fiscal Year (FY) 2023 Interim Financial Statements for the six months ended December 31, 2022; and
- C. Approve proposed Second Quarter (Q2) adjustments to FY 2023 appropriations and estimated revenues as detailed in the attached schedule of Proposed Q2 adjustments.

DISCUSSION:

Each month, staff present interim financial statements (Attachment 1) showing the status of revenues and expenditures in relation to 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 Q2 budget analysis, staff bring forward recommended adjustments for City Council approval. These adjustments are 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 Million was implemented and allocated amongst all General Fund departments. Staff reviewed and consolidated Q2 revenue and expenditure adjustments into the Q2 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 Q2. The total adopted revenue budget is \$184.6 Million, and the total adopted expenditure budget is \$185.7 Million, resulting 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 Q2	FY2023 Projection
Revenues	\$184,618,453	\$184,575,308	\$94,679,671	\$195,002,373
Expenditures	185,678,749	192,031,393	89,640,301	191,605,071
Surplus/(Deficit)	(\$1,060,296)	(\$7,456,085)	\$5,039,370	\$3,397,302
50% Surplus to Pensions				(1,698,651)
Revised Surplus to Reserves				\$1,698,651

Staff anticipate continued economic recovery from the impacts of COVID-19, which aligns with sales/use tax and transient occupancy tax 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. In addition to the General Fund reduction target of \$1 Million, additional expenditure savings are likely to be realized due to the continuation of high vacancy rates.

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 third quarter report to address material economic changes.

- ATTACHMENTS:**
1. Summary by Fund Statement of Revenues and Expenditures for Six Months Ended December 31, 2022
 2. Interim Financial Statements for Six Months Ended December 31, 2022 (Narrative Analysis)
 3. Schedule of Proposed Second 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 Six Months Ended December 31, 2022 (50% 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	184,575,308	94,679,671	3,005	89,898,641	51.3%	89,411,508
Expenditures	<u>192,031,393</u>	<u>89,640,301</u>	<u>4,784,666</u>	97,606,426	49.2%	<u>86,317,420</u>
<i>Addition to / (use of) reserves</i>	<u>(7,456,086)</u>	<u>5,039,370</u>	<u>(4,787,671)</u>			<u>3,094,089</u>
SOLID WASTE FUND (page 9)						
Revenue	34,272,920	17,318,975	-	16,953,945	50.5%	16,863,260
Expenditures	<u>34,875,857</u>	<u>15,722,318</u>	<u>628,516</u>	18,525,023	46.9%	<u>14,042,511</u>
<i>Addition to / (use of) reserves</i>	<u>(602,937)</u>	<u>1,596,656</u>	<u>(628,516)</u>			<u>2,820,749</u>
WATER OPERATING FUND (page 10)						
Revenue	70,492,814	37,870,190	-	32,622,624	53.7%	35,462,815
Expenditures	<u>70,942,295</u>	<u>30,709,299</u>	<u>6,091,204</u>	34,141,792	51.9%	<u>34,618,975</u>
<i>Addition to / (use of) reserves</i>	<u>(449,481)</u>	<u>7,160,891</u>	<u>(6,091,204)</u>			<u>843,840</u>
WASTEWATER OPERATING FUND (page 11)						
Revenue	27,441,554	13,673,547	-	13,768,007	49.8%	12,946,681
Expenditures	<u>28,320,673</u>	<u>11,466,264</u>	<u>1,885,264</u>	14,969,144	47.1%	<u>11,065,596</u>
<i>Addition to / (use of) reserves</i>	<u>(879,119)</u>	<u>2,207,282</u>	<u>(1,885,264)</u>			<u>1,881,085</u>
DOWNTOWN PARKING FUND (page 12)						
Revenue	10,266,997	5,024,080	-	5,242,917	48.9%	3,400,028
Expenditures	<u>10,750,380</u>	<u>4,915,782</u>	<u>1,115,928</u>	4,718,671	56.1%	<u>3,773,357</u>
<i>Addition to / (use of) reserves</i>	<u>(483,383)</u>	<u>108,298</u>	<u>(1,115,928)</u>			<u>(373,329)</u>
AIRPORT OPERATING FUND (page 13)						
Revenue	27,185,151	13,571,376	-	13,613,775	49.9%	12,447,360
Expenditures	<u>30,116,471</u>	<u>11,927,037</u>	<u>3,198,543</u>	14,990,891	50.2%	<u>12,501,998</u>
<i>Addition to / (use of) reserves</i>	<u>(2,931,320)</u>	<u>1,644,339</u>	<u>(3,198,543)</u>			<u>(54,638)</u>
GOLF COURSE FUND (page 14)						
Revenue	3,837,489	2,190,276	-	1,647,213	57.1%	1,976,789
Expenditures	<u>3,294,658</u>	<u>1,501,590</u>	<u>1,489,279</u>	303,790	90.8%	<u>1,390,733</u>
<i>Addition to / (use of) reserves</i>	<u>542,831</u>	<u>688,686</u>	<u>(1,489,279)</u>			<u>586,056</u>
FACILITIES MANAGEMENT FUND (page 15)						
Revenue	6,974,899	3,424,097	-	3,550,802	49.1%	3,050,426
Expenditures	<u>7,277,281</u>	<u>3,388,759</u>	<u>601,627</u>	3,286,896	54.8%	<u>3,177,251</u>
<i>Addition to / (use of) reserves</i>	<u>(302,382)</u>	<u>35,338</u>	<u>(601,627)</u>			<u>(126,825)</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Summary by Fund
For Six Months Ended December 31, 2022 (50% 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	3,761,445	1,782,600	-	1,978,845	47.4%	1,705,676
Expenditures	<u>3,946,635</u>	<u>813,835</u>	<u>1,707,163</u>	1,425,637	63.9%	<u>1,399,521</u>
<i>Addition to / (use of) reserves</i>	<u>(185,190)</u>	<u>968,766</u>	<u>(1,707,163)</u>			<u>306,154</u>
FLEET MAINTENANCE FUND (page 17)						
Revenue	3,226,802	1,630,852	-	1,595,950	50.5%	1,493,772
Expenditures	<u>3,282,043</u>	<u>1,537,973</u>	<u>316,281</u>	1,427,789	56.5%	<u>1,468,457</u>
<i>Addition to / (use of) reserves</i>	<u>(55,241)</u>	<u>92,879</u>	<u>(316,281)</u>			<u>25,315</u>
SELF INSURANCE TRUST FUND (page 18)						
Revenue	13,067,765	6,512,812	-	6,554,953	49.8%	4,898,261
Expenditures	<u>14,203,713</u>	<u>6,328,380</u>	<u>359,879</u>	7,515,453	47.1%	<u>5,533,571</u>
<i>Addition to / (use of) reserves</i>	<u>(1,135,948)</u>	<u>184,432</u>	<u>(359,879)</u>			<u>(635,310)</u>
INFORMATION TECHNOLOGY FUND (page 19)						
Revenue	5,261,982	2,545,892	-	2,716,090	48.4%	2,277,991
Expenditures	<u>5,158,024</u>	<u>2,945,675</u>	<u>58,409</u>	2,153,941	58.2%	<u>2,748,025</u>
<i>Addition to / (use of) reserves</i>	<u>103,958</u>	<u>(399,783)</u>	<u>(58,409)</u>			<u>(470,033)</u>
WATERFRONT OPERATING FUND (page 20)						
Revenue	17,036,131	10,182,239	-	6,853,892	59.8%	8,983,888
Expenditures	<u>19,277,251</u>	<u>9,045,804</u>	<u>860,382</u>	9,371,065	51.4%	<u>7,665,426</u>
<i>Addition to / (use of) reserves</i>	<u>(2,241,119)</u>	<u>1,136,435</u>	<u>(860,382)</u>			<u>1,318,462</u>
SANTA BARBARA CLEAN ENERGY FUND (page 21)						
Revenue	34,000,000	15,769,153	-	18,230,847	46.4%	1,428,751
Expenditures	<u>33,520,235</u>	<u>13,571,505</u>	<u>2,026,487</u>	17,922,244	46.5%	<u>1,151,872</u>
<i>Addition to / (use of) reserves</i>	<u>479,765</u>	<u>2,197,648</u>	<u>(2,026,487)</u>			<u>276,879</u>
ENERGY AND CLIMATE MANAGEMENT FUND (page 22)						
Revenue	2,646,168	1,354,884	-	1,291,284	51.2%	1,354,137
Expenditures	<u>2,997,287</u>	<u>993,859</u>	<u>278,714</u>	1,724,715	42.5%	<u>897,781</u>
<i>Addition to / (use of) reserves</i>	<u>(351,119)</u>	<u>361,025</u>	<u>(278,714)</u>			<u>456,355</u>
TOTAL FOR ALL FUNDS						
Revenue	444,047,425	227,530,644	3,005	216,519,786	51.2%	197,701,344
Expenditures	<u>459,994,198</u>	<u>204,508,381</u>	<u>25,402,341</u>	230,083,476	50.0%	<u>187,752,494</u>
<i>Addition to / (use of) reserves</i>	<u>(15,946,773)</u>	<u>23,022,263</u>	<u>(25,405,346)</u>			<u>9,948,850</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 Six Months Ended December 31, 2022 (50% 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	14,987,420	11,716,622	56.1%	14,591,000	2.7%
Measure C Sales Tax	28,323,342	16,053,612	12,269,730	56.7%	15,347,468	4.6%
Property Taxes	43,250,489	17,874,817	25,375,672	41.3%	14,417,238	24.0%
Utility Users Tax	7,779,112	3,746,722	4,032,390	48.2%	3,805,251	-1.5%
Transient Occupancy Tax	23,583,553	15,961,162	7,622,391	67.7%	14,825,408	7.7%
Business License	2,714,006	669,809	2,044,197	24.7%	1,259,019	-46.8%
Cannabis Excise Tax	1,879,977	655,252	1,224,725	34.9%	925,419	-29.2%
Real Property Transfer Tax	1,328,218	545,078	783,140	41.0%	718,248	-24.1%
<i>Total Tax Revenues</i>	<u>135,562,739</u>	<u>70,493,871</u>	<u>65,068,868</u>	<u>52.0%</u>	<u>65,889,050</u>	<u>7.0%</u>
LICENSES & PERMITS						
Licenses & Permits	159,858	75,757	84,101	47.4%	90,274	-16.1%
<i>Total</i>	<u>159,858</u>	<u>75,757</u>	<u>84,101</u>	<u>47.4%</u>	<u>90,274</u>	<u>-16.1%</u>
FINES & FORFEITURES						
Police	2,358,618	632,915	1,725,703	26.8%	1,467,804	-56.9%
Other Fines & Forfeitures	660,302	308,881	351,421	46.8%	23,773	1199.3%
<i>Total</i>	<u>3,018,920</u>	<u>941,796</u>	<u>2,077,124</u>	<u>31.2%</u>	<u>1,491,577</u>	<u>-36.9%</u>
USE OF MONEY & PROPERTY						
Investment Income	529,185	580,409	(51,224)	109.7%	174,488	232.6%
Rents & Concessions	1,392,631	700,985	691,646	50.3%	391,354	79.1%
<i>Total</i>	<u>1,921,816</u>	<u>1,281,394</u>	<u>640,422</u>	<u>66.7%</u>	<u>565,842</u>	<u>126.5%</u>
INTERGOVERNMENTAL						
Library	905,598	452,799	452,799	50.0%	165,460	173.7%
Fire	1,000,000	310,683	689,317	31.1%	625,004	-50.3%
Other Intergovernmental	709,932	224,686	485,246	31.6%	324,509	-30.8%
<i>Total</i>	<u>2,615,530</u>	<u>988,167</u>	<u>1,627,363</u>	<u>37.8%</u>	<u>1,114,973</u>	<u>-11.4%</u>
FEES & SERVICE CHARGES						
Community Development	6,313,279	3,857,950	2,455,329	61.1%	3,878,013	-0.5%
Parks & Recreation	4,511,330	2,180,675	2,330,655	48.3%	1,920,295	13.6%
Other Service Charges	4,042,475	2,155,611	1,886,865	53.3%	1,625,773	32.6%
<i>Total</i>	<u>14,867,084</u>	<u>8,194,235</u>	<u>6,672,849</u>	<u>55.1%</u>	<u>7,424,081</u>	<u>10.4%</u>
OTHER REVENUES						
Interfund Charges & Reimbursement	11,944,594	5,309,396	6,635,198	44.5%	4,946,606	7.3%
Overhead Indirect Allocations	9,654,155	4,805,190	4,848,965	49.8%	4,493,529	6.9%
Interfund Transfers	592,510	304,150	288,360	51.3%	947,058	-67.9%
Interfund Loans	(24,140)	12,070	(36,210)	-50.0%	12,070	0.0%
Miscellaneous	116,442	238,697	(122,255)	205.0%	358,286	-33.4%
Donations	138,709	34,765	103,944	25.1%	44,789	-22.4%
Franchise Fees	4,007,090	2,000,182	2,006,908	49.9%	2,033,373	-1.6%
<i>Total</i>	<u>26,429,360</u>	<u>12,704,450</u>	<u>13,724,910</u>	<u>48.1%</u>	<u>12,835,711</u>	<u>-1.0%</u>
<i>Subtotal Non-Tax Revenues</i>	<u>49,012,569</u>	<u>24,185,800</u>	<u>24,826,769</u>	<u>49.3%</u>	<u>23,522,458</u>	<u>2.8%</u>
TOTAL REVENUES	<u>184,575,308</u>	<u>94,679,671</u>	<u>89,895,637</u>	<u>51.3%</u>	<u>89,411,508</u>	<u>5.9%</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For Six Months Ended December 31, 2022 (50% 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	1,045,553	489,193	9,936	546,423	47.7%	456,097
ARTS AND COMMUNITY PROMOTIONS	2,324,403	1,314,293	891,842	118,268	94.9%	1,177,243
<i>Total</i>	<u>3,369,956</u>	<u>1,803,486</u>	<u>901,778</u>	<u>664,692</u>	<u>80.3%</u>	<u>1,633,339</u>
<u>City Attorney</u>						
CITY ATTORNEY-ADMINISTRATION	1,050,981	543,025	183,412	324,543	69.1%	501,325
CITY ATTORNEY-ADVISORY	1,510,447	909,902	-	600,545	60.2%	728,416
CITY ATTORNEY-CIVIL LITIGATION	1,433,714	708,541	-	725,174	49.4%	530,594
CITY ATTORNEY-CODE ENFORCEMENT	511,545	239,809	-	271,736	46.9%	245,969
<i>Total</i>	<u>4,506,687</u>	<u>2,401,277</u>	<u>183,412</u>	<u>1,921,997</u>	<u>57.4%</u>	<u>2,006,304</u>
<u>Administration</u>						
CITY ADMINISTRATOR	2,566,441	1,006,058	60,458	1,499,925	41.6%	992,631
CITY TV	729,923	359,070	97,563	273,289	62.6%	298,446
CITY CLERK	721,579	324,926	28,485	368,168	49.0%	369,597
<i>Total</i>	<u>4,017,942</u>	<u>1,690,054</u>	<u>186,506</u>	<u>2,141,382</u>	<u>46.7%</u>	<u>1,660,674</u>
<u>Human Resources</u>						
HUMAN RESOURCES	2,586,521	972,127	33,326	1,581,068	38.9%	860,269
EMPLOYEE RELATIONS	418,693	139,782	76,547	202,364	51.7%	115,950
EMPLOYEE DEVELOPMENT	42,699	5,960	-	36,739	14.0%	2,708
<i>Total</i>	<u>3,047,913</u>	<u>1,117,870</u>	<u>109,873</u>	<u>1,820,171</u>	<u>40.3%</u>	<u>978,926</u>
<u>Finance</u>						
ADMINISTRATION	326,809	155,016	30,881	140,913	56.9%	211,069
REVENUE & CASH MANAGEMENT	773,693	282,770	12,243	478,680	38.1%	270,669
CASHIERING & COLLECTION	636,968	279,876	-	357,092	43.9%	291,894
LICENSES & PERMITS	766,641	267,809	2,942	495,890	35.3%	223,771
BUDGET MANAGEMENT	816,288	438,371	1	377,917	53.7%	281,030
ACCOUNTING	1,141,852	547,948	64,785	529,118	53.7%	486,885
PAYROLL	479,984	246,599	-	233,385	51.4%	248,729
ACCOUNTS PAYABLE	278,278	148,087	-	130,191	53.2%	134,828
CITY BILLING & CUSTOMER SERVICE	833,618	295,369	2,278	535,971	35.7%	302,157
PURCHASING	840,556	411,420	882	428,254	49.1%	431,921
CENTRAL WAREHOUSE	244,738	121,071	-	123,667	49.5%	118,718
MAIL SERVICES	163,466	76,881	2,554	84,031	48.6%	72,531
<i>Total</i>	<u>7,302,891</u>	<u>3,271,215</u>	<u>116,566</u>	<u>3,915,110</u>	<u>46.4%</u>	<u>3,074,201</u>
TOTAL GENERAL GOVERNMENT	<u>22,245,390</u>	<u>10,283,902</u>	<u>1,498,136</u>	<u>10,463,352</u>	<u>53.0%</u>	<u>9,353,444</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For Six Months Ended December 31, 2022 (50% 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	705,819	3,232	381,705	65.0%	926,686
BUSINESS OFFICE	675,625	292,068	3,619	379,938	43.8%	270,081
RECORDS BUREAU	2,142,109	830,334	2,049	1,309,727	38.9%	881,082
STRATEGIC OPERATIONS AND PERSONNEL	1,902,857	968,420	182,303	752,134	60.5%	965,151
PROPERTY ROOM	259,996	134,714	-	125,282	51.8%	102,180
TRAINING, RECRUITMENT AND WELLNESS	2,118,941	825,184	48,452	1,245,305	41.2%	819,352
RANGE AND EQUIPMENT	1,593,310	786,502	19,675	787,132	50.6%	743,329
COMMUNITY & MEDIA RELATIONS	290,304	74,076	-	216,228	25.5%	186,309
INFORMATION TECHNOLOGY/CRIME ANALYSIS	1,757,195	1,030,705	54,418	672,072	61.8%	1,030,268
CRIMINAL INVESTIGATIONS & INTERNAL OP'S	6,238,744	2,863,973	8,419	3,366,352	46.0%	2,705,151
CRIME LAB	170,298	80,028	-	90,271	47.0%	78,682
FIELD OPERATIONS DIVISION	23,352,842	10,571,093	10,307	12,771,442	45.3%	9,417,148
TRAFFIC	772,855	233,561	-	539,293	30.2%	615,608
SPECIAL EVENTS	627,643	435,188	544	191,912	69.4%	444,761
STREET CRIMES UNIT	2,731,971	744,844	-	1,987,127	27.3%	642,277
SPECIAL ENFORCEMENT TEAM	884,466	114,200	-	770,266	12.9%	478,105
PARKING AND STREET SWEEPING	397,555	207,091	-	190,464	52.1%	188,237
PARKING ENFORCEMENT	1,482,760	348,727	100,406	1,033,627	30.3%	461,618
COMBINED COMMUNICATIONS CENTER	3,140,937	1,741,027	-	1,399,910	55.4%	1,690,883
ANIMAL CONTROL	954,668	327,588	117,251	509,829	46.6%	343,012
<i>Total</i>	<u>52,585,829</u>	<u>23,315,139</u>	<u>550,675</u>	<u>28,720,016</u>	<u>45.4%</u>	<u>22,989,920</u>
<u>Fire</u>						
ADMINISTRATION	1,322,186	660,008	476	661,702	50.0%	567,329
EMERGENCY SERVICES AND PUBLIC ED	578,117	221,140	-	356,977	38.3%	246,896
PREVENTION	1,598,680	657,917	525	940,238	41.2%	617,737
WILDLAND FIRE MITIGATION PROGRAM	738,902	180,375	25,565	532,962	27.9%	137,295
OPERATIONS	26,399,047	13,089,936	113,189	13,195,922	50.0%	13,813,090
TRAINING AND RECRUITMENT	1,187,072	406,424	-	780,649	34.2%	327,476
ARFF	3,105,504	1,661,226	-	1,444,277	53.5%	1,550,785
<i>Total</i>	<u>34,929,508</u>	<u>16,877,026</u>	<u>139,755</u>	<u>17,912,727</u>	<u>48.7%</u>	<u>17,260,608</u>
TOTAL PUBLIC SAFETY	<u>87,515,337</u>	<u>40,192,166</u>	<u>690,429</u>	<u>46,632,742</u>	<u>46.7%</u>	<u>40,250,528</u>
PUBLIC WORKS						
<u>Public Works</u>						
ADMINISTRATION	1,522,713	660,621	15,865	846,228	44.4%	629,065
ENGINEERING SVCS	7,039,564	2,940,763	49,627	4,049,174	42.5%	2,889,821
PUBLIC RT OF WAY MGMT	2,092,273	797,517	40,938	1,253,817	40.1%	793,568
ENVIRONMENTAL PROGRAMS	803,356	215,623	183,101	404,632	49.6%	336,560
<i>Total</i>	<u>11,457,906</u>	<u>4,614,524</u>	<u>289,531</u>	<u>6,553,851</u>	<u>42.8%</u>	<u>4,649,015</u>
TOTAL PUBLIC WORKS	<u>11,457,906</u>	<u>4,614,524</u>	<u>289,531</u>	<u>6,553,851</u>	<u>42.8%</u>	<u>4,649,015</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For Six Months Ended December 31, 2022 (50% 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	1,102,673	408,589	20,786	673,297	38.9%	304,845
FACILITIES & SPECIAL EVENTS	1,574,152	771,810	210,745	591,597	62.4%	584,173
YOUTH ACTIVITIES	1,631,330	778,743	17,337	835,249	48.8%	663,405
ACTIVE ADULTS	1,109,737	448,556	9,203	651,979	41.2%	426,738
AQUATICS	2,223,422	1,042,595	151,564	1,029,264	53.7%	1,003,749
SPORTS	856,188	338,930	138,197	379,061	55.7%	320,802
TENNIS	558,388	207,688	152,712	197,989	64.5%	195,748
NEIGHBORHOOD & OUTREACH SERV	1,235,466	544,588	18,279	672,599	45.6%	491,608
ADMINISTRATION	1,249,735	588,194	705	660,836	47.1%	521,683
PROJECT MANAGEMENT TEAM	722,212	320,494	19,291	382,427	47.0%	250,096
PARK OPERATIONS MANAGEMENT	1,043,643	517,544	2,704	523,396	49.8%	312,153
GROUND & FACILITIES MAINTENANCE	5,926,303	2,777,675	110,749	3,037,879	48.7%	2,611,578
FORESTRY	1,607,592	693,762	185,696	728,133	54.7%	694,105
BEACH MAINTENANCE	158,254	49,648	7,723	100,883	36.3%	72,471
MEDIANS PARKWAYS & CONTRACTS	607,447	224,383	94,577	288,487	52.5%	251,199
<i>Total</i>	<u>21,606,542</u>	<u>9,713,200</u>	<u>1,140,267</u>	<u>10,753,075</u>	<u>50.2%</u>	<u>8,704,353</u>
<u>Library</u>						
ADMINISTRATION	932,821	480,265	51,823	400,732	57.0%	326,484
CENTRAL LIBRARY	5,946,744	2,636,259	57,734	3,252,751	45.3%	2,244,404
EASTSIDE LIBRARY	386,328	140,034	1,579	244,715	36.7%	151,933
LIBRARY ON THE GO	192,691	65,072	-	127,618	33.8%	48,224
ADULT EDUCATION	212,056	21,931	-	190,126	10.3%	-
<i>Total</i>	<u>7,670,640</u>	<u>3,343,561</u>	<u>111,136</u>	<u>4,215,942</u>	<u>45.0%</u>	<u>2,771,044</u>
TOTAL COMMUNITY SERVICES	<u>29,277,182</u>	<u>13,056,761</u>	<u>1,251,403</u>	<u>14,969,017</u>	<u>48.9%</u>	<u>11,475,397</u>
COMMUNITY DEVELOPMENT						
<u>Community Development</u>						
ADMINISTRATION	2,014,906	1,010,689	41,092	963,125	52.2%	700,157
RENTAL HOUSING MEDIATION	321,113	157,105	-	164,008	48.9%	148,350
HUMAN SERVICES	862,824	284,067	531,588	47,169	94.5%	348,360
LONG RANGE PLAN & SPEC STUDY	995,328	455,250	308	539,770	45.8%	522,261
DEVEL & ENVIRONMENTAL REVIEW	1,736,654	760,260	14,168	962,226	44.6%	752,270
ZONING INFO & ENFORCEMENT	1,744,050	656,793	17,221	1,070,037	38.6%	685,628
DESIGN REV & HIST PRESERVATION	1,582,720	687,118	3,045	892,556	43.6%	772,165
BLDG INSP & CODE ENFORCEMENT	1,776,300	653,944	81,566	1,040,790	41.4%	890,496
RECORDS ARCHIVES & CLER SVCS	797,593	329,101	39,335	429,156	46.2%	332,495
BLDG COUNTER & PLAN REV SVCS	2,646,010	1,070,806	270,076	1,305,128	50.7%	1,045,508
CODE COMPLIANCE	771,758	270,987	202	500,569	35.1%	-
<i>Total</i>	<u>15,249,256</u>	<u>6,336,122</u>	<u>998,600</u>	<u>7,914,534</u>	<u>48.1%</u>	<u>6,197,688</u>
TOTAL COMMUNITY DEVELOPMENT	<u>15,249,256</u>	<u>6,336,122</u>	<u>998,600</u>	<u>7,914,534</u>	<u>48.1%</u>	<u>6,197,688</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For Six Months Ended December 31, 2022 (50% 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	232,146	8,942	56,566	166,638	28.2%	28,425
<i>Total</i>	<u>232,146</u>	<u>8,942</u>	<u>56,566</u>	<u>166,638</u>	<u>28.2%</u>	<u>28,425</u>
TOTAL SUSTAINABILITY AND RESILIENCE	<u>232,146</u>	<u>8,942</u>	<u>56,566</u>	<u>166,638</u>	<u>28.2%</u>	<u>28,425</u>
NON-DEPARTMENTAL						
<u>Non-Departmental</u>						
ANTICIPATED SALARY SAVINGS	(4,420,842)	-	-	(4,420,842)	0.0%	-
TRANSFERS OUT	858,743	429,371	-	429,372	50.0%	1,536,214
CAPITAL OUTLAY TRANSFER	29,437,026	14,718,513	-	14,718,513	50.0%	12,826,709
APPROP. RESERVE	179,250	-	-	179,250	0.0%	-
<i>Total</i>	<u>26,054,177</u>	<u>15,147,884</u>	<u>-</u>	<u>10,906,293</u>	<u>58.1%</u>	<u>14,362,923</u>
TOTAL NON-DEPARTMENTAL	<u>26,054,177</u>	<u>15,147,884</u>	<u>-</u>	<u>10,906,293</u>	<u>58.1%</u>	<u>14,362,923</u>
TOTAL EXPENDITURES	<u>192,031,393</u>	<u>89,640,301</u>	<u>4,784,666</u>	<u>97,606,426</u>	<u>49.2%</u>	<u>86,317,420</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 Six Months Ended December 31, 2022 (50% 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	92,515	-	152,485	37.8%	112,029
Expenditures	245,000	92,515	-	152,485	37.8%	112,029
<i>Revenue Less Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>
CREEK RESTORATION/WATER QUALITY IMPRVMT						
Revenue	4,845,513	3,303,069	-	1,542,444	68.2%	3,023,889
Expenditures	5,259,431	2,074,665	634,614	2,550,151	51.5%	1,726,044
<i>Revenue Less Expenditures</i>	<u>(413,918)</u>	<u>1,228,404</u>	<u>(634,614)</u>	<u>(1,007,708)</u>		<u>1,297,845</u>
COMMUNITY DEVELOPMENT BLOCK GRANT						
Revenue	1,166,858	157,242	-	1,009,616	13.5%	313,621
Expenditures	2,424,195	291,121	1,022,998	1,110,075	54.2%	576,220
<i>Revenue Less Expenditures</i>	<u>(1,257,337)</u>	<u>(133,879)</u>	<u>(1,022,998)</u>	<u>(100,459)</u>		<u>(262,600)</u>
COUNTY LIBRARY						
Revenue	446,729	152,409	-	294,320	34.1%	2,310
Expenditures	466,874	208,867	13,446	244,561	47.6%	386,801
<i>Revenue Less Expenditures</i>	<u>(20,146)</u>	<u>(56,458)</u>	<u>(13,446)</u>	<u>49,759</u>		<u>(384,491)</u>
STREETS FUND						
Revenue	13,178,081	6,585,842	-	6,592,239	50.0%	6,327,106
Expenditures	13,326,601	6,146,076	303,126	6,877,399	48.4%	5,864,931
<i>Revenue Less Expenditures</i>	<u>(148,520)</u>	<u>439,766</u>	<u>(303,126)</u>	<u>(285,160)</u>		<u>462,176</u>
MEASURE A FUND						
Revenue	5,045,484	2,450,655	-	2,594,829	48.6%	2,190,455
Expenditures	5,059,908	2,090,404	336,007	2,633,497	48.0%	1,899,564
<i>Revenue Less Expenditures</i>	<u>(14,424)</u>	<u>360,251</u>	<u>(336,007)</u>	<u>(38,668)</u>		<u>290,891</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For Six Months Ended December 31, 2022 (50% 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	16,799,990	-	16,916,757	49.8%	15,939,442
Other Fees & Charges	70,000	16,914	-	53,086	24.2%	892,109
Investment Income	44,500	51,861	-	(7,361)	116.5%	15,215
Grants	155,450	155,450	-	-	100.0%	23,211
Miscellaneous	286,223	294,760	-	(8,537)	103.0%	(6,718)
TOTAL REVENUES	<u>34,272,920</u>	<u>17,318,975</u>	<u>-</u>	<u>16,953,945</u>	<u>50.5%</u>	<u>16,863,260</u>
EXPENSES						
Salaries & Benefits	1,776,916	715,729	-	1,061,187	40.3%	747,405
Materials, Supplies & Services	31,341,178	14,521,224	438,008	16,381,946	47.7%	13,205,772
Special Projects	1,366,410	407,422	22,790	936,199	31.5%	51,901
Transfers-Out	50,000	25,000	-	25,000	50.0%	25,000
Capital Outlay Transfers	973	486	-	487	50.0%	973
Equipment	277,960	52,458	167,719	57,784	79.2%	11,459
Other	40,000	-	-	40,000	0.0%	-
Appropriated Reserve	22,420	-	-	22,420	0.0%	-
TOTAL EXPENSES	<u>34,875,857</u>	<u>15,722,318</u>	<u>628,516</u>	<u>18,525,023</u>	<u>46.9%</u>	<u>14,042,511</u>
<i>Revenue Less Expense</i>	<u>(602,937)</u>	<u>1,596,656</u>	<u>(628,516)</u>	<u>(1,571,077)</u>		<u>2,820,749</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For Six Months Ended December 31, 2022 (50% 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	32,826,016	-	27,371,470	54.5%	32,232,158
Service Charges	208,765	138,333	-	70,432	66.3%	164,140
Cater JPA Treatment Charges	2,359,556	809,044	-	1,550,512	34.3%	943,641
Investment Income	901,175	819,461	-	81,714	90.9%	336,994
Reimbursements	6,759,704	3,197,211	-	3,562,493	47.3%	1,195,543
Miscellaneous	66,128	80,125	-	(13,997)	121.2%	454,396
TOTAL REVENUES	<u>70,492,814</u>	<u>37,870,190</u>	<u>-</u>	<u>32,622,624</u>	<u>53.7%</u>	<u>35,462,815</u>
EXPENSES						
Salaries & Benefits	13,981,945	6,267,186	-	7,714,760	44.8%	6,018,326
Materials, Supplies & Services	21,048,760	7,817,866	5,651,339	7,579,555	64.0%	6,186,857
Special Projects	803,622	189,004	326,007	288,611	64.1%	170,411
Water Purchases	11,084,565	3,755,322	-	7,329,243	33.9%	4,415,664
Debt Service	9,221,536	5,533,761	-	3,687,775	60.0%	5,469,967
Capital Outlay Transfers	14,080,186	7,040,093	-	7,040,093	50.0%	12,214,135
Equipment	247,606	26,041	3,391	218,174	11.9%	32,848
Capitalized Fixed Assets	290,275	45,538	110,468	134,269	53.7%	79,292
Other	33,800	34,488	-	(688)	102.0%	31,475
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
TOTAL EXPENSES	<u>70,942,295</u>	<u>30,709,299</u>	<u>6,091,204</u>	<u>34,141,792</u>	<u>51.9%</u>	<u>34,618,975</u>
<i>Revenue Less Expense</i>	<u>(449,481)</u>	<u>7,160,891</u>	<u>(6,091,204)</u>	<u>(1,519,168)</u>		<u>843,840</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 Six Months Ended December 31, 2022 (50% of Fiscal Year)

WASTEWATER 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						
Service Charges	26,609,956	13,187,423	-	13,422,533	49.6%	12,619,422
Fees	584,826	302,627	-	282,199	51.7%	225,194
Investment Income	180,700	155,816	-	24,884	86.2%	67,093
Rents & Concessions	61,072	24,501	-	36,571	40.1%	30,536
Miscellaneous	5,000	3,179	-	1,821	63.6%	4,437
TOTAL REVENUES	<u>27,441,554</u>	<u>13,673,547</u>	<u>-</u>	<u>13,768,007</u>	<u>49.8%</u>	<u>12,946,681</u>
EXPENSES						
Salaries & Benefits	8,562,134	4,088,450	-	4,473,684	47.8%	3,768,220
Materials, Supplies & Services	10,216,367	4,322,860	1,557,784	4,335,723	57.6%	3,894,452
Special Projects	993,283	28,204	325,980	639,099	35.7%	243,411
Debt Service	3,551,087	579,041	-	2,972,046	16.3%	600,166
Capital Outlay Transfers	4,743,055	2,371,527	-	2,371,528	50.0%	2,469,920
Equipment	128,500	18,859	-	109,641	14.7%	45,042
Capitalized Fixed Assets	122,246	55,810	-	66,436	45.7%	42,899
Other	4,000	1,513	1,500	988	75.3%	1,485
TOTAL EXPENSES	<u>28,320,673</u>	<u>11,466,264</u>	<u>1,885,264</u>	<u>14,969,144</u>	<u>47.1%</u>	<u>11,065,596</u>
<i>Revenue Less Expense</i>	<u>(879,119)</u>	<u>2,207,282</u>	<u>(1,885,264)</u>	<u>(1,201,137)</u>		<u>1,881,085</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 Six Months Ended December 31, 2022 (50% 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	560,877	-	339,123	62.3%	470,564
Parking Fees	8,283,728	3,856,650	-	4,427,078	46.6%	2,241,326
Other Fees & Charges	30,000	6,463	-	23,537	21.5%	17,078
Investment Income	37,400	33,794	-	3,606	90.4%	14,220
Rents & Concessions	157,760	150,955	-	6,805	95.7%	81,880
Miscellaneous	144,366	58,468	-	85,898	40.5%	209,113
Operating Transfers-In	713,743	356,871	-	356,872	50.0%	365,847
TOTAL REVENUES	<u>10,266,997</u>	<u>5,024,080</u>	<u>-</u>	<u>5,242,917</u>	<u>48.9%</u>	<u>3,400,028</u>
EXPENSES						
Salaries & Benefits	5,255,213	2,431,964	-	2,823,249	46.3%	2,008,178
Materials, Supplies & Services	4,277,554	1,997,386	822,527	1,457,641	65.9%	1,458,835
Special Projects	439,362	121,018	293,401	24,943	94.3%	190,210
Capital Outlay Transfers	721,087	360,543	-	360,544	50.0%	113,213
Equipment	47,165	4,870	-	42,295	10.3%	2,921
Appropriated Reserve	10,000	-	-	10,000	0.0%	-
TOTAL EXPENSES	<u>10,750,380</u>	<u>4,915,782</u>	<u>1,115,928</u>	<u>4,718,671</u>	<u>56.1%</u>	<u>3,773,357</u>
<i>Revenue Less Expense</i>	<u>(483,383)</u>	<u>108,298</u>	<u>(1,115,928)</u>	<u>524,246</u>		<u>(373,329)</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 Six Months Ended December 31, 2022 (50% 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	2,459,443	-	3,147,771	43.9%	2,628,032
Leases-Terminal	9,757,487	5,440,335	-	4,317,152	55.8%	4,568,012
Leases-Non-Commercial Aviation	4,658,247	2,500,452	-	2,157,795	53.7%	2,482,837
Leases-Commercial Aviation	6,374,208	2,914,083	-	3,460,125	45.7%	2,524,375
Investment Income	200,500	199,841	-	659	99.7%	70,594
Grants	437,036	-	-	437,036	0.0%	-
Service Charges	-	834	-	(834)	100.0%	637
Miscellaneous	150,459	56,389	-	94,070	37.5%	47,755
Operating Transfers-In	-	-	-	-	0.0%	125,117
TOTAL REVENUES	<u>27,185,151</u>	<u>13,571,376</u>	<u>-</u>	<u>13,613,775</u>	<u>49.9%</u>	<u>12,447,360</u>
EXPENSES						
Salaries & Benefits	10,376,693	4,814,174	-	5,562,519	46.4%	4,357,947
Materials, Supplies & Services	13,014,017	5,243,225	2,059,800	5,710,992	56.1%	4,914,905
Special Projects	2,790,947	272,490	1,091,124	1,427,333	48.9%	252,889
Transfer-Out	250,000	125,000	-	125,000	50.0%	-
Debt Service	1,551,750	775,875	-	775,875	50.0%	777,875
Capital Outlay Transfers	1,747,518	676,276	-	1,071,242	38.7%	2,131,689
Equipment	253,990	19,998	47,619	186,373	26.6%	66,692
Appropriated Reserve	131,556	-	-	131,556	0.0%	-
TOTAL EXPENSES	<u>30,116,471</u>	<u>11,927,037</u>	<u>3,198,543</u>	<u>14,990,891</u>	<u>50.2%</u>	<u>12,501,998</u>
<i>Revenue Less Expense</i>	<u>(2,931,320)</u>	<u>1,644,339</u>	<u>(3,198,543)</u>	<u>(1,377,116)</u>		<u>(54,638)</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 Six Months Ended December 31, 2022 (50% of Fiscal Year)

GOLF COURSE 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						
Fees & Card Sales	3,652,737	2,054,024	-	1,598,713	56.2%	1,882,013
Investment Income	22,500	23,932	-	(1,432)	106.4%	8,289
Rents & Concessions	162,252	112,078	-	50,174	69.1%	87,676
Miscellaneous	-	241	-	(241)	100.0%	(1,189)
TOTAL REVENUES	<u>3,837,489</u>	<u>2,190,276</u>	<u>-</u>	<u>1,647,213</u>	<u>57.1%</u>	<u>1,976,789</u>
EXPENSES						
Salaries & Benefits	87,333	42,416	-	44,917	48.6%	39,320
Materials, Supplies & Services	2,937,895	1,345,010	1,489,279	103,606	96.5%	1,246,095
Debt Service	41,430	-	-	41,430	0.0%	-
Capital Outlay Transfers	228,000	114,000	-	114,000	50.0%	105,318
Equipment	-	163	-	(163)	100.0%	-
TOTAL EXPENSES	<u>3,294,658</u>	<u>1,501,590</u>	<u>1,489,279</u>	<u>303,790</u>	<u>90.8%</u>	<u>1,390,733</u>
<i>Revenue Less Expense</i>	<u>542,831</u>	<u>688,686</u>	<u>(1,489,279)</u>	<u>1,343,424</u>		<u>586,056</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 Six Months Ended December 31, 2022 (50% 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	1,677,944	-	1,677,943	50.0%	1,543,952
Work Orders - Bldg Maint.	3,608,512	1,746,065	-	1,862,447	48.4%	1,504,872
Miscellaneous	10,500	89	-	10,411	0.8%	1,602
TOTAL REVENUES	<u>6,974,899</u>	<u>3,424,097</u>	<u>-</u>	<u>3,550,802</u>	<u>49.1%</u>	<u>3,050,426</u>
EXPENSES						
Salaries & Benefits	4,629,735	2,145,836	-	2,483,900	46.3%	1,968,874
Materials, Supplies & Services	2,070,928	931,433	517,012	622,483	69.9%	871,951
Special Projects	287,955	211,794	84,615	(8,454)	102.9%	95,516
Capital Outlay Transfers	193,598	96,799	-	96,799	50.0%	238,599
Equipment	10,000	2,897	-	7,103	29.0%	2,311
Appropriated Reserve	85,065	-	-	85,065	0.0%	-
TOTAL EXPENSES	<u>7,277,281</u>	<u>3,388,759</u>	<u>601,627</u>	<u>3,286,896</u>	<u>54.8%</u>	<u>3,177,251</u>
<i>Revenue Less Expense</i>	<u>(302,382)</u>	<u>35,338</u>	<u>(601,627)</u>	<u>263,906</u>		<u>(126,825)</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For Six Months Ended December 31, 2022 (50% 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	1,478,831	-	1,704,035	46.5%	1,504,400
Investment Income	204,248	132,631	-	71,617	64.9%	61,138
Rents & Concessions	107,553	51,587	-	55,967	48.0%	59,801
Miscellaneous	68,000	119,551	-	(51,551)	175.8%	51,336
Operating Transfers-In	198,778	-	-	198,778	0.0%	29,000
TOTAL REVENUES	<u>3,761,445</u>	<u>1,782,600</u>	<u>-</u>	<u>1,978,845</u>	<u>47.4%</u>	<u>1,705,676</u>
EXPENSES						
Salaries & Benefits	231,260	90,684	-	140,576	39.2%	97,373
Materials, Supplies & Services	21,038	1,940	-	19,098	9.2%	8,742
Debt Service	407,593	303,186	104,408	(0)	100.0%	-
Capital Outlay Transfers	-	-	-	-	0.0%	540,332
Capitalized Fixed Assets	3,286,744	418,024	1,602,756	1,265,964	61.5%	753,074
TOTAL EXPENSES	<u>3,946,635</u>	<u>813,835</u>	<u>1,707,163</u>	<u>1,425,637</u>	<u>63.9%</u>	<u>1,399,521</u>
<i>Revenue Less Expense</i>	<u>(185,190)</u>	<u>968,766</u>	<u>(1,707,163)</u>	<u>553,207</u>		<u>306,154</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For Six Months Ended December 31, 2022 (50% 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	1,572,820	-	1,588,982	49.7%	1,454,004
Reimbursements	5,000	2,500	-	2,500	50.0%	2,500
Miscellaneous	60,000	55,531	-	4,469	92.6%	37,268
TOTAL REVENUES	<u>3,226,802</u>	<u>1,630,852</u>	<u>-</u>	<u>1,595,950</u>	<u>50.5%</u>	<u>1,493,772</u>
EXPENSES						
Salaries & Benefits	1,698,636	767,410	-	931,226	45.2%	748,627
Materials, Supplies & Services	1,463,788	743,579	242,830	477,380	67.4%	638,758
Special Projects	64,994	25,378	43,176	(3,560)	105.5%	36,850
Capital Outlay Transfers	1,467	734	-	734	50.0%	30,467
Equipment	7,884	873	-	7,011	11.1%	764
Capitalized Fixed Assets	30,275	-	30,275	-	100.0%	12,991
Appropriated Reserve	15,000	-	-	15,000	0.0%	-
TOTAL EXPENSES	<u>3,282,043</u>	<u>1,537,973</u>	<u>316,281</u>	<u>1,427,789</u>	<u>56.5%</u>	<u>1,468,457</u>
<i>Revenue Less Expense</i>	<u>(55,241)</u>	<u>92,879</u>	<u>(316,281)</u>	<u>168,161</u>		<u>25,315</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For Six Months Ended December 31, 2022 (50% 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	3,829,299	-	3,829,300	50.0%	2,046,526
Workers' Compensation Premiums	4,572,008	2,284,629	-	2,287,379	50.0%	2,082,050
OSH Charges	292,974	146,487	-	146,487	50.0%	145,115
Unemployment Insurance Premium	427,559	205,133	-	222,427	48.0%	138,765
Investment Income	40,800	9,352	-	31,448	22.9%	14,464
Miscellaneous	-	-	-	-	0.0%	1,930
Operating Transfers-In	75,825	37,913	-	37,913	50.0%	469,412
TOTAL REVENUES	<u>13,067,765</u>	<u>6,512,812</u>	<u>-</u>	<u>6,554,953</u>	<u>49.8%</u>	<u>4,898,261</u>
EXPENSES						
Salaries & Benefits	928,263	413,386	-	514,876	44.5%	392,395
Materials, Supplies & Services	13,275,041	5,914,310	359,879	7,000,852	47.3%	5,140,767
Capital Outlay Transfers	409	204	-	205	50.0%	409
Equipment	-	479	-	(479)	100.0%	-
TOTAL EXPENSES	<u>14,203,713</u>	<u>6,328,380</u>	<u>359,879</u>	<u>7,515,453</u>	<u>47.1%</u>	<u>5,533,571</u>
<i>Revenue Less Expense</i>	<u>(1,135,948)</u>	<u>184,432</u>	<u>(359,879)</u>	<u>(960,501)</u>		<u>(635,310)</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 Six Months Ended December 31, 2022 (50% 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	2,545,892	-	2,716,090	48.4%	2,242,991
Operating Transfers-In	-	-	-	-	0.0%	35,000
TOTAL REVENUES	<u>5,261,982</u>	<u>2,545,892</u>	<u>-</u>	<u>2,716,090</u>	<u>48.4%</u>	<u>2,277,991</u>
EXPENSES						
Salaries & Benefits	3,420,556	1,389,396	-	2,031,160	40.6%	1,254,176
Materials, Supplies & Services	1,612,951	1,484,882	57,900	70,170	95.6%	1,338,825
Special Projects	200	632	-	(432)	316.0%	9,382
Capital Outlay Transfers	111,677	55,839	-	55,838	50.0%	141,064
Equipment	12,640	14,927	509	(2,796)	122.1%	4,579
TOTAL EXPENSES	<u>5,158,024</u>	<u>2,945,675</u>	<u>58,409</u>	<u>2,153,941</u>	<u>58.2%</u>	<u>2,748,025</u>
<i>Revenue Less Expense</i>	<u>103,958</u>	<u>(399,783)</u>	<u>(58,409)</u>	<u>562,149</u>		<u>(470,033)</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 Six Months Ended December 31, 2022 (50% 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	1,313,717	-	686,283	65.7%	1,246,856
Leases - Food Service	3,100,000	1,996,920	-	1,103,080	64.4%	1,840,009
Slip Rental Fees	5,070,940	2,588,060	-	2,482,880	51.0%	2,449,561
Visitors Fees	750,000	382,334	-	367,666	51.0%	467,340
Slip Transfer Fees	1,100,000	762,950	-	337,050	69.4%	722,100
Parking Revenue	3,254,325	2,021,087	-	1,233,238	62.1%	1,585,314
Wharf Parking	220,000	162,899	-	57,101	74.0%	143,135
Grants	-	12,752	-	(12,752)	100.0%	-
Other Fees & Charges	252,630	133,126	-	119,505	52.7%	133,302
Investment Income	112,700	109,682	-	3,018	97.3%	48,396
Rents & Concessions	392,316	229,316	-	163,000	58.5%	207,947
Miscellaneous	783,220	469,398	-	313,822	59.9%	139,927
TOTAL REVENUES	<u>17,036,131</u>	<u>10,182,239</u>	<u>-</u>	<u>6,853,892</u>	<u>59.8%</u>	<u>8,983,888</u>
EXPENSES						
Salaries & Benefits	8,297,772	3,827,216	-	4,470,555	46.1%	3,825,270
Materials, Supplies & Services	6,062,350	2,630,649	807,381	2,624,320	56.7%	2,211,262
Special Projects	296,875	102,394	14,245	180,236	39.3%	87,185
Debt Service	2,036,965	1,467,316	-	569,649	72.0%	1,467,989
Capital Outlay Transfers	2,250,000	1,000,000	-	1,250,000	44.4%	54,707
Equipment	147,075	16,717	2,113	128,245	12.8%	17,501
Capitalized Fixed Assets	83,840	-	36,643	47,197	43.7%	-
Other	2,375	1,513	-	863	63.7%	1,513
Appropriated Reserve	100,000	-	-	100,000	0.0%	-
TOTAL EXPENSES	<u>19,277,251</u>	<u>9,045,804</u>	<u>860,382</u>	<u>9,371,065</u>	<u>51.4%</u>	<u>7,665,426</u>
<i>Revenue Less Expense</i>	<u>(2,241,119)</u>	<u>1,136,435</u>	<u>(860,382)</u>	<u>(2,517,173)</u>		<u>1,318,462</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 Six Months Ended December 31, 2022 (50% 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	15,769,153	-	18,230,847	46.4%	689,812
Investment Income	-	-	-	-	0.0%	73
Operating Transfers-In	-	-	-	-	0.0%	738,867
TOTAL REVENUES	34,000,000	15,769,153	-	18,230,847	46.4%	1,428,751
EXPENSES						
Salaries & Benefits	177,610	91,061	-	86,549	51.3%	64,388
Materials, Supplies & Services	31,920,411	13,008,078	1,975,974	16,936,359	46.9%	924,485
Special Projects	1,110,847	472,365	50,513	587,969	47.1%	162,999
Other	311,368	-	-	311,368	0.0%	-
TOTAL EXPENSES	33,520,235	13,571,505	2,026,487	17,922,244	46.5%	1,151,872
<i>Revenue Less Expense</i>	<u>479,765</u>	<u>2,197,648</u>	<u>(2,026,487)</u>	<u>308,603</u>		<u>276,879</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For Six Months Ended December 31, 2022 (50% 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	1,276,284	-	1,276,284	50.0%	1,184,535
Grants	93,600	78,600	-	15,000	84.0%	169,601
TOTAL REVENUES	<u>2,646,168</u>	<u>1,354,884</u>	<u>-</u>	<u>1,291,284</u>	<u>51.2%</u>	<u>1,354,137</u>
EXPENSES						
Salaries & Benefits	691,985	319,231	-	372,754	46.1%	252,943
Materials, Supplies & Services	2,024,878	659,028	147,680	1,218,171	39.8%	575,669
Special Projects	167,778	-	51,744	116,034	30.8%	6,665
Debt Service	24,140	12,070	-	12,070	50.0%	12,070
Capital Outlay Transfers	435	218	-	218	50.0%	50,435
Equipment	9,471	3,312	690	5,469	42.3%	-
Capitalized Fixed Assets	78,600	-	78,600	-	100.0%	-
TOTAL EXPENSES	<u>2,997,287</u>	<u>993,859</u>	<u>278,714</u>	<u>1,724,715</u>	<u>42.5%</u>	<u>897,781</u>
<i>Revenue Less Expense</i>	<u>(351,119)</u>	<u>361,025</u>	<u>(278,714)</u>	<u>(433,431)</u>		<u>456,355</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 Six Months Ended December 31, 2022 (50% 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 six months ending December 31, 2022, 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 Six Months Ended December 31, 2022 Fiscal Year 2023								
GENERAL FUND								
	Current Year Analysis FY2023						Prior Year Analysis FY2022	
	Revised Budget	YTD Actual	Variance	**Projected Full-Year	Variance Projection to Budget	Percent Rec'd	Prior Year YTD Actual	Change From FY22
Property Tax	\$43,250,489	\$17,874,817	(\$25,375,672)	\$44,456,027	\$1,205,538	41%	\$14,417,238	24%
Sales & Use Tax	26,704,042	14,987,420	(11,716,622)	29,355,835	2,651,793	56%	14,591,000	3%
Measure C Sales Tax	28,323,342	16,053,612	(12,269,730)	31,507,587	3,184,245	57%	15,347,468	5%
Transient Occupancy Tax	23,583,553	15,961,162	(7,622,391)	26,685,538	3,101,985	68%	14,825,408	8%
Utility Users Tax	7,779,112	3,746,722	(4,032,390)	7,747,337	(31,775)	48%	3,805,251	(2%)
Business License	2,714,006	669,809	(2,044,197)	2,500,000	(214,006)	25%	1,259,019	(47%)
Cannabis Excise Tax	1,879,977	655,252	(1,224,725)	1,900,000	20,023	35%	925,419	(29%)
Property Transfer tax	1,328,218	545,078	(783,140)	1,150,000	(178,218)	41%	718,248	(24%)
Total Taxes	\$135,562,739	\$70,493,871	(\$65,068,867)	\$145,302,324	\$9,739,585	52%	\$65,889,051	7%
License & Permits	159,858	75,757	(84,101)	116,058	(43,800)	47%	90,274	(16%)
Fines & Forfeitures	3,018,920	941,796	(2,077,124)	2,433,717	(585,203)	31%	1,491,577	(37%)
Franchise Fee	4,007,090	2,000,182	(2,006,908)	4,239,018	231,928	50%	2,033,373	(2%)
Use of Money & Property	1,921,816	1,281,394	(640,422)	3,069,865	1,148,049	67%	565,842	126%
Intergovernmental	2,615,530	988,167	(1,627,363)	2,483,487	(132,043)	38%	1,114,973	(11%)
Fee & Charges	14,867,084	8,194,235	(6,672,849)	14,878,760	11,676	55%	7,424,081	10%
Miscellaneous	22,422,271	10,704,269	(11,718,002)	22,479,144	56,873	48%	10,802,338	(1%)
Total Other	\$49,012,569	\$24,185,800	(\$24,826,769)	\$49,700,049	\$687,480	49%	\$23,522,458	3%
Total Revenues	\$184,575,308	\$94,679,671	(\$89,895,636)	\$195,002,373	\$10,427,065	51%	\$89,411,509	6%

****Projected Full-Year column projects only the general non-departmental revenues and Franchise Fees. All other revenues assume the 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 December 31, 2022, approximately \$17.9 Million in property tax revenues were received. During the budget setting process, 2.5% growth was anticipated in FY 2023 when comparing prior year actuals. Actual revenues for this year are now trending to be \$1.2 Million above budget. To

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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 December 31, 2022, is approximately \$15 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 6% 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 Three (Q3) 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 Second Quarter (Q2) is approximately \$16 Million on a cash basis, which is 7% higher than expected. Staff will continue to monitor tax remittances received and may consider adjusting the FY 2023 projection at the end of Q3, as revenues likely will exceed 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 Q2 is approximately \$16 Million, which is significantly higher than collections for 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 18% higher than budget at the end of Q2 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 Q3 report.

Department and Other Revenues

Various General Fund departments throughout the City generate revenue. These revenue sources are budgeted at 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 Six Months Ended December 31, 2022 Fiscal Year 2023					
Department	Revised Budget	YTD Actual		Projected Full Year	Variance Projection to Budget
Mayor & Council	\$120,000	\$25,991	22%	\$103,961	(\$16,039)
City Attorney	311,302	270,000	87%	270,000	(41,302)
City Administrator	227,548	48,138	21%	172,592	(54,956)
Human Resources	35,000	1,666	5%	8,002	(26,998)
Finance	535,631	145,741	27%	330,000	(205,631)
General Government	\$1,229,481	\$491,536	40%	\$884,555	(\$344,926)
Police	4,089,416	1,448,971	35%	3,131,647	(957,769)
Fire	4,981,442	2,091,237	42%	4,555,621	(425,821)
Public Safety	\$9,070,858	\$3,540,208	39%	\$7,687,268	(\$1,383,590)
Parks & Recreation	7,648,307	3,691,421	48%	7,080,464	(567,843)
Library	1,006,298	477,162	47%	957,540	(48,758)
Community Services	\$8,654,605	\$4,168,582	48%	\$8,038,004	(\$616,601)
Public Works	7,764,604	3,607,824	46%	7,163,647	(600,957)
Sustainability & Resiliency	0	26,034	100%	52,000	52,000
Community Development	7,062,134	4,249,623	60%	7,605,447	543,313
Total	\$33,781,682	\$16,083,807	48%	\$31,430,921	(\$2,350,762)
% of Annual Budget		47.6%		-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 December 31, 2022, 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 City Council in the current year. Encumbrances as of December 31, 2022, 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 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 Six Months Ended December 31, 2022 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	\$1,803,486	54%	\$3,314,565	\$55,391	\$1,566,470	\$901,778	\$664,692
City Attorney	4,506,687	2,401,277	53%	4,506,687	-	2,105,410	183,412	1,921,997
City Administrator	4,017,942	1,690,054	42%	3,596,703	421,239	2,327,888	186,506	2,141,382
Human Resources	3,047,913	1,117,870	37%	2,425,777	622,136	1,930,043	109,873	1,820,171
Finance	7,302,891	3,271,215	45%	7,287,224	15,667	4,031,676	116,566	3,915,110
General Government	\$22,245,390	\$10,283,902	46%	\$21,130,956	\$1,114,433	\$11,961,487	\$1,498,136	\$10,463,352
Police	52,585,829	23,315,139	44%	49,974,063	2,611,766	29,270,690	550,675	28,720,016
Fire	34,929,508	16,877,026	48%	34,890,179	39,329	18,052,482	139,755	17,912,727
Public Safety	\$87,515,337	\$40,192,166	46%	\$84,864,242	\$2,651,095	\$47,323,172	\$690,429	\$46,632,742
Parks & Recreation	21,606,542	9,713,200	45%	20,577,509	1,029,033	11,893,342	1,140,267	10,753,075
Library	7,670,640	3,343,561	44%	7,377,423	293,217	4,327,079	111,136	4,215,942
Community Services	\$29,277,182	\$13,056,761	45%	\$27,954,932	\$1,322,250	\$16,220,421	\$1,251,403	\$14,969,017
Public Works	11,457,906	4,614,524	40%	10,397,839	1,060,067	6,843,382	289,531	6,553,851
Sustainability & Resiliency	232,146	8,942	4%	26,281	205,865	223,204	56,566	166,638
Community Development	15,249,256	6,336,122	42%	13,992,399	1,256,857	8,913,134	998,600	7,914,534
Non-Departmental	26,054,177	15,147,884	58%	33,238,422	(7,184,245)	10,906,293	0	10,906,293
Total	\$192,031,393	\$89,640,301	47%	191,605,071	426,322	\$102,391,093	\$4,784,666	\$97,606,426
% of Annual Budget		46.7%				53.3%	2.5%	50.8%

Summary of Departmental Expenditures, General Fund

Expenditure Analysis by General Fund

The General Fund revised budget of \$192 Million which includes \$7.9 Million in carried forward appropriations and encumbrances, and any FY 2023 council approved amendments, is 47% exhausted (\$89.6 Million) as of December 31, 2022. The *Summary of Departmental Expenditures, General Fund* table above shows performance at department level. 45.6% of the total budget, including Non-Departmental Expenditures, is appropriated to provide public safety services through the Police and Fire Departments. Community Services comprises 15.2% of the total budget, which includes the City's Parks and Recreation and Library Departments. General Government makes up 11.6% of appropriations which includes Finance, City Administration, Mayor & Council, City Attorney, Human Resources, and City Clerk departments.

General Government actual spending of approximately \$10.3 Million, represents 46% of its associated annual budget through Q2. Low expense trends are related to vacancies in the Finance Department and City Administrator's Office. In the Human Resources Department, savings is largely due to the pending Classification and Compensation Study.

Public Safety actual spending of approximately \$40.2 Million, represents 46% of associated annual budget. Lower expense trends are related to vacancies through Q2 of FY 2023.

The Police Department (PD) expended \$23.3 Million (44%) of its budget. PD has been challenged with on-going staffing shortages, including 27 sworn positions and 21 professional positions. There are also five officers on long term disability due to injury on duty. Staff continue to manage schedule and staffing needs to ensure appropriate coverage for the City; however, shortages have necessitated staffing reassignments, suspension of some programs until required staffing levels are met, and high overtime

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trends. Two open officer positions are supporting expenditure reduction targets. Staff will continue to focus on recruitment efforts to enhance staffing needs and evaluate supply and service purchases to remain on budget at year-end. Staff anticipate that the Department will be under budget by \$2.6 Million at year-end for all expenditures due to the ongoing staffing vacancies. PD is requesting appropriation of Measure C funds for the purchase of service weapons to replace the current department issued equipment which is approximately ten years old. Additional discussions between the Police Chief and the City Administrator regarding staffing and equipment needs will continue to occur and adjustments made accordingly.

The Fire Department (FD) expended \$16.9 Million, using 48% of its budget. Most operational costs are tracking at or below expected levels. Overtime is 62% expended. Minimum staffing 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 the first six months of FY 2023, budget in this category will be exceeded by \$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. A fraction of the variance to budget will be offset with savings in Mutual Aid response. The traditional wildland season has ended which is the main driver of Mutual Aid; additional overtime charged to this account for the remainder of FY 2023 should be minimal. Vegetation Management will require a roll-over of approximately \$300,000 to FY 2024 to maximize the impacts of the funding.

Community Services had actual expenditures of \$13 Million, or 45% of associated budget. Savings is anticipated based on this current performance trend.

The Library Department spent \$3.3 Million, or 44% of its annual budget through Q2 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. These impacts have resulted in reduced user fees, service charges, and donations. 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 Q2 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.

The Parks and Recreation (P&R) Department had Q2 expenditures of \$9.7 Million (45% of its annual budget). By lifting COVID-19 restrictions, facility rentals and other normal business activities increased. P&R achieved FY 2023 required budget reduction targets and is actively recruiting to fill current vacancies. 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 \$4.6 Million, or 40% of its annual budget for FY 2023. Engineering and Land Development vacancies contribute to the large expenditure shortfall in Q2. Discretionary spending is being kept at a minimum (use of in-house

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and through supply reductions), but likely this savings will be utilized to cover consulting support costs. The Engineering Division continues to maintain productivity targets, but engineering vacancies are resulting in revenue shortfalls.

The Sustainability & Resilience (S&R) Department had expenditures of \$8,942. These expenditures are 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 recovery and the transition from a disposable to a fully circular economy.

The Community Development Department (CDD) had expenditures of \$6.3 Million or 42% of its annual budget. If you include encumbrances totaling \$998,600 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 48%; all encumbrances are expected to be fully exhausted this year. There are significant savings in Salary and Benefits due to a high number of vacancies that the department is actively recruiting for. The department has experienced a high employee attrition rate during the past couple years.

Non-Departmental expenditures include transfers from the General Fund to other funds. Majority of transfers occurring are to the Measure C fund (approximately 1.5% of total General Fund expenditures) which supports various capital maintenance and improvement projects. Anticipated year end salary savings (from vacant positions) is also recorded here, which helps balance variances achieved through general attrition. Staff is also proposing to transfer \$4 Million from the General Fund into the Self-Insurance fund (SIF) by the end of FY 2023 to address the growing underfunded reserves in the Self-Insurance fund. 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 recommends transferring additional General Fund resources into the SIF by the end of FY 2023, in line with Council's prior direction to allocate additional resources to address the underfunded position.

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. 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.

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 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

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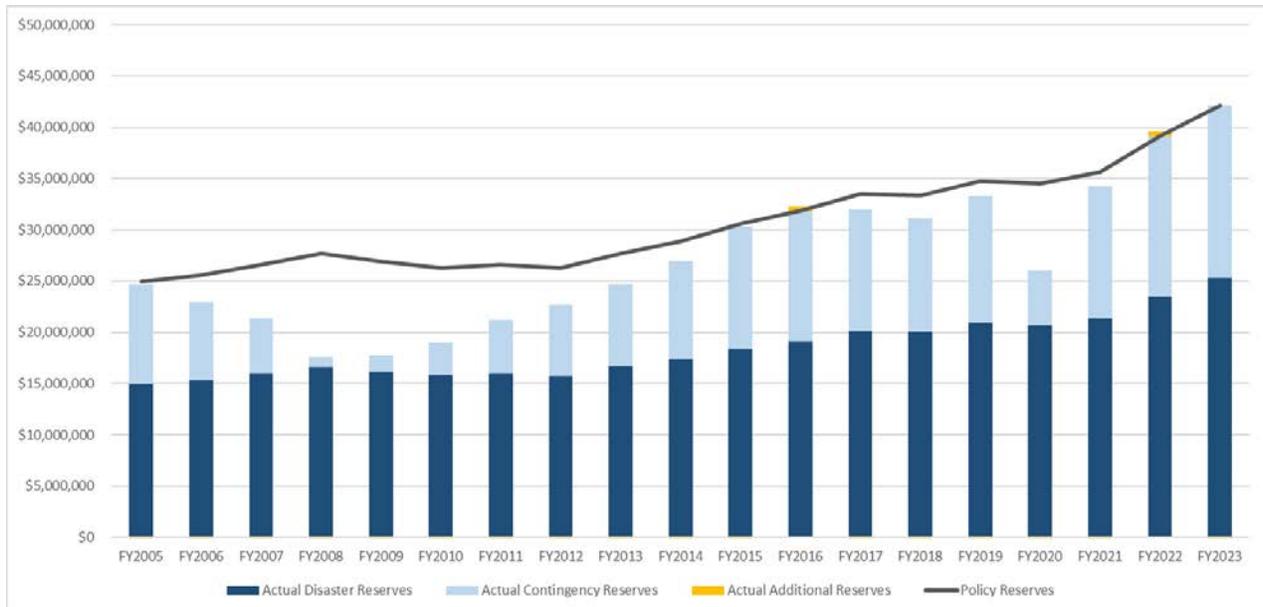
to address anticipated changes to reserves based on projections in future quarterly reports to City Council.

General Fund, Fund Balance	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Projected at Q2	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	(866,272)	(1,330,885)
Actual Reserves	\$33,263,527	\$25,972,255	\$34,219,563	\$39,590,730	\$41,289,381	\$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	\$10,202,630	(\$22,552)

General Fund Reserves, Balance Summary

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 Self-Insurance Fund 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 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)*

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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 December 31, 2022, associated Annual Budget, projected end-of-year actuals and prior year actuals for this same six-month period. Encumbrances as of December 31, 2022, are shown separately from expense actuals as the inclusion of encumbrances within actuals can distort trends. Proprietary funds of the City include the Water 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 Six Months Ended December 31, 2022 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	\$17,318,975	\$34,500,997	50.5%	\$0	\$16,863,260	2.7%
Expenses	34,875,857	15,722,318	34,130,448	45.1%	628,516	14,042,511	12.0%
Add / (Use) Reserves	(\$602,937)	\$1,596,656	\$370,549		(\$628,516)	\$2,820,749	
Water Fund							
Revenues	70,492,814	37,870,190	69,408,698	53.7%	0	35,462,815	6.8%
Expenses	70,942,295	30,709,299	69,135,581	43.3%	6,091,204	34,618,975	-11.3%
Add / (Use) Reserves	(\$449,481)	\$7,160,891	\$273,117		(\$6,091,204)	\$843,840	
Wastewater Fund							
Revenues	27,441,554	13,673,547	27,381,959	49.8%	0	12,946,681	5.6%
Expenses	28,320,673	11,466,264	28,320,673	40.5%	1,885,264	11,065,596	3.6%
Add / (Use) Reserves	(\$879,119)	\$2,207,282	(\$938,714)		(\$1,885,264)	\$1,881,085	
Downtown Parking Fund							
Revenues	10,266,997	5,024,080	9,936,146	48.9%	0	3,400,028	47.8%
Expenses	10,750,380	4,915,782	10,415,542	45.7%	1,115,928	3,773,357	30.3%
Add / (Use) Reserves	(\$483,383)	\$108,298	(\$479,396)		(\$1,115,928)	(\$373,329)	
Clean Energy Fund							
Revenues	34,000,000	15,769,153	41,673,715	46.4%	0	1,428,751	100.0%
Expenses	33,520,235	13,571,505	35,903,400	40.5%	2,026,487	1,151,872	1078.2%
Add / (Use) Reserves	\$479,765	\$2,197,648	\$5,770,315		(\$2,026,487)	\$276,879	
Airport Fund							
Revenues	27,185,151	13,571,376	26,649,545	49.9%	0	12,447,360	9.0%
Expenses	30,116,471	11,927,037	26,105,108	39.6%	3,198,543	12,501,998	-4.6%
Add / (Use) Reserves	(\$2,931,320)	\$1,644,339	\$544,437		(\$3,198,543)	(\$54,638)	
Golf Fund							
Revenues	3,837,489	2,190,276	4,131,000	57.1%	0	1,976,789	10.8%
Expenses	3,294,658	1,501,590	3,510,642	45.6%	1,489,279	1,390,733	8.0%
Add / (Use) Reserves	\$542,831	\$688,686	\$620,358		(\$1,489,279)	\$586,056	
Waterfront Fund							
Revenues	17,036,131	10,182,239	17,157,000	59.8%	0	8,983,888	13.3%
Expenses	19,277,251	9,045,804	18,313,388	46.9%	860,382	7,665,426	18.0%
Add / (Use) Reserves	(\$2,241,119)	\$1,136,435	(\$1,156,388)		(\$860,382)	\$1,318,462	

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 \$17.3 Million at the end of Q2, which aligns with targeted budget. Majority of this revenue source is related to Solid Waste service charges

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(\$16.8M). The Solid Waste Fund is 3% ahead of prior year revenues when comparing the same period (first six months). Expenditures are \$15.7 Million (45% of its budget). Staff project to be below budget largely due to various manager and supervisor vacancies and reduced professional service fees.

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 six months of FY 2023, Water Fund revenues have totaled approximately \$37.9 Million, or 53.7% 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 2.5% in rate revenue by year end. The demand for recycled water will also likely wain because of these events, but revenue received from rebates related to raw water diversion from Gibraltar Reservoir and passed through the City's hydroelectric plant will surpass projections due to more diversion of water than anticipated.

Expenditures ended Q2 at 43.3% of its annual budget, excluding encumbrances, or approximately \$30.7 Million. Encumbrances (committed actuals) of \$6.1 Million bring expenditures up to 52% of annual budget, which includes contracted services to be expended throughout the year. Although the Water Fund typically has budgetary savings at year end, staff anticipate that final numbers will be closer to budget. Due to vacancies, the department anticipates some salary and benefit savings. In addition, water purchases are trending to be under budget due to recent storm events and downgrade in drought status.

Wastewater Fund

The Wastewater Fund accounts for the provision of sewer services to the residents of the City and some residents of the County. Q2 revenues are on target at \$13.7 Million (49.8% 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 \$11.5 Million (40.5% of its annual budget). Encumbrances of \$1.9 Million bring expenditures up to 47.1% of annual budget. The timing of payments for services and/or obligations account for most variances seen mid-year. Staff turnover continues to drive savings, but 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, capital acquisition and construction, financing and related debt service, and billing and collection of fees. At Q2, actual revenues for Downtown Parking are approximately \$5 Million or 49% of its annual budget. Service charges are down slightly mainly due to difficultly staffing hourly lots for self-service in the mornings. Increased hourly parking fees coupled with minimal on-street enforcement may encourage street parking; the decrease in service charges is partially offset by increased fees. Other revenue factors include the Parking and Business Improvement Area (PBIA) assessment exceeding projected budget by 12% or nearly \$111,000, due to stronger business activity Downtown. Conversely,

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Intergovernmental revenue had a shortfall of approximately \$27,000 due to staffing shortages within the Crossing Guard Program.

Overall expenditures for Q2 are \$4.9 Million, or 45.7% of its annual budget. Continued vacancies, including a Parking Supervisor, Parking Resource Specialist, and Parking Maintenance Coordinator contribute to much of this savings. Savings in Supplies and Services, and Special Projects are mainly due to unspent encumbrances of approximately \$1.1 Million that are anticipated to be expended by year end. Additional savings is 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 Oct. 2021 and started receiving revenue in Q2 FY 2022. Revenues are typically recorded one-month in arrears, so while a typical Q2 report would have six months of activity, this report only contains five months of activity. Through five months, revenues are approximately 46.4% of budget, which is trending above projection. The energy rates that SBCE charges customers is 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 that will go into effect February 2023. This will result in SBCE's projected revenues to surpass its budgeted revenues perhaps by as much as \$7.6 Million.

Expenditures for the SBCE Fund through Q2 are approximately \$13.6 Million or 40.5% of budget. There has been significant volatility in the cost of energy in the open market. Staff anticipate that expenditures at year end will surpass budget by roughly \$2.3 Million. However, the combined effects of increases in revenue and expenditures will result in a positive variance at year end which will help bolster fund reserves.

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 sustained growth of commercial airline passengers since June 2022, including a new monthly record of 120,000 passengers in October 2022. However, weather related and technical nationwide issues with Southwest Airlines contributed to a sharp decline in December 2022 passenger counts. Commercial/industrial lease revenue is behind projection due to unfilled vacancies of approximately 8% of leasable spaces, but terminal revenue sources show positive trend (ground transportation, rental cars, and parking). Commercial Aviation revenue is trending align with budget. Total revenue collected through December 31, 2022, is approximately \$13.6 Million or 50% of its annual budget.

Total Airport expenses of \$11.92 Million and \$3.2 Million in encumbrances encompass 50.2% of its annual budget. The airport is actively recruiting to fill vacancies to ensure operational needs are met. Two of three authorized positions in the Properties Division are currently vacant with recruitments underway. The main challenge this FY is appropriately sizing the organization to meet what is likely to be sustained growth in customer demand.

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For the Six Months Ended December 31, 2022 (50% of Year Elapsed)*

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 Q2, actual Golf revenues are \$2.2 Million or 57.1% of its annual budget. Paid rounds and concession performance are projected to exceed budget this fiscal year. The sport continues to maintain its popularity providing healthy revenues to the program, and because of this, the City anticipates that the operator will achieve its incentive fee for a third consecutive year. Mulligans, the golf course restaurant concessionaire, has recovered from initial pandemic impacts and subsequent government shutdowns; all deferred rents from pandemic closures have been paid in full. At end of year, Golf operations forecast a favorable variance to budget of 14%.

Expenditures at Q2 are \$1.5 Million (45.6% of annual budget), which is consistent with projected levels. Encumbrances of \$1.5 Million for contracted services will be spent by the end of the FY. Operational expenditures are trending high due to increased services; therefore, it is being requested that additional revenues be appropriated to offset this overage.

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 Q2 of FY 2023 show signs of business recovery. However, after two years of reduced staffing and deferred capital infrastructure projects due to pandemic impacts, there is critical need to invest in infrastructure to ensure the continued vitality of the Waterfront and associated services. Actual revenues for Q2 are \$10.2 Million or 59.8% of its annual budget. Slip Permit Transfer Fees remain relatively strong and are up nearly 7% compared to this period last year. A total of 50 transfers took place in the first half of the year representing \$763,000 in revenue. Commercial and Food Service Lease revenues (including both Stearns Wharf and the Harbor) are both up 5.36% compared to last year. Parking revenue is up approximately 26% (\$457,849) versus last year. Staff are projecting to exceed FY 2023 budgeted revenues by nearly \$121,000.

Actual expenditures for Q2 are \$9 Million (46.9% of annual budget) and encumbrances are \$860,000, collectively representing 51.4% of the Waterfront's total annual budget. Salaries and Benefits finished slightly below budget for Q2 because of positions held vacant (Waterfront Business Manager, Facilities Maintenance Workers, as well as numerous hourly positions). As of December 31, 2022, Waterfront operations are forecasting a favorable variance to budget of \$842,994. However, with recent storm events that occurred in January 2023, these numbers are subject to change.

*Fiscal Year 2023 Interim Financial Statements
For the Six Months Ended December 31, 2022 (50% of Year Elapsed)*

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.

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	370,549	2,812,189
Water	32,648,426	15,106,164	273,117	15,379,281
Wastewater	11,112,046	658,121	(938,714)	(280,593)
Downtown Parking	2,784,756	58,443	(479,396)	(420,953)
Clean Energy	8,306,226	(9,694,992)	5,770,315	(3,924,677)
Airport	7,632,879	5,403,913	544,437	5,948,350
Golf	969,828	1,546,063	620,358	2,166,421
Waterfront	3,932,918	4,207,206	(1,156,388)	3,050,818

Enterprise Operating Funds, Reserves

All enterprises ended FY 2022 in a favorable reserve position. For FY 2023, all enterprises aside from Clean Energy, are anticipated to have a funded position. It was mentioned Q1 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, claims that may arise, and for 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.

***Fiscal Year 2023 Interim Financial Statements
For the Six Months Ended December 31, 2022 (50% of Year Elapsed)***

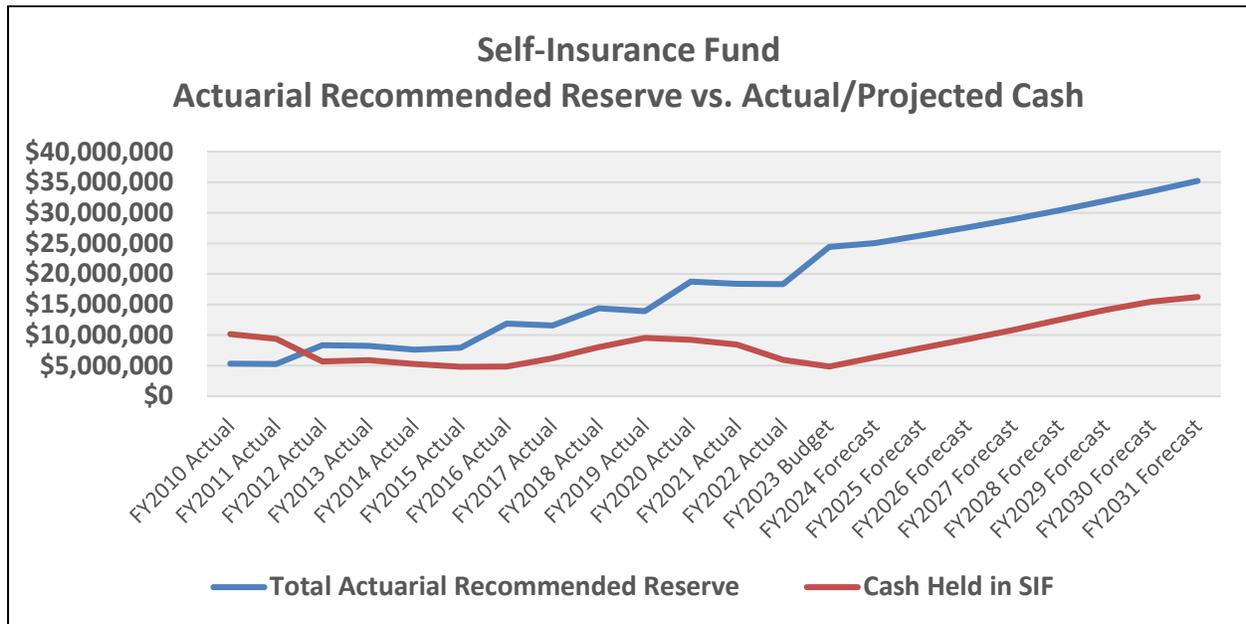
In the FY 2023 adopted budget, revenues are \$1.1 Million less expenditures than required. The adopted budget included additional allocations into the SIF to begin to increase reserves to achieve the actuarial recommended level over the next nine years. Expenditures of \$6.3 Million represent 44% of total budgeted expenditures through Q2; however, staff are aware of multiple, active claims and other litigation that 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 Q3 or Q4 to increase expenditure appropriation by using reserves.

The most current actuarial report recommended a SIF fund 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.

To increase resources in the SIF, staff is proposing to transfer \$4 Million from the General Fund into the SIF by the end of FY 2023. This action will 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
Fiscal Year 2023 Financial Statements for the Six Months Ended Dec 31, 2022
Schedule of Proposed Second Quarter Budget Adjustments

	Increase (Decrease) in Appropriations	Increase (Decrease) in Estimated Revenues	Addition to (Use of) Reserves
GENERAL FUND (Fund 1000)			
Appropriate \$10,000 to pay the County a pro-rata share of the Santa Barbara Local Agency Formation Commission's net operating budget. The FY23 payment was significantly higher than projected and has created a budget overage.	\$ 10,000	\$ -	\$ (10,000)
Decrease estimated revenue in Fire Operations Fund for activity associated with responses to Mutual Aid incidents. Wildland fire season has concluded and only a few weather events are anticipated to take place for the remainder of the year.		\$ (450,000)	\$ (450,000)
Increase estimated revenues related to Bulletproof Vest Partnership Reimbursement (vests purchased in prior year).		\$ 7,560	\$ 7,560
Increase estimated revenues in Recreation Admin, Facilities, and events, and increase appropriations in Recreation Admin for bank transport and credit card fees.	\$ 66,400	\$ 66,400	\$ -
Appropriate the use of General Fund Reserves (Fund 1000, \$4 million) for a transfer out to the Self Insurance Fund (SIF, 6100)	\$ 4,000,000	\$ -	\$ (4,000,000)
Total General Fund (1000)	\$ 4,076,400	\$ (376,040)	\$ (4,452,440)
Police Equipment Replacement Fund (Fund number 1045)			
Police Equipment Replacement Fund (1045)			
Appropriate the use of Police Reserves (Fund 1045, \$180,239) and Measure C Reserve Funds (Fund 3010, \$39,761) for the purchase of service weapons.	\$ 180,239	\$ -	\$ (180,239)
Appropriate the use of Police Reserves (Fund 1045, \$7,788) to cover increased commitment related to equipment replacements.	\$ 7,788	\$ -	\$ (7,788)
Total Police Equipment Replacement Fund (1045)	\$ 188,027	\$ -	\$ (188,027)
SPECIAL REVENUE FUNDS			
Police Asset Fund (2310)			
Increase in appropriations by \$35,000 from the Auto Anti-theft reserve to purchase equipment.	\$ 35,000		\$ (35,000)
Total Police Asset (2310)	\$ 35,000	\$ -	\$ (35,000)
Transportation Development Fund (2420)			
Increase revenue and expenditure appropriations by \$768 for additional allocation the City will receive from the revised apportionment provided by Santa Barbara County Association of Governments (SBCAG) for the City's FY 2023 Local Transportation Fund (LTF) allocation.	\$ 768	\$ 768	\$ -
Total Transportation Development Fund (2420)	\$ 768	\$ 768	\$ -
County Library Fund (2500)			
Increase appropriations to transfer \$32,670 in funds held on the behalf of the County Library System to the City of Carpinteria and/or County of Santa Barbara. The Carpinteria Public Library was administered by the City of Santa Barbara until the end of FY22.	\$ 32,670	\$ -	\$ (32,670)
Total County Library Fund (2500)	\$ 32,670	\$ -	\$ (32,670)
Police Miscellaneous Grants Fund (2830)			
Increase appropriation and estimated revenue for Opioid Settlement funds.	\$ 137,716	\$ 137,716	\$ -
Total Police Miscellaneous Grants Fund (2830)	\$ 137,716	\$ 137,716	\$ -
Library Miscellaneous Grants Fund (2850)			
Increase estimated revenue and appropriations as the Santa Barbara Public Library Foundation awarded the Library with a \$10,000 Stafford donation to support the Library on the Go Program.	\$ 10,000	\$ 10,000	\$ -
Increase estimated revenue and appropriations as the Friends of Central Library contributed an additional \$130,000 to support Library programs and supplies.	\$ 130,000	\$ 130,000	\$ -
Total Library Miscellaneous Grants Fund (2850)	\$ 140,000	\$ 140,000	\$ -

	Increase (Decrease) in Appropriations	Increase (Decrease) in Estimated Revenues	Addition to (Use of) Reserves
Parks and Recreation Miscellaneous Grants Fund (2860)			
Increase estimated revenue and appropriations to receive a donation to relandscape Torii Gate in Shoreline Park.	\$ 5,100	\$ 5,100	\$ -
Total Parks and Recreation Miscellaneous Grants Fund (2860)	\$ 5,100	\$ 5,100	\$ -
Measure C Capital Fund (3010)			
Transfer available expenditure appropriations of \$6,500 from the Drainage Improvements Project in the Measure C Capital Fund that is used for general storm drain improvements to the Westmont Storm Drain project to cover unforeseen expenses for the project.	\$ 6,500		\$ (6,500)
	\$ (6,500)		\$ 6,500
Appropriate the use of Police Reserves (Fund 1045, \$180,239) and Measure C reserve funds (Fund 3010, \$39,761) for the purchase of service weapons.	\$ 39,761	\$ -	\$ (39,761)
Total Measure C Capital Fund (3010)	\$ 39,761	\$ -	\$ (39,761)
ENTERPRISE FUNDS			
Water Operating Fund (5000)			
Increase appropriations in the amount of \$1,000,000 to transfer out to the Water Capital Fund (5010) for a contract change order for the Desal Conveyance main contractor to cover additional work for unforeseen underground conditions.	\$ 1,000,000	\$ -	\$ (1,000,000)
Increase appropriations in the amount of \$87,000 from Water Operating Fund reserves for additional costs incurred in the Small Tunnel Air Binding project due to pending litigation.	\$ 87,000	\$ -	\$ (87,000)
Total Water Operating Fund (5000)	\$ 1,087,000	\$ -	\$ (1,087,000)
Water Capital Fund (5010)			
Increase expenditure and revenue appropriations in the amount of \$2,000,000 for a contract change order for the Desal Conveyance main contractor to cover additional work for unforeseen underground conditions. Half is covered by Water Operating Fund reserves (\$1 million, Fund 5000) and \$1 million from available appropriations in the Water Main Replacement Project since some of the additional work is related to water mains.	\$ (1,000,000)	\$ 1,000,000	\$ 2,000,000
	\$ 2,000,000		\$ (2,000,000)
Increase expenditure and revenue appropriations in the amount of \$87,000 from Water Operating Fund reserves for additional costs incurred for the Small Tunnel Air Binding project due to pending litigation.	\$ 87,000	\$ 87,000	\$ -
Total Water Capital Fund (5010)	\$ 1,087,000	\$ 1,087,000	\$ -
Solid Waste Fund (5400)			
Increase in appropriation to spend down the public container reserve, which had grown due to inactivity during the pandemic.	\$ 125,000	\$ -	\$ (125,000)
Total Solid Waste Fund (5400)	\$ 125,000	\$ -	\$ (125,000)
Golf Course Fund (5600)			
Increase estimated revenue and appropriations as mid-year numbers indicate increased revenues and expenditures	\$ 205,000	\$ 205,000	\$ -
Total Golf Course Fund (5600)	\$ 205,000	\$ 205,000	\$ -
ENTERPRISE FUNDS (Continued)			
Airport Capital Fund (5710)			
Decrease Appropriations from EV Parking Shuttle Project to transfer to Fleet Replacement Fund, towards a replacement of a damaged vehicle.	\$ (23,871)	\$ -	\$ 23,871
	\$ 23,871	\$ -	\$ (23,871)
Total Airport Capital Fund (5710)	\$ -	\$ -	\$ -
INTERNAL SERVICE FUNDS			
Self Insurance Fund (6100)			
Increase estimated revenues to transfer in from General Fund (1000)		\$ 4,000,000	\$ 4,000,000
Total Self Insurance Fund (6100)	\$ -	\$ 4,000,000	\$ 4,000,000

	Increase (Decrease) in Appropriations	Increase (Decrease) in Estimated Revenues	Addition to (Use of) Reserves
Information Technology Fund (6200)			
Increase appropriations to program structural changes to the Software Maintenance and Support object within Infrastructure Program.	\$ 135,073	\$ -	\$ (135,073)
Increase appropriations to program structural changes to the Professional Services object within the Infrastructure Program.	\$ 105,000	\$ -	\$ (105,000)
Increase appropriations to program structural changes to the Software Maintenance and Support object within the Enterprise Applications Program.	\$ 64,910	\$ -	\$ (64,910)
Increase appropriations to program structural changes to the Software Maintenance and Support within the GIS Program.	\$ 2,765	\$ -	\$ (2,765)
Increase appropriations to transfer out to IT Capital Fund (6210)	\$ 20,000	\$ -	\$ (20,000)
Total Information Technology Fund (6200)	\$ 327,748	\$ -	\$ (327,748)
Information Technology Capital Fund (6210)			
Increase estimated revenues to transfer in from IT Operating Fund (6200)		\$ 20,000	\$ 20,000
Total Information Technology Capital Fund (6210)	\$ -	\$ 20,000	\$ 20,000
Fleet Replacement Fund (6410)			
Increase expenditure appropriations from Fleet Replacement Fund reserves for the principal and interest payments totaling \$198,778 for the second FY 2023 payment, schedule 2 of the lease purchase contract for a fire apparatus, previously approved by Council in Fiscal Year 2022.	\$ 198,778	\$ -	\$ (198,778)
Increase appropriations and estimated revenue transfer appropriations in Electric Vehicle (EV) Parking Shuttle Project to the Fleet Replacement Fund for replacement of a damaged vehicle.	\$ 23,871	\$ 23,871	\$ -
Total Fleet Replacement Fund (6410)	\$ 222,649	\$ 23,871	\$ (198,778)