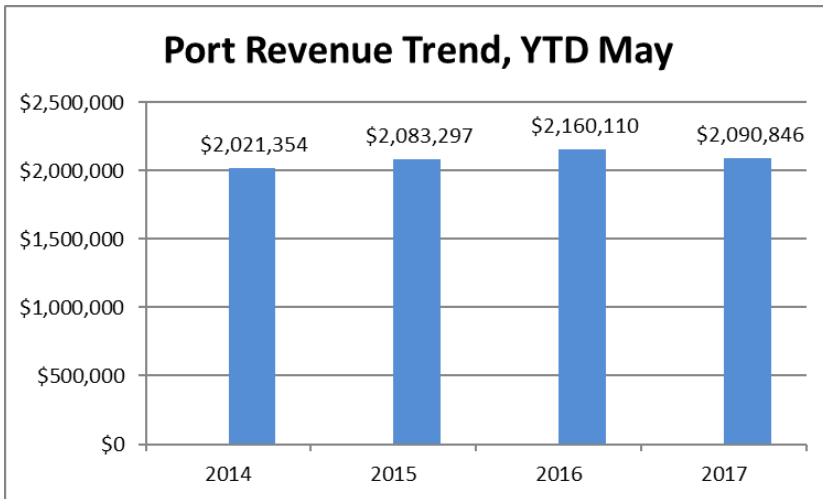
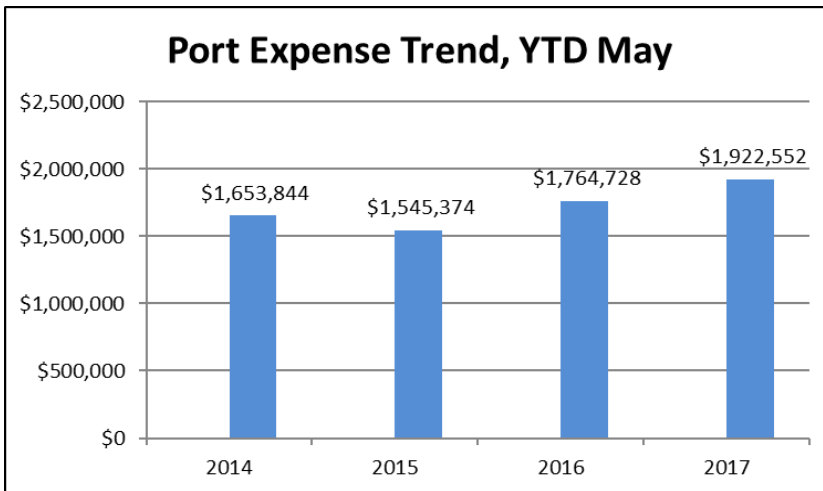


DATE: June 23, 2017
TO: Commissioners and Directors
FROM: Abigail Berg, Director of Finance & Administration
SUBJECT: Port Operating Results as of May 31, 2017



YTD Operating Revenues are \$69,246 less than the previous year, and short of budgeted amounts by 7%, although the new rates did not go into effect until April 1 (for Marinas & RV Parks) and May 1 (Yard). This revenue variance *improved* by \$12,815 since April. Utilities continue to be the only revenue line item above budget at 44.9%, though Ramps are very close to budget at 41%. Yard operation revenues are the most significant comparative difference between 2017 and 2016 at \$83,252 (decrease).



Through May 2017, Operating Expenses are at 38.8% of total budget while we are through 42% of the year. Compared to the previous year, total Operating Expenses are up by \$157,824. Outside Services is the only expense ahead of budget, by 4.3% or \$19,062. The remaining Operating Expense line items are below budget.

Before depreciation, Net Operating Income is \$168,294 and after depreciation, there is a loss of \$496,806. When including Non-Operating Revenues and Expenses, there is a Net Loss of \$192,471. This exceeds the previous year by \$344,737. The YTD loss *decreased* by \$28,320 in May when compared to April.

In March, the Port expended \$12,489 in WIP (capital project "Work in Progress"). These expenses were for the L3 Stormwater, Point Hudson Jetty and JCIA Runway Rehabilitation projects.

On May 1st, the Port paid \$209,372 in principle and interest on the 2013 Jr. Lien Revenue Bond. For the remainder of 2017, the following Debt Service payments will be due:

- June 1st - \$108,819 interest for 2010 LTGO Bond
- July 1st - \$431,351 principle and interest for both the 2006 LTGO and 2015 LTGO Bonds
- July 31st - \$52,750 principle and interest on CERB loan (*final payment*)
- November 1st - \$209,372 principle and interest on the 2013 Jr. Lien Revenue Bond.
- December 1st - \$368,819 principle and interest on the 2010 LTGO Bond.

Together these remaining debt service payments for 2017 total \$1,171,111.

End of month, the cash and investment balances were \$2,965,001, down by \$46,408 from April. Of that cash and investment balance \$802,234 are reserves leaving a \$2,162,767 in unreserved cash and investment balances.

Port of Port Townsend
Summary of Operating & Non-Operating Revenues & Expenses
2017 Activity with Comparison to Prior Year and Budget

	Actual thru May 31, 2016	Actual thru May 31, 2017	Variance year to year	2017 Budget	% Actual to Budget at 42% of year
REVENUES					
Marinas and RV Parks	903,764	889,412	(14,352)	2,660,000	33.4%
Yard Operations	679,181	595,929	(83,252)	1,764,924	33.8%
Property Leases & Use	452,052	466,316	14,264	1,215,000	38.4%
Fuel Sales & Leases	12,437	13,361	924	50,000	26.7%
Ramp Use	21,331	22,547	1,216	55,000	41.0%
Utilities	91,345	103,281	11,936	230,076	44.9%
Total Operating Revenues	2,160,110	2,090,846	(69,264)	5,975,000	35.0%
OPERATING EXPENSES					
Personnel	1,096,252	1,242,329	146,077	3,006,270	41.3%
Outside Services	150,106	203,351	53,244	443,310	45.9%
Facilities & Operations	270,451	254,979	(15,472)	805,809	31.6%
Utilities	201,704	198,452	(3,252)	554,180	35.8%
Marketing	21,992	11,828	(10,163)	54,450	21.7%
Economic Development	12,500	-	(12,500)	40,000	0.0%
Travel & Training	7,824	6,614	(1,210)	30,000	22.0%
Cost of Goods - Fuel	3,900	4,688	788	12,000	39.1%
Community Relations	-	310	310	4,000	7.8%
Total Operating Expenses	1,764,728	1,922,552	157,824	4,950,019	38.8%
Income from Operations w/o Depr	395,382	168,294	(227,088)	1,024,981	16.4%
Depreciation Expense	637,583	665,100	27,517	1,585,632	41.9%
Income (Loss) from Operations w/Depr	(242,201)	(496,806)	(254,605)	(560,651)	88.6%
Non-Operating Revenue					
Capital Contributions/Grants	88,388	10,681	(77,707)	168,750	6.3%
Interest	18,601	7,033	(11,568)	38,000	18.5%
Property & other taxes	438,755	421,859	(16,896)	1,020,000	41.4%
Miscellaneous Non-Operating Revenue	9,408	21,830	12,423	16,200	134.8%
Total Non-Operating Revenues	555,151	461,403	(93,748)	1,242,950	37.1%
Non-Operating Expenses					
Bond Interest	155,551	147,352	(8,199)	369,339	39.9%
Bond Mgmt, Issuance, Investment	5,132	9,716	4,583	154,940	6.3%
Election Expense	-	-	-	17,340	0.0%
Total Non-Operating Expenses	160,683	157,068	(3,616)	541,619	29.0%
Net Non-Operating Income(Expense)	394,468	304,336	(90,132)	701,332	43.4%
Net Income (Loss)	152,266	(192,471)	(344,737)	140,680	-136.8%