

MEMORANDUM

Date: March 11, 2016
To: Commissioners, Directors, and Managers
From: Abigail Berg
Subject: January 2016 Statement of Activity analysis

Attached is the Consolidated Statement of Revenue & Expense and YTD Revenue and Expense comparison graphs for January 2016. I did not include the lengthy report of past that includes a statement of activity for each department in an attempt to steer clear of that silo approach to analyzing the Port's financial performance. Instead, the consolidated statement includes revenue detail by department, as applicable, with consolidated detail on types of expenses as well as the non-operating revenues and expenses.

The YTD results reveal the following:

Total gross operating revenues:

2016: \$358,781
2015: \$384,829
2014: \$372,443
2013: \$328,761

YTD Operating Revenues are \$7,271 less than in 2015, and is short of budgeted amounts by 1.7%.

All departments exceeded budgeted revenues except for the Yard (which is down from 2015 by \$25,063), Quilcene (down \$1,302 from 2015), and Ramps (only down by \$125). Boat Haven Moorage, and Point Hudson show the largest increases over the prior year at 15% (or \$15,672) and 2.7% (or \$2,004), respectively.

Total operating expenses without depreciation:

2016: \$278,479
2015: \$250,969
2014: \$255,292
2013: \$253,835

YTD 2016 Operating expenses are \$27,510 more than 2015, though 8.3% through the year, expenses are 6.23% of budget (without depreciation).

The most significant increases are employee benefits (up \$8,477), Advertising (up \$6,723), Repair & Maintenance (up \$6,158), and employee pay (up \$5,163).

We have a net loss from operations of \$(45,724) after depreciation. However, the overall net income is \$16,705 after non-operating revenues and expenses are included. This is \$22,209 less than year-end 2015.

Port of Port Townsend
Consolidated Statement of Revenue & Expense
For the Period Ended January 31, 2016

	Actual thru Jan. 31, 2015	Actual thru Jan. 31, 2016	Annual Budget	% Budget Received or Spent 8.3% thru year	Budget Remaining	Remarks
Revenues						
PTBH - Permanent Moorage	78,692	83,969	1,032,000	8.14%	948,031	
PTBH - Liveaboard Fee	1,325	1,540	18,000	8.56%	16,460	
Work Float/Lift Pier Usage	75	175	18,000	0.97%	17,825	
PTBH - Monthly Guest	9,925	16,725	159,500	10.49%	142,775	
PTBH - Nightly Guest	5,140	7,221	231,600	3.12%	224,379	
PTBH - Electric	8,315	9,709	80,000	12.14%	70,291	
PTBH - Miscellaneous Revenue	515	541	10,000	5.41%	9,459	
PTBH - Showers	1,335	1,077	20,000	5.38%	18,923	
PTBH - Laundry	303	338	6,000	5.63%	5,663	
Total Moorage Revenue	105,624	121,296	1,575,100	7.70%	1,453,805	
Yard - Liveaboard Fee	35	0	500	0.00%	500	
Yard - Miscellaneous Revenue	925	150	15,000	1.00%	14,850	
Yard - Environmental Clean-up	0	417	0	#DIV/0!	(417)	
Yard - 70/75 Ton Hoist Revenue	11,668	11,466	270,639	4.24%	259,173	
Yard - 300 Ton Hoist Revenue	8,667	8,713	186,735	4.67%	178,022	
Yard - Washdown Revenue	3,516	3,204	75,000	4.27%	71,796	
Yard - Bilge Water Revenue	710	135	12,000	1.13%	11,865	
Yard - Work Yard Revenue	38,484	31,225	600,000	5.20%	568,775	
Yard - Ship Yard Revenue	28,283	26,981	360,080	7.49%	333,099	
Yard - L/T Storage	5,213	6,423	70,322	9.13%	63,899	
Yard - Electric	2,473	1,791	25,000	7.17%	23,209	
Yard - Blocking Rent	1,229	1,704	16,000	10.65%	14,296	
Yard - Tarp Pool Fee	265	0	0	#DIV/0!	0	
Marine Trades 3% Revenue	15,804	0	81,800	0.00%	81,800	
Total Work Yard Revenue	117,271	92,208	1,713,076	5.38%	1,620,868	
PTBH Prop - Lease Revenue	40,439	41,676	509,600	8.18%	467,924	
PTBH Prop - Storage Unit Revenue	445	396	5,000	7.92%	4,604	
PTBH Prop - Fuel Dock Lease	1,093	986	20,400	4.83%	19,414	
PTBH Prop - Electric	1,215	1,512	22,200	6.81%	20,688	
Total PTBH Property Revenue	43,192	44,570	557,200	8.00%	512,630	
Quilcene - Permanent Moorage	1,323	1,530	33,150	4.62%	31,620	
Quilcene - Nightly Moorage	0	30	2,600	1.15%	2,570	
Quilcene - Nightly R.V.	0	0	1,200	0.00%	1,200	
Quilcene - Electric	174	109	2,000	5.45%	1,891	
Quilcene - Showers	150	160	2,500	6.40%	2,340	
Quilcene - Fuel Sales	2,265	605	28,000	2.16%	27,395	
Quilcene - Lease Revenue	4,741	4,829	59,160	8.16%	54,331	
Quilcene - Rental Property Revenue	500	500	6,000	8.33%	5,500	
Quilcene - Water	397	485	7,000	6.93%	6,515	
Quilcene - Miscellaneous Revenue	0	0	200	0.00%	200	
Total Quilcene Revenue	9,550	8,248	141,810	5.82%	133,562	

Port of Port Townsend
Consolidated Statement of Revenue & Expense
For the Period Ended January 31, 2016

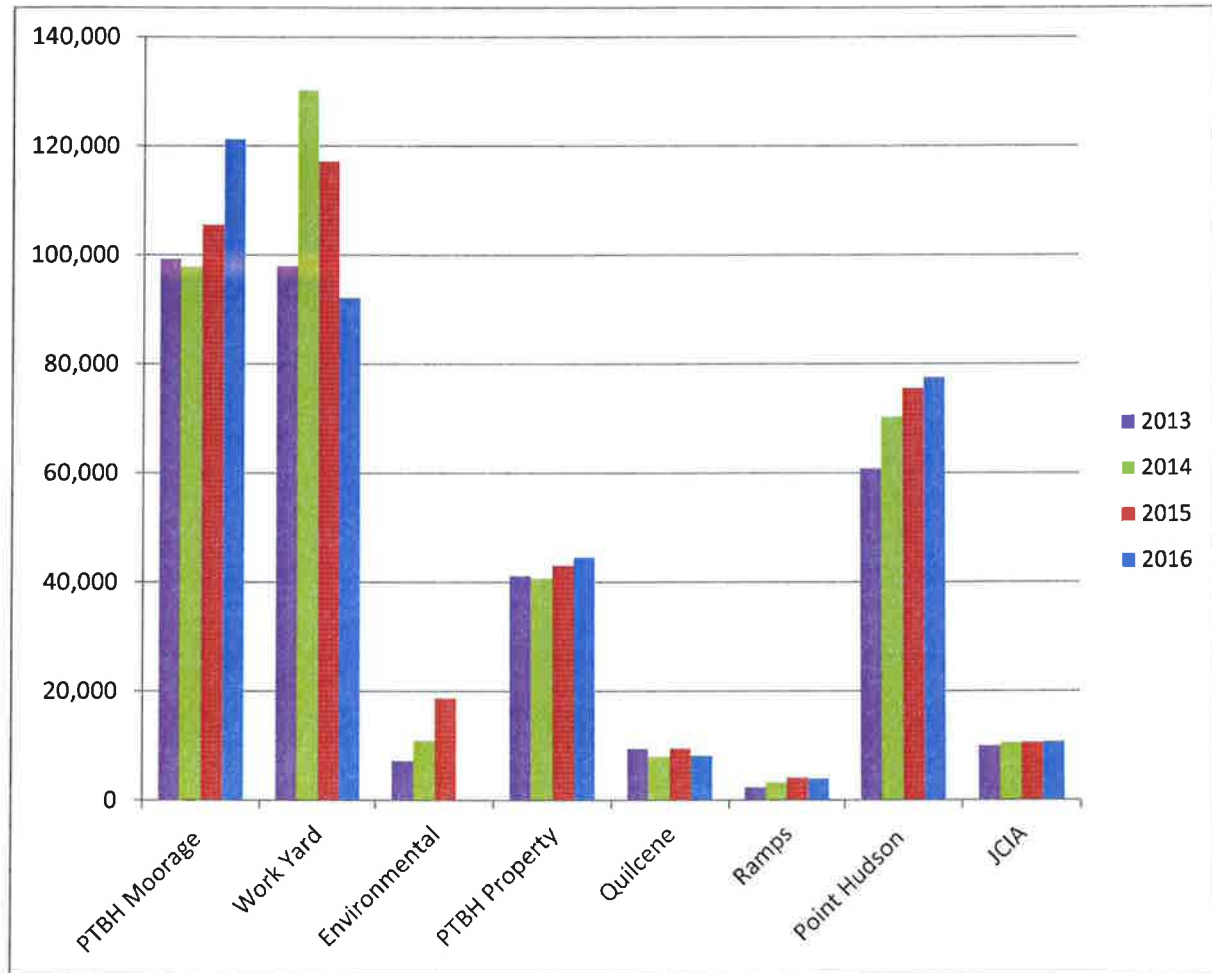
	Actual thru Jan. 31, 2015	Actual thru Jan. 31, 2016	Annual Budget	% Budget Received or Spent 8.3% thru year	Budget Remaining	Remarks
Ramp Fees	3,640	3,640	53,899	6.75%	50,259	
Dinghy Float Revenue	500	375	1,350	27.78%	975	
Total Ramp Revenue	4,140	4,015	55,249	7.27%	51,234	
Pt Hudson - Building Lease Revenue	31,067	31,186	400,000	7.80%	368,814	
Pt Hudson - Permanent Moorage	9,385	9,180	124,277	7.39%	115,097	
Pt Hudson - Liveaboard Fee	560	350	4,300	8.14%	3,950	
Pt Hudson - Monthly Guest	10,891	14,355	70,000	20.51%	55,645	
Pt Hudson - Nightly Guest	5,505	3,233	235,350	1.37%	232,117	
Pt Hudson - Wharf Usage	0	0	10,000	0.00%	10,000	
Pt Hudson - Monthly R.V.	3,375	3,825	27,100	14.11%	23,275	
Pt Hudson - Nightly R.V.	9,760	9,800	290,126	3.38%	280,326	
Pt Hudson - Kayak Racks	770	888	6,000	14.80%	5,112	
Pt Hudson - Reservation Fee	1,925	1,386	26,000	5.33%	24,614	
Pt Hudson - Showers	225	541	8,000	6.77%	7,459	
Pt Hudson - Laundry	445	389	7,500	5.19%	7,111	
Pt Hudson - Passenger Fee	0	0	4,000	0.00%	4,000	
Pt Hudson - Electric	1,530	2,042	22,000	9.28%	19,958	
Pt Hudson - Miscellaneous Revenue	76	10	2,500	0.40%	2,490	
Pt Hudson - Event Facility Revenue	100	430	5,000	8.60%	4,570	
Total Pt Hudson	75,612	77,616	1,242,153	6.25%	1,164,537	
JCIA - Miscellaneous Revenue	0	0	100	0.00%	100	
JCIA - Lease Revenue	8,554	8,693	105,264	8.26%	96,571	
JCIA - Hangar Revenue	1,964	1,986	22,404	8.87%	20,418	
JCIA - Vehicle Parking Revenue	0	0	750	0.00%	750	
JCIA - Aircraft Parking	0	15	1,000	1.50%	985	
JCIA - Commercial Landing Fee	0	0	0	#DIV/0!	0	
JCIA - Fuel Lease Revenue	146	134	3,500	3.82%	3,366	
Total JCIA Revenue	10,664	10,828	133,018	8.14%	122,190	
Total Operating Revenue	366,052	358,781	5,417,606	6.62%	5,058,825	
Operating Expenses						
Salaries & Wages	138,345	143,508	1,877,504	7.64%	1,733,996	
Payroll Taxes	14,691	14,500	221,100	6.56%	206,600	
Employee Benefits	45,379	53,856	670,101	8.04%	616,245	
Uniform Expense	28	539	9,908	5.44%	9,369	
Contract Services	2,538	3,602	201,310	1.79%	197,708	
Legal & Auditing	0	0	81,600	0.00%	81,600	
Operating Supplies	4,314	2,513	154,854	1.62%	152,341	
Cost of Fuel Sold - Quilcene	2,039	404	20,000	2.02%	19,596	
Moorage Credit System - PTBH	2,750	3,820	40,000	9.55%	36,180	<i>expected to vary</i>
Travel	0	55	17,100	0.32%	17,045	

Port of Port Townsend
Consolidated Statement of Revenue & Expense
For the Period Ended January 31, 2016

	Actual thru Jan. 31, 2015	Actual thru Jan. 31, 2016	Annual Budget	% Budget Received or Spent 8.3% thru year	Budget Remaining	Remarks
Training	0	0	8,000	0.00%	8,000	
Insurance	15,639	16,303	189,175	8.62%	172,872	
Claims & Damages	0	0	7,000	0.00%	7,000	
Advertising	4,860	11,583	48,050	24.11%	36,467	
Promotion	90	280	5,000	5.60%	4,720	
Membership & Dues	9,665	9,912	14,670	67.57%	4,758	<i>WPPA dues pd in Jan.</i>
Community Relations	0	0	4,000	0.00%	4,000	
Bank Charges	2,391	3,013	53,320	5.65%	50,307	
Utilities	6,753	6,994	531,180	1.32%	524,186	
Excise Tax	1,035	787	23,125	3.40%	22,338	
Bad Debt	(200)	0	19,200	0.00%	19,200	
Miscellaneous Expense	0	0	4,200	0.00%	4,200	
Repair & Maintenance	652	6,810	245,520	2.77%	238,710	
Economic Development	0	0	25,000	0.00%	25,000	
Operating Expenses w/o Depr	250,968	278,479	4,470,917	6.23%	4,192,438	
Income from Operations w/o Depr	115,084	80,302	946,689	8.48%	866,387	
Depreciation Expense	125,120	126,026	(1,548,147)	8.14%	(1,674,173)	
Income (Loss) from Oper w/Depr	(10,036)	(45,724)	(601,458)	7.60%	2,540,560	
Non-Operating Revenue						
Grants - WA State	0	0	223,740	0.00%	223,740	
ARRA Bond Interest Subsidy Pmt	0	0	0	#DIV/0!	0	
Investment Interest	1,003	432	4,200	10.29%	3,768	
Operating Tax Levy	77,289	79,000	948,000	8.33%	869,000	
State Forest Revenues	9,606	11,573	25,000	46.29%	13,427	<i>expected to vary</i>
State Timber Excise Tax	0	0	39,000	0.00%	39,000	<i>expected to vary</i>
Leasehold Excise Tax	0	0	7,000	0.00%	7,000	
Finance Charges	1,275	2,382	14,000	17.01%	11,618	
Other Non-Operating Revenues	0	10	0			
Total Non-Operating Revenue	89,173	93,398	1,260,940	7.41%	1,167,553	
Non-Operating Expenses						
Interest Exp - CERB Loan	688	458	5,500	8.33%	5,042	
Interest Exp - 2005 Rev Ref Bond	4,986	0	0	#DIV/0!	0	
Interest Exp - 2005 LTGO Bond	14,771	0	0	#DIV/0!	0	
Interest Exp - 2006 LTGO Ref Bond	2,341	1,649	17,532	9.40%	15,883	
Interest Exp - 2010 LTGO Bond	15,951	18,180	226,836	8.01%	208,656	
Interest Exp - 2013 Revenue Bond	1,480	1,480	17,754	8.33%	16,275	
Interest Exp - 2015 LTGO Ref Bond	0	9,188	130,651	7.03%	121,463	
Bond Management Fees	0	0	1,200	0.00%	1,200	
Investment Fees	8	14	1,000	1.42%	986	
Total Non-Operating Expenses	40,223	30,969	400,473	7.73%	369,505	
Net Non-Operating Income(Expense)	48,950	62,429	860,467	7.26%	798,048	
Net Income(Loss)	38,914	16,705	259,009	6.45%	3,338,608	

January 2016 Operating Revenues

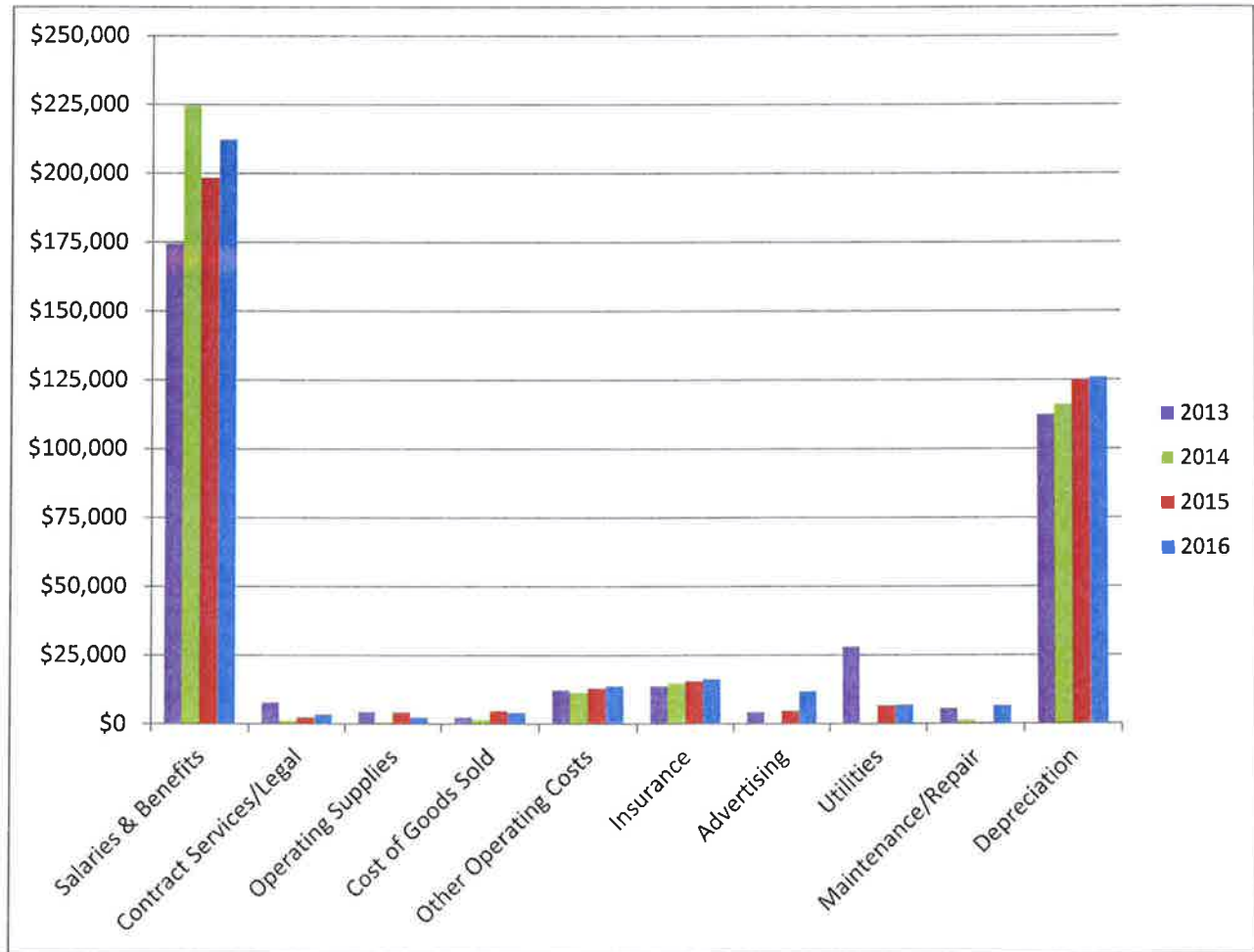
Total = \$358,781



Trend comments:

1. PTBH Moorage revenues are significantly higher than 2015. This is due to a combination of several factors, to include the increases in commercial moorage, fewer vacancies, fewer haul-outs for winter yard work, more nightly guests and the rate increase.
2. Yard revenues are significantly lower than 2015. Some of this can be attributed to the fewer haul-outs by moorage tenants for winter work, in addition to fewer lay days in the Yard and zero contributions from the Marine Trades.
3. Environmental revenues were moved back to source departments in June 2015.

January 2016 Operating Expenses Total = \$404,505



Trend comments:

1. Port employee pay and related benefits increased January 1. As such we expect the year to year comparison to be higher than the prior year. When compared to 2015, employee pay increased ~\$5,200 and benefits increased ~\$8,500, whereas payroll taxes varied little. However, in addition to the salary survey pay increases, this was the first year that all represented employees received a CPI in January (so that all Port employees now receive their annual CPI in January). In addition, once the 2015 annual report is completed there may be other adjustments to the 2015 year that will change these amounts.

Port of Port Townsend
Port Management Report
For the Period Ended January 31, 2016

Department:	Revenue	Direct Expenses	Gross Profit	Allocated A&G Expense	Depreciation	Net Income
Moorage						
Actual	121,296	42,094	79,202	0	20,639	58,563
Annual Budget	1,575,100	728,141	846,959	334,856	20,833	491,270
Variance	(1,453,805)	(686,047)	(767,757)	(334,856)	(195)	(432,706)
Actual as % of annual budget	8%	6%	9%	0%	99%	12%
% through year	8%	8%	8%	8%	8%	8%
Yard						
Actual	92,208	67,039	25,169	0	28,375	(3,206)
Budget	1,713,076	1,320,590	392,486	360,277	340,116	(307,907)
Variance	(1,620,868)	(1,253,551)	(367,317)	(360,277)	(311,741)	304,701
Actual as % of annual budget	5%	5%	6%	0%	8%	1%
% through year	8%	8%	8%	8%	8%	8%
PTBH Properties						
Actual	44,570	10,110	34,460	0	10,913	23,546
Budget	557,200	124,140	433,060	119,594	125,000	188,466
Variance	(512,630)	(114,030)	(398,600)	(119,594)	(114,087)	(164,920)
Actual as % of annual budget	8%	8%	8%	0%	9%	12%
% through year	8%	8%	8%	8%	8%	8%
Pt Hudson Properties						
Actual	31,186	853	30,333	0	8,652	21,680
Budget	0	0	0	0	0	0
Variance	31,186	853	30,333	0	8,652	21,680
Actual as % of annual budget	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
% through year	8%	8%	8%	8%	8%	8%
Pt Hudson Marina & RV						
Actual	77,616	41,724	35,892	0	30,001	5,891
Budget	1,242,153	647,893	594,260	262,999	362,400	(31,139)
Variance	(1,164,537)	(606,169)	(558,368)	(262,999)	(332,399)	37,030
Actual as % of annual budget	6%	6%	6%	0%	8%	-19%
% through year	8%	8%	8%	8%	8%	8%
Quilcene						
Actual	8,248	6,978	1,271	0	5,526	(4,256)
Budget	141,810	86,890	54,920	29,964	66,600	(41,644)
Variance	(133,562)	(79,912)	(53,649)	(29,964)	(61,074)	37,388
Actual as % of annual budget	6%	8%	2%	0%	8%	10%
% through year	8%	8%	8%	8%	8%	8%
Ramps						
Actual	4,015	1,885	2,130	0	1,819	310
Budget	55,249	37,548	17,701	11,674	38,664	(32,637)
Variance	(51,234)	(35,663)	(15,571)	(11,674)	(36,845)	32,947
Actual as % of annual budget	7%	5%	12%	0%	5%	-1%
% through year	8%	8%	8%	8%	8%	8%
JCIA						
Actual	10,828	6,004	4,824	0	23,481	(18,656)
Budget	133,018	129,825	3,193	28,106	264,067	(288,980)
Variance	(122,190)	(123,821)	1,631	(28,106)	(240,586)	270,324
Actual as % of annual budget	8%	5%	151%	0%	9%	6%

Port of Port Townsend
Port Management Report
For the Period Ended January 31, 2016

Department:	Revenue	Direct Expenses	Gross Profit	Allocated A&G Expense	Depreciation	Net Income
% through year	8%	8%	8%	8%	8%	8%
Total Profit Centers						
Actual	389,967	176,687	213,280	0	129,406	83,874
Budget	5,417,606	3,075,027	2,342,579	1,147,470	1,217,680	(22,571)
Variance	(5,027,639)	(2,898,340)	(2,129,299)	(1,147,470)	(1,088,274)	106,445
Actual as % of annual budget	7%	6%	9%	0%	11%	-372%
% through year	8%	8%	8%	8%	8%	8%
Maintenance Shop						
Actual to-date		14,476	(14,476)	0	1,006	(15,482)
Annual Budget		227,694	(227,694)	0	13,000	(240,694)
Variance		(213,218)	213,218	0	(11,994)	225,212
Actual as % of annual budget		6%	6%	#DIV/0!	8%	6%
% through year	8%	8%	8%	8%	8%	8%
Environmental						
Actual to-date		8,145	(8,145)	0	0	(8,145)
Annual Budget		77,026	(77,026)	0	32,000	(109,026)
Variance		(68,881)	68,881	0	(32,000)	100,881
Actual as % of annual budget		11%	11%	#DIV/0!	0%	7%
% through year		8%	8%	8%	8%	8%
Administrative & General						
Administration						
Actual		80,024	(80,024)	0	4,266	(84,291)
Budget		1,147,470	(1,147,470)	(1,203,770)	56,300	0
Variance		(1,067,446)	1,067,446	1,203,770	(52,034)	(84,291)
Actual as % of annual budget		7%	7%	0%	8%	#DIV/0!
% through year	8%	8%	8%	8%	8%	8%
Total Operating						
Actual	389,967	279,333	110,634	0	134,678	(24,044)
Budget	5,417,606	4,527,217	890,389	(56,300)	1,318,980	(372,291)
Variance	5,027,639	(4,247,884)	(779,755)	56,300	(1,184,302)	348,247
Actual as % of annual budget	7%	6%	12%	0%	10%	6%
% through year	8%	8%	8%	8%	8%	8%
Non-Operating						
Actual	93,398	30,969	62,429			62,429
Budget	1,260,940	400,473	860,467			860,467
Variance	(1,167,542)	(369,505)	(798,038)			(798,038)
Actual as % of annual budget	7%	8%	7%	#DIV/0!	#DIV/0!	7%
% through year	8%	8%	8%	8%	8%	8%
Grand Total						
Actual	483,365	310,301	173,064		134,678	38,385
Budget	6,678,546	4,927,690	1,750,856		1,318,980	431,876
Variance	(6,195,181)	(4,617,389)	(1,577,792)		(1,184,302)	(393,490)
Actual as % of annual budget	7%	6%	10%	#DIV/0!	10%	9%
% through year	8%	8%	8%	8%	8%	8%