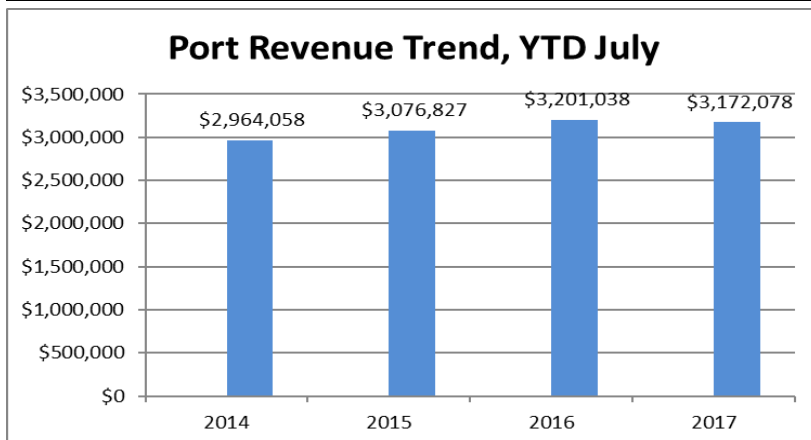
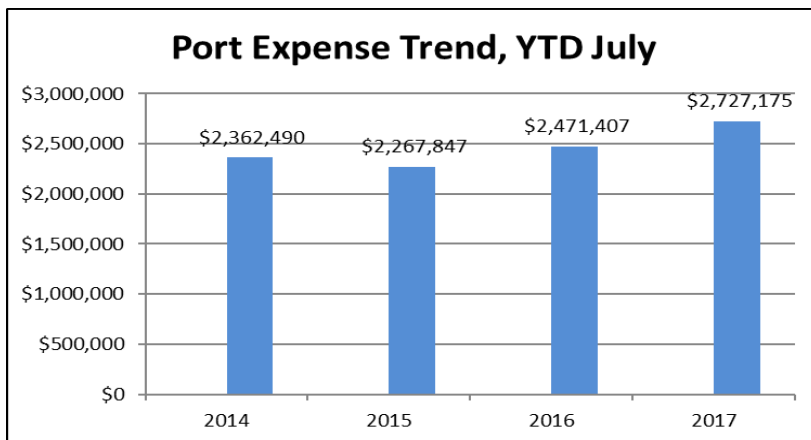


**DATE:** August 21, 2017  
**TO:** Commissioners and Directors  
**FROM:** Abigail Berg, Director of Finance & Administration  
**SUBJECT:** Port Operating Results as of July 31, 2017



**YTD Operating Revenues are \$28,960 less than the previous year, an improvement of \$46,755 over June YTD. Comparison to budget is within 0.7% because we adjusted the budget after the Mid-Year Review. All revenue line items increased when comparing to 2016, except the Yard which is down by \$96,550. Ramp Use revenues are well in advance of 2016 (by \$13,836) and budget (at 82.5%, this line item budget amount was not changed in the Mid-Year Review).**



**Through July 2017, Operating Expenses are at 53.5% of total budget while we are through 58% of the year (this includes some budget adjustments made after the Mid-Year Review). Compared to the previous year, total Operating Expenses are up by \$255,768; of this amount, 89.5% is Personnel which was budgeted to increase by this amount and is exactly on budget at 58%. The only line item ahead of budget is Cost of Goods – Fuel at 78.8%. The remaining line items are below budget to date.**

Before depreciation, Net Operating Income is \$444,904 which is an improvement from June YTD by \$170,322. After depreciation, there is a loss of \$486,994. When including Non-Operating Revenues and Expenses, there is a Net Loss of \$54,315, which exceeds the previous year by \$382,068. The YTD loss decreased by \$90,692 in July when compared to June.

In June, the Port expended \$33,296 in WIP (capital project “Work in Progress”). 72% of these expenses were for the L3 Stormwater, while 25% were for the Point Hudson Landfall Parking and Point Hudson Jetty projects.

In July, the Port paid \$417,000 in bond principle and \$67,101 in bond interest. These payments included the final payment for the CERB loan that funded the 300 ton Travelift. For the remainder of 2017, the following Debt Service payments are due:

- November 1<sup>st</sup> - \$209,372 principle and interest on the 2013 Jr. Lien Revenue Bond.
- December 1<sup>st</sup> - \$368,819 principle and interest on the 2010 LTGO Bond.

Together these remaining debt service payments for 2017 total \$578,191.

End of month, the cash and investment balances were \$2,596,502, down by \$344,691 from June. Of that cash and investment balance \$822,234 are reserves leaving a \$1,774,268 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 July 31, 2016	Actual thru July 31, 2017	Variance year to year	2017 Budget	% Actual to Budget at 58% of year	
<b>REVENUES</b>						
Marinas and RV Parks	1,425,428	1,441,842	16,414	2,545,000	56.7%	-
Yard Operations	964,517	867,967	(96,550)	1,500,424	57.8%	
Property Leases & Use	634,700	655,528	20,829	1,153,990	56.8%	
Fuel Sales & Leases	21,215	24,760	3,545	50,000	49.5%	
Ramp Use	31,518	45,353	13,836	55,000	82.5%	
Utilities	123,660	136,628	12,968	230,076	59.4%	
<b>Total Operating Revenues</b>	<b>3,201,038</b>	<b>3,172,078</b>	<b>(28,960)</b>	<b>5,534,490</b>	<b>57.3%</b>	
<b>OPERATING EXPENSES</b>						
Personnel	1,517,659	1,746,567	228,909	3,013,738	58.0%	
Outside Services	206,490	272,082	65,592	585,256	46.5%	
Facilities & Operations	388,617	370,055	(18,562)	805,809	45.9%	
Utilities	278,859	281,808	2,949	554,180	50.9%	
Marketing	33,993	18,129	(15,864)	54,450	33.3%	
Economic Development	25,000	15,000	(10,000)	40,000	37.5%	
Travel & Training	13,322	13,465	143	30,000	44.9%	
Cost of Goods - Fuel	7,466	9,453	1,987	12,000	78.8%	
Community Relations	-	615	615	4,000	15.4%	
<b>Total Operating Expenses</b>	<b>2,471,407</b>	<b>2,727,175</b>	<b>255,768</b>	<b>5,099,433</b>	<b>53.5%</b>	
<b>Income from Operations w/o Depr</b>	<b>729,632</b>	<b>444,904</b>	<b>(284,728)</b>	<b>435,057</b>	<b>102.3%</b>	
<b>Depreciation Expense</b>	<b>893,077</b>	<b>931,898</b>	<b>38,821</b>	<b>1,585,632</b>	<b>58.8%</b>	
<b>Income (Loss) from Operations w/Depr</b>	<b>(163,446)</b>	<b>(486,994)</b>	<b>(323,549)</b>	<b>(1,150,575)</b>	<b>42.3%</b>	
<b>Non-Operating Revenue</b>						
Capital Contributions/Grants	88,388	17,632	(70,756)	298,274	5.9%	CERB, Quil WW, RCO, FAA
Interest	20,106	26,687	6,581	41,000	65.1%	incr. in interest
Property & other taxes	594,226	585,290	(8,935)	1,020,000	57.4%	
Miscellaneous Non-Operating Revenue	12,304	25,966	13,661	54,200	47.9%	
<b>Total Non-Operating Revenues</b>	<b>715,024</b>	<b>655,575</b>	<b>(59,450)</b>	<b>1,413,474</b>	<b>46.4%</b>	
<b>Non-Operating Expenses</b>						
Bond Interest	217,958	204,129	(13,829)	369,339	55.3%	
Bond Mgmt, Issuance, Investment	5,868	18,766	12,898	136,940	13.7%	
Election Expense	-	-	-	17,340	0.0%	
<b>Total Non-Operating Expenses</b>	<b>223,826</b>	<b>222,895</b>	<b>(931)</b>	<b>523,619</b>	<b>42.6%</b>	
<b>Net Non-Operating Income(Expense)</b>	<b>491,198</b>	<b>432,679</b>	<b>(58,519)</b>	<b>889,856</b>	<b>48.6%</b>	
<b>Net Income (Loss)</b>	<b>327,753</b>	<b>(54,315)</b>	<b>(382,068)</b>	<b>(260,720)</b>	<b>20.8%</b>	