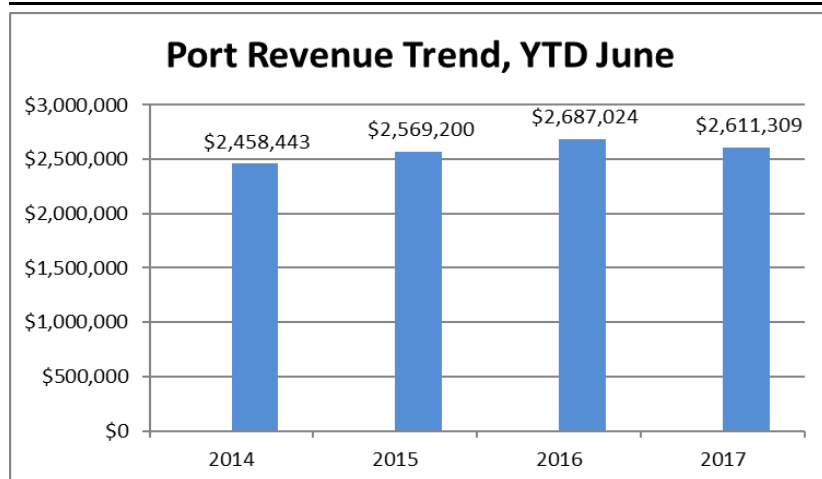
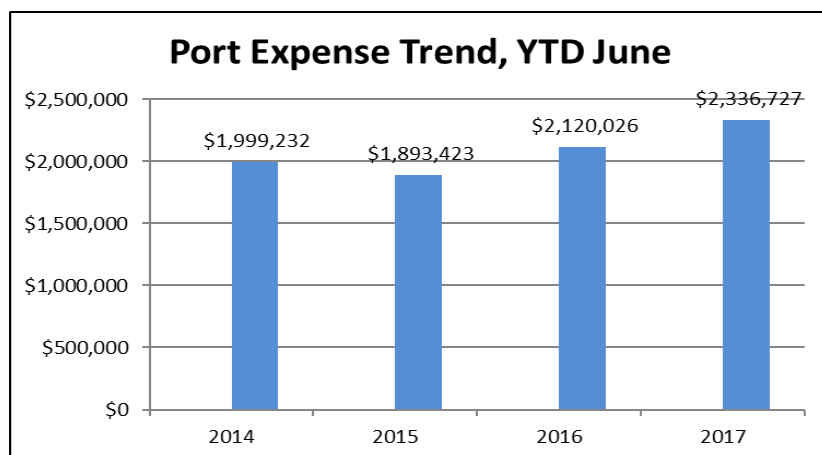


**DATE:** July 28, 2017  
**TO:** Commissioners and Directors  
**FROM:** Abigail Berg, Director of Finance & Administration  
**SUBJECT:** Port Operating Results as of June 30, 2017

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YTD Operating Revenues are \$75,715 less than the previous year, and short of budgeted amounts by 6.3%, although the new rates did not go into effect until April 1 (for Marinas & RV Parks) and May 1 (Yard). Utilities and Ramps are the only revenue line items above budget at 51.9% and 62%, respectively. Yard operation revenue continues to be the most significant comparative difference between 2017 and 2016 at \$110,132 (decrease). Fuel Sales & Leases are the furthest below budget at 35.2%, though more than 2016 YTD by \$1,673.



Through June 2017, Operating Expenses are at 47.2% of total budget while we are through 50% of the year. Compared to the previous year, total Operating Expenses are up by \$216,701. Outside Services and Cost of Goods – Fuel are both ahead of budget, by 5.8% (or \$64,912) and 4.6% (or \$1,824). The remaining Operating Expense line items are below budget.

Before depreciation, Net Operating Income is \$274,582 and after depreciation, there is a loss of \$524,158. When including Non-Operating Revenues and Expenses, there is a Net Loss of \$145,007. This exceeds the previous year by \$394,091. The YTD loss decreased by \$47,464 in June when compared to May.

In June, the Port expended \$42,437 in WIP (capital project "Work in Progress"). 84% of these expenses were for the L3 Stormwater and Point Hudson Jetty projects.

On June 1<sup>st</sup>, the Port paid \$108,819 in bond interest on the 2010 LTGO Bond. For the remainder of 2017, the following Debt Service payments will be due:

- July 1<sup>st</sup> - \$431,351 principle and interest for both the 2006 LTGO and 2015 LTGO Bonds
- July 31<sup>st</sup> - \$52,750 principle and interest on CERB loan (*final payment*)
- 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 \$1,062,292.

End of month, the cash and investment balances were \$2,941,193, down by \$23,808 from May. Of that cash and investment balance \$812,234 are reserves leaving a \$2,128,959 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 June 30, 2016	Actual thru June 30, 2017	Variance year to year	2017 Budget	% Actual to Budget at 50% of year
<b>REVENUES</b>					
Marinas and RV Parks	1,147,790	1,141,702	(6,088)	2,660,000	42.9%
Yard Operations	847,451	737,319	(110,132)	1,764,924	41.8%
Property Leases & Use	543,470	561,142	17,672	1,215,000	46.2%
Fuel Sales & Leases	15,932	17,605	1,673	50,000	35.2%
Ramp Use	25,732	34,081	8,350	55,000	62.0%
Utilities	106,649	119,459	12,809	230,076	51.9%
<b>Total Operating Revenues</b>	<b>2,687,024</b>	<b>2,611,309</b>	<b>(75,715)</b>	<b>5,975,000</b>	<b>43.7%</b>
<b>OPERATING EXPENSES</b>					
Personnel	1,309,129	1,493,104	183,975	3,006,270	49.7%
Outside Services	182,303	247,215	64,912	443,310	55.8%
Facilities & Operations	334,907	316,564	(18,343)	805,809	39.3%
Utilities	241,194	242,269	1,075	554,180	43.7%
Marketing	23,495	17,496	(5,999)	54,450	32.1%
Economic Development	12,500	-	(12,500)	40,000	0.0%
Travel & Training	11,772	12,916	1,144	30,000	43.1%
Cost of Goods - Fuel	4,725	6,548	1,824	12,000	54.6%
Community Relations	-	615	615	4,000	15.4%
<b>Total Operating Expenses</b>	<b>2,120,026</b>	<b>2,336,727</b>	<b>216,701</b>	<b>4,950,019</b>	<b>47.2%</b>
<b>Income from Operations w/o Depr</b>	<b>566,999</b>	<b>274,582</b>	<b>(292,417)</b>	<b>1,024,981</b>	<b>26.8%</b>
<b>Depreciation Expense</b>	<b>765,449</b>	<b>798,740</b>	<b>33,291</b>	<b>1,585,632</b>	<b>50.4%</b>
<b>Income (Loss) from Operations w/Depr</b>	<b>(198,451)</b>	<b>(524,158)</b>	<b>(325,708)</b>	<b>(560,651)</b>	<b>93.5%</b>
<b>Non-Operating Revenue</b>					
Capital Contributions/Grants	88,388	12,410	(75,978)	168,750	7.4%
Interest	19,346	24,915	5,568	38,000	65.6%
Property & other taxes	520,848	504,898	(15,951)	1,020,000	49.5%
Miscellaneous Non-Operating Revenue	10,862	24,470	13,608	16,200	151.0%
<b>Total Non-Operating Revenues</b>	<b>639,444</b>	<b>566,692</b>	<b>(72,752)</b>	<b>1,242,950</b>	<b>45.6%</b>
<b>Non-Operating Expenses</b>					
Bond Interest	186,755	176,514	(10,241)	369,339	47.8%
Bond Mgmt, Issuance, Investment	5,156	11,027	5,871	154,940	7.1%
Election Expense	-	-	-	17,340	0.0%
<b>Total Non-Operating Expenses</b>	<b>191,911</b>	<b>187,541</b>	<b>(4,370)</b>	<b>541,619</b>	<b>34.6%</b>
<b>Net Non-Operating Income(Expense)</b>	<b>447,534</b>	<b>379,151</b>	<b>(68,383)</b>	<b>701,332</b>	<b>54.1%</b>
<b>Net Income (Loss)</b>	<b>249,083</b>	<b>(145,007)</b>	<b>(394,091)</b>	<b>140,680</b>	<b>-103.1%</b>