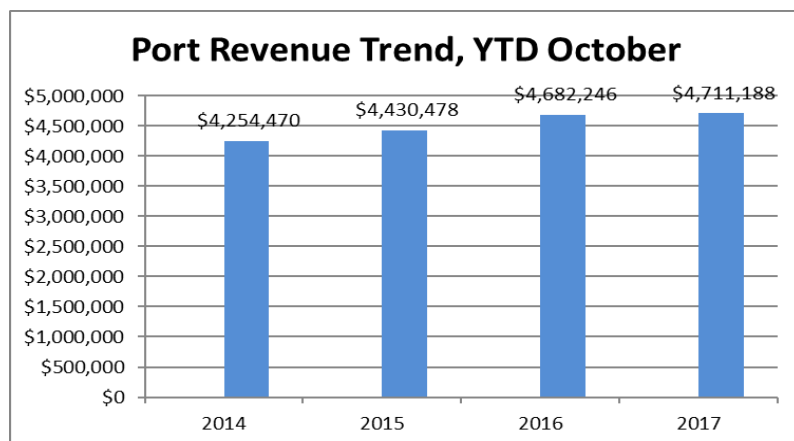
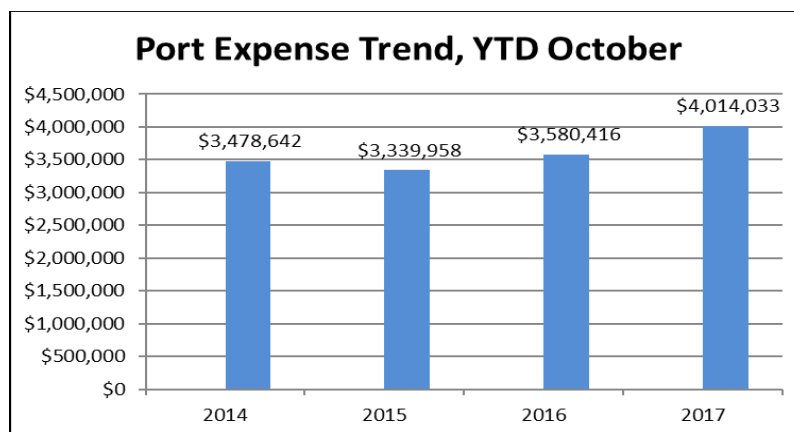


DATE: November 29, 2017
TO: Commissioners and Directors
FROM: Abigail Berg, Director of Finance & Administration
SUBJECT: Port Operating Results as of October 31, 2017



YTD Operating Revenues are \$28,941 more than the previous year, and slightly ahead of budget at 85% when we're 83% through the year. All revenue line items increased when compared to 2016, except the Yard which continues to be down (\$133,344). The Yard revenue decline is primarily Ship Yard Revenues (\$64,702), the 3% Marine Trades Contribution Revenue (\$39,440 – this agreement ceased July 2017), Miscellaneous Revenue (\$31,901 – in 2016 the bulk of this “revenue” was due to a Port tenant issue), and Environmental Clean-up Revenue (\$18,250 – again, in 2016 there was one or two incidents that make up this total, and in 2017 we'd only had one very minor incident totaling \$140). The two latter revenues are not the type of revenue the Port can plan for or would like to rely upon and the 3% Marine Trade Revenue agreement has expired. Ramp Use revenues have exceeded the annual budget by \$1,592 and Marinas & RVs are ahead of budget by 3.6% and over last year's revenues by \$59,870.



Through October 2017, Operating Expenses are at 78.7% of total budget while we are through 83% of the year (this includes some budget adjustments made at the Mid-Year Review in July). Compared to the previous year, total Operating Expenses are up by \$433,617. Of this amount, Personnel is just ahead of budget by 0.6% and Fuel is over budget by 43.4%. Some of the increase in Fuel cost is related to increased fuel sales in Quilcene. All other expense line items are below budget to date.

Before depreciation, Net Operating Income is \$697,154. After depreciation, there is a loss of \$637,636. When including Non-Operating Revenues and Expenses, there is a Net Profit of \$49,602.

This month, the Port expended \$120,381 in WIP (capital project "Work in Progress"). 64% of these expenses were for the Stormwater Rx Project, while 19% was related to the JCIA Runway Rehab Project and 17% was for the Point Hudson Breakwater Project.

In October, there were no required debt service payments. For the remainder of 2017, the following Debt Service payments are due:

- 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 \$578,191.

End of month, the cash and investment balances were \$2,477,578, an increase of \$147,957 from September. Reserve balances totaled \$852,234 and Unreserved Cash & Investments totaled \$1,625,344.

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

	Actual thru Oct. 31, 2016	Actual thru Oct. 31, 2017	Variance year to year	Revised 2017 Budget	% Actual to Budget at 83% of year
REVENUES					
Marinas and RV Parks	2,143,383	2,203,253	59,870	2,545,000	86.6%
Yard Operations	1,386,473	1,253,129	(133,344)	1,500,424	83.5%
Property Leases & Use	907,083	968,234	61,151	1,153,990	83.9%
Fuel Sales & Leases	33,484	40,701	7,218	50,000	81.4%
Ramp Use	37,440	56,592	19,152	55,000	102.9%
Utilities	174,383	189,278	14,895	230,076	82.3%
Total Operating Revenues	4,682,246	4,711,188	28,941	5,534,490	85.1%
OPERATING EXPENSES					
Personnel	2,186,751	2,520,660	333,909	3,013,738	83.6%
Outside Services	319,398	455,307	135,909	585,256	77.8%
Facilities & Operations	563,148	537,634	(25,514)	805,809	66.7%
Utilities	399,002	406,029	7,027	554,180	73.3%
Marketing	54,401	29,351	(25,050)	54,450	53.9%
Economic Development	25,000	30,000	5,000	40,000	75.0%
Travel & Training	20,702	17,652	(3,050)	30,000	58.8%
Cost of Goods - Fuel	12,015	15,170	3,154	12,000	126.4%
Community Relations	-	2,231	2,231	4,000	55.8%
Total Operating Expenses	3,580,416	4,014,033	433,617	5,099,433	78.7%
Income from Operations w/o Depr	1,101,830	697,154	(404,675)	435,057	160.2%
Depreciation Expense	1,278,409	1,334,790	56,381	1,585,632	84.2%
Income (Loss) from Operations w/Depr	(176,579)	(637,636)	(461,057)	(1,150,575)	55.4%
Non-Operating Revenue					
Capital Contributions/Grants	192,619	86,447	(106,172)	298,274	29.0%
Interest	22,386	32,248	9,863	41,000	78.7%
Property & other taxes	847,480	862,432	14,951	1,019,000	84.6%
Miscellaneous Non-Operating Revenue	27,961	34,164	6,203	59,700	57.2%
Total Non-Operating Revenues	1,090,446	1,015,291	(75,155)	1,417,974	71.6%
Non-Operating Expenses					
Bond Interest	309,063	287,205	(21,859)	343,877	83.5%
Bond Mgmt, Issuance & Misc. Exp.	24,073	40,848	16,775	131,390	31.1%
Election Expense	-	-	-	17,340	0.0%
Total Non-Operating Expenses	333,136	328,053	(5,083)	492,607	66.6%
Net Non-Operating Income(Expense)	757,310	687,238	(70,072)	925,367	74.3%
Net Income (Loss)	580,731	49,602	(531,129)	(225,208)	-22.0%

CERB, Quil WW, RCO, FAA

Quil WW expense