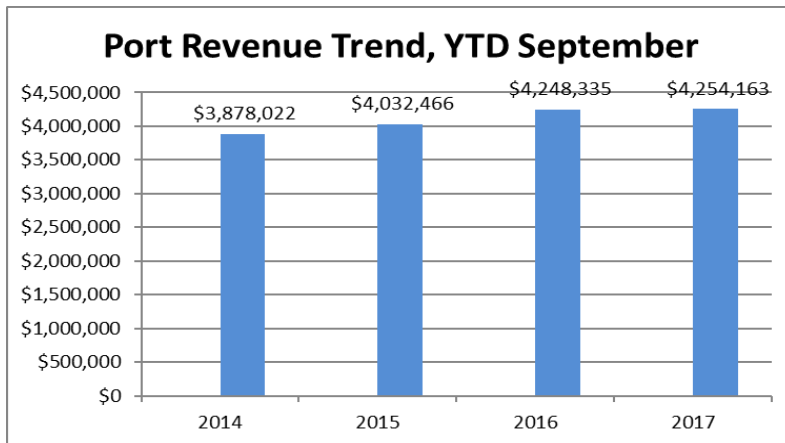
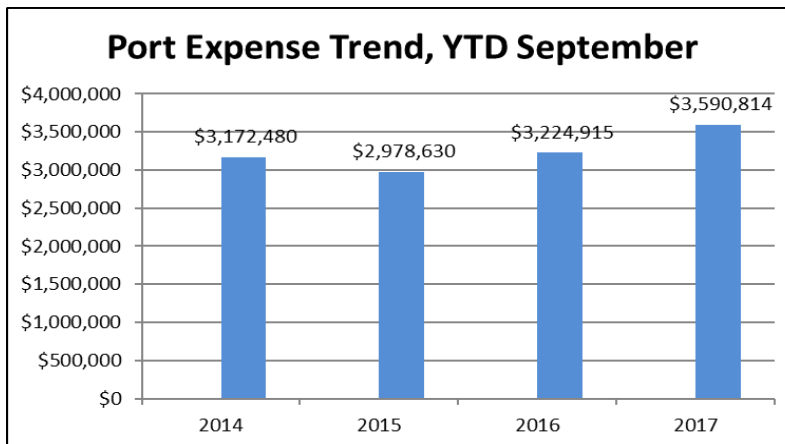


DATE: October 19, 2017
TO: Commissioners and Directors
FROM: Abigail Berg, Director of Finance & Administration
SUBJECT: Port Operating Results as of September 30, 2017



YTD Operating Revenues are \$5,828 more than the previous year, and slightly ahead of budget at 76.9% when we're 75% through the year. All revenue line items increased when comparing to 2016, except the Yard which continues to be down (\$130,464). The Yard revenue decline was primarily Ship Yard Revenues (\$63,335), the 3% Marine Trades Contribution Revenue (\$34,717 – this agreement ceased July 2017), Miscellaneous Revenue (\$23,450 – in 2016 the bulk of this “revenue” was due to a Port tenant issue), and Environmental Clean-up Revenue (\$7,474 – again, in 2016 there was one or two incidents that totaled \$7,614). The two latter revenues are not the type of revenue the Port can plan or would like to rely upon and the 3% Marine Trade Revenue is now gone. Ramp Use revenues have exceeded the annual budget and Marinas & RVs are ahead of budget by 3.6% and over last year's revenues by \$40,687.



Through September 2017, Operating Expenses are at 70.4% of total budget while we are through 75% 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 \$365,899, an improvement over August by \$41,395. Of this amount, Personnel is right on budget at 75.1% and Fuel is over budget at 111.8%. The increase in Fuel cost is directly related to increases fuel sales at Quilcene. All other expense line items are below budget to date.

Before depreciation, Net Operating Income is \$663,350. After depreciation, there is a loss of \$536,879. When including Non-Operating Revenues and Expenses, there is a Net Profit of \$38,418.

This month, the Port expended \$301,239 in WIP (capital project "Work in Progress"). 80% of these expenses were for the Stormwater Rx Project, while 20% was related to the JCIA Runway Rehab Project.

In September, the Port made no 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 \$2,329,621, a decrease of \$348,249 from August (*most of that decrease was a combination of the Stormwater Rx Project contractor payment and the Port insurance renewals*). Reserve balances totaled \$842,234 and Unreserved Cash & Investments totaled \$1,487,387.

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

	Actual thru Sep. 30, 2016	Actual thru Sep. 30, 2017	Variance year to year	Revised 2017 Budget	% Actual to Budget at 75% of year
REVENUES					
Marinas and RV Parks	1,960,294	2,000,981	40,687	2,545,000	78.6%
Yard Operations	1,246,333	1,115,868	(130,464)	1,500,424	74.4%
Property Leases & Use	816,252	874,299	58,047	1,153,990	75.8%
Fuel Sales & Leases	30,708	36,238	5,530	50,000	72.5%
Ramp Use	36,971	55,112	18,141	55,000	100.2%
Utilities	157,777	171,664	13,887	230,076	74.6%
Total Operating Revenues	4,248,335	4,254,163	5,828	5,534,490	76.9%
OPERATING EXPENSES					
Personnel	1,974,308	2,263,601	289,293	3,013,738	75.1%
Outside Services	285,674	392,780	107,107	585,256	67.1%
Facilities & Operations	501,223	500,405	(817)	805,809	62.1%
Utilities	355,849	360,023	4,174	554,180	65.0%
Marketing	54,150	26,074	(28,076)	54,450	47.9%
Economic Development	25,000	15,000	(10,000)	40,000	37.5%
Travel & Training	17,683	17,401	(281)	30,000	58.0%
Cost of Goods - Fuel	11,028	13,413	2,385	12,000	111.8%
Community Relations	-	2,115	2,115	4,000	52.9%
Total Operating Expenses	3,224,915	3,590,814	365,899	5,099,433	70.4%
Income from Operations w/o Depr	1,023,420	663,350	(360,071)	435,057	152.5%
Depreciation Expense	1,148,334	1,200,229	51,895	1,585,632	75.7%
Income (Loss) from Operations w/Depr	(124,914)	(536,879)	(411,966)	(1,150,575)	46.7%
Non-Operating Revenue					
Capital Contributions/Grants	142,100	39,793	(102,308)	298,274	13.3%
Interest	21,646	30,320	8,674	41,000	74.0%
Property & other taxes	767,142	773,508	6,367	1,019,000	75.9%
Miscellaneous Non-Operating Revenue	20,973	32,189	11,216	59,700	53.9%
Total Non-Operating Revenues	951,861	875,810	(76,050)	1,417,974	61.8%
Non-Operating Expenses					
Bond Interest	279,113	260,277	(18,836)	343,877	75.7%
Bond Mgmt, Issuance & Misc. Exp.	23,777	40,237	16,460	131,390	30.6%
Election Expense	-	-	-	17,340	0.0%
Total Non-Operating Expenses	302,889	300,513	(2,376)	492,607	61.0%
Net Non-Operating Income(Expense)	648,972	575,297	(73,675)	925,367	62.2%
Net Income (Loss)	524,058	38,418	(485,641)	(225,208)	-17.1%

CERB, Quil WW, RCO, FAA
incr. in invstmt interest

Quil WW expense