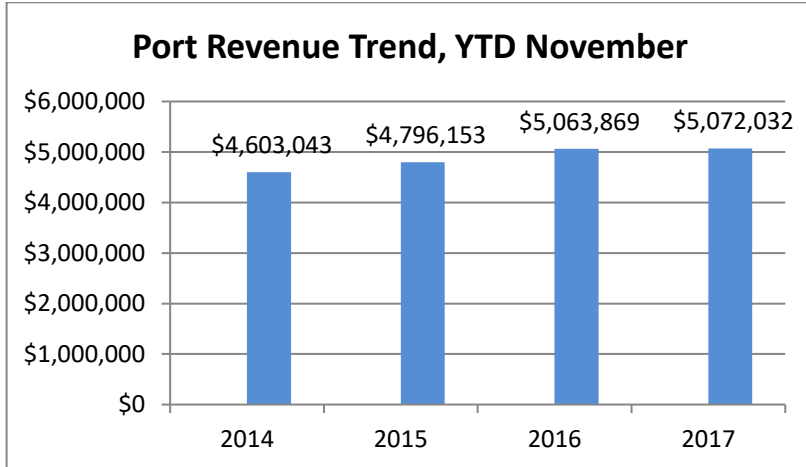
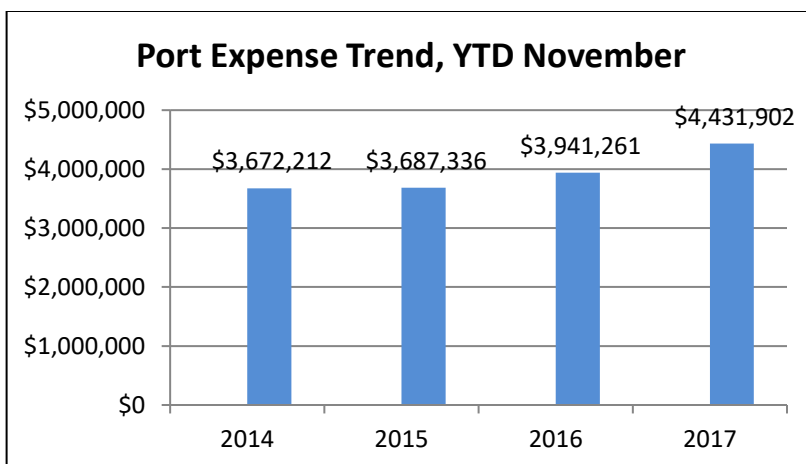


DATE: January 2, 2018
TO: Commissioners and Directors
FROM: Abigail Berg, Director of Finance & Administration
SUBJECT: Port Operating Results as of November 30, 2017

NOTE: A new Port-wide month to month actual activity with remaining budget report is included in this package for consideration by the Commission for future reporting.



YTD Operating Revenues are \$8,163 more than the previous year, and right on budget at 92% of the year (rounding from 91.6%). All revenue line items increased when compared to 2016, except the Yard which continues to be down (\$141,660). The Yard revenue decline is primarily Ship Yard Revenues (\$69,277), the 3% Marine Trades Contribution Revenue (\$46,325 – agreement ceased July 2017), Miscellaneous Revenue (\$31,974 – 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. Marina & RV Parks revenue exceeded the YTD budget by \$33,639 and Ramp Use revenues exceeded the annual budget by \$1,952.



Through November 2017, Operating Expenses are at 86.9% of total budget while we are through 92% 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 \$490,501. Of this amount, Personnel is right on

budget by 0.6% and Fuel is over the annual budget by 36%. 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 \$640,129. After depreciation, there is a loss of \$694,661. When including Non-Operating Revenues and Expenses, there is a Net Profit of \$138,444, an increase of \$88,842 over YTD October.

This month, the Port expended \$161,465 in WIP (capital project "Work in Progress"). 74% of these expenses were for the Point Hudson Breakwater, 14% were related to JCIA Runway Rehab Project, while 12% was related to the Stormwater Rx Project.

In November, a debt service payment of \$209,372 (principle and interest) was made for the 2013 Jr. Lien Revenue Bond. In 2018, the 2013 Jr. Lien Revenue Bond debt service will be completed (with May and November payments). For the remainder of 2017, the following Debt Service payment is due:

- December 1st - \$368,819 principle and interest on the 2010 LTGO Bond.

End of month, the cash and investment balances were \$2,332,977. Reserve balances totaled \$862,234 and Unreserved Cash & Investments totaled \$1,470,743.

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

	Actual thru Nov. 30, 2016	Actual thru Nov. 30, 2017	Variance year to year	Revised 2017 Budget	% Actual to Budget at 92% of year
REVENUES					
Marinas and RV Parks	2,324,549	2,375,039	50,490	2,545,000	93.3%
Yard Operations	1,473,813	1,332,153	(141,660)	1,500,424	88.8%
Property Leases & Use	999,212	1,061,131	61,919	1,153,990	92.0%
Fuel Sales & Leases	37,285	43,488	6,203	50,000	87.0%
Ramp Use	38,150	56,952	18,802	55,000	103.5%
Utilities	190,860	203,269	12,409	230,076	88.3%
Total Operating Revenues	5,063,869	5,072,032	8,163	5,534,490	91.6%
OPERATING EXPENSES					
Personnel	2,414,885	2,774,595	359,709	3,013,738	92.1%
Outside Services	360,047	515,914	155,867	585,256	88.2%
Facilities & Operations	602,806	586,863	(15,943)	805,809	72.8%
Utilities	445,503	452,109	6,606	554,180	81.6%
Marketing	55,150	31,450	(23,700)	54,450	57.8%
Economic Development	25,000	30,000	5,000	40,000	75.0%
Travel & Training	23,730	22,358	(1,372)	30,000	74.5%
Cost of Goods - Fuel	14,280	16,325	2,044	12,000	136.0%
Community Relations	-	2,289	2,289	4,000	57.2%
Total Operating Expenses	3,941,402	4,431,903	490,501	5,099,433	86.9%
Income from Operations w/o Depr	1,122,467	640,129	(482,338)	435,057	147.1%
Depreciation Expense	1,278,409	1,334,790	56,381	1,585,632	84.2%
Income (Loss) from Operations w/Depr	(155,942)	(694,661)	(538,719)	(1,150,575)	60.4%
Non-Operating Revenue					
Capital Contributions/Grants	139,251	160,277	21,026	298,274	53.7% <i>CERB, Quil WW, RCO, FAA</i>
Interest	23,155	48,567	25,412	41,000	118.5%
Property & other taxes	929,774	954,786	25,012	1,019,000	93.7%
Miscellaneous Non-Operating Revenue	29,763	36,527	6,764	59,700	61.2%
Total Non-Operating Revenues	1,121,943	1,200,157	78,214	1,417,974	84.6%
Non-Operating Expenses					
Bond Interest	339,552	315,465	(24,087)	343,877	91.7%
Bond Mgmt, Issuance & Misc. Exp.	27,244	51,587	24,344	131,390	39.3% <i>Quil WW expense</i>
Election Expense	-	-	-	17,340	0.0%
Total Non-Operating Expenses	366,796	367,053	257	492,607	74.5%
Net Non-Operating Income(Expense)	755,147	833,105	77,957	925,367	90.0%
Net Income (Loss)	599,206	138,444	(460,762)	(225,208)	-61.5%

Port of Port Townsend Port-Wide
Monthly Actual Activity through November 2017 with December 2017 Budget

	Actual Jan-17	Actual Feb-17	Actual Mar-17	Actual Apr-17	Actual May-17	Actual Jun-17	Actual Jul-17	Actual Aug-17	Actual Sep-17	Actual Oct-17	Budget Nov-17	Actual Nov-17	Budget Dec-17	total 2017 Budget	ACTUAL YTD total	total Actual YTD + remaining Budget	% of budget
Revenues																	
Marinas and RV Parks	152,782	152,116	171,046	185,589	227,879	252,290	300,140	298,660	260,479	202,271	167,224	171,786	143,342	2,545,000	2,375,039	2,518,381	99%
Yard Operations	78,933	98,866	138,350	126,487	153,294	141,390	130,648	121,164	126,737	137,261	96,638	79,024	82,219	1,500,424	1,332,153	1,414,372	94%
Property Leases & Use	91,556	91,567	90,785	97,382	95,026	94,826	94,386	100,135	118,635	93,935	93,685	92,896	94,050	1,153,990	1,061,131	1,155,181	100%
Fuel Sales & Leases	2,857	1,828	2,996	2,847	2,833	4,244	7,155	6,206	5,273	4,463	3,492	2,787	3,348	50,000	43,488	46,836	94%
Ramp Use	2,955	3,560	5,318	3,368	7,346	11,535	11,272	4,046	5,713	1,480	300	360	250	55,000	56,952	57,202	104%
Utilities	21,846	20,893	21,166	19,575	19,801	16,178	17,169	18,010	17,027	17,614	19,315	13,991	20,199	230,076	203,269	223,468	97%
Total Operating Revenues	350,929	368,830	429,661	435,248	506,179	520,463	560,769	548,221	533,864	457,024	380,654	360,844	343,408	5,534,490	5,072,032	5,415,440	98%
Operating Expenses																	
Personnel	129,076	345,834	297,012	237,114	233,293	250,774	253,464	262,495	254,539	257,059	251,353	253,935	251,336	3,013,738	2,774,595	3,025,930	100%
Outside Services	8,172	51,540	42,769	17,632	83,238	43,865	24,866	60,080	60,619	62,526	63,398	60,608	66,368	585,256	515,914	582,282	99%
Facilities & Operations	36,397	51,607	64,959	72,566	29,450	61,584	53,492	60,565	69,786	37,229	60,827	49,229	61,255	805,809	586,863	648,118	80%
Utilities	4,104	55,118	49,447	48,035	41,749	43,817	39,539	38,911	39,304	46,005	46,882	46,081	45,887	554,180	452,109	497,997	90%
Marketing	2,237	1,929	5,292	771	1,600	5,668	633	2,117	5,828	3,277	4,345	2,099	4,345	54,450	31,450	35,795	66%
Economic Development	-	-	-	-	-	-	15,000	-	-	15,000	-	-	12,500	40,000	30,000	42,500	106%
Travel & Training	20	3,914	531	1,062	1,087	6,302	549	2,380	1,556	251	2,558	4,706	2,508	30,000	22,358	24,865	83%
Cost of Goods - Fuel	1,310	494	1,364	1,065	454	1,860	2,904	1,817	2,143	1,757	1,000	1,155	1,000	12,000	16,325	17,325	144%
Community Relations	35	175	100	-	-	304	-	1,500	-	116	333	58	333	4,000	2,289	2,622	66%
Total Operating Expenses	181,351	510,613	461,474	378,243	390,871	414,175	390,447	429,865	433,774	423,220	430,696	417,869	445,531	5,099,433	4,431,903	4,877,434	96%
Income (Loss) from Oper w/o Depr	169,577	(141,783)	(31,813)	57,005	115,308	106,288	170,322	118,356	100,090	33,805	(50,042)	(57,025)	(102,123)	435,057	640,129	538,006	
Non-Operating Revenue																	
Capital Contributions/Grants	-	4,767	3,716	-	471	-	8,678	-	22,161	46,654	80,511	73,831	43,535	298,274	160,277	203,812	68%
Interest	17,640	1,299	1,470	(14,753)	1,376	17,882	1,772	1,833	1,800	1,928	17,000	16,318	1,000	41,000	48,567	49,567	121%
Property & other taxes	80,402	90,799	79,731	80,741	90,186	83,039	80,393	108,160	80,058	88,923	88,917	92,355	82,413	1,019,000	954,786	1,037,199	102%
Miscellaneous Non-Operating Revenue	2,571	9,287	2,261	2,607	5,103	2,639	1,496	4,038	2,185	1,975	39,400	2,363	1,400	59,700	36,527	37,927	64%
Total Non-Operating Revenues	100,614	106,151	87,178	68,596	97,137	103,560	92,339	114,032	106,204	139,480	225,828	184,867	128,348	1,417,974	1,200,157	1,328,505	94%
Non-Operating Expenses																	
Bond Interest	29,722	29,722	29,092	29,655	29,161	29,161	27,615	27,386	28,761	26,928	28,425	28,261	28,425	343,877	315,465	343,890	100%
Bond Mgmt, Issuance, Investment	110	50	5,609	3,782	164	1,312	7,739	368	21,103	611	10,020	10,739	79,020	131,390	51,587	130,607	99%
Election Expense	-	-	-	-	-	-	-	-	-	-	-	-	17,340	17,340	-	17,340	100%
Total Non-Operating Expenses	29,832	29,772	34,702	33,436	29,326	30,473	35,354	27,754	49,864	27,539	38,445	39,000	124,785	492,607	367,053	491,838	100%
Net Non-Operating Income(Expense)	70,781	76,380	52,477	35,159	67,811	73,087	56,985	86,278	56,340	111,941	187,383	145,867	3,563	925,367	833,105	836,668	90%
Net Income (Loss)	240,359	(65,403)	20,663	92,164	183,119	179,374	227,307	204,633	156,430	145,746	137,341	88,841	(98,560)	1,360,424	1,473,234	1,374,673	
Debt Service Principle	-	-	-	-	(197,267)	-	(417,000)	-	-	-	(200,226)	(200,226)	(260,000)	(1,074,493)	(814,493)	(1,074,493)	
Available for Capital	240,359	(65,403)	20,663	92,164	(14,148)	179,374	(189,693)	204,633	156,430	145,746	(62,885)	(111,385)	(358,560)	285,931	658,741	300,180	