

MEMORANDUM

Date: May 28, 2016
To: Commissioners & Directors
From: Abigail Berg
Subject: March 2016 Statement of Activity analysis

Attached is the Consolidated Statement of Revenue & Expense report and the Four Year Trend of YTD Revenue and Expense comparison graphs YTD 2013 – YTD 2016.

YTD results reveal the following:

Total gross operating revenues:

2016: \$1,161,134
2015: \$1,176,700
2014: \$1,121,716
2013: \$1,043,339

YTD Operating Revenues are down 1.3% compared to 2015, and is short of budgeted amounts by 3.6%.

All departments exceeded 2015 Operating Revenues except for Quilcene (a nominal reduction of \$764) and the Yard. The Yard was down from 2015 Revenues by \$28,152, or 7.5%, as well as only reaching 20% of budget YTD when we are at 25% of budget.

Total operating expenses without depreciation:

2016: \$984,647
2015: \$850,846
2014: \$945,235
2013: \$868,172

YTD 2016 Operating expenses are \$133,801 more than 2015, though 25% through the year, expenses are 22% of budget (without depreciation).

The most significant YTD increases over 2015 are employee pay (up \$52,568), employee benefits (up \$25,582), Repair & Maintenance (up \$23,866), Advertising (up \$10,004), and Economic Development (up \$12,500). Notes regarding these increases are included on the Expenses graph attachment. We expected salaries, benefits and taxes to increase due to the implementation of the salary survey and the increase in PERS (from 9.21% to 11.18%, a 1.97% increase).

We have a net loss from operations of \$(202,464) after depreciation and the overall net income is \$64,574 after non-operating revenues and expenses are included. *It is still early in the year, however, this is a significant variance from YTD 2015 when our overall net income was \$131,319, which is a \$66,745 swing (reduction) in comparison.*

Port of Port Townsend
Consolidated Statement of Revenue & Expense
For the Period Ended March 31, 2016

	Actual thru Mar. 29, 2015	Actual thru Mar. 29, 2016	Annual Budget	% Budget Received or Spent 25% thru year	Budget Remaining	Remarks
Revenues						
PTBH - Permanent Moorage	230,862	247,677	1,032,000	24.00%	784,323	
PTBH - Liveaboard Fee	3,910	4,480	18,000	24.89%	13,520	
Work Float/Lift Pier Usage	275	3,528	18,000	19.60%	14,472	
PTBH - Monthly Guest	38,371	42,064	159,500	26.37%	117,436	
PTBH - Nightly Guest	20,027	29,197	231,600	12.61%	202,403	
PTBH - Electric	25,542	29,162	80,000	36.45%	50,838	
PTBH - Miscellaneous Revenue	1,925	2,020	10,000	20.20%	7,980	
PTBH - Showers	4,255	3,478	20,000	17.39%	16,522	
PTBH - Laundry	859	913	6,000	15.21%	5,087	
Total Moorage Revenue	326,026	362,518	1,575,100	23.02%	1,212,582	
Yard - Liveaboard Fee	35	70	500	14.00%	430	
Yard - Miscellaneous Revenue	898	576	15,000	3.84%	14,424	
Yard - Environmental Clean-up	0	417	0	#DIV/0!	(417)	
Yard - 70/75 Ton Hoist Revenue	58,848	53,944	270,639	19.93%	216,695	
Yard - 300 Ton Hoist Revenue	29,961	41,418	186,735	22.18%	145,317	
Yard - Washdown Revenue	15,253	16,101	75,000	21.47%	58,899	
Yard - Bilge Water Revenue	1,779	296	12,000	2.47%	11,704	
Yard - Work Yard Revenue	118,140	100,011	600,000	16.67%	499,990	
Yard - Ship Yard Revenue	91,366	96,778	360,080	26.88%	263,302	
Yard - L/T Storage	16,809	18,846	70,322	26.80%	51,476	
Yard - Electric	6,225	7,578	25,000	30.31%	17,422	
Yard - Blocking Rent	3,872	5,194	16,000	32.46%	10,806	
Yard - Tarp Pool Fee	265	0	0	#DIV/0!	0	
Yard - BMP fees	0	100	0	#DIV/0!	(100)	
Marine Trades 3% Revenue	28,379	2,349	81,800	2.87%	79,451	
Total Work Yard Revenue	371,830	343,678	1,713,076	20.06%	1,369,398	
PTBH Prop - Lease Revenue	122,243	125,398	509,600	24.61%	384,202	
PTBH Prop - Storage Unit Revenue	1,291	1,211	5,000	24.21%	3,789	
PTBH Prop - Fuel Dock Lease	3,658	3,253	20,400	15.95%	17,147	
PTBH Prop - Electric	3,410	4,902	22,200	22.08%	17,298	
Total PTBH Property Revenue	130,602	134,763	557,200	24.19%	422,437	
Quilcene - Permanent Moorage	4,159	4,394	33,150	13.25%	28,756	
Quilcene - Nightly Moorage	0	70	2,600	2.69%	2,530	
Quilcene - Nightly R.V.	0	36	1,200	3.00%	1,164	
Quilcene - Electric	413	349	2,000	17.45%	1,651	
Quilcene - Showers	410	350	2,500	14.00%	2,150	
Quilcene - Fuel Sales	3,737	2,306	28,000	8.24%	25,694	
Quilcene - Lease Revenue	14,223	14,486	59,160	24.49%	44,674	
Quilcene - Rental Property Revenue	1,500	1,500	6,000	25.00%	4,500	
Quilcene - Water	1,378	1,574	7,000	22.48%	5,426	
Quilcene - Miscellaneous Revenue	0	0	200	0.00%	200	
Total Quilcene Revenue	25,819	25,065	141,810	17.67%	116,745	

Port of Port Townsend
Consolidated Statement of Revenue & Expense
For the Period Ended March 31, 2016

	Actual thru Mar. 29, 2015	Actual thru Mar. 29, 2016	Annual Budget	% Budget Received or Spent 25% thru year	Budget Remaining	Remarks
Ramp Fees	8,941	11,005	53,899	20.42%	42,894	
Dinghy Float Revenue	700	625	1,350	46.30%	725	
Total Ramp Revenue	9,641	11,630	55,249	21.05%	43,619	
Pt Hudson - Building Lease Revenue	93,233	93,583	400,000	23.40%	306,417	
Pt Hudson - Property Utilities	0	2,862	0	#DIV/0!	(2,862)	<i>change in acctg</i>
Pt Hudson - Permanent Moorage	28,377	29,378	124,277	23.64%	94,899	
Pt Hudson - Liveaboard Fee	1,750	1,330	4,300	30.93%	2,970	
Pt Hudson - Monthly Guest	34,107	39,282	70,000	56.12%	30,718	
Pt Hudson - Nightly Guest	12,862	12,354	235,350	5.25%	222,996	
Pt Hudson - Wharf Usage	0	0	10,000	0.00%	10,000	
Pt Hudson - Monthly R.V.	10,338	11,475	27,100	42.34%	15,625	
Pt Hudson - Nightly R.V.	32,551	36,336	290,126	12.52%	253,790	
Pt Hudson - Kayak Racks	1,810	2,284	6,000	38.07%	3,716	
Pt Hudson - Reservation Fee	6,293	5,229	26,000	20.11%	20,771	
Pt Hudson - Showers	1,427	1,707	8,000	21.33%	6,294	
Pt Hudson - Laundry	1,321	1,851	7,500	24.67%	5,650	
Pt Hudson - Passenger Fee	0	0	4,000	0.00%	4,000	
Pt Hudson - Electric	5,229	5,681	22,000	25.82%	16,319	
Pt Hudson - Other Utilities	0	6,125	0	#DIV/0!	(6,125)	<i>change in acctg</i>
Pt Hudson - Miscellaneous Revenue	159	128	2,500	5.13%	2,372	
Pt Hudson - Event Facility Revenue	550	880	5,000	17.60%	4,120	
Total Pt Hudson	230,008	250,485	1,242,153	20.17%	991,668	
JCIA - Miscellaneous Revenue	0	253	100	252.90%	(153)	
JCIA - Lease Revenue	25,695	26,106	105,264	24.80%	79,158	
JCIA - Hangar Revenue	5,667	5,959	22,404	26.60%	16,445	
JCIA - Vehicle Parking Revenue	180	180	750	24.00%	570	
JCIA - Aircraft Parking	64	20	1,000	2.00%	980	
JCIA - Fuel Lease Revenue	591	477	3,500	13.62%	3,023	
Total JCIA Revenue	32,196	32,994	133,018	24.80%	100,024	
2015 Revenues coded to Enviro	50,578					
Total Operating Revenue	1,176,700	1,161,134	5,417,606	21.43%	4,256,472	

Operating Expenses

Salaries & Wages	398,311	450,879	1,877,504	24.01%	1,426,625
Payroll Taxes	40,398	44,824	221,100	20.27%	176,277
Employee Benefits	122,547	148,129	670,101	22.11%	521,972
Uniform Expense	930	1,479	9,908	14.93%	8,429
Contract Services	47,545	48,798	201,310	24.24%	152,512
Legal & Auditing	6,989	11,877	81,600	14.56%	69,723
Operating Supplies	27,201	25,337	154,854	16.36%	129,517
Cost of Fuel Sold - Quilcene	3,338	2,158	20,000	10.79%	17,842

Port of Port Townsend
Consolidated Statement of Revenue & Expense
For the Period Ended March 31, 2016

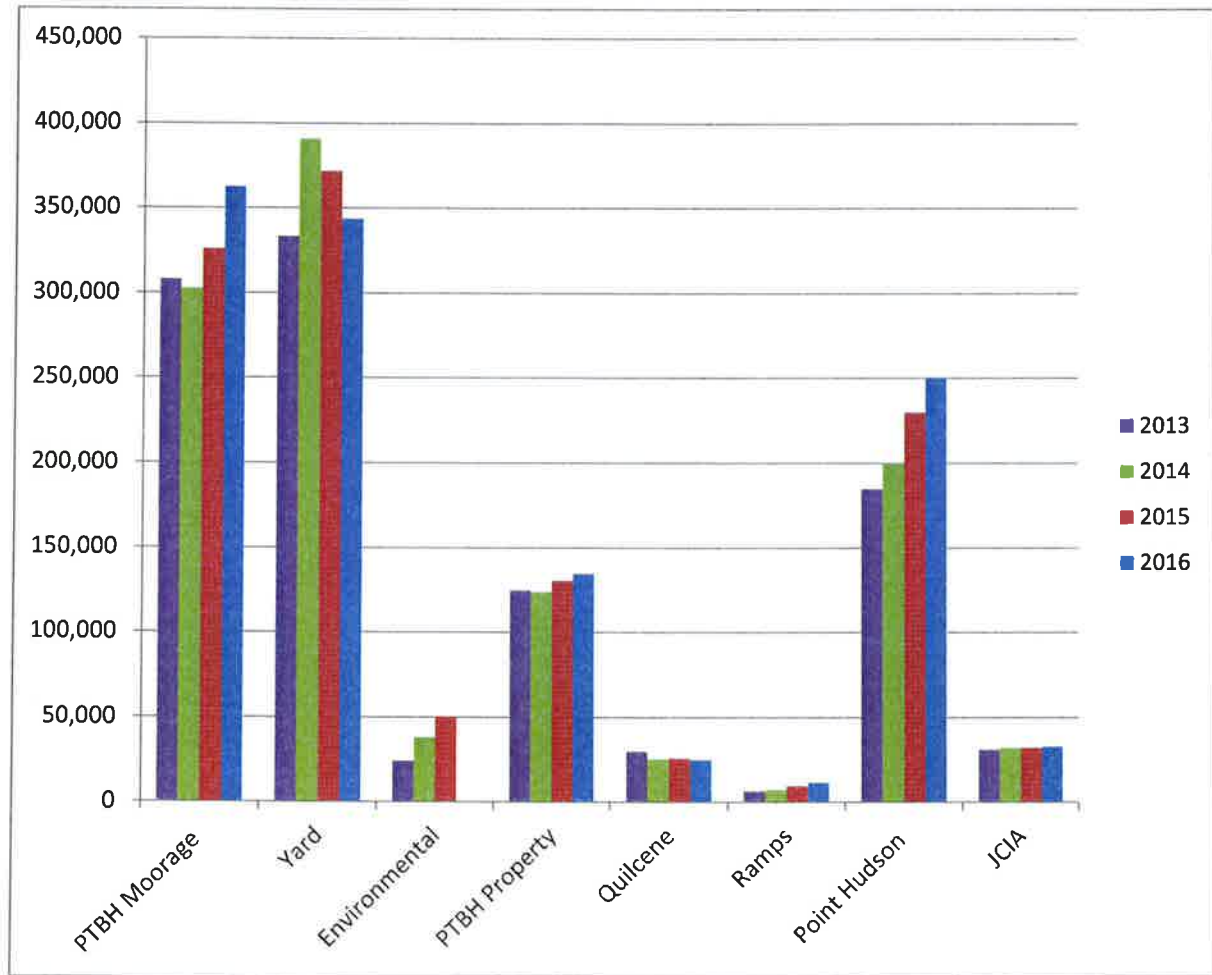
	Actual thru Mar. 29, 2015	Actual thru Mar. 29, 2016	Annual Budget	% Budget Received or Spent 25% thru year	Budget Remaining	Remarks
Moorage Credit System - PTBH	8,840	12,307	40,000	30.77%	27,693	<i>expected to vary</i>
Travel	3,228	2,491	17,100	14.57%	14,609	
Training	2,573	2,708	8,000	33.84%	5,292	
Insurance	46,916	48,909	189,175	25.85%	140,266	
Claims & Damages	0	0	7,000	0.00%	7,000	
Advertising	5,455	15,459	48,050	32.17%	32,591	<i>payment timing</i>
Promotion	789	770	5,000	15.40%	4,230	
Membership & Dues	10,765	10,112	14,670	68.93%	4,558	<i>WPPA dues pd in Jan.</i>
Community Relations	683	0	4,000	0.00%	4,000	
Bank Charges	9,020	10,363	53,320	19.44%	42,957	
Utilities	93,080	89,558	531,180	16.86%	441,622	
Excise Tax	3,262	2,916	23,125	12.61%	20,209	
Bad Debt	(43)	0	19,200	0.00%	19,200	
Miscellaneous Expense	0	188	4,200	4.46%	4,013	
Repair & Maintenance	19,020	42,886	245,520	17.47%	202,634	<i>see Expenses graph notes</i>
Economic Development	0	12,500	25,000	50.00%	12,500	<i>payment timing</i>
Operating Expenses w/o Depr	850,846	984,647	4,470,917	22.02%	3,486,271	
Income from Operations w/o Depr	325,853	176,487	946,689	18.64%	770,202	
Depreciation Expense	(375,610)	(378,951)	(1,548,147)	-24.48%	(1,169,196)	
Income (Loss) from Oper w/Depr	(49,757)	(202,464)	(601,458)	33.66%	1,939,398	
Non-Operating Revenue						
Grant - FAA	18,364	0	0	#DIV/0!	0	
Capital Contributions - Non-Oper	0	0	0	#DIV/0!	0	
Grants - WA State	0	83,111	223,740	37.15%	140,629	<i>RCO Boat Ramp grant</i>
ARRA Bond Interest Subsidy Pmt	0	0	0	#DIV/0!	0	
Investment Interest	2,944	1,376	4,200	32.77%	2,824	
Operating Tax Levy	232,106	235,932	948,000	24.89%	712,068	
State Forest Revenues	19,720	23,504	25,000	94.02%	1,496	<i>expected to vary</i>
State Timber Excise Tax	23,718	7,980	39,000	20.46%	31,020	<i>expected to vary</i>
Leasehold Excise Tax	1,779	1,892	7,000	27.03%	5,108	
Insurance Recovery	0	0	0	#DIV/0!	0	
Finance Charges	3,247	5,915	14,000	42.25%	8,085	<i>expected to vary</i>
Gain (Loss) on Asset Disposition	0	200	0	#DIV/0!	(200)	
Other Non-Operating Revenues	1	48	0			
Cash Over/(Short)	(0)	1	0	#DIV/0!	(1)	
Total Non-Operating Revenue	301,879	359,959	1,260,940	28.55%	901,029	

Non-Operating Expenses						
Interest Exp - Local Fund	0	0	0	#DIV/0!	0	
Interest Exp - CERB Loan	2,063	1,374	5,500	24.98%	4,126	
Interest Exp - 2005 Rev Ref Bond	14,957	0	0	#DIV/0!	0	
Interest Exp - 2005 LTGO Bond	44,312	0	0	#DIV/0!	0	
Interest Exp - 2006 LTGO Ref Bond	7,022	4,947	17,532	28.21%	12,585	
Interest Exp - 2010 LTGO Bond	47,854	54,540	226,836	24.04%	172,296	

Port of Port Townsend
Consolidated Statement of Revenue & Expense
For the Period Ended March 31, 2016

	Actual thru Mar. 29, 2015	Actual thru Mar. 29, 2016	Annual Budget	% Budget Received or Spent 25% thru year	Budget Remaining	Remarks
Interest Exp - 2013 Revenue Bond	4,439	4,439	17,754	25.00%	13,316	
Interest Exp - 2015 LTGO Ref Bond	0	27,564	130,651	21.10%	103,087	
Bond Management Fees	130	0	1,200	0.00%	1,200	
Bond Issue Costs	0	0	0	#DIV/0!	0	
Investment Fees	27	58	1,000	5.78%	942	
Election Expense	0	0	0	#DIV/0!	0	
Total Non-Operating Expenses	120,803	92,921	400,473	23.20%	307,552	
Net Non-Operating Income(Expense)	181,076	267,038	860,467	31.03%	593,476	
Net Income(Loss)	131,319	64,574	259,009	24.93%	2,532,874	

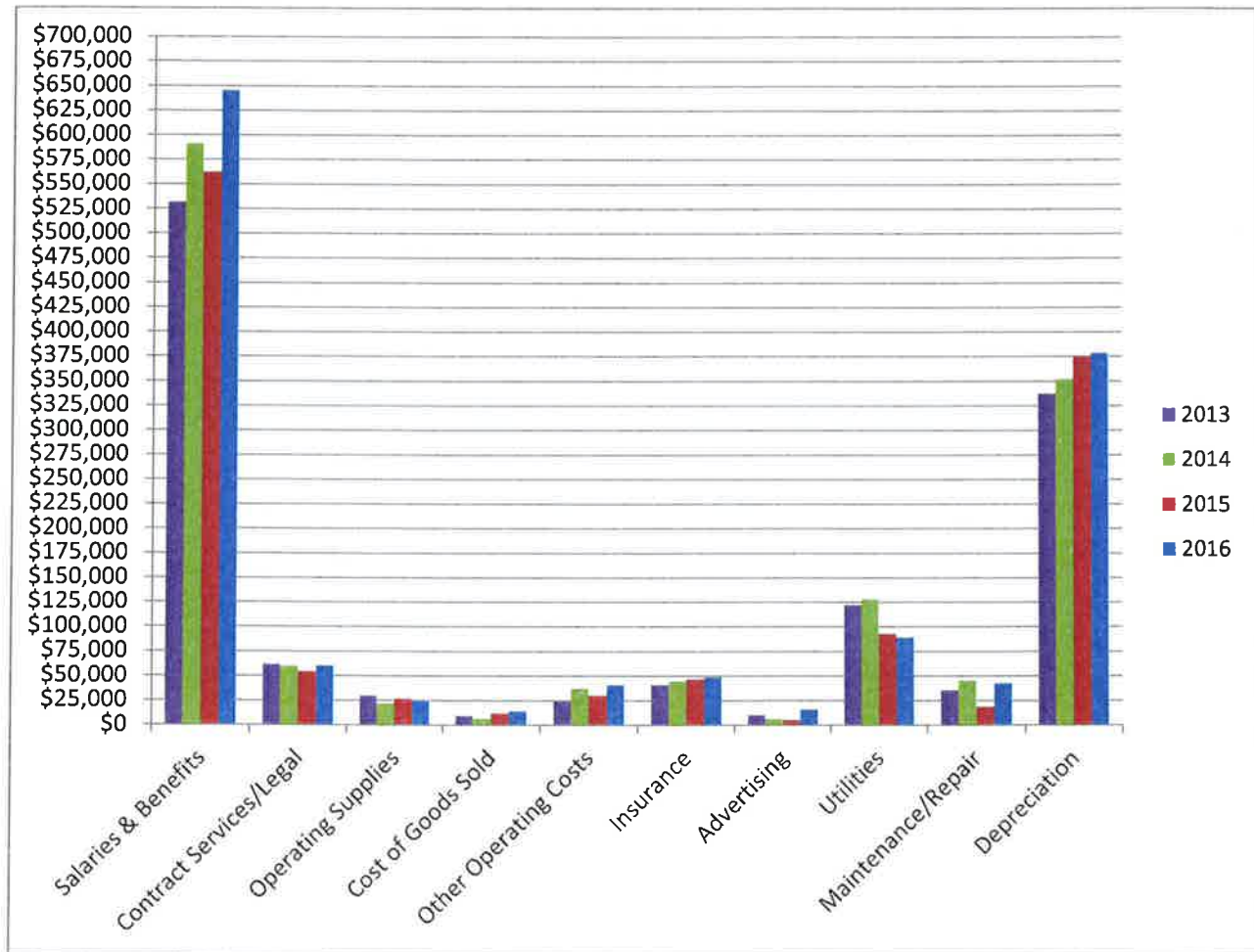
March 2016 Operating Revenues Total = \$1,161,134



Note: In June 2015, we determined Environmental is not a Profit Center but instead is a Cost Center (similar to Maintenance and A & G).

March 2016 YTD Operating Expenses

Total = \$1,363,599



Notes:

- Salaries & Benefits are more than YTD 2015, however, at 25% through the year, this category is at 24% for Salaries, 22% for Benefits, 20% for Taxes and 15% for Uniforms.
- Increases in Contract Services/Legal are primarily due to the increased cost of current legal work regarding a tenant eviction and subsequent lawsuit, as well as for mowing the wetlands at JCIA.
- Other Operating Costs are up from YTD 2015 due to the EDC contract being paid earlier than in the previous year.
- Advertising is up from YTD 2015 due to a timing issue for payment of one vendor whose expense should have hit 2015, but was recorded in 2014.
- Maintenance & Repair is also more than YTD 2015. These increases are due to necessary lighting replacements at Boat Haven and Quilcene marinas, Union Wharf floats repair (1/2 work performed in March) and excavating at Quilcene.

Port of Port Townsend
Port Management Report
For the Period Ended March 31, 2016

Department:	Revenue	Direct Expenses	Gross Profit	Allocated A&G Expense	Depreciation	Net Income
Moorage						
Actual	362,518	155,674	206,844	84,426	61,916	60,502
Annual Budget	1,575,100	728,141	846,959	334,856	250,000	262,103
Variance	(1,212,582)	(572,467)	(640,115)	(250,430)	(188,084)	(201,601)
Actual as % of annual budget	23%	21%	24%	25%	25%	23%
% through year	25%	25%	25%	25%	25%	25%
Yard						
Actual	343,578	241,130	102,448	80,038	85,124	(62,714)
Budget	1,713,076	1,320,590	392,486	360,277	340,116	(307,907)
Variance	(1,369,498)	(1,079,460)	(290,038)	(280,239)	(254,992)	245,193
Actual as % of annual budget	20%	18%	26%	22%	25%	20%
% through year	25%	25%	25%	25%	25%	25%
PTBH Properties						
Actual	134,763	42,232	92,531	31,385	32,740	28,407
Budget	557,200	124,140	433,060	119,594	125,000	188,466
Variance	(422,437)	(81,908)	(340,529)	(88,209)	(92,260)	(160,059)
Actual as % of annual budget	24%	34%	21%	26%	26%	15%
% through year	25%	25%	25%	25%	25%	25%
Pt Hudson Marina/RV/Property						
Actual	247,623	155,318	92,305	58,335	90,080	(56,110)
Budget	1,242,153	647,893	594,260	262,999	362,400	(31,139)
Variance	(994,530)	(492,575)	(501,955)	(204,664)	(272,320)	(24,970)
Actual as % of annual budget	20%	24%	16%	22%	25%	180%
% through year	25%	25%	25%	25%	25%	25%
Quilcene						
Actual	25,065	22,022	3,042	5,837	16,579	(19,374)
Budget	141,810	86,890	54,920	29,964	66,600	(41,644)
Variance	(116,745)	(64,868)	(51,878)	(24,127)	(50,021)	22,270
Actual as % of annual budget	18%	25%	6%	19%	25%	47%
% through year	25%	25%	25%	25%	25%	25%
Ramps						
Actual	11,630	7,206	4,424	2,708	5,457	(3,742)
Budget	55,249	37,548	17,701	11,674	38,664	(32,637)
Variance	(43,619)	(30,342)	(13,277)	(8,966)	(33,207)	28,895
Actual as % of annual budget	21%	19%	25%	23%	14%	11%
% through year	25%	25%	25%	25%	25%	25%
JCIA						
Actual	32,994	40,031	(7,036)	7,684	70,442	(85,163)
Budget	133,018	129,825	3,193	28,106	264,067	(288,980)
Variance	(100,024)	(89,794)	(10,229)	(20,422)	(193,625)	203,817
Actual as % of annual budget	25%	31%	-220%	27%	27%	29%
% through year	25%	25%	25%	25%	25%	25%
Total Profit Centers						
Actual	1,158,172	663,614	494,558	270,413	362,339	(138,194)
Budget	5,417,606	3,075,027	2,342,579	1,147,470	1,446,847	(251,738)
Variance	(4,259,434)	(2,411,413)	(1,848,021)	(877,057)	(1,084,508)	113,544
Actual as % of annual budget	21%	22%	21%	24%	25%	55%

Port of Port Townsend
Port Management Report
For the Period Ended March 31, 2016

Department:	Revenue	Direct Expenses	Gross Profit	Allocated A&G Expense	Depreciation	Net Income
% through year	25%	25%	25%	25%	25%	25%
Maintenance Shop						
Actual to-date		42,896	(42,896)	0	3,018	(45,914)
Annual Budget		227,694	(227,694)	0	13,000	(240,694)
Variance		(184,798)	184,798	0	(9,982)	194,780
Actual as % of annual budget		19%	19%	#DIV/0!	23%	19%
% through year		25%	25%	25%	25%	25%
Environmental						
Actual to-date		21,318	(21,318)	0	0	(21,318)
Annual Budget		77,026	(77,026)	0	32,000	(109,026)
Variance		(55,708)	55,708	0	(32,000)	87,708
Actual as % of annual budget		28%	28%	#DIV/0!	0%	20%
% through year		25%	25%	25%	25%	25%
Administrative & General						
Administration						
Actual		(13,594)	13,594	(270,413)	13,594	270,413
Budget		1,147,470	(1,147,470)	(1,203,770)	56,300	0
Variance		(1,161,064)	1,161,064	933,357	(42,706)	270,413
Actual as % of annual budget		-1%	-1%	22%	24%	#DIV/0!
% through year		25%	25%	25%	25%	25%
Total Operating						
Actual	1,158,172	714,234	443,938	0	378,951	64,987
Budget	5,417,606	4,527,217	890,389	(56,300)	1,548,147	(601,458)
Variance	4,259,434	(3,812,983)	(446,451)	56,300	(1,169,196)	666,445
Actual as % of annual budget	21%	16%	50%	0%	24%	-11%
% through year	25%	25%	25%	25%	25%	25%
Non-Operating						
Actual	359,959	92,921	267,038			267,038
Budget	1,260,940	400,473	860,467			860,467
Variance	(900,981)	(307,552)	(593,429)			(593,429)
Actual as % of annual budget	29%	23%	31%	#DIV/0!	#DIV/0!	31%
% through year	25%	25%	25%	25%	25%	25%
Grand Total						
Actual	1,518,131	807,155	710,977		378,951	332,026
Budget	6,678,546	4,927,690	1,750,856		1,548,147	202,709
Variance	(5,160,415)	(4,120,535)	(1,039,879)		(1,169,196)	129,317
Actual as % of annual budget	23%	16%	41%	#DIV/0!	24%	164%
% through year	25%	25%	25%	25%	25%	25%