

Q1 2013 Performance Report

Port of Seattle

Commission Briefing

May 14, 2013

2013 Revised Operating Budget

(\$ in thousands)	2012	2013	2013	Budget vs. Rvsd Bud	
	Actual	Budget	Rvsd Bud	\$	%
Aeronautical Revenues	233,112	249,799	245,623	(4,176)	-1.7%
Other Operating Revenues	<u>288,540</u>	<u>300,780</u>	<u>290,010</u>	<u>(10,770)</u>	<u>-3.7%</u>
Total Operating Revenues	521,652	550,579	535,633	(14,946)	-2.8%
Total Operating Expenses	<u>297,970</u>	<u>328,912</u>	<u>323,943</u>	<u>(4,969)</u>	<u>-1.5%</u>
NOI before Depreciation	223,682	221,668	211,690	(9,978)	-4.7%
Depreciation	<u>167,279</u>	<u>171,510</u>	<u>171,510</u>	0	0.0%
NOI after Depreciation	<u><u>56,403</u></u>	<u><u>50,158</u></u>	<u><u>40,180</u></u>	<u><u>(9,978)</u></u>	<u><u>-24.8%</u></u>

- Commission was briefed on the revised budget/forecast on April 2, 2013.
- Lower revised revenues due to new airline rates and charges, new container lease structure/rates, and \$1.2M pass-through leasehold excise tax.
- Operating expenses are reduced by \$4.9M budget reductions and pass-through lease hold tax.

Portwide Operating Summary

	2012 YTD Actual	2013 Year-to-Date Revised		YTD Bud Var		Year-End Projections			
		Actual	Budget	\$	%	Approved Budget	Revised Budget	Forecast	Rvsd Bud Var
Aeronautical Revenues	51,634	50,173	58,037	(7,864)	-13.5%	249,799	245,623	245,623	0
Other Operating Revenues	68,003	61,584	64,561	(2,977)	-4.6%	300,780	290,010	285,591	(4,419)
Total Operating Revenues	119,637	111,757	122,598	(10,841)	-8.8%	550,579	535,633	531,214	(4,419)
Total Operating Expenses	65,030	65,444	77,262	11,818	15.3%	328,912	323,943	323,887	56
NOI before Depreciation	54,607	46,313	45,336	(977)	-2.2%	221,667	211,690	207,327	(4,363)
Depreciation	40,414	42,654	43,045	391	0.9%	171,510	171,510	171,510	0
NOI after Depreciation	14,193	3,659	2,291	(1,368)	-59.7%	50,157	40,180	35,817	(4,363)

- Excluding Aeronautical Revenues, Other Operating Revenues for Q1 were \$2.9M below the revised budget mainly due to lower revenues from Rental Cars, Concessions, and Grain.
- Operating Expenses for Q1 were \$11.8M lower than the revised budget due to vacant positions and delay hiring, savings of outside contracted services, and timing of spending.
- Total Revenues are forecasting to be \$4.4M below the revised budget mainly due to lower Grain revenue and T18 crane rent.
- Total Expenses are forecasting to be \$56K below the revised budget mainly due to savings from Corporate.

Corporate Summary

	2012 YTD	2013 Year-to-Date		YTD Bud Var		Year-End Projections			
	Actual	Actual	Revised Budget	\$	%	Approved Budget	Revised Budget	Forecast	Rvsd Bud Var
\$ in 000's									
Total Revenues	98	68	39	29	75.8%	155	155	184	29
Executive	382	442	495	53	10.8%	1,552	1,806	1,806	-
Commission	194	209	326	118	36.1%	1,483	1,445	1,427	18
Legal	567	698	735	36	5.0%	3,012	3,012	3,012	-
Risk Services	637	672	775	103	13.3%	3,186	3,166	3,101	65
Health & Safety Services	256	259	278	20	7.0%	1,138	1,118	1,112	5
Public Affairs	1,270	1,199	1,563	364	23.3%	5,946	5,946	5,946	-
Human Resources & Development	1,188	1,173	1,283	110	8.6%	5,468	5,425	5,425	-
Labor Relations	247	311	293	(19)	-6.3%	1,198	1,153	1,197	(44)
Information & Communications Technology	4,642	4,257	5,104	847	16.6%	20,805	20,505	20,505	-
Finance & Budget	376	353	391	37	9.6%	1,877	1,777	1,777	-
Accounting & Financial Reporting Services	1,500	1,376	1,625	249	15.3%	7,055	6,835	6,809	26
Internal Audit	278	291	324	33	10.2%	1,361	1,361	1,361	-
Office of Social Responsibility	359	215	464	249	53.6%	1,702	1,702	1,702	-
Police	5,219	5,069	5,595	526	9.4%	22,574	22,318	22,318	-
Contingency	3	60	-	(60)	0.0%	450	450	450	-
Total Expenses	17,118	16,583	19,251	2,667	13.9%	78,807	78,019	77,949	70

CDD Summary

\$ in 000's	2012 YTD	2013 Year-to-Date		YTD Bud Var		Year-End Projections			
	Actual	Actual	Revised Budget	\$	%	Approved Budget	Revised Budget	Rvsd Forecast	Rvsd Bud Var
Total Revenues	7	5	-	5	0.0%	-	-	-	-
<u>Expenses Before Charges To Cap/Govt/Envrs Projects</u>									
Capital Development Administration	89	90	96	6	6.7%	382	378	378	-
Engineering	3,091	3,026	3,599	573	15.9%	14,904	14,853	14,858	(5)
Port Construction Services	1,218	1,498	1,697	199	11.8%	6,618	6,591	6,591	-
Central Procurement Office	1,190	1,177	1,107	(70)	-6.3%	4,532	4,510	4,510	-
Aviation Project Management	1,848	1,846	2,161	315	14.6%	8,710	8,679	8,679	-
Seaport Project Management	432	573	964	390	40.5%	3,841	3,813	3,777	36
Total Before Charges to Capital Projects	7,868	8,210	9,625	1,415	14.7%	38,988	38,823	38,792	31

Aviation Division Summary

	2012 YTD Actual	2013 Year-to-Date		YTD Rvsd		Year-end Projections			Rvsd Bud Var
		Actual	Revised Budget	Bud Var \$	%	Approved Budget	Revised Budget	Forecast	
\$ in 000's									
Aeronautical Revenues	51,634	50,173	58,037	(7,863)	-13.5%	249,799	245,623	245,623	-
Non-Aeronautical Revenues	33,520	32,666	35,049	(2,384)	-6.8%	157,826	156,563	156,563	-
Total Operating Revenues	85,154	82,839	93,086	(10,247)	-11.0%	407,625	402,186	402,186	-
Operating Expenses:									
Salaries & Benefits	21,715	22,105	23,439	1,334	5.7%	97,842	96,953	96,953	-
Outside Services	4,688	5,965	10,840	4,875	45.0%	45,453	44,976	44,976	-
Utilities	3,595	3,495	3,363	(132)	-3.9%	12,425	12,425	12,425	-
Other Airport Expenses	3,382	2,442	3,713	1,271	34.2%	15,956	14,534	14,534	-
Baseline Airport Expenses	33,380	34,007	41,355	7,348	17.8%	171,676	168,888	168,888	-
Environmental Remediation Liability	-	-	-	-	n/a	4,615	4,615	4,615	-
Total Airport Expenses	33,380	34,007	41,355	7,348	17.8%	176,291	173,503	173,503	-
Corporate	7,935	7,680	8,982	1,302	14.5%	37,314	36,965	36,965	-
Police Costs	3,858	3,751	4,186	435	10.4%	16,891	16,699	16,699	-
Capital Development/Other Expenses	2,353	2,372	2,799	426	15.2%	11,206	10,679	10,679	-
Total Operating Expenses	47,526	47,809	57,321	9,511	16.6%	241,702	237,846	237,846	-
NOI Before Depreciation	37,628	35,030	35,765	(735)	-2.1%	165,923	164,340	164,340	-
Depreciation Expense	29,284	31,433	31,850	418	1.3%	126,977	126,977	126,977	-
NOI After Depreciation	8,344	3,597	3,915	(318)	-8.1%	38,946	37,363	37,363	-
Selected Non-Operating Rev/(Exp):									
Capital Grants & Donations	423	-	1,839	(1,839)	-100.0%	16,230	16,230	16,230	-
Non-Capital Grants & Donations	0	-	317	(317)	-100.0%	1,269	1,269	1,269	-
Passenger Facility Charges (PFCs)	16,894	17,708	14,142	3,566	25.2%	64,844	64,844	64,844	-
Customer Facility Charges (CFCs)	4,722	4,850	5,138	(289)	-5.6%	20,553	20,553	20,553	-

Seaport Division Summary

	2012 YTD Actual	2013 Year-to-Date		YTD Rvsd Bud Var		Year-End Projections			
		Actual	Revised Actual	Revised Budget	\$	%	Approved Budget	Revised Budget	Forecast
\$ in 000's									
Operating Revenue	26,115	21,331	21,907	(577)	-3%	110,110	100,603	96,328	(4,275)
Security Grants	816	0	87	(87)	-100%	173	173	0	(173)
Total Revenues	26,931	21,331	21,994	(663)	-3%	110,283	100,777	96,329	(4,448)
Seaport Expenses (excl env srvs)	2,710	3,174	3,482	308	9%	15,385	14,971	14,971	0
Environmental Services	302	332	373	41	11%	2,675	2,675	2,675	0
Maintenance Expenses	1,185	1,562	1,397	(165)	-12%	6,360	6,076	6,076	0
P69 Facilities Expenses	130	115	132	18	13%	526	526	526	0
Other RE Expenses	86	66	89	23	26%	353	353	353	0
CDD Expenses	651	824	894	70	8%	3,530	3,475	3,475	0
Police Expenses	948	947	1,059	112	11%	4,271	4,223	4,223	0
Corporate Expenses	2,718	2,604	3,077	474	15%	12,773	12,678	12,678	0
Security Grant Expense	821	4	0	(4)	NA	0	0	0	0
Envir Remed Liability	0	0	0	0	NA	1,170	1,170	1,170	0
Total Expenses	9,550	9,628	10,504	877	8%	47,043	46,147	46,147	0
Net Operating Income	17,381	11,703	11,490	213	2%	63,240	54,630	50,182	(4,448)

Forecasted Revenue Variance:

- Grain Revenue: (\$2.5 million) volume is currently forecasted to come in 52% below budget.
- T-18 Crane Rent: (\$1.8 million) due to no minimum payment required for MHI cranes if full year volume falls below 250K lifts. Tenant has indicated lifts will be below that level.

	2012 YTD Actual	2013 Year-to-Date		YTD Bud Var		Year-End Projections					
		Actual	Revised Budget	Actual	Revised Budget	\$	%	Approved Budget	Revised Budget	Forecast	Rvsd Bud Var
\$ in 000's											
Revenue	5,407	5,415	5,422	(6)	0%	22,776	22,776	22,776	0		
Conf & Event Ctr Revenue	2,043	2,109	2,058	51	2%	9,740	9,740	9,740	0		
Total Revenue	7,450	7,524	7,479	45	1%	32,516	32,516	32,516	0		
Real Estate Exp(excl Conf, Maint,P69)	2,445	2,374	2,743	369	13%	11,300	11,300	11,300	0		
Conf & Event Ctr Expense	1,646	1,751	1,702	(49)	-3%	7,642	7,642	7,642	0		
Eastside Rail Corridor	24	20	38	18	48%	177	177	177	0		
Maintenance Expenses	1,585	1,735	2,147	412	19%	9,630	9,535	9,535	0		
P69 Facilities Expenses	48	39	45	6	13%	178	178	178	0		
Seaport Expenses	239	222	235	13	6%	1,268	1,268	1,268	0		
CDD Expenses	241	210	537	326	61%	2,148	2,131	2,131	0		
Police Expenses	328	313	350	37	11%	1,412	1,396	1,396	0		
Corporate Expenses	1,082	1,091	1,246	155	12%	5,166	5,117	5,117	0		
Envir Remed Liability	0	0	0	0	NA	80	80	80	0		
Total Expense	7,638	7,756	9,042	1,287	14%	39,002	38,824	38,824	0		
Net Operating Income	(188)	(232)	(1,563)	1,332	85%	(6,486)	(6,308)	(6,308)	0		

Q1 2013 Financial Performance

Portwide Results

Commission Briefing

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Q1 Financial Highlights

- Total Port Operating Revenues were \$111.8 million, \$7.9 million, or 6.6%, lower than Q1 2012
- Operating Revenues were \$10.8 million, or 8.8%, below the revised budget
- Port wide Operating Expenses were \$65.4 million, \$11.8 million, or 15.3%, below the revised budget
- Net Income Before Depreciation was \$978K, or 2.2%, above the revised budget and 15.3% lower than Q1 2012
- Net Income After Depreciation was \$1.4 million, or 59.7%, above the revised budget and 41.6% lower than Q1 2012

Q1 Major Revenue Variances

Major Revenues (\$ in 000's)	2012 YTD Actual	2013 YTD Actual	2013 YTD Rvsd Bud	Rvsd Bud Variance	Change from 2012
Aero Revenues	51,634	50,173	58,037	(7,863)	(1,460)
Seaport Security Grants	816	-	87	(87)	(816)
Public Parking	12,368	12,407	12,299	108	39
Rental Cars	6,593	5,044	6,832	(1,789)	(1,549)
Concessions	8,185	8,672	9,509	(837)	487
Utilities	1,879	1,606	1,745	(139)	(273)
Container	19,491	15,935	15,754	181	(3,556)
Seaport Industrial Properties	3,881	3,993	4,068	(75)	112
Grain	1,746	251	874	(622)	(1,494)
Dock	955	1,071	1,136	(65)	116
Conference & Event Centers	2,043	2,109	2,058	51	66
Other	8,117	8,462	8,371	91	345
Subtotal	67,187	61,584	64,474	(2,890)	(5,603)
TOTAL	119,637	111,757	122,598	(10,840)	(7,880)

- Excluding Aeronautical Revenues and Seaport Security Grants, Other Operating Revenues were \$2.9M lower than the revised budget and \$5.6M lower than Q1 2012.

Q1 Major Expense Variances

Major Expenses (In \$ '000)	2012 YTD Actual	2013 YTD Actual	2013 YTD Rvsd Bud	Rvsd Bud Variance	Change from 2012
Salaries & Benefits	22,784	23,401	24,877	1,477	617
Wages & Benefits	21,322	21,334	22,190	856	12
Payroll to Capital Projects	4,641	4,981	5,541	560	340
Equipment Expense	1,223	1,055	1,647	592	(167)
Supplies & Stock	1,899	1,398	1,629	232	(501)
Outside Services	8,305	9,266	16,905	7,638	961
Utilities	5,148	4,992	4,934	(58)	(155)
Travel & Other Employee Exps	957	913	1,662	750	(44)
Promotional Expenses	89	198	420	222	109
Other Expenses	5,431	5,017	5,450	433	(414)
Charges to Capital Projects	(6,768)	(7,111)	(7,995)	(884)	(343)
TOTAL	65,030	65,444	77,262	11,818	414

- Operating Expenses were \$11.8M lower than the revised budget mainly due to vacant positions and timing of spending.
- Operating Expenses were \$414K higher than Q1 2012 mainly due to higher payroll costs and outside services expense.

Q1 Operating Income Summary

(\$ in 000's)	2012 YTD	2013 YTD	2013 YTD	Rvsd Bud Var	
	Actual	Actual	Rvsd Bud	\$	%
Aeronautical Revenues	51,634	50,173	58,037	(7,864)	-13.5%
Other Operating Revenues	68,003	61,584	64,561	(2,977)	-4.6%
Total Operating Revenues	119,637	111,757	122,598	(10,841)	-8.8%
Total Operating Expenses	65,030	65,444	77,262	11,818	15.3%
NOI before Depreciation	54,607	46,313	45,336	977	2.2%
Depreciation	40,414	42,654	43,045	391	0.9%
NOI after Depreciation	14,193	3,659	2,291	1,368	59.7%

- Total Operating Revenues were \$10.8M below the revised budget.
- Total Operating Expenses were \$11.8M lower than the revised budget.
- NOI before Depreciation was \$46.3M, \$977K higher than the revised budget.

2013 Year-End Forecast

(\$ in 000's)	2012	2013	Approved	Revised	Rvsd Bud Var	
	Actual	Forecast	Budget	Budget	\$	%
Aeronautical Revenues	233,112	245,623	249,799	245,623	0	0.0%
Other Operating Revenues	<u>288,540</u>	<u>285,591</u>	<u>300,780</u>	<u>290,010</u>	<u>(4,419)</u>	<u>-1.5%</u>
Total Operating Revenues	521,652	531,214	550,579	535,633	(4,419)	-0.8%
Total Operating Expenses	<u>297,970</u>	<u>323,925</u>	<u>328,912</u>	<u>323,981</u>	<u>56</u>	<u>0.0%</u>
NOI before Depreciation	223,682	207,289	221,667	211,652	(4,363)	-2.0%
Depreciation	<u>167,279</u>	<u>171,510</u>	<u>171,510</u>	<u>171,510</u>	<u>0</u>	<u>0.0%</u>
NOI after Depreciation	<u>56,403</u>	<u>35,779</u>	<u>50,157</u>	<u>40,142</u>	<u>(4,363)</u>	<u>-8.7%</u>

- Total Revenues are forecasting to be \$4.4M below the revised budget mainly due to lower Grain revenue and T18 crane rent.
- Total Expenses are forecasting to be \$56K below the revised budget mainly due to savings from Corporate.

Capital Spending by Division

\$ in 000's	2013 YTD	2013	2013	Budget Variance	
	Actual	Forecast	Budget	\$	%
Aviation	26,669	173,275	174,651	1,376	0.8%
Seaport	895	9,362	11,129	1,767	15.9%
Real Estate	644	9,904	12,165	2,261	18.6%
Corporate & CDD	1,915	14,564	14,976	412	2.8%
TOTAL	30,123	207,105	212,921	5,816	2.7%

Aviation Division

Q1 2013 Financial Performance

Commission Briefing

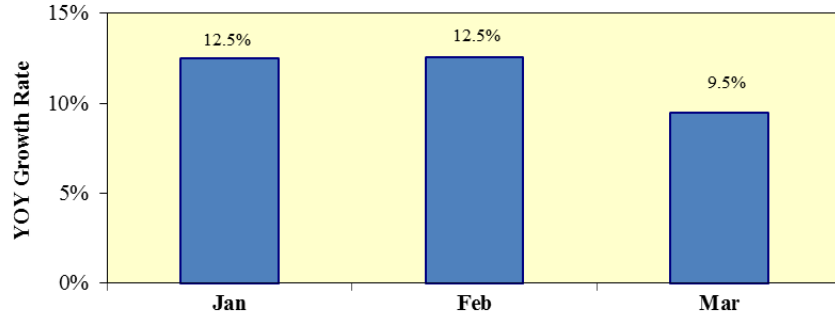
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Aviation Business Highlights

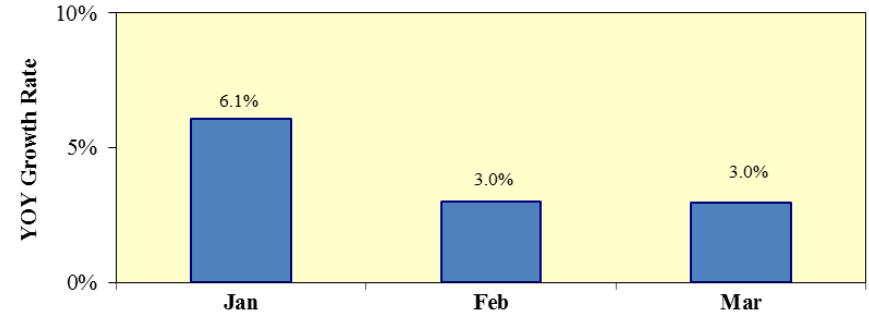
- Business events:
 - Airlines Realignment in progress
 - Escalator renewal project near completion
 - No new airline agreement – continuing to charge 2012 carryover rates
- Airline activity:
 - 2013 YTD enplanements up 3.6% from 2012
 - If non-revenue passengers excluded, Q1 growth is 1.7%
- Non-Airline NOI before debt service and amortization:
 - 2013 YTD revenues are 6.8% below revised budget
- Operating expenses:
 - 2013 YTD expenses are 16.8% below revised budget
- Airline costs:
 - 2013 CPE at revised budget of \$13.65
- Capital program:
 - 2013 forecasted spending at \$173.3 million

Activity

YTD International Enplanements



YTD Domestic Enplanements



	2012	2013	%
Passenger Enplanements	YTD	YTD	Variance
International	353,080	386,504	9.5%
Domestic	3,250,728	3,347,312	3.0%
Total Enplanements	3,603,808	3,733,816	3.6%

	2012	2013	%
Figures in 000's	Actual	Budget	Variance
Total Enplanements	16,597	17,017	2.5%

- International enplaned passengers saw greater 2013 YOY growth of 9.5% than *domestic* enplanements of 3.0%.
- Q1 2013 total enplanements experienced YOY positive growth of 3.6%, however, if non-revenue passengers are excluded, Q1 growth would be 1.7%.

Division Summary

	2012 YTD Actual	2013 Year-to-Date		YTD Rvsd		Year-end Projections			
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Total Operating Revenues	85,154	82,839	93,086	(10,247)	-11.0%	407,625	402,186	402,186	-
Operating Expenses:									
Salaries & Benefits	21,715	22,105	23,439	1,334	5.7%	97,842	96,953	96,953	-
Outside Services	4,688	5,965	10,840	4,875	45.0%	45,453	44,976	44,976	-
Utilities	3,595	3,495	3,363	(132)	-3.9%	12,425	12,425	12,425	-
Other Airport Expenses	3,382	2,442	3,713	1,271	34.2%	15,956	14,534	14,534	-
Baseline Airport Expenses	33,380	34,007	41,355	7,348	17.8%	171,676	168,888	168,888	-
Environmental Remediation Liability	-	-	-	-	n/a	4,615	4,615	4,615	-
Total Airport Expenses	33,380	34,007	41,355	7,348	17.8%	176,291	173,503	173,503	-
Corporate	7,935	7,680	8,982	1,302	14.5%	37,314	36,965	36,965	-
Police Costs	3,858	3,751	4,186	435	10.4%	16,891	16,699	16,699	-
Capital Development/Other Expenses	2,353	2,372	2,799	426	15.2%	11,206	10,679	10,679	-
Total Operating Expenses	47,526	47,809	57,321	9,511	16.6%	241,702	237,846	237,846	-
NOI Before Depreciation	37,628	35,030	35,765	(735)	-2.1%	165,923	164,340	164,340	-
Depreciation Expense	29,284	31,433	31,850	418	1.3%	126,977	126,977	126,977	-
NOI After Depreciation	8,344	3,597	3,915	(318)	-8.1%	38,946	37,363	37,363	-
Selected Non-Operating Rev/(Exp):									
Capital Grants & Donations	423	-	1,839	(1,839)	-100.0%	16,230	16,230	16,230	-
Non-Capital Grants & Donations	0	-	317	(317)	-100.0%	1,269	1,269	1,269	-
Passenger Facility Charges (PFCs)	16,894	17,708	14,142	3,566	25.2%	64,844	64,844	64,844	-
Customer Facility Charges (CFCs)	4,722	4,850	5,138	(289)	-5.6%	20,553	20,553	20,553	-

YTD Operating Expenses

- 2013 YTD operating expenses are lower than revised budget by \$9.5 million due to the net of the following:

Positive Variance of \$9.6 million:	Negative Variance of \$100K:
<p>Delays in airline realignment expenses \$3.0M</p> <p>Delays in expenditure of contracted services \$1.7M:</p> <ul style="list-style-type: none"> - KONE escalator/elevator svcs \$244k - Sustainability aviation master plan \$207k - Concession master plan \$133k - Landscaping maintenance \$136k - Tenant marketing \$75k <p>Vacancies and payroll savings \$978K</p> <p>Corporate/CDD/Police allocated expenses \$2.2M</p> <p>Employee training and development expenses \$344K</p> <p>Delay in airline trade and promotional events \$207K</p> <p>Litigated claims reserve adjustment \$189K</p> <p>Delay in Fire Department furniture purchase \$165K</p> <p>Other Aviation Division savings \$800K</p>	<p>RCF water utility usage higher than anticipated \$132K</p>

Aeronautical Business

	2012	2013	2013	2013	Rvsd Bud Var		Change from 2012	
	Actual	Forecast	Revised Budget	Approved Budget	\$	%	\$	%
\$ in 000's								
Net Passenger Airline Costs	219,598	232,197	232,197	236,373	-	0.0%	12,600	5.7%
Enplanements	16,597	17,017	17,017	17,017	-	0.0%	419	2.5%
Passenger Airline CPE	13.23	13.65	13.65	13.89	-	0.0%	0.41	3.1%

- Net passenger airline costs increases are due to airlines realignment and capital costs increases.
- 2013 approved budget assumed continuation of SLOA II. Revised budget assumes airline rates and charges based on a resolution.

Non-Aeronautical Business

	2012	2013	2013	2013	Rvsd Bud Var		Change from 2012	
	Actual	Forecast	Revised Budget	Approved Budget	\$	%	\$	%
Non-Aero Revenues								
Rental Cars	28,288	26,737	26,737	26,737	-	0.0%	(1,551)	-5.5%
CFC Operating Revenues (RCF)	9,745	11,013	11,013	11,013	-	0.0%	1,268	13.0%
RCF Reimbursable Revenue	38	222	222	1,486	-	0.0%	184	484.5%
RCF Subtotal	38,072	37,972	37,972	39,236	-	0.0%	(100)	-0.3%
Public Parking	49,781	50,948	50,948	50,948	-	0.0%	1,167	2.3%
Ground Transportation	7,900	7,267	7,267	7,267	-	0.0%	(633)	-8.0%
Concessions	37,998	41,263	41,263	41,263	-	0.0%	3,265	8.6%
Other	19,273	19,113	19,113	19,113	-	0.0%	(160)	-0.8%
Total Non-Aero Revenues	153,022	156,563	156,563	157,826	-	0.0%	3,541	2.3%
RCF Operating Expense	6,196	7,858	7,858	9,121	-	0.0%	1,662	26.8%
Operating Expense	64,855	67,985	67,985	68,911	-	0.0%	3,130	4.8%
Share of terminal O&M	18,366	21,436	21,436	18,615	-	0.0%	3,070	16.7%
Less utility internal billing	(19,883)	(17,095)	(17,095)	(17,095)	-	0.0%	2,788	-14.0%
Net Operating & Maint	69,533	80,184	80,184	79,552	-	0.0%	10,651	15.3%
Net Operating Income	83,489	76,379	76,379	78,274	-	0.0%	(7,110)	-8.5%
Adjusted Net Operating Income:								
Non-Aeronautical NOI	83,489	76,379	76,379	78,274	-	0.0%	(7,110)	-8.5%
Less: CFC Surplus	(3,702)	(4,619)	(4,619)	(3,464)	-	0.0%	(917)	24.8%
Adjusted Non-Aero NOI	79,787	71,760	71,760	74,810	-	0.0%	(8,027)	-10.1%
Revenues Per Enplanement								
Parking	3.00	2.99	2.99	2.99	-	0.0%	(0.01)	-0.2%
Rental Cars (excludes CFCs)	1.70	1.57	1.57	1.57	-	0.0%	(0.13)	-7.6%
Ground Transportation	0.48	0.43	0.43	0.43	-	0.0%	(0.05)	-11.0%
Concessions	2.29	2.42	2.42	2.42	-	0.0%	0.13	5.9%
Other	1.75	1.78	1.78	1.86	-	0.0%	0.03	1.9%
Total Revenues	9.22	9.20	9.20	9.27	-	0.0%	(0.02)	-0.2%
Primary Concessions Sales / Enpl	10.91	11.25	11.25	11.25	-	0.0%	0.34	3.1%

	2012	2013	2013	2013	Rvsd Bud Var		Change from 2012	
	Actual	Forecast	Revised Budget	Approved Budget	\$	%	\$	%
\$ in 000's								
Aeronautical								
Operations:								
Total Revenues	233,000	245,623	245,623	249,799	-	0.0%	12,622	5.4%
Baseline Operating Costs	137,189	138,165	138,165	142,652	-	0.0%	976	0.7%
Airlines Realignment	5,802	16,069	16,069	16,069	-	0.0%	10,267	177.0%
Regulated Materials	4,040	3,428	3,428	3,428	-	0.0%	(612)	-15.1%
Total Operating Costs	147,031	157,662	157,662	162,150	-	0.0%	10,631	7.2%
Net Operating Income	85,969	87,960	87,960	87,649	-	0.0%	1,991	2.3%
Debt Service:								
Gross Debt Service	124,200	127,278	127,278	127,685	-	0.0%	3,077	2.5%
Passenger Facility Charge (PFC)	(33,717)	(33,800)	(33,800)	(33,800)	-	0.0%	(83)	0.2%
Terminal Non-aero Allocation	(12,562)	(15,409)	(15,409)	(13,763)	-	0.0%	(2,847)	22.7%
Net Debt Service	77,922	78,069	78,069	80,122	-	0.0%	148	0.2%
Aero NOI after Debt Service	8,048	9,891	9,891	7,527	-	0.0%	1,844	22.9%
Non-Aeronautical								
Operations:								
Revenues	153,022	156,563	156,563	157,826	-	0.0%	3,541	2.3%
Operating Expenses	69,533	80,184	80,184	79,552	-	0.0%	10,651	15.3%
Net Operating Income	83,489	76,379	76,379	78,274	-	0.0%	(7,110)	-8.5%
Debt Service:								
Gross Debt Service	50,652	53,288	53,288	50,282	-	0.0%	2,636	5.2%
Customer Facility Charge (CFC)	(20,048)	(19,873)	(19,873)	(19,873)	-	0.0%	175	-0.9%
Terminal Non-aero Allocation	12,562	15,409	15,409	13,763	-	0.0%	2,847	22.7%
Net Debt Service	43,166	48,824	48,824	44,173	-	0.0%	5,658	13.1%
Non-Aero NOI after Debt Service	40,323	27,555	27,555	34,101	-	0.0%	(12,768)	-31.7%
Total Aviation								
Net Operating Income	169,458	164,340	164,340	165,923	-	0.0%	(5,119)	-3.0%
Net Debt Service	121,088	126,894	126,894	124,295	-	0.0%	5,806	4.8%
NOI After Debt Service	48,371	37,446	37,446	41,628	-	0.0%	(10,925)	-22.6%
Add ADF Interest Income	3,215	4,526	4,526	4,526	-	0.0%	1,311	40.8%
Add Non-Operating TSA Grant	919	1,269	1,269	1,269	-	0.0%	350	38.1%
Net Cash Flow after D/S & Interest	52,505	43,241	43,241	47,423	-	0.0%	(9,264)	-17.6%

Capital Variance

\$ in 000's Description	2013 YTD	2013	2013	Budget Variance	
	Actual	Forecast	Budget	\$	%
Airfield Pavement Replacement	158	9,368	4,180	(5,188)	-124.1%
Doug Fox Site Improvements	163	973	3,870	2,897	74.9%
Convert Ticket Zone 2 Pushback	0	2,750	5,500	2,750	50.0%
All Other	26,348	160,184	161,101	917	0.6%
Total Spending	26,669	173,275	174,651	1,376	0.8%

- Airfield pavement replacement variance reflects an increase in scope due to the extent of deteriorating panels.
- Doug Fox site improvements project was delayed due to a signage issue with the City of SeaTac, an asphalt re-surfacing issue with the tenant, and a maintenance provision in the lease agreement. Most construction work will now begin in 2014.
- Convert Ticket Zone 2 Pushback costs have been reallocated between expense and capital

Future 2013 Authorization Requests:

South Access Property Acq.
Parking Garage Light Retrofit
Replace PLBs at B7, B9 & S8
Purch/Repl PLBs at B6 ,B8, B14
International Arrivals Fac-IAF
Radio System Upgrade (800MHz)
Pax Bridge and Walkway S16 Rep
USO Relocation
Service Tunnel Renewal/Replace
Air Cargo Rd Safety Imp D/C
Utility ER Backup/Standby Pwr
NS Main Terminal Improvements
Security Checkpoint Wayfinding
Fiber Infr to Gate Backstands
Fire Dept Comm. Upgrades
So. 160th St. GT Lot Expansion
Fire Station Electric Upgrades
Grease Interceptor Augmnt 2013
Renew/Repl Emer Power Switches
Concourse D Roof Replacement

Seaport Division

Q1 2013 Performance Report

The background of the slide is a dark blue, semi-transparent image. On the left, the bow of a large cargo ship is visible. In the center and right, there are silhouettes of people walking and talking on mobile phones, overlaid on a grid pattern that suggests a window or a digital interface. The overall scene is a busy port terminal.

Commission Briefing

May 14, 2013

Seaport Business Goals

- TEU volume was 384K, down 19% from Q1 YTD 2012. Full inbound TEU's were down 19% and full outbound were down 16%.
- Grain volume was at 258K metric tons, down 84% from 2012 YTD and 68% under 2013 YTD budget.
- Cruise season will commence on May 1st.
- Radio frequency identification (RFID) program implemented for trucks calling Port container terminals.
- Seaport Division staff completed CPI Training.

Environmental Stewardship

- 25% of frequent ship calls are meeting Northwest Ports Clean Airs Standards target.
- Joined Green Marine, a marine industry environmental excellence program, becoming the first U.S. Port outside of the Great Lakes to do so.
- Contract awarded for early action Superfund project clean-up at Terminal 117.
- Received 10 year programmatic permit for harbor wide dock piling maintenance and repair.

Regional Transportation – Closely engaged in freight mobility management for south harbor road construction projects and detour routes.

Seaport Q1 YTD Operating Results

	2012 YTD	2013 YTD	2013 YTD Revised	2013 Revised Bud	Var
\$ in 000's	Actual	Actual	Budget	\$	%
Operating Revenue	26,115	21,331	21,907	(577)	-3%
Security Grants	816	0	87	(87)	-100%
Total Revenues	26,931	21,331	21,994	(663)	-3%
Seaport Expenses (excl env srvs)	2,710	3,174	3,482	308	9%
Environmental Services	302	332	373	41	11%
Maintenance Expenses	1,185	1,562	1,397	(165)	-12%
P69 Facilities Expenses	130	115	132	18	13%
Other RE Expenses	86	66	89	23	26%
CDD Expenses	651	824	894	70	8%
Police Expenses	948	947	1,059	112	11%
Corporate Expenses	2,718	2,604	3,077	474	15%
Security Grant Expense	821	4	0	(4)	NA
Envir Remed Liability	0	0	0	0	NA
Total Expenses	9,550	9,628	10,504	877	8%
Net Operating Income	17,381	11,703	11,490	213	2%

Seaport Division Key Variances

Revenue Detail (\$'s in Thousands)

Q1 YTD Business Unit	Variance to Budget Better (Worse)
Containers	\$181
Grain	(\$622)
Industrial Properties	(\$75)
Cruise	\$4
Docks	(\$65)
Security Grants	(\$87)
Total	(\$663)

Seaport Division Key Variances

Expense Detail (\$'s in Thousands)

Q1 YTD Expenses	Variance to Budget Better (Worse)
Seaport Expenses	\$349
Corporate	\$586
CDD	\$70
Maintenance	(\$165)
All Other	\$37
Total Expense	\$877

Seaport Business Groups

NOI Before Depreciation (\$'s in Millions)

	Q1 YTD Actual NOI	Variance to Budget Better (Worse)
Containers	\$11.2	\$0.8
Grain	\$0.0	(\$0.5)
Sea Industrial Properties	\$2.2	\$0.1
Cruise	(\$1.3)	\$0.1
Docks	(\$0.2)	(\$0.1)
Security	(\$0.2)	(\$0.1)
Total Seaport	\$11.7	\$0.2

\$ in 000's	2012	2013	Approved	Revised	2013 Revised Bud Var	
	Actual	Forecast	Budget	Budget	\$	%
Operating Revenue	101,715	96,328	110,110	100,603	(4,275)	-4%
Security Grants	2,226	0	173	173	(173)	-100%
Total Revenues	103,941	96,328	110,283	100,777	(4,448)	-4%
Seaport Expenses (excl env srvs)	13,684	14,971	15,385	14,971	0	0%
Environmental Services	2,207	2,675	2,675	2,675	0	0%
Maintenance Expenses	6,040	6,076	6,360	6,076	0	0%
P69 Facilities Expenses	532	526	526	526	0	0%
Other RE Expenses	233	353	353	353	0	0%
CDD Expenses	4,244	3,475	3,530	3,475	0	0%
Police Expenses	3,969	4,223	4,271	4,223	0	0%
Corporate Expenses	11,538	12,678	12,773	12,678	0	0%
Security Grant Expense	2,227	0	0	0	0	NA
Envir Remed Liability	26	1,170	1,170	1,170	0	0%
Total Expenses	44,700	46,147	47,043	46,147	0	0%
Net Operating Income	59,241	50,181	63,240	54,630	(4,448)	-8%

Forecasted Revenue Variance:

- Grain Revenue: (\$2.5 million) volume is currently forecasted to come in 52% below budget.
- T-18 Crane Rent: (\$1.8 million) due to no minimum payment required for MHI cranes if full year volume falls below 250K lifts. Tenant has indicated lifts will be below that level.

Seaport Capital 2013

\$ in 000's	2013 YTD	2013	2013	Budget Variance	
	Actual	Forecast	Budget	\$	%
Seaport	\$895	\$9,362	\$11,129	\$1,767	16%

Real Estate Division

Q1 2013 Performance Report

Commission Briefing

May 14, 2013

Real Estate 1st Quarter Key Events

- Full Year Net Operating Income forecasted to meet budget.
- The 85th Annual Blessing of the Fleet was held at Fishermen's Terminal in March.
- Real Estate Development & Planning:
 - Issued a request for proposals for the Des Moines Creek Business Park site
 - Reached settlement agreement with King County related to the condemnation action to acquire an interest in the Terminal 91 West Yard site for its CSO project

Real Estate 1st Quarter Key Events

- Eastside Rail Corridor
 - Completed the sale of all non-freight area on the rail corridor to King County
 - Bankruptcy court approved the sale of GNP Rly Inc. (freight operator) assets to Eastside Community Rail LLC.

Real Estate Business Goals

Provide Compelling Value and Asset Utilization

- **Occupancy Rates:** Commercial property at 91% occupancy, slightly below target of 92% but above 2013 Q1 Seattle market average of 88%.
- **Moorage Occupancy Rates:** Fishermen's Terminal and Maritime Industrial Center at 79% YTD average occupancy, below target of 81%. Recreational Marinas at 94%, above target of 91%.

Real Estate Division Qtr 1 Operating Results

	2012 YTD	2013 YTD	2013 YTD Revised	2013 Rvsd Bud Var	
\$ in 000's	Actual	Actual	Budget	\$	%
Revenue	5,407	5,415	5,422	(6)	0%
Conf & Event Ctr Revenue	2,043	2,109	2,058	51	2%
Total Revenue	7,450	7,524	7,479	45	1%
Real Estate Exp(excl Conf, Maint,P69)	2,445	2,374	2,743	369	13%
Conf & Event Ctr Expense	1,646	1,751	1,702	(49)	-3%
Eastside Rail Corridor	24	20	38	18	48%
Maintenance Expenses	1,585	1,735	2,147	412	19%
P69 Facilities Expenses	48	39	45	6	13%
Seaport Expenses	239	222	235	13	6%
CDD Expenses	241	210	537	326	61%
Police Expenses	328	313	350	37	11%
Corporate Expenses	1,082	1,091	1,246	155	12%
Envir Remed Liability	0	0	0	0	NA
Total Expense	7,638	7,756	9,042	1,287	14%
Net Operating Income	(188)	(232)	(1,563)	1,332	85%

Real Estate Division Q1 Key Variances

Revenue Detail (\$'s in Thousands)

2013 Year to Date Business Unit	Variance to Budget Better (Worse)
Recreational Boating	\$53
Fishing & Commercial	(\$54)
Commercial Properties	(\$70)
Conference & Event Centers	\$51
Eastside Rail	\$2
RE Development & Planning	\$28
Maintenance	\$35
Total	\$45

Real Estate Division Q1 Key Variances

Expense Detail (\$'s in Thousands)

2013 Year to Date Expense	Variance to Budget Better (Worse)
Maintenance	\$412
RE Expense (excl Conference & Event, Maint, P69)	\$369
CDD	\$326
Corporate	\$192
Conference & Event Centers	(\$49)
All Other	\$38
Total Expense	\$1,287

Real Estate Business Groups

NOI Before Depreciation (\$'s in Thousands)

	Q1 YTD Actual NOI	Variance to Budget Better (Worse)
Recreational Boating	\$418	\$317
Fishing & Commercial	(\$536)	\$365
Commercial Properties	(\$252)	\$489
Conference & Event Centers	\$267	\$18
Eastside Rail	(\$64)	\$26
RE Development & Planning	(\$65)	\$117
Total Real Estate	(\$232)	\$1,332

Real Estate Division Full Year Forecast

\$ in 000's	2012	2013	Approved	Revised	2013 Rvsd Bud Var	
	Actual	Forecast	Budget	Budget	\$	%
Revenue	22,445	22,776	22,776	22,776	0	0%
Conf & Event Ctr Revenue	8,863	9,740	9,740	9,740	0	0%
Total Revenue	31,308	32,516	32,516	32,516	0	0%
Real Estate Exp (excl Conf, Maint,P69)	10,564	11,300	11,300	11,300	0	0%
Conf & Event Ctr Expense	6,816	7,642	7,642	7,642	0	0%
Eastside Rail Corridor	293	177	177	177	0	0%
Maintenance Expenses	9,110	9,535	9,630	9,535	0	0%
P69 Facilities Expenses	198	178	178	178	0	0%
Seaport Expenses	1,244	1,268	1,268	1,268	0	0%
CDD Expenses	1,084	2,131	2,148	2,131	0	0%
Police Expenses	1,374	1,396	1,412	1,396	0	0%
Corporate Expenses	4,836	5,117	5,166	5,117	0	0%
Envir Remed Liability	6	80	80	80	0	0%
Total Expense	35,525	38,824	39,002	38,824	0	0%
Net Operating Income	(4,217)	(6,308)	(6,486)	(6,308)	0	0%

Real Estate Capital 2013

\$ in 000's	2013 YTD	2013	2013	Budget Variance	
	Actual	Forecast	Budget	\$	%
Real Estate	644	9,904	12,165	2,261	19%

The background of the slide is a dark blue, semi-transparent image of a port terminal. It shows the silhouette of a large ship on the left, a complex network of cranes and structural beams in the center, and several people walking on a walkway on the right. The overall scene is industrial and active.

Capital Development Division

Q1 2013 Performance Report

Commission Briefing

May 14, 2013

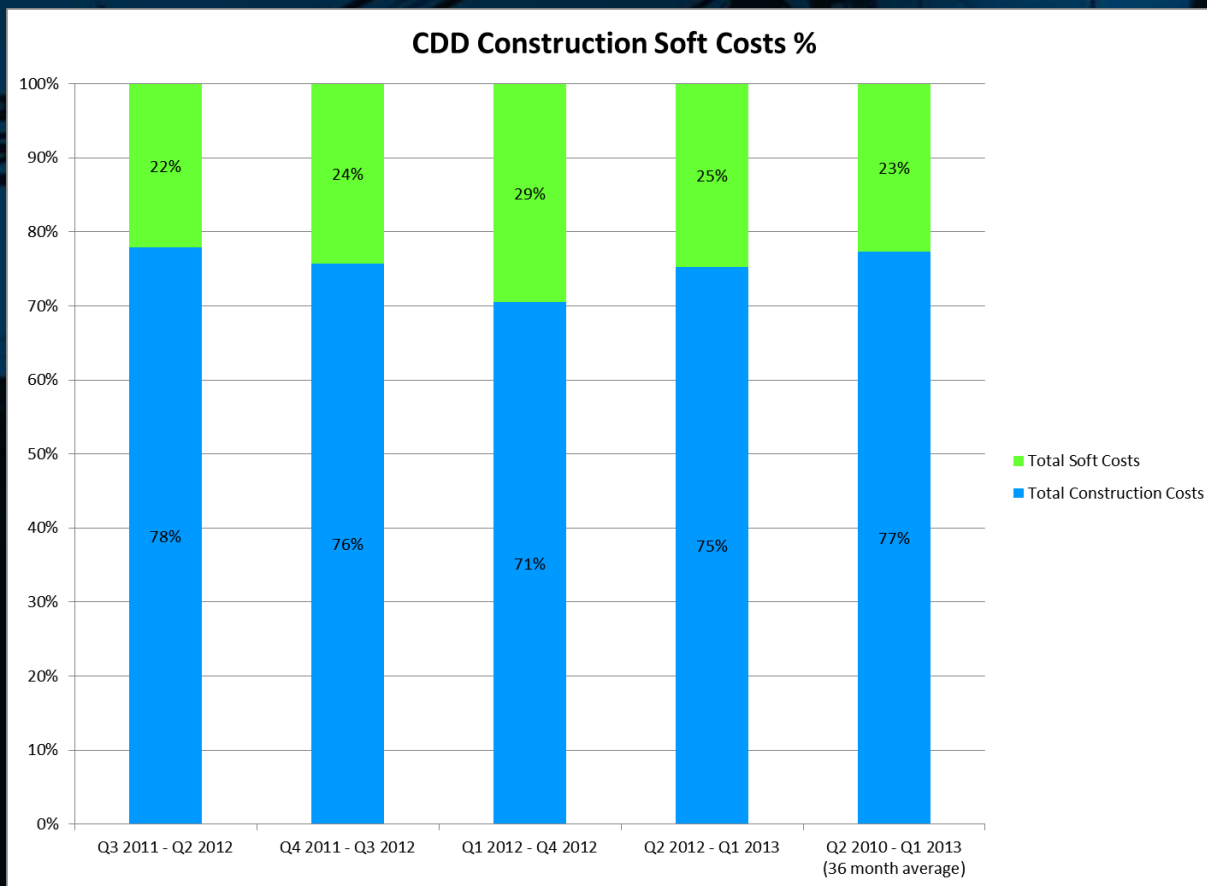
Capital Development Division Q1 2013 Business Events

- Began construction of utility relocation for Sound Transit South Link extension.
- Significantly narrowed list of items requiring resolution for new parking garage revenue control system.
- Reached agreement with TSA on funding and consultant on scope and budget for 30% design of optimization and recapitalization of baggage system screening devices.
- Turned over Electrical Ground Support Equipment (eGSE) demonstration project for use by Alaska.
- Labor & Industries approved use of sleep mode for new escalators (44 escalator project), first such approval in State.
- Added list of future procurements to external website.
- Participated with reauthorization committee for RCW 39.10 legislation.
- Hosted Gonzaga University Entrepreneurial Leadership Program undergraduate students interested in engineering and communication careers.
- Participated in photography documentation classes by Damage Assessment Team members and others.

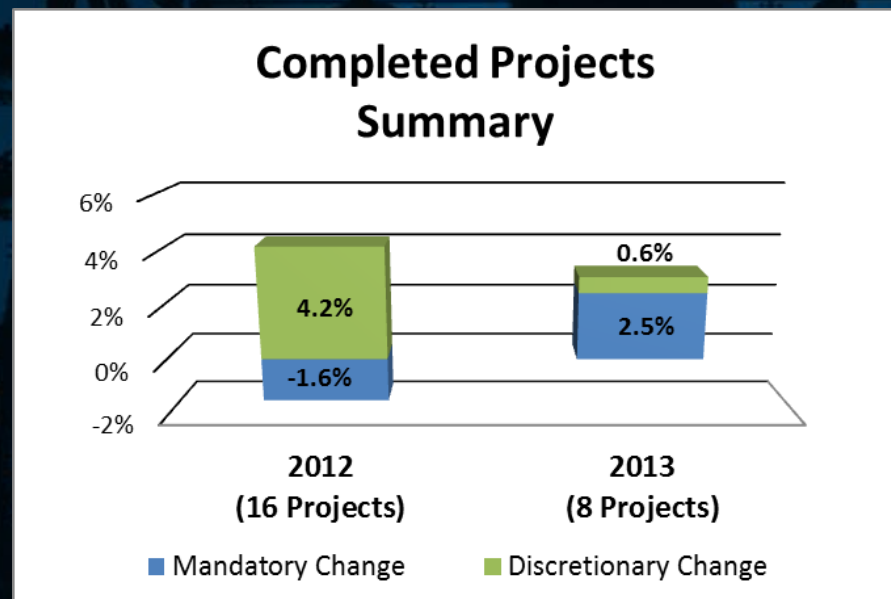
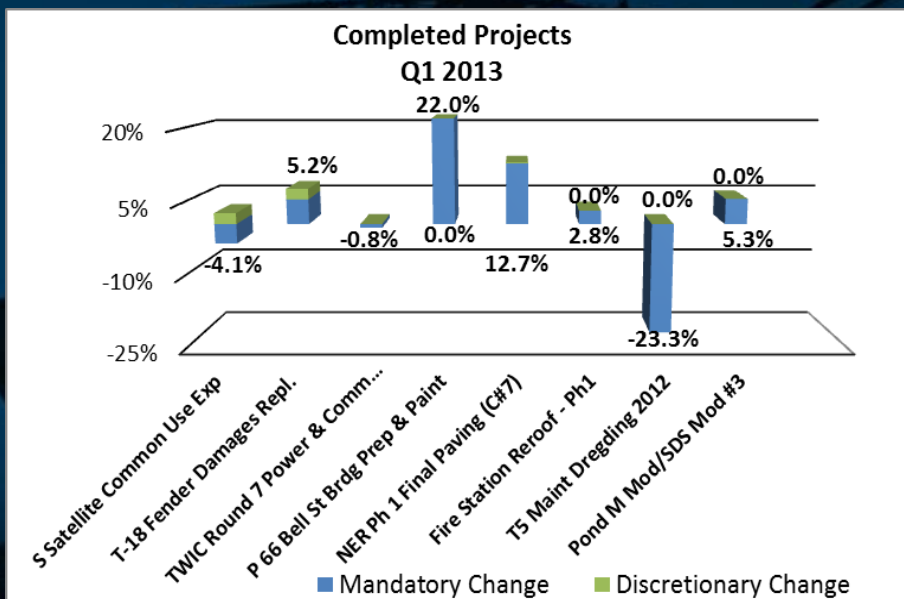
Capital Development Division Q1 2013 Business Events

- Achieved beneficial Occupancy and Substantial Completion status in March 2013 for Baggage Claim Device 14 project.
- Completed Airline Realignment Tenant Improvement: relocation of American, Jet Blue and Frontier from Ticketing Zone 2 to Zone 5.
- Completed the shell in March 2013 to allow upcoming tenant construction of a new duty free retail space for South Satellite West End Project.
- Key PCS projects for the first quarter are 911 call center, Central Terminal Expansion (CTE) elevator access upgrade, B exit security breach control, airline relocation signage, stage 2 mechanical energy conversion, noise remedy upgrades, Gate A6 ramp installation, Terminal 91 lift station, Terminal 115 pavement repair, and 1st floor south exit lane.
- Resident Engineer issued Substantial Completion Certification to the contractor for the Terminal 5 Phase 1 Dredging project.
- Radio Frequency Identification Device (RFID) - Terminals are seeing increased compliance as the April 1, 2013 deadline approaches.
- Terminal 115 Waterline break and Pavement repairs - An emergency declaration executed on January 25, 2013. The project was completed and made available to the tenant for use on scheduled date of March 22, 2013.

Project Hard/Soft Costs

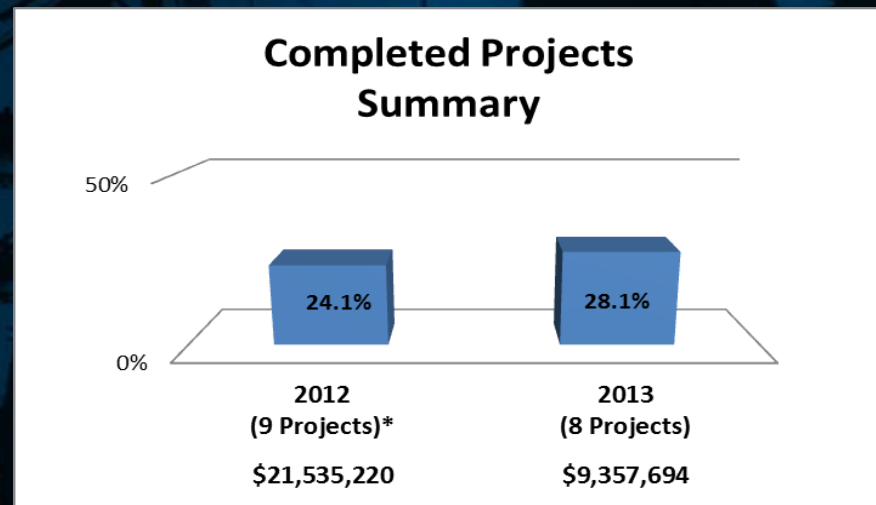
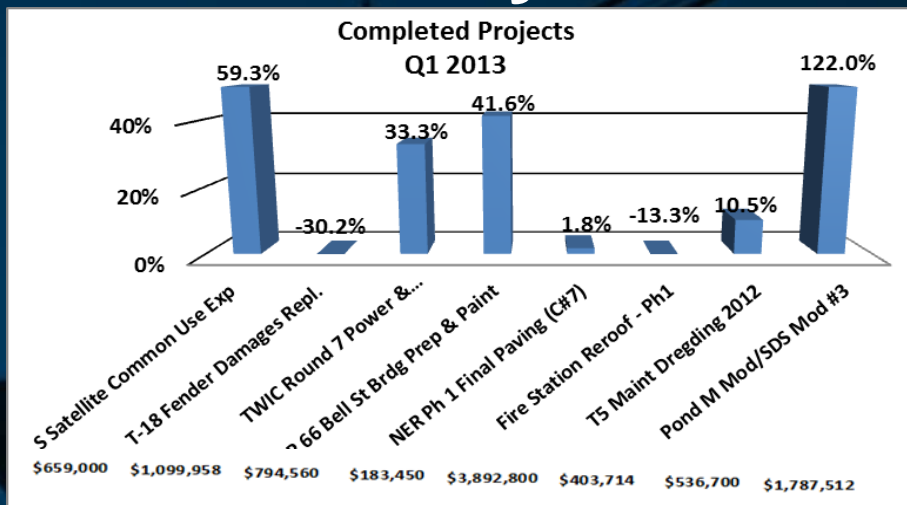


Capital Development Division Key Indicators



Cost Growth During Construction

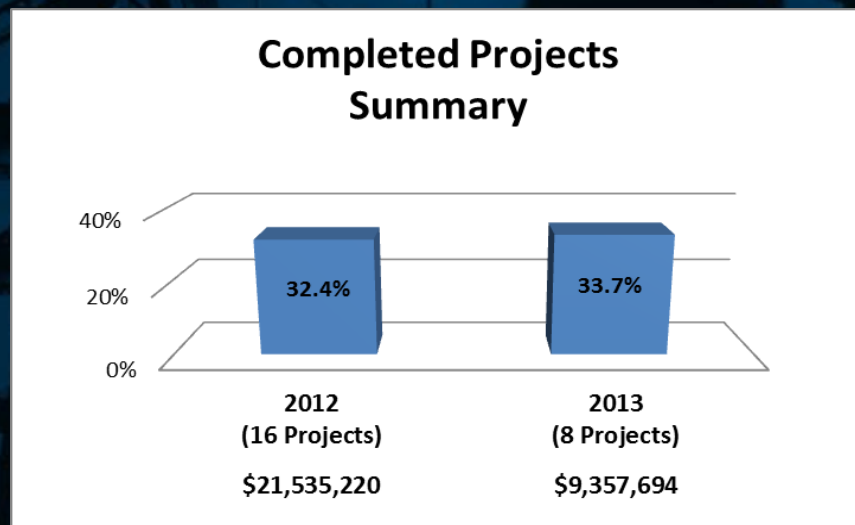
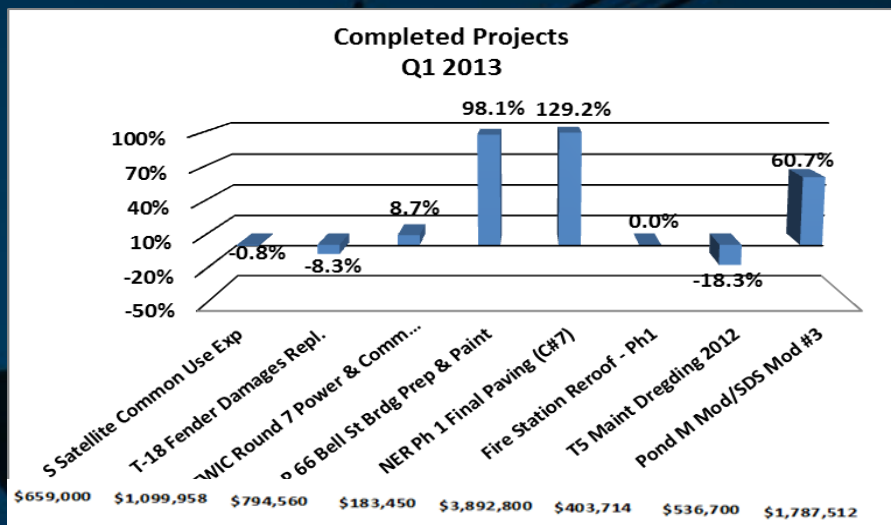
Capital Development Division Key Indicators continued



Design Schedule Growth

Project	Initial Commission Authorized Start of Design	Planned Construction Contract Award (Execution)	Actual Construction Contract Award (Execution)
1st Quarter 2013			
S Satellite Common Use Exp	6-Dec-11	23-Mar-12	26-May-12
T-18 Fender Damages Repl.	6-Apr-10	1-Feb-11	2-Nov-10
TWIC Round 7 Power & Comm Infrast.	19-May-09	12-Apr-11	29-Nov-11
P 66 Bell St Brdg Prep & Paint	10-Apr-12	1-Aug-12	17-Sep-12
NER Ph 1 Final Paving (C#7)	11-Apr-06	21-Apr-10	17-May-10
Fire Station Reroof - Ph1	26-Jul-11	20-Jun-12	7-May-12
T5 Maint Dredging 2012	14-Aug-12	29-Oct-12	6-Nov-12
Pond M Mod/SDS Mod #3	28-Jul-09	15-May-10	5-May-11

Capital Development Division Key Indicators continued



Construction Schedule Growth

Project	Planned Construction Contract Award (Execution)	Actual Construction Contract Award (Execution)	Planned Substantial Completion of Construction	Actual Substantial Completion of Construction	Construction Schedule Growth
1st Quarter 2013					
S Satellite Common Use Exp	23-Mar-12	26-May-12	22-Sep-12	21-Sep-12	-0.8%
T-18 Fender Damages Repl.	1-Feb-11	2-Nov-10	30-Apr-12	16-Mar-12	-8.3%
TWIC Round 7 Power & Comm Infrast.	12-Apr-11	29-Nov-11	7-May-12	21-May-12	8.7%
P 66 Bell St Brdg Prep & Paint	1-Aug-12	17-Sep-12	9-Nov-12	31-Dec-12	98.1%
NER Ph 1 Final Paving (C#7)	21-Apr-10	17-May-10	12-Jan-11	18-Nov-11	129.2%
Fire Station Reroof - Ph1	20-Jun-12	7-May-12	31-Oct-12	31-Oct-12	0.0%
T5 Maint Dregding 2012	29-Oct-12	6-Nov-12	1-Mar-13	8-Feb-13	-18.3%
Pond M Mod/SDS Mod #3	15-May-10	5-May-11	22-Sep-11	16-Dec-11	60.7%

CPO Procurement Time

Procurement Schedule

Total Time Receipt of Scope to Execution (Avg # Days)

	<u>2012</u>	<u>2013</u>
• Goods & Services	183 days	105 days
• Major Public Works	60 days	71 days
• Small Works	47 days	42 days
• Service Agreements	202 days	175 days

CDD Gross Operating Results

	2012 YTD	2013		YTD Bud Var		Year-End Projections				
		Actual	Year-to-Date Actual	Revised Budget	\$	%	Approved Budget	Revised Budget	Forecast	Rvsd Bud Var
\$ in 000's										
Notes										
Total Revenues	7	5	-	5	0.0%	-	-	-	-	
<u>Expenses Before Charges To Cap/Govt/Envrs Projects</u>										
Capital Development Administration	89	90	96	6	6.7%	382	378	378	-	
Engineering	3,091	3,026	3,599	573	15.9%	14,904	14,853	14,858	(5)	
Port Construction Services	1,218	1,498	1,697	199	11.8%	6,618	6,591	6,591	-	
Central Procurement Office	1,190	1,177	1,107	(70)	-6.3%	4,532	4,510	4,510	-	
Aviation Project Management	1,848	1,846	2,161	315	14.6%	8,710	8,679	8,679	-	
Seaport Project Management	432	573	964	390	40.5%	3,841	3,813	3,777	36	
Total Before Charges to Capital Projects	7,868	8,210	9,625	1,415	14.7%	38,988	38,823	38,793	31	

CDD Key Variances to Net Budget

Q1 2013 Expenses \$ in 000's	Budget	Variance to Budget	YTD Var. F/(UNF)
	YTD	Better (Worse)	%
Salaries and Benefits	7,530	535	7.1
Outside Services	1,523	1134	74.5
Travel and Other	168	111	66.0
Telecommunications	31	16	51.8
Property Rentals	17	17	100.0
General Expenses	20	(102)	(500.5)
All Other	335	(296)	(88.4)
Charges to Capital Projects	(5,813)	(637)	11.0
Total	3,812	778	(20.4)

Corporate Q1 2013 Performance Report

Commission Briefing

May 14, 2013

Corporate Key Events

- Launched of live music events at Sea-Tac Airport.
- Launched the 2013 Wellness Reward program with Cigna and work is underway for developing health care cost containment strategy.
- Finalized a flow process for incident intake for reporting to the State Auditor's Office for lost/stolen Port's assets.
- Completed the audit for ICT Performance and Risk Assessment.
- Issued Limited Tax General Obligation Refunding Bonds in the amount of \$102,795,000.
- Launched internal outreach for new Email Communications Strategy and Communications Toolbox.

Corporate Key Metrics

- Airport Jobs helped placed people into 101 jobs with airport employers
- 31 Apprenticeship Opportunity Project Placements
- Conducted 14 small business outreach
- 74 small businesses were approved on the new Procurement Roster Management System (PRMS)
- Responded to 245 public disclosure requests
- Provided orientation to 23 new employees
- Provided 37 employee development classes
- 19 employees participated in the Tuition Reimbursement Program
- Negotiated 6 labor contracts

Q1 Corporate Operating Results

\$ in 000's	2012 YTD	2013 YTD		Rvsd Bud Var		Change from 2012	
	Actual	Actual	Rvsd Bud	\$	%	\$	%
Total Revenues	98	68	39	29	75.8%	(30)	-30.6%
Executive	382	442	495	53	10.8%	60	15.6%
Commission	194	209	326	118	36.1%	14	7.4%
Legal	567	698	735	36	5.0%	131	23.2%
Risk Services	637	672	775	103	13.3%	35	5.5%
Health & Safety Services	256	259	278	20	7.0%	2	1.0%
Public Affairs	1,270	1,199	1,563	364	23.3%	(70)	-5.5%
Human Resources & Development	1,188	1,173	1,283	110	8.6%	(15)	-1.3%
Labor Relations	247	311	293	(19)	-6.3%	64	26.1%
Information & Communications Technology	4,642	4,257	5,104	847	16.6%	(385)	-8.3%
Finance & Budget	376	353	391	37	9.6%	(22)	-5.9%
Accounting & Financial Reporting Services	1,500	1,376	1,625	249	15.3%	(124)	-8.3%
Internal Audit	278	291	324	33	10.2%	13	4.6%
Office of Social Responsibility	359	215	464	249	53.6%	(144)	-40.1%
Police	5,219	5,069	5,595	526	9.4%	(150)	-2.9%
Contingency	3	60	-	(60)	0.0%	57	2001.8%
Total Expenses	17,118	16,583	19,251	2,667	13.9%	(535)	-3.1%

- All Corporate departments were under budget, except Labor Relations due to HR10 for one employee.

Q1 Corporate Expense by Category

Operating Expenses (\$ in '000)	2012 YTD	2013 YTD		Rvsd Bud Var		Change from 2012	
	Actual	Actual	Rvsd Bud	\$	%	\$	%
Salaries & Benefits	8,744	8,698	9,398	700	7.4%	(45)	-0.5%
Wages & Benefits	4,566	4,646	4,942	296	6.0%	80	1.8%
Payroll to Capital Projects	535	797	627	(170)	-27.1%	262	49.0%
Equipment Expense	170	141	456	315	69.0%	(28)	-16.6%
Supplies & Stock	108	68	146	78	53.3%	(40)	-36.7%
Outside Services	2,016	1,675	2,668	992	37.2%	(340)	-16.9%
Travel & Other Employee Exps	495	499	683	184	26.9%	5	0.9%
Insurance Expense	510	534	575	41	7.1%	24	4.7%
Litigated Injuries & Damages	152	(8)	-	8	n/a	(161)	n/a
Other	358	328	382	54	14.1%	(29)	-8.2%
Charge to Capital	(535)	(797)	(627)	170	-27.1%	(262)	49.0%
Total	17,118	16,583	19,251	2,667	13.9%	(535)	-3.1%

- Total Expenses were \$2.7M or 13.9% below the revised budget mainly due to some vacant positions and timing of spending.
- Total Expenses were \$535K lower than Q1 2012 actual mainly due to lower Outside Services and Litigated Injuries & Damages.

Corporate Year End Forecast

\$ in 000's	2012 Actual	2013 Forecast	2013 Budget	2013 Rvsd Bud	Rvsd Bud Var	Explanations
Total Revenues	444	184	155	155	29	Unbudgeted Police grants
Executive	1,585	1,806	1,552	1,806	-	
Commission	799	1,427	1,483	1,445	18	Delays hiring
Legal	3,083	3,012	3,012	3,012	-	
Risk Services	2,648	3,101	3,186	3,166	65	Lower insurance cost
Health & Safety Services	1,009	1,112	1,138	1,118	5	Miscellaneous savings
Public Affairs	5,860	5,946	5,946	5,946	-	
Human Resources & Development	5,227	5,425	5,468	5,425	-	
Labor Relations	1,094	1,197	1,198	1,153	(44)	Due to one HR10 employee
Information & Communications Technology	19,486	20,505	20,805	20,505	-	
Finance & Budget	1,467	1,777	1,877	1,777		
Accounting & Financial Reporting Services	6,056	6,809	7,055	6,835	26	Rebate and Charges to Capital
Internal Audit	1,334	1,361	1,361	1,361	-	
Office of Social Responsibility	1,448	1,702	1,702	1,702	-	
Police	21,793	22,318	22,574	22,318	-	
Contingency	367	450	450	450	-	
Total Expenses	73,263	77,949	78,807	78,019	70	

- Total Revenues are forecasting to be \$29K above the revised budget due to unbudgeted Police grants.
- Total Expenses are forecasting to be \$70K below the revised budget mainly due to lower insurance cost.