



**COMMISSION
AGENDA MEMORANDUM**

Item No.

7b

BRIEFING ITEM

Date of Meeting

September 12, 2017

DATE: August 18, 2017
TO: Dave Soike, Interim Chief Executive Officer
FROM: Dan Thomas, Chief Financial Officer
Michael Tong, Asst. Finance Director – Budget
SUBJECT: Second Quarter Financial Performance Briefing

EXECUTIVE SUMMARY

The purpose of this presentation is to provide a status report the second quarter of the 2017 financial performance results.

BACKGROUND

The Port's overall operating revenues for the second quarter of 2017 were \$302.1 million, which is \$11.8 million above budget and \$22.7 million higher than the same period last year. Excluding Aeronautical revenues, which are based on cost recovery and revenue sharing formulas, other operating revenues were \$174.3 million, which is \$14.1 million above budget and also \$12.7 million higher than 2016 levels primarily due to higher revenues from Public Parking, Airport Dining and Retail, Ground Transportation, Airport Commercial Properties, Cruise, and Grain.

Total operating expenses for the second quarter of 2017 were \$174.1 million, which is \$17.4 million, or 9.1%, below budget. The operating expense variance was largely due to delays in hiring, vacant positions, timing of spending, and some actual budget savings.

Operating income before depreciation was \$128.0 million, which is \$29.2 million, or 29.5%, over budget.

Each division will present its results to the Commission. The presentation outline is as follows:

1. Portwide Operating Results
2. Aviation Division Operating Results
3. Maritime Division Operating Results
4. Economic Development Division Operating Results
5. Corporate Operating Results

ATTACHMENTS TO THIS BRIEFING

- (1) Q2 2017 Financial and Performance Report
- (2) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None