

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA– STAFF BRIEFING**

Item No. 7b  
Date of Meeting March 6, 2012

**DATE:** February 24, 2012

**TO:** Tay Yoshitani, Chief Executive Officer

**FROM:** Dan Thomas, Chief Financial and Administrative Officer  
Michael Tong, Corporate Budget Manager

**SUBJECT:** 2011 Financial Performance Briefing

**BACKGROUND:**

In compliance with Port strategies of “Ensuring Airport and Seaport Vitality” through financial performance and “Enhancing Public Understanding and Support of the Port's Role in the Region,” this presentation is to provide a status report of 2011 financial performance results.

The Port’s overall operating revenues for 2011 were \$483.8 million, which was \$9.0 million, or 1.8%, below budget. Excluding the \$9.3 million unfavorable budget variance from the aeronautical revenues, which are based on airline cost recovery formulas, and \$3.0 million unfavorable budget variance from Seaport Security Grants, which would have a corresponding reduction in operating expense, operating revenues were \$3.4 million over budget.

Total operating expenses were \$268.7 million, which was \$17.1 million, or 6.0%, below budget. The operating expense variance was largely due to budget savings from some vacant positions and outside services expense. Excluding the \$3.0 million the Seaport Pass-through Grant expenses, the Port was still \$14.1 million, or 4.9%, below budget.

Operating income before depreciation was \$215.1 million, which was \$8.2 million, or 4.0%, over budget. Operating income after depreciation was \$57.0 million, which was \$10.6 million, or 22.7%, higher than budget.

## **COMMISSION AGENDA**

Tay Yoshitani, Chief Executive Officer

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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. Seaport Division Operating Results
4. Real Estate Division Operating Results
5. Capital Development Division Operating Results
6. Corporate Operating Results

### **OTHER DOCUMENTS ASSOCIATED WITH THIS BRIEFING:**

- 2011 Financial and Performance Report.
- PowerPoint presentation.

### **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:**

None.