

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
STAFF BRIEFING

Item No. 7b
Date of Meeting May 8, 2012

DATE: April 26, 2012
TO: Tay Yoshitani, Chief Executive Officer
FROM: Dan Thomas, Chief Financial and Administrative Officer *dan*
Michael Tong, Corporate Budget Manager *mt*
SUBJECT: First Quarter 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 the first quarter of 2012 financial performance results.

The Port’s overall operating revenues for the first quarter of 2012 were \$119.6 million, which is \$293,000, or 0.2%, above budget. Excluding the \$1.4 million unfavorable budget variance from the aeronautical revenues, which are based on airline cost recovery formulas, and \$49,000 favorable budget variance from Seaport Security Grants, which would have a corresponding reduction in operating expense, operating revenues were \$1.6 million over budget.

Total operating expenses for the first quarter of 2012 were \$65.0 million, which is \$7.1 million, or 9.9%, below budget. The operating expense variance was largely due to timing of spending, delay hiring, and some vacant positions. All divisions and Corporate were under budget as of March.

Operating income before depreciation was \$54.6 million, which is \$7.4 million, or 15.8%, over budget. Operating income after depreciation was \$14.2 million, which is \$6.4 million, or 81.3%, higher than 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. Seaport Division Operating Results

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

OTHER DOCUMENTS ASSOCIATED WITH THIS BRIEFING:

- 2012 Q1 Financial and Performance Report.
- PowerPoint presentation.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:

None.