

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

**COMMISSION AGENDA**  
**STAFF BRIEFING**

Item No. 7b  
Date of Meeting August 7, 2012

**DATE:** July 27, 2012

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

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

**SUBJECT:** Second 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 second quarter of 2012 financial performance results.

The Port’s overall operating revenues for the second quarter of 2012 were \$259.2 million, which is \$8.7 million over budget and \$15.9 million higher than the same period last year. Excluding Aeronautical Revenues, which are based on cost recovery, and Seaport Security Grants, which would have a corresponding change to the expense, other operating revenues were \$6.5 million above budget and \$11.3 million above 2011 levels.

Total operating expenses for the second quarter of 2012 were \$138.5 million, which is \$12.9 million, or 8.5%, below budget. The operating expense variance was largely due to timing of spending, delays in hiring, and some vacant positions. All divisions and Corporate were under budget as of June.

Operating income before depreciation was \$120.7 million, which is \$21.6 million, or 21.8%, over budget. Operating income after depreciation was \$39.9 million, which is \$19.5 million, or 95.9%, 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 Q2 Financial and Performance Report.
- PowerPoint presentation.

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

None.