

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
STAFF BRIEFING

Item No.	<u>7d</u>
Date of Meeting	<u>September 8, 2015</u>

DATE: July 27, 2015
TO: Ted Fick, Chief Executive Officer
FROM: Dan Thomas, Chief Financial Officer
Michael Tong, Corporate Budget Manager
SUBJECT: 2015 Second Quarter Financial Performance Briefing

SYNOPSIS

The purpose of this presentation is to provide a status report of second quarter of the 2015 financial performance results.

BACKGROUND

The Port's overall operating revenues for the second quarter of 2015 were \$268.4 million, which is \$1.7 million above budget and \$8.8 million higher than the same period in 2014. Excluding Aeronautical revenues, which are based on cost recovery, other operating revenues were \$698 thousand above budget and \$6.1 million over the same period last year mainly due to higher revenues from Public Parking, Airport Dining and Retail, and unbudgeted Stormwater Utility; partially offset by lower revenue from Container.

Total operating expenses for the second quarter of 2015 were \$146.1 million, which is \$17.6 million, or 10.7%, below budget. The operating expense variance was largely due to delays in hiring, some vacant positions, timing of spending, and actual budget savings. All divisions and Corporate were under budget in the second quarter of 2015.

Operating income before depreciation was \$122.3 million, which is \$19.3 million, or 18.7%, over budget. Operating income after depreciation was \$40.5 million, which is \$18.4 million, or 83.4%, 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
4. Real Estate Division Operating Results
5. Capital Development Division Operating Results
6. Corporate Operating Results

COMMISSION AGENDA

Ted Fick, Chief Executive Officer

July 27, 2015

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ATTACHMENTS TO THIS BRIEFING

- Q2 2015 Financial and Performance Report.
- PowerPoint presentation.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- None.