

# Port of Seattle 2016 Financial Performance Report

Commission Briefing  
March 14, 2017

# Portwide Financial Highlights

- Total Operating Revenues were \$598.5 million, \$13.9M above budget and \$39.5M higher than 2015.
- Excluding Aeronautical revenues, which are based on cost recovery, operating revenues were \$354.2 million, \$27.1M above budget and \$21.3 million higher than 2015 actual.
- Total Operating Expenses were \$325.3 million, \$10.7M or 3.2% under budget.
- Net Operating Income before depreciation was \$273.2 million, \$24.5M above budget and \$32.1M higher than 2015.
- Both Operating Revenues and Net Operating Income were a record for the Port.

**The Port's financial performance was strong in 2016**

# Aviation Business Highlights

- **Record breaking volume of 22.6M enplaned passengers, 8.0% above 2015 levels.**
- Sea-Tac now 9<sup>th</sup> busiest airport in North America (based on passengers), up from 13<sup>th</sup> busiest in 2015
- **Customer Service:** Achieved ASQ score of 4.12 for Q4. Result for year was below target but significant progress realized.
- **New air service in 2016** included Spirit Airlines, Xiamen Airlines, and Eurowings announced new seasonal service to Cologne, Germany beginning July 2017
- **New Cargo Service:** AirBridge Cargo from Russia initiated service on 10/7
- **Environmental:** completed biofuels infrastructure and feasibility study

Progress on major initiatives

# Aviation Financial Highlights

- **Aviation NOI - \$6.1M higher than budget, and \$19.3M higher than 2015**
  - Revenue – relatively flat to 2016 budget, \$42.4M higher than 2015. Non-Aero revenue was \$12.7M higher than budget with strong performance driven by higher enplanements, offset by lower Aero revenue due to higher revenue sharing & lower costs.
  - Expense – \$6.6M favorable to 2016 budget despite significant unplanned expenses absorbed by Aviation division for queue management contract (\$2.2M) and increased janitorial costs in response to higher passenger volumes. Lower charges from other divisions contributed to overall lower than budget expenses.
- **Aviation spent 63.7% of capital budget**
- **Cost per Enplanement of \$10.10 – lowest since 2003** (Revenue Sharing impact from Non-Aero NOI growth)

Lowest CPE since 2003

# Maritime Business Highlights

- Successful 2016 cruise season with 983,539 passengers, 9.5% above 2015 levels
- Port of Seattle named Best North American Homeport by Cruise Critic
- Finalized 5 year agreements with Tribes – Muckleshoot and Suquamish. NWSA, POS, and Tribal councils all approved
- Received final, signed Stormwater Utility inter-local agreement between Port and City of Seattle
- Lowest occupational injury rate in the history of Marine Maintenance

Cruise growth and increased utilization of Port assets

# Maritime Financial Highlights

## **Maritime – NOI \$3.7M (54%) favorable to budget and \$3.3M lower than 2015**

- Revenue favorable to budget by \$1.5M and \$3.5M higher than 2015. Improvements in moorage asset utilization, higher grain volumes, and low vacancy rates on Maritime properties are key drivers.
- Expenses favorable to budget by \$2.2M from delayed maintenance work and a NCL expense credit budgeted as revenue. Y/Y expenses up \$6.8M due to increased Corporate and Police allocations resulting from a change in allocation methodology following formation of the NWSA.
- Maritime spent 37% of capital budget.

## **Stormwater Utility – NOI \$1.2M(67%) favorable to budget**

- Revenue 10% higher due to change in rate methodology.
- Expenses 31% favorable due to delay in provisioning camera truck.

**Maritime businesses return nearly \$5M additional NOI to budget**

# EDD Business Highlights

- Economic Development Partnership Programs (\$1,070K to Cities & Tourism non-profits)
- Real Estate Strategic Plan completed + early implementation (NERA 2&3 + Maritime acquisition + T91 evaluation).
- Workforce Development executed contracts with PortJobs and COREPLUS. Started work on an Aviation career pathways project.
- Small Business completed assessment of incubators/accelerators within region. Worked with CPO to improve small business utilization.
- Occupancy Strong!
  - Portfolio Management properties at 97% occupancy at end of Q4, above target of 95%.
  - Conference and Event Center revenue exceeded budget due to strong sales and delayed construction at P-66 Cruise Terminal.

**Strong Occupancy and NOI**

# EDD Financial Highlights

## **EDD – NOI \$4.5M (46%) favorable to budget and \$4.2M lower than 2015**

- Revenue favorable to budget by \$2.2M and \$2.3M lower than 2015. Conference and Event Center \$1.7M favorable to budget, but \$2.4M down from 2015 due to timing of construction at P66. Real Estate properties higher than budget from low vacancy rates.
- Expenses favorable to budget by \$2.3M from timing of Workforce Development and other initiatives, delayed maintenance work, and slightly offset by variable expenses tied to Conference and Event Center revenue. Y/Y expenses up just under \$2M due to increased Corporate allocations resulting from a change in allocation methodology following formation of the NWSA.
- EDD spent 46% of capital budget with underspend driven by delays tied to construction at P66

**P66 – Cruise terminal expansion driving financial variances**



# Corporate Business Highlights

- Executed events and tours to help build community awareness and support for the Port including fence line communities and throughout King County.
- Implemented Paid Parental Leave policy.
- Finalized sale of a total of \$249.2 million of bonds with a present value savings of \$67.6 million.
- Contributed to regional transportation partner investments for Alaskan Way Viaduct Replacement Program and South Park Bridge.
- Completed TNC Tracking System which includes accepting monthly and real time activity data.
- Implemented the North Satellite Transit System Train Display.
- Selected new vendor for Parking Revenue Control System replacement.
- Implemented technology to better track visitors at T-91 Pedestrian Gate.
- Developed displays for Checkpoint Security Wait-times.

**Achieved a number of accomplishments in 2016**

# Corporate Financial Highlights

- Total operating expenses for Corporate were \$113.3M, \$10.7M below budget.
- Most of the favorable budget variances came from payroll and outside services.
  - Payroll savings due to delayed hiring, vacant positions, and project delays.
  - Outside Services savings mainly came from advanced planning for SAMP, environmental review for SAMP, and other CDD project delays.
    - Environment & Sustainability was \$4.7M below budget.
    - Capital Development was \$2.6M below budget.

**Strong financial performance for Corporate**

# Appendix

## 2016 Financial Performance Report

Commission Briefing

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# Portwide Financial Summary

\$ in 000's	2015 Actual	2016 Actual	2016 Budget	Fav (UnFav) Budget Variance		Incr (Decr) Change from 2015	
				\$	%	\$	%
Aeronautical Revenues	229,624	247,811	261,019	(13,208)	-5.1%	18,187	7.9%
SLOA III Incentive	(3,576)	(3,576)	(3,576)	-	0.0%	-	0.0%
Other Operating Revenues	332,884	354,232	327,135	27,097	8.3%	21,348	6.4%
Total Operating Revenues	558,933	598,467	584,578	13,889	2.4%	39,534	7.1%
Total Operating Expenses	317,806	325,285	335,943	10,658	3.2%	7,479	2.4%
NOI before Depreciation	241,127	273,182	248,635	24,547	9.9%	32,055	13.3%
Depreciation	163,338	164,336	162,451	(1,884)	-1.2%	997	0.6%
NOI after Depreciation	77,789	108,846	86,184	22,662	26.3%	31,057	39.9%

- Excluding Aeronautical revenues, other operating revenues were \$354.2M, \$27.1M higher than budget and \$21.3M higher than 2015 actual.
- Total Operating Revenues were \$598.5M, \$13.9M above budget and \$39.5M above 2015 actual.
- Total Operating Expenses were \$325.3M, \$10.7M or 3.2% below budget.

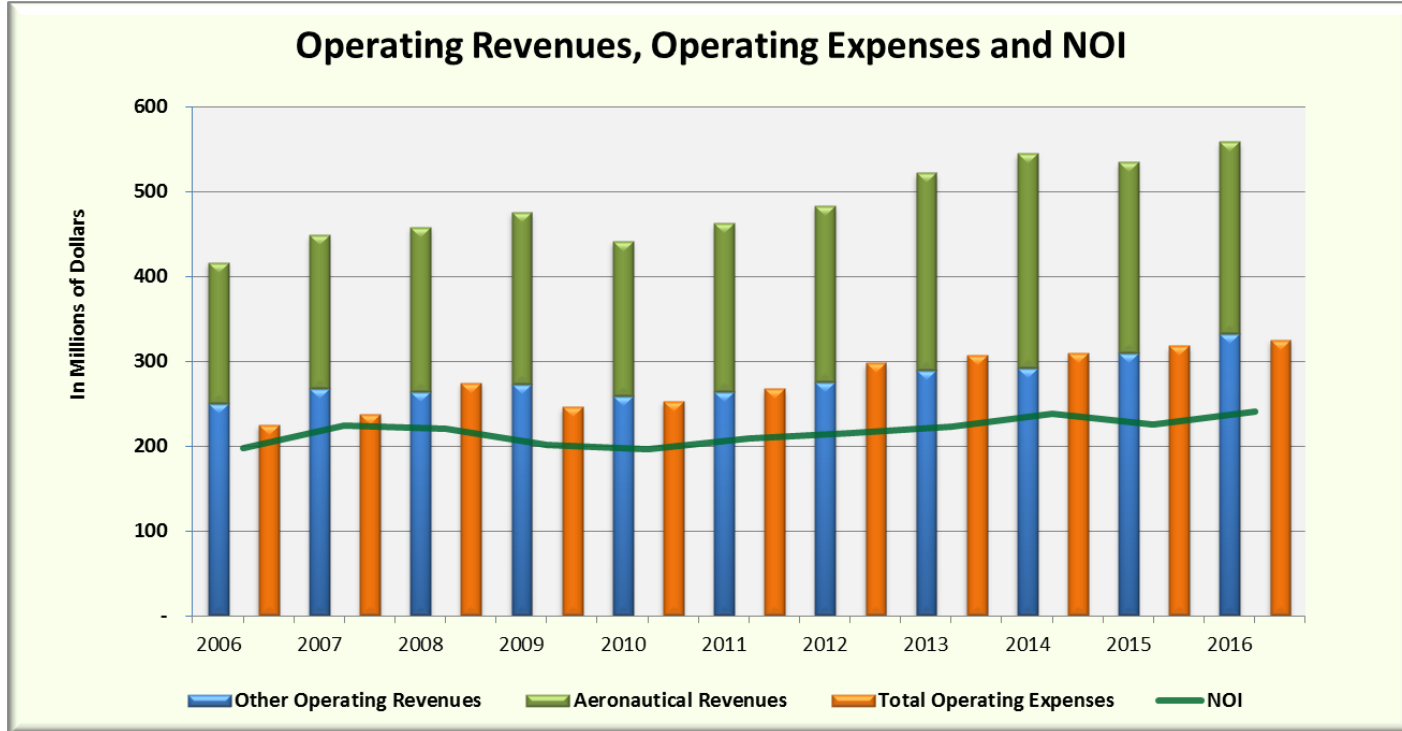
**Record Operating Revenues and Net Operating Income for the Port**

# Comprehensive Financial Summary

(\$ in 000's)	2015	2016	2016	Fav (UnFav)		Explanation
	Actual	Actual	Budget	Budget Variance		
				\$	%	
<b>Revenues</b>						
1. Operating Revenues	558,933	598,467	584,578	13,889	2.4%	See details in the later slides
2. Tax Levy	72,819	71,678	72,000	(322)	-0.4%	In line with budget
3. PFCs	79,209	85,570	84,650	920	1.1%	Higher enplanements than budgeted
4. CFCs	23,540	24,715	24,963	(248)	-1.0%	In line with budget
5. Fuel Hydrant	6,957	6,992	7,098	(106)	-1.5%	In line with budget
6. Non-Capital Grants & Donations	5,358	6,284	3,566	2,717	76.2%	DOE grants for LDW & LL clean-up
7. Capital Contributions	22,804	18,108	23,406	(5,298)	-22.6%	Less FAA & TSA grants than budgeted
8. Interest Income	9,122	8,448	8,537	(89)	-1.0%	In line with budget
Total	<b>778,741</b>	<b>820,262</b>	<b>808,799</b>	<b>11,463</b>	<b>1.4%</b>	
<b>Expenses</b>						
1. O&M Expense	317,806	325,285	335,943	10,658	3.2%	See details in the later slides
2. Depreciation	163,338	164,336	162,451	(1,884)	-1.2%	More new assets came to service
3. Revenue Bond Interest Expense	110,128	105,567	121,423	15,856	13.1%	Savings from refunding and lower rates
4. GO Bond Interest Expense	10,490	9,765	14,726	4,961	33.7%	Bond issuance delay for Viaduct
5. PFC Bond Interest Expense	5,584	5,251	5,302	51	1.0%	In line with budget
6. Public Expense	5,023	8,560	8,898	338	3.8%	In line with budget
7. Non-Op Environmental Expense	2,888	280	5,000	4,720	94.4%	Booked LL exp. as Env Remediation Liab.
8. Other Non-Op Expense	23,493	12,087	3,319	(8,767)	-264.1%	ERC loss on sales & Odyssey Maritime
Total	<b>638,750</b>	<b>631,131</b>	<b>657,064</b>	<b>25,933</b>	<b>3.9%</b>	
Special Item	120,000	147,700	147,700	-	0.0%	Viaduct contribution
Retro Adjustment to Net Position	77,342	-	-	-	0.0%	
Increase In Net Position	<b>(57,351)</b>	<b>41,431</b>	<b>4,036</b>	<b>37,395</b>	<b>926.6%</b>	

**\$41.4M increase in net position in 2016**

# Net Operating Income Comparison



A record of \$273.2M net operating income for 2016

# Capital Spending by Division

\$ in 000's	2015	2016	2016	Budget Variance	
	Actual	Actual	Budget	\$	%
Aviation	164,931	153,887	245,241	91,354	37.3%
Maritime	6,252	5,746	15,660	9,914	63.3%
Economic Development	2,098	4,757	8,751	3,994	45.6%
Corporate & Other (note 1)	6,539	5,097	12,396	7,299	58.9%
<b>TOTAL</b>	<b>179,820</b>	<b>169,487</b>	<b>282,048</b>	<b>112,561</b>	<b>39.9%</b>

Note:

(1) "Other" includes Street Vacation projects and Storm Water Utility Small Capital projects.

**Total capital spending was \$169.5M or 60.1% of the budget**

# Aviation Division 2016 Financial Performance Report

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# Airport Activity

	2015	2016	% Change
<b>Enplaned Passengers (000's)</b>			
Domestic	18,944	20,385	7.6%
International	2,165	2,411	11.4%
Total	21,109	22,796	8.0%
<b>Operations</b>	381,408	412,170	8.1%
<b>Landed Weight (million lbs.)</b>			
Cargo	1,588	1,888	18.9%
All other	23,169	25,314	9.3%
Total	24,757	27,202	9.9%
<b>Cargo - metric tons</b>			
Domestic freight	162,013	194,754	20.2%
International freight	115,357	114,349	-0.9%
Mail	55,266	57,326	3.7%
Total	332,636	366,429	10.2%

## Passenger Growth

- Alaska +5%
- Delta +11%
- Southwest +6%
- American +7%
- United flat

2016 Load Factor down 1.7 points from last year

2016 International Freight tons trailing prior year due to peak volume in 2015 during Port shutdown

Increase in enplanements driven by Delta and Alaska

# Aviation Expense Summary

\$ in 000's	2015 Actual	2016 Actual	2016 Budget	Fav (UnFav) Budget Variance		Incr (Decr) Change from 2015	
				\$	%	\$	%
<b>Operating Expenses:</b>							
Payroll	99,327	101,879	106,659	4,781	4.5%	2,551	2.6%
Outside Services	31,801	37,863	39,915	2,052	5.1%	6,062	19.1%
Utilities	13,682	14,690	14,686	(3)	0.0%	1,007	7.4%
Other Airport Expenses	17,457	20,655	16,911	(3,745)	-22.1%	3,199	18.3%
<b>Total Airport Direct Charges</b>	<b>162,267</b>	<b>175,087</b>	<b>178,171</b>	<b>3,084</b>	<b>1.7%</b>	<b>12,819</b>	<b>7.9%</b>
Environmental Remediation Liability	4,222	4,463	3,246	(1,217)	-37.5%	241	5.7%
Capital to Expense	61	129	-	(129)	n/a	68	111.3%
<b>Total Exceptions</b>	<b>4,283</b>	<b>4,592</b>	<b>3,246</b>	<b>(1,346)</b>	<b>-41.5%</b>	<b>309</b>	<b>7.2%</b>
<b>Total Airport Expenses</b>	<b>166,551</b>	<b>179,679</b>	<b>181,417</b>	<b>1,738</b>	<b>1.0%</b>	<b>13,128</b>	<b>7.9%</b>
Corporate	44,065	50,099	52,424	2,325	4.4%	6,034	13.7%
Police Costs	15,815	18,183	18,728	544	2.9%	2,369	15.0%
Capital Development	7,828	9,319	11,746	2,427	20.7%	1,491	19.0%
Maritime/Economic Development	3,882	3,946	3,488	(458)	-13.1%	64	1.6%
<b>Total Charges from Other Divisions</b>	<b>71,589</b>	<b>81,547</b>	<b>86,386</b>	<b>4,838</b>	<b>5.6%</b>	<b>9,958</b>	<b>13.9%</b>
<b>Total Operating Expense</b>	<b>238,140</b>	<b>261,226</b>	<b>267,803</b>	<b>6,576</b>	<b>2.5%</b>	<b>23,086</b>	<b>9.7%</b>

2016 total expenses favorable by \$5.5M

# Non-Aeronautical Business

\$ in 000's	2015 Actual	2016 Actual	2016 Budget	Fav (UnFav) Budget Variance		Incr (Decr) Change from 2015	
				\$	%	\$	%
<b>Non-Aero Revenues</b>							
Rental Cars - Operations	33,851	37,082	35,398	1,683	4.8%	3,231	9.5%
Rental Cars - Operating CFC	12,663	12,122	12,767	(645)	-5.1%	(542)	-4.3%
Public Parking	63,059	69,540	66,847	2,693	4.0%	6,482	10.3%
Ground Transportation	8,809	12,803	8,327	4,477	53.8%	3,994	45.3%
Airport Dining & Retail/Terminal Leased Space	52,391	58,405	55,554	2,851	5.1%	6,014	11.5%
Commercial Properties	8,007	9,992	10,251	(258)	-2.5%	1,986	24.8%
Utilities	7,000	7,233	7,626	(394)	-5.2%	232	3.3%
Employee Parking	7,913	9,329	8,249	1,080	13.1%	1,416	17.9%
Clubs and Lounges	2,392	3,028	2,578	449	17.4%	636	26.6%
Other	759	1,487	723	764	105.7%	728	96.0%
<b>Total Non-Aero Revenues</b>	<b>196,844</b>	<b>221,021</b>	<b>208,321</b>	<b>12,700</b>	<b>6.1%</b>	<b>24,177</b>	<b>12.3%</b>
<b>Total Non-Aero Expenses</b>	<b>84,226</b>	<b>92,189</b>	<b>97,452</b>	<b>5,264</b>	<b>5.4%</b>	<b>7,963</b>	<b>9.5%</b>
<b>Net Operating Income</b>	<b>112,618</b>	<b>128,833</b>	<b>110,869</b>	<b>17,964</b>	<b>16.2%</b>	<b>16,215</b>	<b>14.4%</b>
Less: CFC (Surplus) / Deficit	(5,159)	(4,899)	(5,146)	247	4.8%	260	-5.0%
<b>Adjusted Non-Aero NOI</b>	<b>107,459</b>	<b>123,934</b>	<b>105,723</b>	<b>18,211</b>	<b>17.2%</b>	<b>16,474</b>	<b>15.3%</b>
Debt Service	(42,812)	(43,984)	(43,494)	(490)	-1.1%	(1,172)	2.7%
<b>Net Cash Flow</b>	<b>64,647</b>	<b>79,949</b>	<b>62,229</b>	<b>17,721</b>	<b>28.5%</b>	<b>15,302</b>	<b>23.7%</b>

## Change from 2015

### Revenue - \$24.3M increase

- Strong performance in Parking, GT, and ADR
- RCF includes \$1.85M Firefly termination pymt
- DMCBP – Phase I bldg occupied, Phase II & III under construction

### Expenses - \$8.0M increase

- Payroll
- Terminal - Non-Aero share
- B&O tax -higher rev (\$0.5M)
- NERA 3 FAA pilot (\$1.1M)
- ADR legal expense (\$0.5M)
- Landside legal exp (\$0.3M)

**\$24.3M YOY revenue growth driven by increased enplanements**

# Aeronautical Business

\$ in 000's	2015 Actual	2016 Actual	2016 Budget	Fav (UnFav) Budget Variance		Incr (Decr) Change from 2015	
				\$	%	\$	%
<b>Revenues:</b>							
Movement Area	78,326	94,725	95,220	(495)	-0.5%	16,399	20.9%
Apron Area	10,840	14,028	14,144	(116)	-0.8%	3,188	29.4%
Terminal Rents	150,449	155,852	159,569	(3,717)	-2.3%	5,403	3.6%
Federal Inspection Services (FIS)	9,979	11,227	10,836	392	3.6%	1,249	12.5%
<b>Total Rate Base Revenues</b>	<b>249,594</b>	<b>275,832</b>	<b>279,768</b>	<b>(3,936)</b>	<b>-1.4%</b>	<b>26,239</b>	<b>10.5%</b>
Commercial Area	9,519	9,379	9,306	73	0.8%	(140)	-1.5%
<b>Subtotal before Revenue Sharing</b>	<b>259,113</b>	<b>285,211</b>	<b>289,074</b>	<b>(3,863)</b>	<b>-1.3%</b>	<b>26,099</b>	<b>10.1%</b>
Revenue Sharing	(29,453)	(37,395)	(28,055)	(9,340)	-33.3%	(7,942)	27.0%
Other Prior Year Revenues	(35)	(5)	-	(5)	0.0%	30	-85.1%
<b>Total Aeronautical Revenues</b>	<b>229,624</b>	<b>247,811</b>	<b>261,019</b>	<b>(13,208)</b>	<b>-5.1%</b>	<b>18,187</b>	<b>7.9%</b>
<b>Total Aeronautical Expenses</b>	<b>153,914</b>	<b>169,037</b>	<b>170,350</b>	<b>1,313</b>	<b>0.8%</b>	<b>15,123</b>	<b>9.8%</b>
<b>Net Operating Income</b>	<b>75,710</b>	<b>78,774</b>	<b>90,669</b>	<b>(11,895)</b>	<b>-13.1%</b>	<b>3,064</b>	<b>4.0%</b>
Debt Service	(82,341)	(89,997)	(91,723)	1,726	-1.9%	(7,657)	9.3%
<b>Net Cash Flow</b>	<b>(6,631)</b>	<b>(11,224)</b>	<b>(1,054)</b>	<b>(10,169)</b>	<b>964.5%</b>	<b>(4,593)</b>	<b>69.3%</b>

## Compared to 2016 Budget

### Revenue - \$12.2M lower

- Rate based revenue \$2.9M lower – primarily due to lower debt service costs
- Revenue sharing \$9.4M higher due to Non-Aero revenue growth

### Expenses – nearly flat to budget

- Payroll savings – due to vacancies & GASB 68 adj
- SAMP related spending delayed
- Queue management cost unplanned (\$2.2M)
- Increased janitorial scope (\$0.8M)
- Increased CISS cost due to Prop 1 impact (\$0.4M)

Expense savings and higher revenue sharing compared to Budget

# Aero Cost Drivers

	2015 Actual	2016 Actual	2016 Budget	Fav (UnFav) Budget Variance		Incr (Decr) Change from 2015	
				\$	%	\$	%
<b>Performance Metrics</b>							
Cost per Enplanement (CPE)	10.12	10.10	11.00	0.90	8.2%	(0.02)	-0.2%
O&M Cost per Enplanement	11.28	11.46	12.06	0.60	4.9%	0.18	1.6%
Non-Aero Revenue per Enplanement	9.33	9.70	9.38	0.32	3.4%	0.37	4.0%
Debt per Enplanement (in \$)	119	104	111	7	6.1%	(15)	-12.4%
Debt Service Coverage	1.49	1.53	1.46	0.07	4.9%	0.04	2.9%
Days cash on hand (10 months = 304 days)	468	416	309	107	34.5%	(52)	-11.1%
Aeronautical Revenue Sharing (\$ in 000's)	29,450	37,395	28,055	(9,340)	-33.3%	7,945	27.0%
<b>Activity (in 000's)</b>							
Enplanements	21,109	22,796	22,214	581	2.6%	1,687	8.0%

- (1) Lower than budget O&M costs due to savings from CDD and Corporate divisions, SAMP NEPA/SEPA Environmental Review & Advanced Planning IDIQ delays, Airport Obstruction Removal project, payroll savings in AV division and lower environmental reserve expenses (utility emergency backup/standby power, tenant zones 2,3 & 7 abatement and NSAT project). These savings are largely offset by higher than budget O&M costs due to increased Lora Lake environmental reserve, security Checkpoint Queue Management, Increased Janitorial costs and Full Employee Screening expenses.
- (2) Lower Debt Service due to savings of \$1.3M due to lower variable rates on the 2008 bonds and \$500K in more debt service exclusion due to delay in projects completion.

Aero rate base revenues based on cost recovery formulas

# Aviation Financial Summary

	2015 Actual	2016 Actual	2016 Budget	Fav (UnFav) Budget Variance		Incr (Decr) Change from 2015	
				\$	%	\$	%
\$ in 000's							
<b>Operating Revenues:</b>							
Aeronautical Revenues	229,624	247,811	261,019	(13,208)	-5.1%	18,187	7.9%
SLOA III Incentive Straight Line Adj	(3,576)	(3,576)	(3,576)	0	0.0%	0	0.0%
Non-Aeronautical Revenues	196,844	221,021	208,321	12,700	6.1%	24,177	12.3%
<b>Total Operating Revenues</b>	<b>422,892</b>	<b>465,256</b>	<b>465,764</b>	<b>(508)</b>	<b>-0.1%</b>	<b>42,364</b>	<b>10.0%</b>
Total Operating Expense	238,140	261,226	267,803	6,576	2.5%	23,086	9.7%
<b>Net Operating Income</b>	<b>184,752</b>	<b>204,030</b>	<b>197,962</b>	<b>6,069</b>	<b>3.1%</b>	<b>19,278</b>	<b>10.4%</b>

**2016 NOI \$19.3M higher than 2015**

# Key Performance Measures

	2015 Actual	2016 Actual	2016 Budget	Fav (UnFav) Budget Variance		Incr (Decr) Change from 2015	
				\$	%	\$	%
<b>Performance Metrics</b>							
Cost per Enplanement (CPE)	10.12	10.10	11.00	0.90	8.2%	(0.02)	-0.2%
O&M Cost per Enplanement	11.28	11.46	12.06	0.60	4.9%	0.18	1.6%
Non-Aero Revenue per Enplanement	9.33	9.70	9.38	0.32	3.4%	0.37	4.0%
Debt per Enplanement (in \$)	119	104	111	7	6.1%	(15)	-12.4%
Debt Service Coverage	1.49	1.53	1.46	0.07	4.9%	0.04	2.9%
Days cash on hand (10 months = 304 days)	468	416	309	107	34.5%	(52)	-11.1%
Aeronautical Revenue Sharing (\$ in 000's)	29,450	37,395	28,055	(9,340)	-33.3%	7,945	27.0%
<b>Activity (in 000's)</b>							
Enplanements	21,109	22,796	22,214	581	2.6%	1,687	8.0%

- 2016 enplaned passengers up 8.0% above 2015, which reflects new scheduled flights, primarily by Delta and Alaska.
- Reduction in CPE compared to budget reflects lower airline costs due to higher revenue sharing (driven by increased non-airline revenues), and increased enplaned passengers.
- Improved debt service coverage compared to budget reflects increased cash flow from growth in enplanements.

**Enplanement growth drives improved performance**

# 2016 Capital Expenditures

\$ in 000's Description	2016	2016	Budget Variance	
	Actual	Budget	\$	%
International Arrivals Fac-IAF <sup>(1)</sup>	40,488	57,612	17,124	29.7%
NS NSAT Renov NSTS Lobbies <sup>(2)</sup>	27,310	43,200	15,890	36.8%
GSE Electrical Chrg Stations <sup>(3)</sup>	1,769	5,100	3,331	65.3%
Parking System Replacement <sup>(4)</sup>	605	3,900	3,295	84.5%
Checked Bag Recap/Optimization <sup>(5)</sup>	5,231	8,257	3,026	36.6%
2015-2016 C Conc Roof Replace <sup>(6)</sup>	765	3,775	3,010	79.7%
Interim Baggage System Program <sup>(7)</sup>	7,140	10,000	2,860	28.6%
B2 Expansion for DL Club	11,083	9,000	(2,083)	-23.1%
Construction Logistics Expansn	5,527	6,865	1,338	19.5%
RW16C-34C Design and Reconst	11,042	11,755	713	6.1%
All Other	42,927	85,777	42,850	50.0%
<b>Total Spending</b>	<b>153,887</b>	<b>245,241</b>	<b>91,354</b>	<b>37.3%</b>

- (1) Early work packages delayed 3 months.
- (2) Delays resulting from scope and design changes. Purchase of PLBs delayed due to procurement strategies and phasing constraints.
- (3) Program delays, technical issues with chargers, and coordination among project team resulted in spending delays.
- (4) Milestone-based contract deferred payments to later in the development cycle. Budget was developed before a vendor had been selected.
- (5) Delays in spending on the design service directive. 2017 budget developed in early stages of the project.
- (6) Major construction contract was cancelled as a result of roof site conditions.
- (7) Clear Bag Reconciliation project was cancelled; TSA Search Room was delayed due to irregular bid; and Security Zone Tracking Enhancements was delayed due to contract execution issues with CPO.

2016 spending was 63% of budget



# Rental Car Performance

(in \$000's)	2015	2016	2016	2016 vs 2015	2016 vs 2015
<u>Rental Car - Concession Revenue</u>	Actual	Actual	Budget	\$	%
<b>RCF Concession Revenue to Port</b>	<b>30,662</b>	<b>33,465</b>	<b>31,781</b>	<b>2,803</b>	<b>9.1%</b>
Gross Sales by Operators	301,439	310,798	317,562	9,359	3.1%
Total Transactions	1,390,169	1,410,841	1,448,928	20,672	1.5%
O&D Enplanements	14,733,912	15,911,538	16,372,069		
Average Ticket	\$ 216.84	\$ 220.29	\$ 219.17	\$ 3.46	1.6%
Average Length of Stay	4.34	4.35	4.34	0.01	0.00
Transactions/O&D Enplanements	9.44%	8.87%	8.85%	-0.57%	-6.0%
<b><u>CFC Revenue Summary</u></b>					
Total Transaction Days	6,033,825	6,139,498	6,288,348	105,673	1.8%
CFC Rate per Transaction Day	\$ 6.00	\$ 6.00	\$ 6.00	\$ -	0.0%
<b>Total CFC Revenue Earned</b>	<b>36,203</b>	<b>36,837</b>	<b>37,730</b>	<b>634</b>	<b>1.8%</b>
Reserve for debt service and CP interest:	(20,540)	(21,715)	(21,963)	(1,176)	5.7%
Reserve for CP principal payment:	(3,000)	(3,000)	(3,000)	-	0.0%
<b>Debt Service Reserve Requirement</b>	<b>(23,540)</b>	<b>(24,715)</b>	<b>(24,963)</b>	<b>(1,176)</b>	<b>5.0%</b>
<b>Residual - CFC Operating Revenue:</b>	<b>12,663</b>	<b>12,122</b>	<b>12,767</b>	<b>(542)</b>	<b>-4.3%</b>
<b>(in \$000's)</b>					
<u>Rental Car - Revenue Summary</u>	2015	2016	2016	2015 vs 2014	2015 vs 2014
	Actual	Actual	Budget	\$	%
RCF Concession Revenue to Port	30,662	33,465	31,781	2,803	9.1%
Residual - CFC Operating Revenue:	12,663	12,122	12,767	(542)	-4.3%
Land Rent/Space Rent/Other	3,189	3,617	3,617	428	13.4%
<b>Total Rental Cars Operating Revenue</b>	<b>46,515</b>	<b>49,203</b>	<b>48,166</b>	<b>2,689</b>	<b>5.8%</b>

- \$1.85M Firefly lease termination payment reflected in 2016 Actuals
- Rental Car revenue continues to grow, but not keeping pace with enplanement growth - due to increasing options in transportation alternatives (light rail, TNCs, car-sharing)

Rental Car revenue growth slower due to transportation alternatives

# Ground Transportation

Revenue to Port \$ in 000's	2015 Actual	2016 Actual	2016 Budget	Fav (UnFav) Budget Variance		Incr (Decr) Change from 2015	
				\$	%	\$	%
<b>Ground Transportation Revenues</b>							
Transportation Network Companies	-	3,222	-	3,222	n/a	3,222	n/a
On Demand Taxis	4,517	5,045	3,637	1,408	38.7%	528	11.7%
On Demand Limos	869	869	1,037	(168)	-16.2%	0	0.0%
All other Operators (cost recovery)	3,201	3,390	3,515	(125)	-3.6%	189	5.9%
Other Misc Revenues	223	278	137	141	102.8%	55	24.6%
<b>Total GT Revenue</b>	<b>8,809</b>	<b>12,803</b>	<b>8,327</b>	<b>4,477</b>	<b>53.8%</b>	<b>3,994</b>	<b>45.3%</b>

Trip Activity in 000's	2015 Actual	2016 Actual	2016 Budget	Fav (UnFav) Budget Variance		Incr (Decr) Change from 2015	
				#	%	#	%
<b>Ground Transportation Trips</b>							
Transportation Network Companies	-	602	-	602	100%	602	n/a
On Demand Taxis	924	827	928	(100)	-10.8%	(97)	-10.5%
On Demand Limos	82	74	89	(15)	-16.5%	(8)	-9.7%
All other Operators (cost recovery)	1,811	1,879	1,578	301	19.1%	68	3.8%
<b>Total GT Trip Activity</b>	<b>2,818</b>	<b>3,383</b>	<b>2,595</b>	<b>788</b>	<b>30.4%</b>	<b>566</b>	<b>20.1%</b>

**2016 Trip Activity up 20% over 2015**

# Airport Dining & Retail and Leased Space

Airport Dining & Retail & Leased Space	2015	2016	2016	YTD Budget		Incr / (Decr) from	
	Actual	Actual	Budget	Variance		2015	
<i>Org Basis (in 000's)</i>				\$	%	\$	%
<b>ADR Revenue</b>							
Food & Beverage	17,427	21,314	18,657	2,657	14.2%	3,887	22.3%
Retail	12,127	13,496	13,128	367	2.8%	1,369	11.3%
Duty Free	6,769	6,265	7,412	(1,147)	-15.5%	(504)	-7.4%
Advertising	6,460	6,725	6,754	(29)	-0.4%	265	4.1%
Foreign Currency Exchange	1,219	1,206	1,224	(18)	-1.4%	(13)	-1.0%
Space Rental	4,542	5,235	4,577	658	14.4%	693	15.3%
Tenant Marketing	1,040	1,152	1,010	142	14.1%	112	10.7%
All other ADR revenue	2,893	3,010	2,791	219	7.8%	117	4.0%
<b>Total ADR Revenue</b>	<b>52,477</b>	<b>58,404</b>	<b>55,554</b>	<b>2,850</b>	<b>5.1%</b>	<b>5,926</b>	<b>11.3%</b>
<b>Primary Concession Gross Sales</b> (in \$000's)	<b>240,580</b>	<b>273,705</b>	<b>263,282</b>	<b>10,423</b>	<b>4.0%</b>	<b>33,125</b>	<b>13.8%</b>
Enplanements (in 000's)	21,109	22,796	22,011	785	3.6%	1,687	8.0%
<b>Sales per Enplanement (SPE)</b>	<b>\$ 11.40</b>	<b>\$ 12.01</b>	<b>\$ 11.96</b>	<b>\$ 0.05</b>	<b>0.4%</b>	<b>\$ 0.61</b>	<b>5.3%</b>

- Food & Beverage increased at more than twice the rate of enplanement growth due to Street Pricing plus 10% program implementation in 2016
- Retail sales showed moderate growth in spite of long wait times in passenger security checkpoint during Q1
- Duty Fee significantly impacted by international gate assignments to Concourse A with smaller Duty Free store, and new China regulation limiting duty free merchandise value to \$750/person (effective April 2016).

**ADR revenue by category vary significantly**

# Commercial Properties

<b>Commercial Properties</b>	<b>2015</b>	<b>2016</b>	<b>2016</b>	<b>YTD Budget</b>		<b>Incr / (Decr) from</b>	
<i>Org Basis (in 000's)</i>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
<b>DMCBP Revenue</b>							
Option Area Rent	120	29	59	(30)	-50.4%	(91)	-75.8%
DMCBP - Phase I	164	143	189	(47)	-24.6%	(22)	-13.2%
DMCBP - Phase II	-	17	520	(503)	-96.7%	17	n/a
DMCBP - Phase III	-	99	-	99	n/a	99	n/a
DMCBP Owner's Liaison Reimb	-	-	100	(100)	-100.0%	-	n/a
<b>Subtotal - DMCBP Revenue</b>	<b>284</b>	<b>288</b>	<b>868</b>	<b>(581)</b>	<b>-66.9%</b>	<b>3</b>	<b>1.2%</b>
In-flight Kitchen Revenue	6,251	7,025	6,664	360	5.4%	774	12.4%
NERA 3 Grant Revenue	-	1,014	1,350	(336)	-24.9%	1,014	n/a
All other Commercial Properties revenue	1,387	1,773	1,368	405	29.6%	386	27.8%
<b>Commercial Properties Revenue</b>	<b>7,922</b>	<b>10,099</b>	<b>10,251</b>	<b>(152)</b>	<b>-1.5%</b>	<b>2,177</b>	<b>27.5%</b>
<b>DMCBP Expenses</b>							
Phase I prepaid frontage fee amort.	102	179	179	(0)	0.0%	77	75.3%
Phase II prepaid frontage fee amort.	-	-	414	414	100.0%	-	n/a
Phase III prepaid frontage fee amort.	-	84	-	(84)		84	n/a
DMCBP Owner's Liaison expense	24	8	100	92	92.1%	(16)	-67.5%
<b>Subtotal - DMCBP Expenses</b>	<b>126</b>	<b>270</b>	<b>693</b>	<b>423</b>	<b>61.0%</b>	<b>144</b>	<b>113.9%</b>
NERA 3 Grant expenses	-	1,105	1,500	395	26.3%	1,105	n/a
All other Commercial Properties expenses	268	435	261	(174)	-66.7%	167	62.4%
<b>Commercial Properties Expenses</b>	<b>394</b>	<b>1,810</b>	<b>2,454</b>	<b>643</b>	<b>26.2%</b>	<b>1,416</b>	<b>359.3%</b>
<b>NOI before Allocations</b>	<b>7,528</b>	<b>8,288</b>	<b>7,797</b>	<b>492</b>	<b>6.3%</b>	<b>760</b>	<b>10.1%</b>

## DMCBP Phase I

- Construction phase completed in May

## DMCBP Phase II

- Lump sum payment of in-lieu fees expected in 2016 not received

## DMCBP Phase III

- Early activation of Phase III ground lease

## Other Projects

- NERA 3 Grant project slower than planned

**DMCBP – all acreage under ground lease**

# SAMP Overview

Description	2015	2016	2016	Budget Variance	
	Actual	Actual	Budget	\$	%
SAMP completion	2,240	1,591	1,500	(91)	-6.1%
Adv Planning IDIQ - Master Plan	0	0	2,000	2,000	100.0%
Environmental Review - Master Plan	0	208	2,000	1,792	89.6%
<b>Total SAMP-related Spending</b>	<b>2,240</b>	<b>1,799</b>	<b>5,500</b>	<b>3,701</b>	<b>67.3%</b>

- Advance Planning and Environmental Review in support of Master Plan projects deferred pending completion of SAMP.
- Delayed start will increase budget requirement in future years.

SAMP implementation timing

# Aero Revenue Sharing

	2015	2016	2016	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Budget	Budget Variance		'Change from 2015	
\$ in 000's				\$	%	\$	%
Aero Revenues (incl' commercial)	259,113	285,211	289,074	(3,863)	-1.3%	26,099	10.1%
Non-Aeronautical Revenues	196,844	221,021	208,321	12,700	6.1%	24,177	12.3%
Total O&M Expenses	(238,140)	(261,226)	(268,216)	6,990	-2.6%	(23,086)	9.7%
<b>Net Operating Income</b>	<b>217,816</b>	<b>245,006</b>	<b>229,179</b>	<b>15,827</b>	<b>6.9%</b>	<b>27,190</b>	<b>12.5%</b>
ADF Interest Income	2,349	3,725	1,988	1,737	87.4%	1,377	58.6%
Security Checkpoint TSA Grant	1,102	916	1,000	(85)	-8.5%	(187)	-16.9%
Misc. Non-Operating Expenses	(762)	(2,481)	(1,890)	(592)	31.3%	(1,720)	225.8%
CFC Excess	(5,159)	(4,899)	(5,146)	247	-4.8%	260	-5.0%
<b>Available for Debt Service [a]</b>	<b>215,347</b>	<b>242,267</b>	<b>225,132</b>	<b>17,135</b>	<b>7.6%</b>	<b>26,920</b>	<b>12.5%</b>
Debt Service	125,153	133,982	135,217	(1,236)	-0.9%	8,829	7.1%
<b>Debt Service x 1.25 [b]</b>	<b>156,441</b>	<b>167,477</b>	<b>169,022</b>	<b>(1,545)</b>	<b>-0.9%</b>	<b>11,036</b>	<b>7.1%</b>
<b>Available for revenue sharing [c]=[a]-[b]</b>	<b>58,906</b>	<b>74,790</b>	<b>56,110</b>	<b>18,680</b>	<b>33.3%</b>	<b>15,884</b>	<b>27.0%</b>
<b>Revenue Sharing [d]=[c]*0.5</b>	<b>29,453</b>	<b>37,395</b>	<b>28,055</b>	<b>9,340</b>	<b>33.3%</b>	<b>7,942</b>	<b>27.0%</b>

Increased revenue sharing drives reduction in CPE

# Maritime Division 2016 Financial Performance Report

Commission Briefing  
March 14, 2017

# Maritime 2016 Financial Summary

\$ in 000's	2015 Actual	2016 Actual	2016 Budget	Fav (UnFav) Budget Variance		Incr (Decr) Change from 2015	
				\$	%	\$	%
Operating Revenue	47,268	50,810	49,314	1,496	3%	3,542	7%
Security Grants	0	0	0	0	NA	0	NA
<b>Total Revenues</b>	<b>47,268</b>	<b>50,810</b>	<b>49,314</b>	<b>1,496</b>	<b>3%</b>	<b>3,542</b>	<b>7%</b>
Maritime Expenses (excl Maint)	9,564	10,722	11,382	660	6%	1,158	10%
Maintenance Expenses	9,031	9,900	10,576	676	6%	869	8%
P69 Facilities Expenses	157	299	294	(5)	-2%	142	48%
Other ED Expenses	3,186	3,488	3,819	331	9%	302	8%
Environmental & Sustainability	1,278	1,358	1,430	72	5%	80	6%
CDD Expenses	1,544	1,010	1,029	19	2%	(534)	-52%
Police Expenses	2,611	3,921	4,023	103	3%	1,310	33%
Corporate Expenses	5,958	9,454	9,713	259	3%	3,496	36%
Envir Remed Liability	114	115	202	87	43%	1	1%
<b>Total Expenses</b>	<b>33,443</b>	<b>40,268</b>	<b>42,469</b>	<b>2,201</b>	<b>5%</b>	<b>6,825</b>	<b>16%</b>
<b>NOI Before Depreciation</b>	<b>13,825</b>	<b>10,542</b>	<b>6,845</b>	<b>3,697</b>	<b>54%</b>	<b>(3,283)</b>	<b>-48%</b>
Depreciation	16,935	17,351	17,139	(212)	-1%	416	2%
<b>NOI After Depreciation</b>	<b>(3,110)</b>	<b>(6,809)</b>	<b>(10,294)</b>	<b>3,485</b>	<b>-34%</b>	<b>(3,699)</b>	<b>-36%</b>

## Budget Variance

- Cruise, Grain, and Fishing & Operations driving favorable to budget revenue.
- Operating expenses below budget driven by lower Maintenance, Tenant Improvements, and a \$500K expense credit for Cruise, budgeted as revenue.

## Variance from 2015

- Revenue growth seen in Grain (15%), Fishing & Operations (8%), Cruise (7%), Rec Boating (5%), and Maritime Portfolio Mgmt (3%).
- Corporate and Police driving expense growth with both higher cost and larger allocation to Maritime in lieu of the NWSA.

Higher revenue, lower expenses than planned



# Maritime Capital 2016

\$ in 000's	2016	2016	Budget Variance	
	Actual	Budget	\$	%
<b>Maritime</b>	5,746	15,660	9,914	63%

Maritime Capital \$9.9M under budget due to delays in the following:

- Small Projects \$2,493K (66%)
- C15 Building Tunnel Improvement \$700K (100%)
- Shilshole Bay Restrooms/Service Building \$616K (61%)
- P91 South Fender \$601K (92%)
- P66 Cruise Terminal Tenant Improvement \$1,258K (93%) driven by timing of billing
- Renewal and Replace contingency \$2,000K (100%)

**Maritime Division 37% of Capital Budget**

# Stormwater Utility 2016 Financial Summary

\$ in 000's	2015	2016		Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Budget	Budget Variance		Change from 2015	
				\$	%	\$	%
NH Alliance SW	3,305	3,255	3,177	78	2%	(50)	-1%
Maritime SW	503	991	691	299	43%	488	97%
EconDev SW	596	491	449	42	9%	(104)	-18%
Other	0	14	0	14	NA	14	NA
<b>Total Revenue</b>	<b>4,403</b>	<b>4,751</b>	<b>4,317</b>	<b>434</b>	<b>10%</b>	<b>347</b>	<b>8%</b>
Expenses							
NH Alliance SW	3,046	340	399	59	15%	(2,706)	-89%
Maritime SW	422	26	85	58	69%	(395)	-94%
EconDev SW	568	10	56	46	83%	(558)	-98%
SW Admin	0	164	142	(22)	-15%	164	NA
Maintenance Expenses	0	1,032	1,518	486	32%	1,032	NA
Environmental	0	99	293	194	66%	99	NA
Corporate Expenses	0	10	0	(10)	NA	10	NA
<b>Total Expense</b>	<b>4,035</b>	<b>1,710</b>	<b>2,495</b>	<b>784</b>	<b>31%</b>	<b>(2,325)</b>	<b>-58%</b>
<b>NOI Before Depreciation</b>	<b>368</b>	<b>3,041</b>	<b>1,822</b>	<b>1,219</b>	<b>67%</b>	<b>2,673</b>	<b>726%</b>
Depreciation	1,043	879	1,096	217	20%	(163)	-16%
<b>NOI After Depreciation</b>	<b>(674)</b>	<b>2,161</b>	<b>726</b>	<b>1,435</b>	<b>198%</b>	<b>2,836</b>	<b>-420%</b>

Note: 2015 Expenses include one time payment to City of Seattle

- **Revenue: \$434K favorable**
  - Variance from new rates based on the charter more accurately measured areas through the GIS system instead of the historical tax parcels.
- **Expenses: \$784K favorable**
  - Marine Maintenance \$486K favorable mainly due delay in getting the Camera Inspection truck which guides work on the pipes.
  - NH Alliance, Maritime, & EDD SWU is \$163K favorable mainly due to less city utilities taxes and B&O taxes.

**Net Operating Income \$1,219K favorable to budget**

# Economic Development Division 2016 Financial Performance Report

Commission Briefing

March 14, 2017

# EDD 2016 Financial Summary

	2015	2016		Fav (UnFav)		Incr (Decr)	
		Actual	Actual	Budget	Budget Variance	Change from 2015	
\$ in 000's				\$	%	\$	%
Revenue	7,767	7,881	7,449	432	6%	114	1%
Conf & Event Ctr Revenue	10,396	8,022	6,296	1,727	27%	(2,374)	-23%
<b>Total Revenue</b>	<b>18,164</b>	<b>15,903</b>	<b>13,745</b>	<b>2,159</b>	<b>16%</b>	<b>(2,260)</b>	<b>-12%</b>
Central Harbor	2,602	2,587	2,746	160	6%	(15)	-1%
Conf & Event Centers	8,541	6,931	6,439	(492)	-8%	(1,610)	-19%
Eastside Rail Corridor	(1,263)	8	144	136	95%	1,271	-101%
P69 Facilities Expenses	40	180	177	(3)	-2%	140	349%
Small Business	330	21	120	98	82%	(309)	-94%
Workforce Development	0	522	1,558	1,037	67%	522	NA
Tourism	919	1,093	1,174	81	7%	174	19%
EconDev Expenses Other	1,426	2,175	2,800	625	22%	749	53%
Maintenance Expenses	3,332	2,787	3,153	366	12%	(545)	-16%
Maritime Expenses (Excl Maint)	8	31	28	(3)	-12%	24	300%
Environmental & Sustainability	243	62	126	64	51%	(181)	-75%
CDD Expenses	374	250	248	(3)	-1%	(123)	-33%
Police Expenses	413	157	169	11	7%	(256)	-62%
Corporate Expenses	2,242	4,331	4,565	234	5%	2,089	93%
Envir Remed Liability	0	0	0	(0)	NA	0	NA
<b>Total Expense</b>	<b>19,206</b>	<b>21,135</b>	<b>23,447</b>	<b>2,312</b>	<b>10%</b>	<b>1,929</b>	<b>10%</b>
<b>NOI Before Depreciation</b>	<b>(1,043)</b>	<b>(5,232)</b>	<b>(9,702)</b>	<b>4,470</b>	<b>46%</b>	<b>(4,189)</b>	<b>402%</b>
Depreciation	3,420	3,682	3,461	(221)	-6%	263	8%
<b>NOI After Depreciation</b>	<b>(4,462)</b>	<b>(8,914)</b>	<b>(13,163)</b>	<b>4,249</b>	<b>32%</b>	<b>(4,452)</b>	<b>100%</b>

Conference & Event Center Revenue 27% favorable to budget

# Contribution to Other Divisions

\$ in 000's	2015 YTD Actual	2016 Year-to-Date		Fav (UnFav) Budget Variance		Incr (Decr) Change from 2015	
		Actual	Budget	\$	%	\$	%
<b>Revenues:</b>							
Airport Dining & Retail	50,566	55,196	53,419	1,777	3%	4,629	9%
Airport Properties	8,795	12,167	11,376	792	7%	3,372	38%
Business Development	3,780	4,587	3,936	650	17%	806	21%
<b>Business Development &amp; Mgmt</b>	<b>63,142</b>	<b>71,950</b>	<b>68,731</b>	<b>3,219</b>	<b>5%</b>	<b>8,808</b>	<b>14%</b>
Maritime Industrial	6,091	6,306	5,968	339	6%	216	4%
Marina Office & Retail	3,893	3,949	3,976	(27)	-1%	56	1%
Maritime Portfolio Management	9,983	10,255	9,944	311	3%	272	3%
<b>Total Revenues to Other Divisions</b>	<b>73,126</b>	<b>82,206</b>	<b>78,675</b>	<b>3,530</b>	<b>4%</b>	<b>9,080</b>	<b>12%</b>
<b>Expenses to Other Divisions</b>							
Business Development & Mgmt	7,508	8,482	10,503	2,021	19%	974	13%
Maritime Portfolio Mgmt	2,446	2,817	3,299	482	15%	371	15%
<b>Total Expenses to Other Divisions</b>	<b>9,954</b>	<b>11,299</b>	<b>13,803</b>	<b>2,504</b>	<b>18%</b>	<b>1,346</b>	<b>14%</b>

**EDD making significant contribution to other divisions**

# EDD Capital 2016

\$ in 000's	2016	2016	Budget Variance	
	Actual	Budget	\$	%
Econ Dev	4,757	8,751	3,994	46%

## Significant Variances:

- **P66 Elevator 2, 3, 4 Upgrades:** budget variance due to modernizations for elevators 3 and 4 have been postponed until the NCL cruise terminal work is completed.
- **Tenant Improvements:** reimbursement of \$797K to Anthony's for Boiler system was recorded in Non-Ops. (It was originally recorded as a Donated Asset in 2014).

Spent 54% of EDD Capital Budget

# Corporate 2016 Financial Performance Report

Commission Briefing  
March 14, 2017

# Corporate Expense by Category

\$ in 000's	2015	2016	2016	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Budget	Budget	Variance	Change from 2015	
				\$	%	\$	%
Salaries & Benefits	65,383	64,835	70,267	5,432	7.7%	(548)	-0.8%
Wages & Benefits	20,553	21,943	22,259	316	1.4%	1,390	6.8%
Payroll to Capital Projects	20,832	19,060	22,706	3,646	16.1%	(1,772)	-8.5%
Equipment Expense	2,231	1,920	1,843	(77)	-4.2%	(311)	-13.9%
Supplies & Stock	889	1,280	1,009	(270)	-26.8%	391	44.0%
Outside Services	23,890	30,262	38,671	8,409	21.7%	6,372	26.7%
Travel & Other Employee Exps	2,661	2,510	3,343	834	24.9%	(151)	-5.7%
Insurance Expense	2,310	2,349	2,506	157	6.3%	38	1.7%
Other	1,899	2,833	2,751	(82)	-3.0%	934	49.2%
Charge to Capital	(35,697)	(33,708)	(41,406)	(7,697)	-18.6%	(1,989)	-5.6%
<b>Total</b>	<b>104,952</b>	<b>113,284</b>	<b>123,951</b>	<b>10,667</b>	<b>8.6%</b>	<b>8,332</b>	<b>7.9%</b>

- Payroll savings due to delay hiring, vacant positions, and project delays.
- Outside Services saving mainly came from project delays, advanced planning IDIQ for SAMP and environmental review for SAMP.

Significant budget savings from payroll and outside services



# Corporate Dept. Financial Summary

\$ in 000's	2015 Actual	2016 Actual	2016 Budget	Fav (UnFav) Budget Variance		Incr (Decr) Change from 2015	
				\$	%	\$	%
<b>Total Revenues</b>	<b>730</b>	<b>1,330</b>	<b>570</b>	<b>760</b>	<b>133.4%</b>	<b>599</b>	<b>82.1%</b>
<b><u>Operating Expenses</u></b>							
Executive	2,198	2,185	1,569	(616)	-39.3%	(13)	-0.6%
Commission	1,270	1,569	1,635	66	4.1%	299	23.6%
Legal	3,501	3,365	3,219	(146)	-4.5%	(137)	-3.9%
Public Affairs	4,429	6,033	6,447	414	6.4%	1,605	36.2%
Human Resources & Development	6,720	7,001	7,634	633	8.3%	281	4.2%
Labor Relations	1,191	1,268	1,126	(142)	-12.6%	77	6.5%
Internal Audit	1,280	1,455	1,620	164	10.1%	175	13.7%
Office of Strategic Initiatives	3,487	8,356	9,059	702	7.8%	4,870	139.7%
Police	20,990	23,045	23,587	542	2.3%	2,055	9.8%
Security and Preparedness	1,367	1,420	1,448	28	2.0%	53	3.9%
Contingency	653	369	500	131	26.3%	(284)	-43.5%
Finance							
Accounting & Financial Reporting Services	6,780	6,550	7,570	1,020	13.5%	(230)	-3.4%
Information & Communication Technology	20,998	20,158	21,160	1,001	4.7%	(839)	-4.0%
Finance & Budget	4,805	4,810	4,933	123	2.5%	5	0.1%
Finance & Budget	1,692	1,647	1,802	155	8.6%	(44)	-2.6%
Aviation Finance & Budget	1,955	1,950	1,932	(19)	-1.0%	(5)	-0.2%
Maritime Finance & Budget	1,158	1,212	1,199	(13)	-1.1%	54	4.7%
Business Intelligence	-	1,004	917	(88)	-9.6%	1,004	0.0%
Risk Services	3,217	3,202	3,449	246	7.1%	(15)	-0.5%
Sub-Total	35,799	35,725	38,027	2,303	6.1%	(75)	-0.2%
<b>Total Before Cap Dev and Environmental</b>	<b>82,884</b>	<b>91,790</b>	<b>95,871</b>	<b>4,081</b>	<b>4.3%</b>	<b>8,906</b>	<b>10.7%</b>

**Strong positive financial performance results in 2016**

# Corporate Dept. Financial Summary – Con't

\$ in 000's	2015	2016	2016	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Budget	Budget Variance		Change from 2015	
				\$	%	\$	%
<b><u>Operating Expenses</u></b>							
<b>Total Before Cap Dev and Environmental</b>	<b>82,884</b>	<b>91,790</b>	<b>95,871</b>	<b>4,081</b>	<b>4.3%</b>	<b>8,906</b>	<b>10.7%</b>
Capital Development							
Engineering	4,300	4,493	5,913	1,420	24.0%	193	4.5%
Port Construction Services	3,565	3,488	2,862	(626)	-21.9%	(77)	-2.2%
Aviation PMG	1,610	2,823	4,543	1,721	37.9%	1,212	75.3%
Seaport PMG	1,019	999	789	(210)	-26.6%	(20)	-2.0%
Capital Development Admin	428	416	430	14	3.3%	(12)	-2.9%
Sub-Total	10,923	12,218	14,538	2,319	16.0%	1,295	11.9%
Environment & Sustainability							
Aviation Environmental & Planning	7,148	5,857	10,064	4,207	41.8%	(1,291)	-18.1%
Maritime Environmental & Planning	3,345	2,098	2,587	490	18.9%	(1,247)	-37.3%
Noise Programs	677	722	891	169	19.0%	45	6.6%
Environment & Sustainability	-	148	-	(148)	0.0%	148	0.0%
Sub-Total	11,170	8,824	13,542	4,718	34.8%	(2,346)	-21.0%
<b>Total Expenses</b>	<b>104,952</b>	<b>113,284</b>	<b>123,951</b>	<b>10,667</b>	<b>8.6%</b>	<b>8,332</b>	<b>7.9%</b>

**Operating Expenses \$10.7M favorable to budget**