



**COMMISSION
AGENDA MEMORANDUM**

Item No. 9b

BRIEFING ITEM

Date of Meeting March 10, 2020

DATE: February 21, 2020
TO: Stephen P. Metruck, Executive Director
FROM: Dan Thomas, Chief Financial Officer
Michael Tong, Director – Corporate Budget
SUBJECT: 2019 Financial Performance Briefing

EXECUTIVE SUMMARY

The purpose of this presentation is to provide a status report of the 2019 financial performance results.

BACKGROUND

The Port's overall operating revenues for 2019 were \$764.2 million, which is \$10.9 million above budget. Excluding Aeronautical revenues, which are based on cost recovery, Airport Non-Aeronautical revenues were \$9.5 million higher than the budget primarily due to higher revenues from Airport Dining and Retail, Rental Cars, Ground Transportation, Airport Commercial Properties, and Clubs & Lounges. Non-Airport revenues were \$9.4 million above budget mainly due to higher revenue from Conference & Event Centers and NWSA Distributable Revenue.

Total operating expenses for 2019 were \$443.1 million, which is \$11.9 million, or 2.6%, below budget. The operating expense variance was largely due to a \$16.5 million DRS Pension True-up credit, partially offset by higher wages, equipment and supplies expenses for snows removal.

Net operating income before depreciation was \$321.1 million, which is \$22.8 million, or 7.6%, above 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. Maritime Division Operating Results
4. Economic Development Division Operating Results
5. Central Services Operating Results

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ATTACHMENTS TO THIS BRIEFING

- (1) 2019 Financial and Performance Report
- (2) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None