



**COMMISSION
AGENDA MEMORANDUM**

Item No. 9b

BRIEFING ITEM

Date of Meeting August 11, 2020

DATE: July 23, 2019
TO: Stephen P. Metruck, Executive Director
FROM: Dan Thomas, Chief Financial Officer
Michael Tong, Director, Corporate Budget
SUBJECT: Q2 2020 Financial Performance Briefing

EXECUTIVE SUMMARY

The purpose of this presentation is to provide a status report of the Q2 2020 financial performance results.

BACKGROUND

The Port's overall operating revenues for Q2 2020 were \$276.2 million, which is \$26.6 million below the revised budget and \$91.9 million lower than the same period last year. Excluding Aeronautical revenues, which are based on cost recovery and revenue sharing formulas, other Airport Non-Aero revenues were \$64.2 million, \$3.1 million or 5.1% over the revised budget and \$60.4 million or 48.5% lower than 2019 from all business line of businesses.

Non-Airport revenues were \$48.3 million, \$1.1 million or 2.3% above budget and \$19.3 million or 28.6% lower than last year mainly due to lower revenues from Cruise, NWSA Distributable Income, and Conference and Event Centers. Non-Airport revenues were \$48.3 million, \$1.1 million or 2.3% above budget and \$19.3 million or 28.6% lower than last year mainly due to lower revenues from Cruise, NWSA Distributable Income, and Conference and Event Centers.

Total operating expenses for first half of 2020 were \$197.8 million, which is \$17.2 million below budget but \$18.9 million lower than 2019. The operating expense variance was largely due to delays in hiring, vacant positions, project delays, and some actual budget savings.

Net operating income before depreciation was \$78.4 million, which is \$9.4 million below the revised budget and \$73.0 million less than 2019.

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

COMMISSION AGENDA – Briefing Item No. 9b

Page 2 of 2

Meeting Date: August 11, 2020

4. Economic Development Division Operating Results
5. Central Services Operating Results

ATTACHMENTS TO THIS BRIEFING

- (1) Q2 2020 Financial and Performance Report
- (2) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None