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COMMISSION

AGENDA MEMORANDUM Item No. 11a

BRIEFING ITEM Date of Meeting March 14, 2023

DATE: March 8, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Dan Thomas, Chief Financial Officer

Michael Tong, Director, Corporate Budget

SUBJECT: 2022 Financial Performance Briefing

EXECUTIVE SUMMARY

The purpose of this presentation is to provide a status report of the 2022 financial performance results.

BACKGROUND

The Port's overall operating revenues for 2022 were \$810.1 million, which is \$43.3 million above the budget and \$188.1 million higher than 2021. Excluding Aeronautical revenues, which are based on cost recovery and revenue sharing formulas, other Airport Non-Aero revenues were \$256.6 million, \$15.8 million or 6.6% above the budget and \$72.8 million or 39.6% higher than 2021 from all lines of businesses.

Non-Airport revenues were \$151.0 million, \$19.9 million or 15.2% above the budget and \$30.3 million or 25.1% higher than 2021 mainly due to higher revenues from Cruise, Conference and Event Centers, and unbudgeted police forfeitures.

Total operating expenses for 2022 were \$475.7 million, which is \$23.4 million or 4.7% below budget and \$111.1 million or 30.5% higher than 2021. The favorable budget variance was largely due to a \$15.6 million DRS Pension True-up Credit. Excluding the Pension Credit, the budget variance was \$7.8 million or 1.6% favorable mainly to savings from Outside Services, Third Party Management Expense, and Travel & Other Employee Expenses; partially offset by less Charges to Capital Projects.

Net operating income before depreciation was \$334.4 million, which is \$66.7 million or 24.9% above budget and \$77.0 million or 29.9% higher than 2021.

Each division will present its results to the Commission. The presentation outline is as follows:

1. Aviation Division Operating Results
2. Maritime Division Operating Results

Template revised April 12, 2018.

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3. Economic Development Division Operating Results

4. Central Services Operating Results

5. Portwide Operating Results

ATTACHMENTS TO THIS BRIEFING

(1) 2022 Financial and Performance Report

(2) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

August 9, 2022 – Q2 2022 Financial Performance Briefing

Template revised September 22, 2016.