



**COMMISSION
AGENDA MEMORANDUM**

Item No. 9c

BRIEFING ITEM

Date of Meeting August 13, 2019

DATE: July 19, 2019
TO: Stephen P. Metruck, Executive Director
FROM: Dan Thomas, Chief Financial Officer
Michael Tong, Director, Corporate Budget
SUBJECT: Q2 2019 Financial Performance Briefing

EXECUTIVE SUMMARY

The purpose of this presentation is to provide a status report of the Q2 2019 financial performance results.

BACKGROUND

The Port's overall operating revenues for Q2 2019 were \$368.2 million, which is \$7.9 million above budget and \$37.7 million higher 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 \$124.6 million, \$3.6 million or 2.9% over budget and \$5.7 million or 4.8% higher YoY mainly due to higher revenues from ADR & Terminal Leased Space, Ground Transportation, and Clubs & Lounges.

Non-Airport revenues were \$67.6 million, \$5.4 million or 8.7% above budget were \$3.6 million or 5.6% higher YoY mainly due to higher revenues from the NWSA Distributable Income and Conference & Event Centers.

Total operating expenses for first half of 2019 were \$216.8 million, which is \$16.0 million below budget but \$25.2 million higher than 2018. 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 \$151.4 million, which is \$23.8 million above budget and \$12.5 million higher than 2018.

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

Meeting Date: August 13, 2019

5. Central Services Operating Results

ATTACHMENTS TO THIS BRIEFING

- (1) Q2 2019 Financial and Performance Report
- (2) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None