



EXECUTIVE DIRECTOR'S REPORT
TO THE
PORT OF PORTLAND COMMISSION
FOR AUGUST 2015

SAFETY REPORT

Monthly Report of Injury Incidents

Administrative

Three non-recordable incidents:

1. An employee experienced dizziness after returning from lunch.
2. While stopped in traffic while driving a Port vehicle, an employee was struck from behind by another vehicle.
3. An employee experienced dizziness and a rapid heartbeat while operating a Port vehicle.

Aviation

Seven non-recordable incidents:

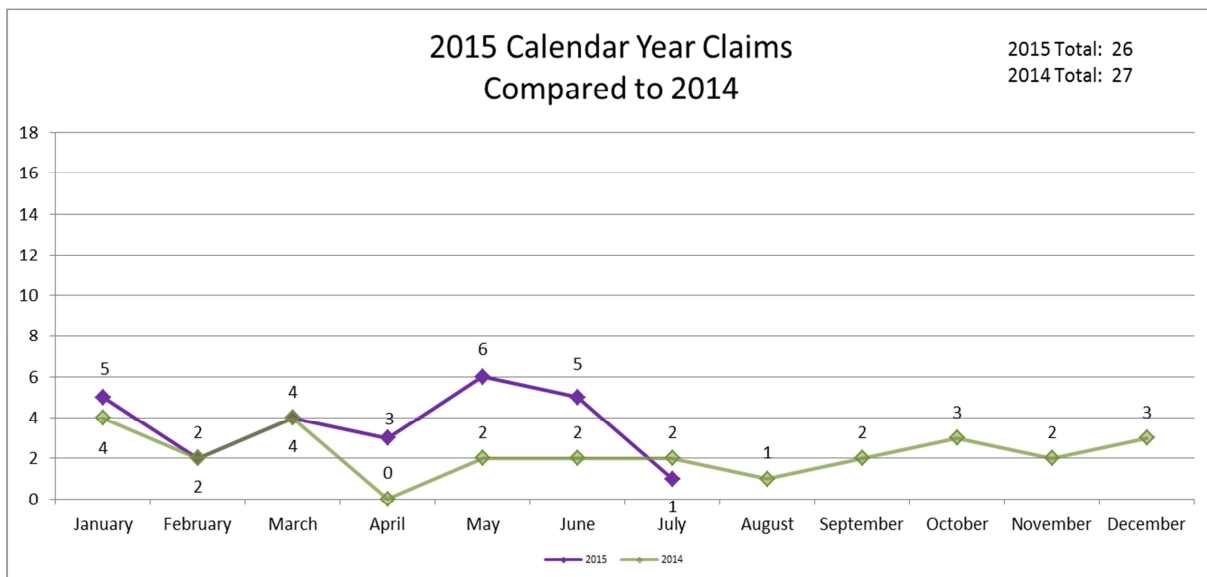
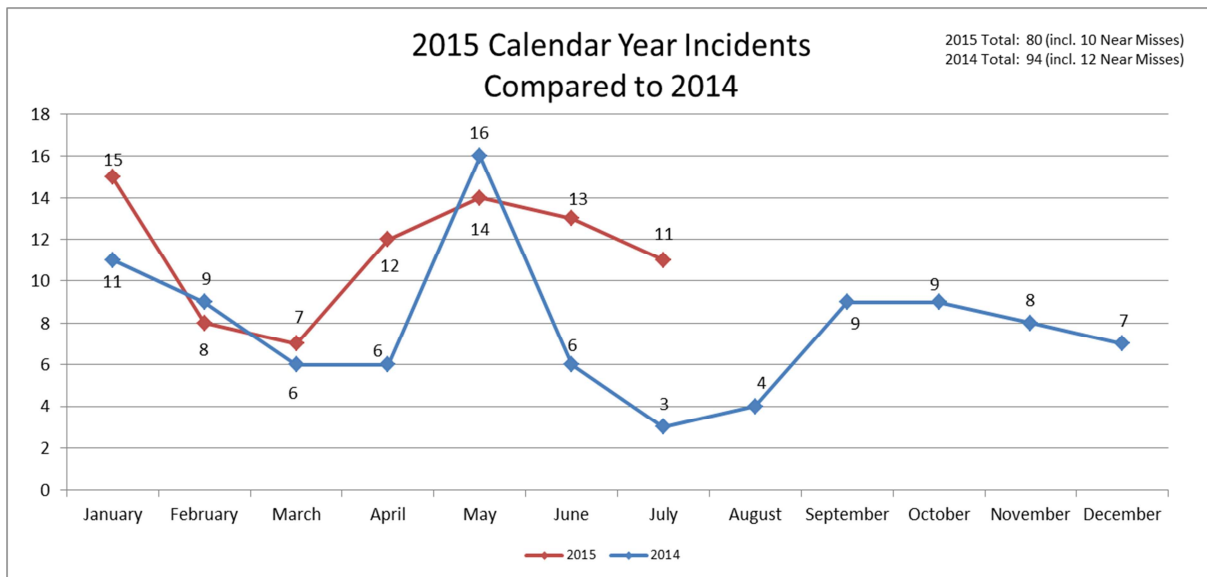
1. An employee noticed mold on the carpet within the employee's work area. The employee reported an allergic reaction. A relationship between the mold and the employee's symptoms was not confirmed. The employee was temporarily relocated to another office while the employee's work area was cleaned. Port facilities staff requested that the Portland Habilitation Center janitorial service follow specific procedures when cleaning carpets to allow flooring to fully dry, and to control/minimize cleaning solution odors.
2. An employee sustained a minor cut on the forearm while taking a combative subject into custody.
3. An employee was struck twice in the nose while attempting to take an out-of-control suspect into custody.
4. While patrolling the employee parking lot in a Port vehicle, an employee was struck by a driver making a wide turn to exit the lot.
5. An employee slipped/tripped on a step while descending stairs from the baggage claim level to the tunnel, causing the employee's neck and back to strike the handrail.
6. An employee was removing a blower motor from a boiler in the central utility plant (CUP). As the employee guided the motor away from the boiler, the employee placed a hand on the boiler for support and received a mild electrical shock (see similar incident below for resolution).

- An employee in the CUP was working on a boiler with an overhead gantry crane and received a mild electrical shock when the crane was touched. Electrical grounding was not present on the crane trolley, which caused induced voltage as the hoist carriage was moved around. Electricians grounded all exposed metallic items in the control boxes on the trolley to ensure prevention of electrical shock. An electrical preventative maintenance (PM) schedule has been created to complement the mechanical PM schedule for all cranes.

Marine

There was one lost-time recordable incident:

- An employee turned while lifting a vacuum pump into a truck and felt pain in the lower back. After review of the incident with the injured employee, retraining was necessary on correct body positioning while lifting.



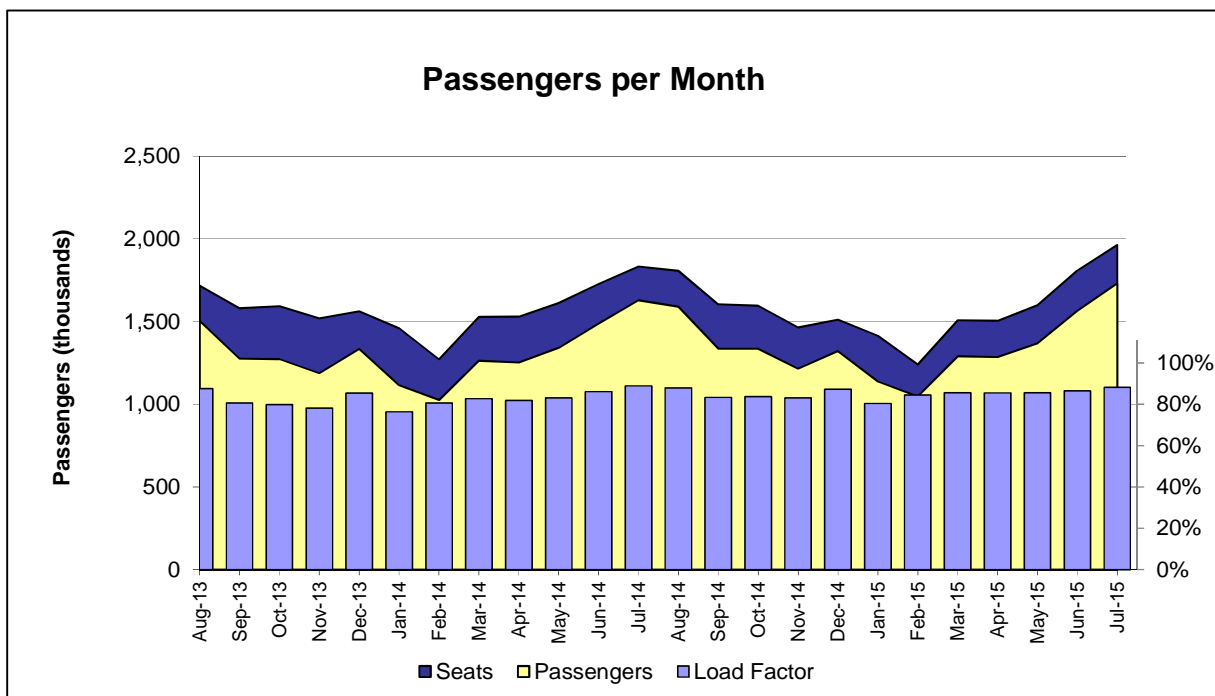
July 2015 Safety Program Milestones

- Construction Manager General Contractor (CM/GC) Safety – Prequalification questionnaire was developed and integrated into “Negotiated Work” projects.
- Safety/Risk is now participating in the engineering project Charter Phase supporting asset management with the following:
 - Providing recommendations for limiting/eliminating risk during projects; and
 - Providing project analysis to advance prevention through design initiatives.
- PROPS/ACHIEVERS – Safety initiated the selection of four individuals from Aviation, Marine, Navigation and Administration to receive monthly “Safety Champion” recognition.

Fiscal Year 15-16 Revised/Proposed Safety Program Goals and Objectives

- Establish a Safety Campaign that brands behavior based safety objectives
- Behavior Based Safety – Values
 - Safety resources are in alignment to strategic direction.
 - Shift of safety accountability to department leadership.
 - Provide training to managers and supervisors on behavior based safety, root cause analysis and incident investigation process.
- Continuation of SHARP qualifications for PDX Maintenance
- Shifting safety program emphasis from compliance activities to result activities

AVIATION REPORT

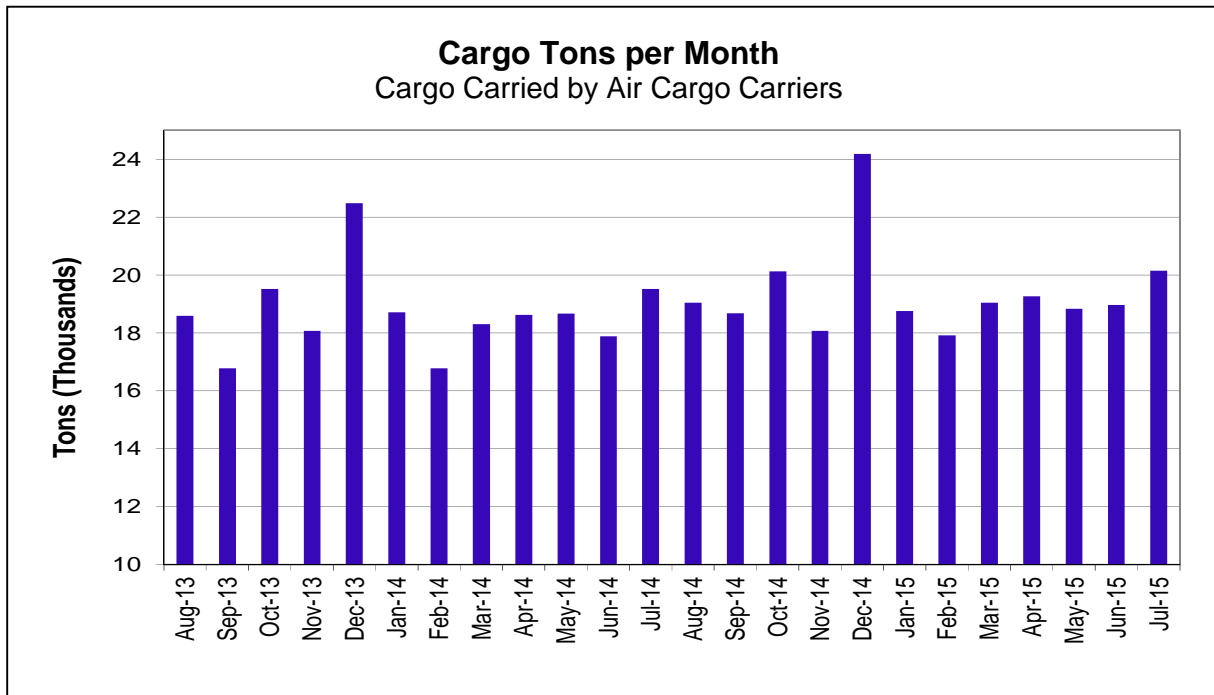


Passenger volumes increased 6.1 percent compared to July 2014, posting a new record of 1.7 million passengers. International traffic registered over 67,000 travelers – a new high from our existing and new carriers.

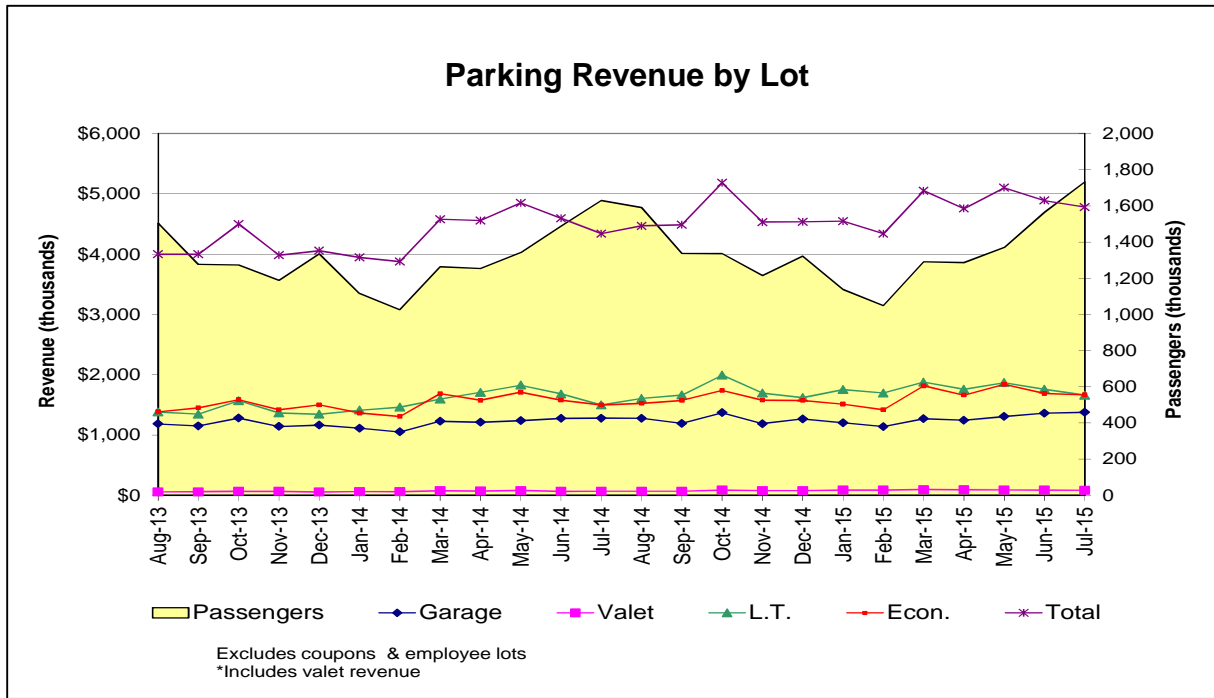
Seat capacity increased 7.3 percent, an all-time high, and the load factor decreased 1.0 percent to 88.0 percent.

Air Service Development

Delta Air Lines reported an almost exact volume of passengers on the Amsterdam flight in July 2015 compared to July 2014. The flight did not lose any passengers, while new international carriers, Icelandair and Condor, reported 96- and 99-percent load factors respectively. The additional flights allowed Portland to generate new nonstop demand.

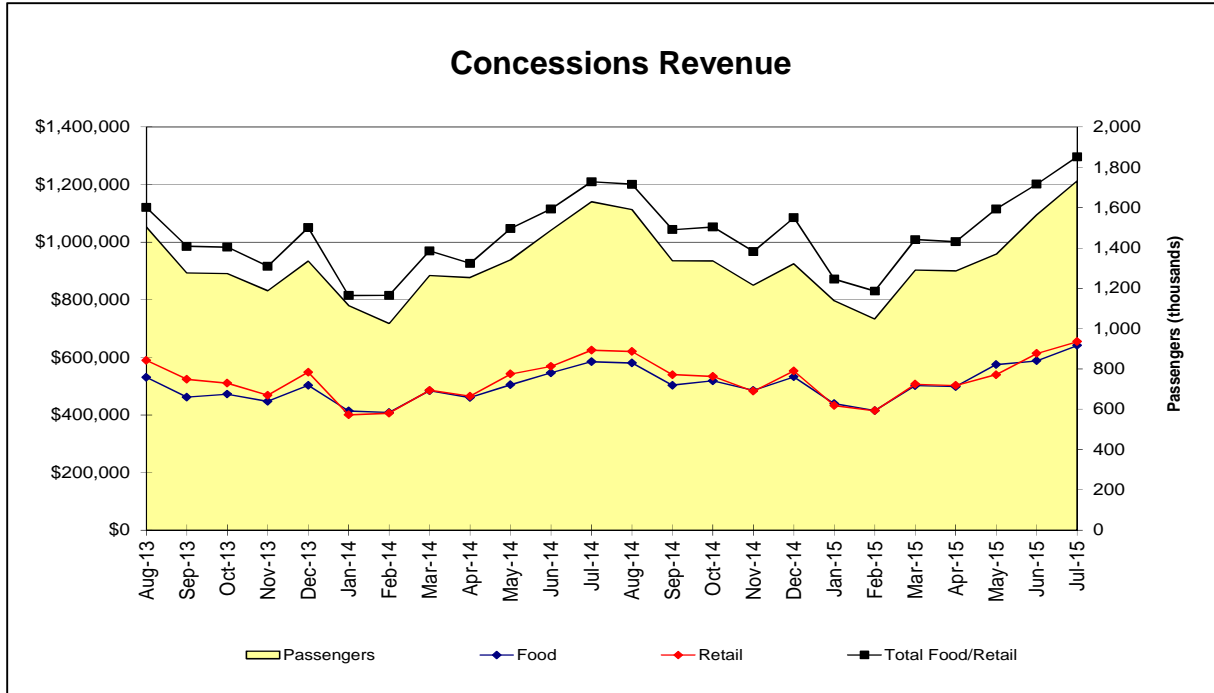


Cargo volumes increased 3.2 percent compared to July 2014. FedEx increased 1.0 percent to 10,090 tons, and UPS increased 7.4 percent to 5,838 tons.



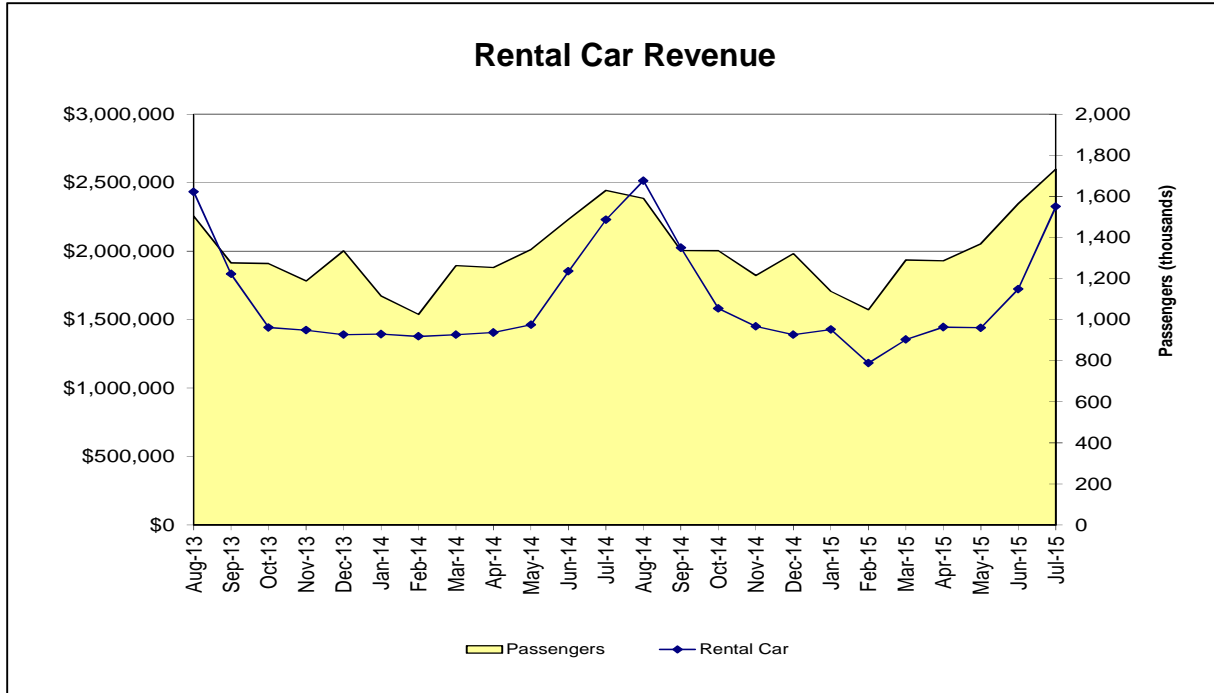
All three measures for public parking were up in July 2015 compared to July 2014; public parking revenue was \$4,782,543, up over 10 percent; and parking transactions were up 8.5 percent. The economy shuttle bus passenger counts were up 13.4 percent and international shuttle passenger counts were up 20 percent (international service was up due to the introduction of new service and airlines).

Additionally, PDX now has 42 Level 1 PowerPost™ electric vehicle charging stations in place, which is the largest installation of commercial electric vehicle chargers at an airport in the United States.



In this seventh month of the concessions program transition, combined retail and food and beverage operations reported a 7.1 percent, or \$86,000, rent increase on the month, against a 6.1 percent passenger increase. Rent performances from new operators of \$222,000 offset last year's rents from previous operators of \$153,000 by 45.1 percent.

Additionally, rent increases totaling 18 percent, or \$15,000, from the Made in Oregon stores, associated with the Summer Splash and Oregon Wine promotions, helped to generate this overall rent performance.



Rental car operations reported a 4.3 percent, or \$95,000, rent increase on the month over last year, against a passenger increase of 6.3 percent. Five operators – Alamo, Avis, Budget, Hertz, and Thrifty – reported rent increases over last year, while three operators – Dollar, Enterprise, and National – reported rent decreases from last year.

Rent totaling \$46,000 from the three new Ordinance operators – Payless, AVR Van Rental and Flightcar – did not offset last year’s rent of \$54,000 from Advantage, a former Ordinance operator, which filed for bankruptcy.

ENVIRONMENTAL OPERATIONS

Columbia Corridor Levee Reaccreditation Project

Project stakeholders, who recently branded this project as “Levee Ready Columbia,” entered into a new phase of work by signing a Declaration of Cooperation II (DOC II) to expand the geographic scope of the project to include all five flood control districts in Multnomah County: Sandy Drainage Improvement Company (SDIC), Multnomah County Drainage District (MCDD), Peninsula 2, Peninsula 1, and Sauvie Island Drainage Improvement Company (SIDIC). The 25 stakeholders include all affected municipal jurisdictions from the Sandy River to Sauvie Island, the flood control districts, neighborhood groups, Multnomah County, METRO, the Port of Portland, and the State of Oregon.

The US Army Corps of Engineers and the Oregon State Legislature (through Business Oregon) announced they have allocated funds to supplement the stakeholder funding of the next phase of work, which includes completion of an engineering evaluation of the levee system in SDIC, MCDD, and SIDIC, at a cost estimated at \$4.5 million.

McBride Slough

The Oregon Department of Environmental Quality (DEQ) issued a Record of Decision (ROD) that describes the selected remedy for the cleanup of the McBride Slough waterway sediments. The Port and DEQ will now enter into negotiations to draft a Remedial Design/Remedial Action Consent Order and Scope of Work to cover remedy implementation, which is tentatively scheduled to begin in late 2016. The remedy will include dredging and disposal of contaminated sediments followed by the addition of carbon to the remaining sediments to adsorb residual contaminants. The project budget is currently set at just over \$6 million.

Greenhouse Gas Emission Inventory

The Climate Registry (TCR) presented PDX with a certificate validating the Port's 2013 Greenhouse Gas Emission Inventory. As a founding member of TCR, the Port has had its greenhouse gas emission inventory audited and validated by an independent third party in each of the last eight years, after which TCR accepts and publically posts the results. TCR certification adds significant credibility to the Port's story when we tell our stakeholders about our efforts and successes to reduce our carbon footprint.

Sustainability

Representatives of the Reno-Tahoe Airport Authority Environmental/Sustainability Department spent the day with Port staff to learn how the Port integrates sustainability into airport planning and day-to-day operations. This is one small example of how North American airports collaborate to deploy best practices.

CAPITAL GRANTS

Portland International Airport (PDX)

Staff submitted a reimbursement request to the Federal Aviation Administration for the Airport Improvement Program – Taxiway T & K Lights/Taxiway T Southwest project in the amount of \$2,110,762.

Staff submitted a reimbursement request to the Transportation Security Administration (TSA) for the Law Enforcement Officer Program in the amount of \$24,800.

Hillsboro Airport

Staff submitted a reimbursement request to Oregon Department of Transportation (ODOT) for the *ConnectOregon* III – Hillsboro Airport 12L/30R and Taxiway D project in the amount of \$127,387.

Marine

Staff submitted a reimbursement request to ODOT for the *ConnectOregon* III –Terminal 6 Crane Upgrade project in the amount of \$4,192.

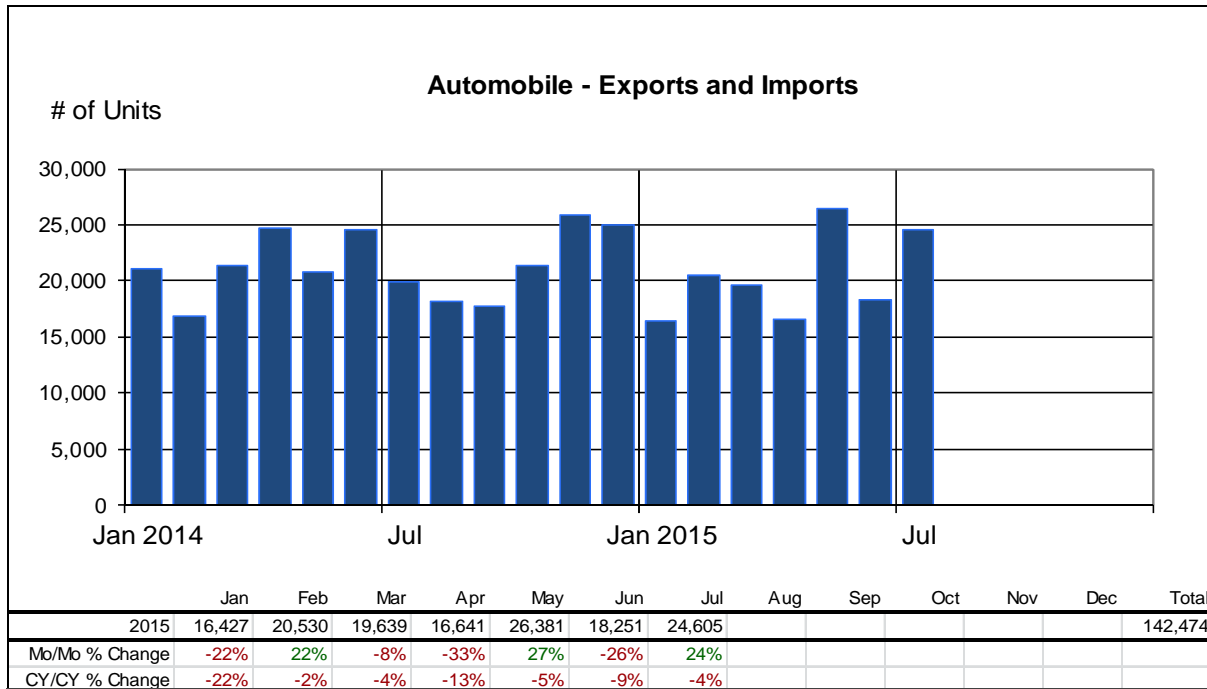
Staff submitted a reimbursement request to ODOT for the *ConnectOregon* IV – Terminal 6 Wharf Optimization project in the amount of \$296,687.

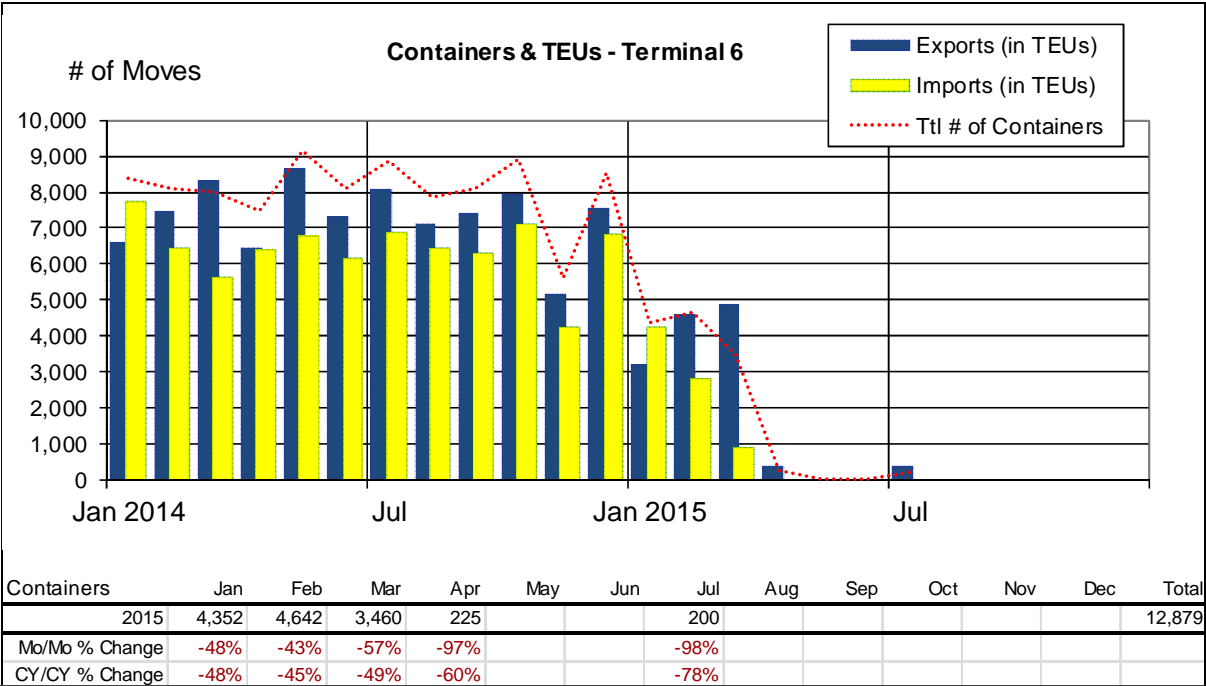
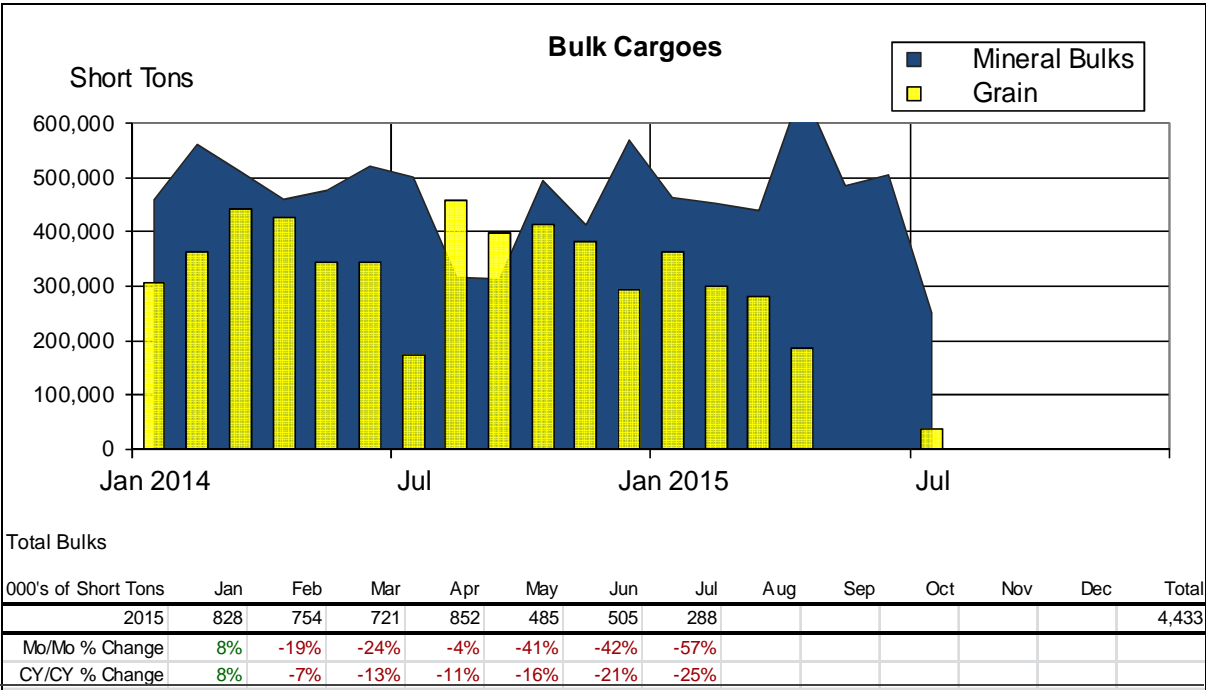
Staff submitted reimbursement request to ODOT for the *ConnectOregon* V – Terminal 6 Crane Drive Electronics project in the amount of \$1,588.

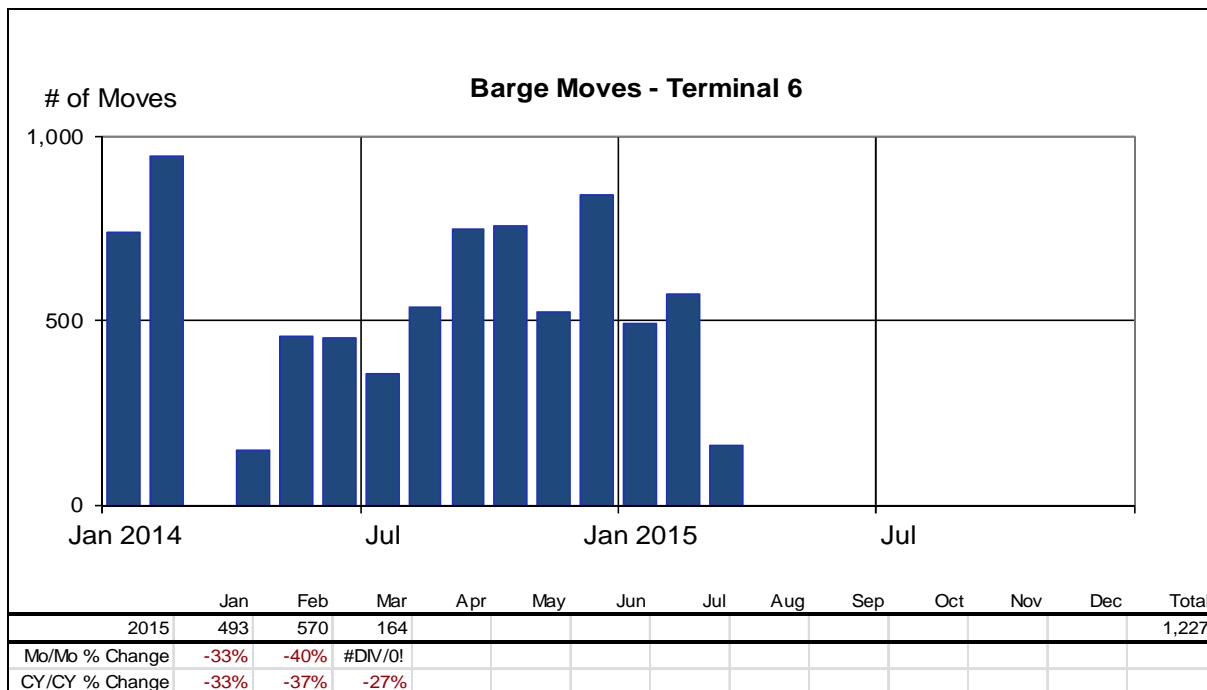
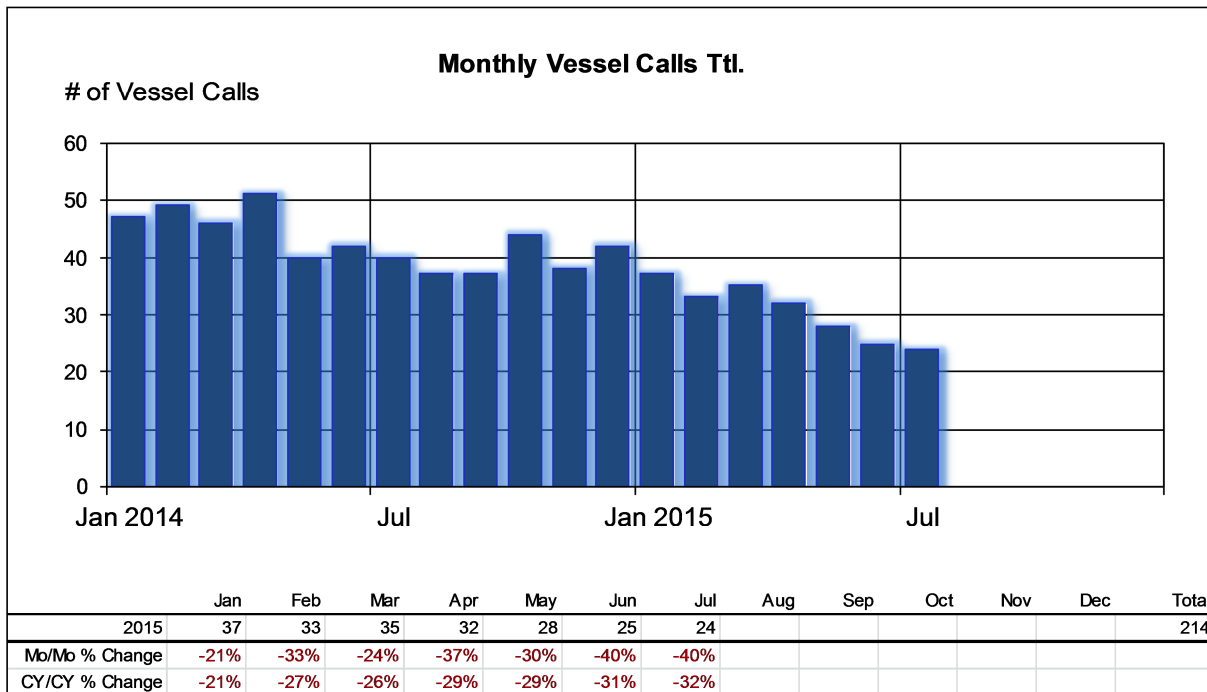
MARINE & INDUSTRIAL DEVELOPMENT REPORT

The figures in the table below show change relative to the prior year.

	<u>July 2015</u>	<u>Fiscal Year-to-Date</u>
Total Tonnage	-61.5%	-61.5%
Containers (TEU)	-97.6%	-97.6%
Import Full Containers	-100.0%	-100.0%
Export Full Containers	-93.2%	-93.2%
Breakbulk	-65.4%	-65.4%
Autos	23.5%	23.5%
Mineral Bulk	-50.0%	-50.0%
Grain	-78.3%	-78.3%







Marketing

The Port offered Auto Warehousing Company (AWC) the opportunity to lease and develop an 18.9-acre site previously identified as Marine Strategic Reserve in connection with expanded Ford exports to Asian markets. AWC is positioning Portland as a key Ford distribution center for both exports and imports.

A customer reception was held in Boise on August 18, with more than 60 shippers and business leaders from Boise and Northern Idaho in attendance.

Commercial agents from the Port's overseas offices in Asia were in town for a week of sales meetings and customer calls. The Port's director in Japan, Mr. Masaaki Mukouchi, accompanied Port staff to visit with the Japanese car carrier accounts in the Long Beach, California area that support the Port's Honda, Toyota and Ford automobile business.

The Port continues to work in partnership with three other agencies – Oregon Department of Transportation, Oregon Department of Agriculture, and Oregon Business Development Department – on the Governor's Trade and Logistics Initiative designed to provide Oregon shippers with interim freight logistics solutions while supporting long-term recovery of container service at Terminal 6. In July and August, six regional workshops were held across Oregon with nearly 300 participants. Research on the value of Terminal 6 to Oregon shippers, the cost implications of loss of container service, and one-on-one freight logistics interviews by the Tioga Group is also underway. Based on input from the workshops, trade research, and staff analysis, the agency team has identified a list of freight logistics solutions that are low cost, can be implemented near term, and support imports and exports. Business cases will be developed for these projects with potential funding applications through ODOT's *ConnectOregon* program and other programs. An October meeting with shippers and a November legislative briefing are planned.

Operations

Terminal 2

Twenty-two metric tons of magnetite were successfully discharged at Terminal 2 for further load-out to rail over the next four to six months. Barite load outs of discharged cargo will continue into next spring. Four transformers and 40 crates of related equipment were discharged for further transfer to Klamath Falls.

Terminal 4

The Port's annual Seaport Celebration was held on August 15. Approximately 3,200 people were in attendance, in addition to volunteers, Port maintenance, electricians and security and other Port staff, who provided support to make this event a success.

Terminal 5

Portland Bulk is completing commissioning of the new shiploader. The first vessel is expected on or about August 24 and will evaluate the loader's performance against the theoretical 6,000 metric ton rate.

Terminal 6

The Westwood *Rainier* and the Westwood *Columbia* loaded containers at Terminal 6 on July 20-22 and August 17, respectively. In July, there were 200 container moves at 22.2 adjusted gross moves per hour: 174 full and 23 empty containers in two shifts. In August, there were 177 container moves at 24.6 adjusted gross moves per hour. The ILWU finished working the vessel in one shift. The next Westwood *Rainier* call is estimated to arrive on September 16.

Environmental

On August 8, The Climate Registry (TCR) presented a certificate to the Port validating the Port's 2013 Greenhouse Gas Emission Inventory. As a founding member of TCR, the Port has had its greenhouse gas emission inventory audited and validated by an independent third party in each of the last eight years, after which TCR accepts and publicly posts the results. TCR certification adds significant credibility to the Port's story when the Port tells its stakeholders about the efforts and successes to reduce the Port's carbon footprint.

Land Use/Planning & Development

TRIP Phase 2 site readiness civil construction is underway with earthmoving, lot filling and wetland construction. Port staff is working with Multnomah County and City of Troutdale staff on subdivision of the lots and transfer of right-of-way. Easements from Multnomah County and the Sandy Drainage Improvement Company are needed for the subdivision, and Port staff has elevated this issue to these entities. The subdivision is required for the sale of the two TRIP lots to the Bonneville Power Administration.

Port development staff is working with City of Gresham leadership on moving the Fairview Creek Mitigation Bank forward. Concurrent discussions are occurring with the Governor's Regional Solutions Team on required Department of State Lands' approvals for this mitigation bank.

REAL ESTATE TRANSACTIONS EXECUTED PURSUANT TO DELEGATED AUTHORITY

Vigor Industrial LLC – Berth Use Agreement

Location: Swan Island

Term: July 10, 2015 to August 5, 2015

Use: Grants Vigor preferential right to use Berth 315 on Swan Island.

Open 4 Business Productions, LLC – Permit and Right of Entry

Location: Terminal 4

Term: August 4, 2015 to August 8, 2015

Use: Permit for parking and to place a catering tent in conjunction with filming at nearby (not Port-owned) Pier Park.

Aircraft Service International, Inc. – Permit and Right of Entry

Location: PDX

Term: July 31, 2015 to August 30, 2015

Use: Allows Aircraft Service International, Inc. access to property at the fuel farm to conduct due diligence, directional boring and installation of fiber cable.

Couch Street, Inc. – Temporary Construction Easement Agreement

Location: Troutdale Reynolds Industrial Park
Term: August 13, 2015 to August 13, 2018
Use: Allows Couch Street, Inc. and its agents or contractors to enter the easement area to improve the ingress-egress.

Atlantic Aviation Oregon FBO, Inc. – Ground Lease

Location: PDX
Term: October 1, 2015 to June 30, 2047
Use: New lease for the purpose of development of new corporate aviation terminal and hangar facilities at PDX.

Atlantic Aviation Oregon FBO, Inc. – Ramp Management Agreement

Location: PDX
Term: January 31, 2017 to June 30, 2047
Use: Ramp management agreement for the purpose of commercial aeronautical activity and general operations.

City of Portland – Memorandum of Agreement for Water System Improvements

Location: PDX
Term: Effective September 1, 2015
Use: Agreement memorializes the understanding between the City and the Port concerning the Port's improvements to the PDX water supply system.

Alaska Airlines – Ninth Amendment to Signatory Passenger Airline Lease and Operating Agreement

Location: PDX
Term: Effective June 1, 2015
Use: Adds gate space to Gate C2, C7 and C10.

United Air Lines, Inc. – PDX Cargo Center Facility Lease

Location: PDX
Term: October 1, 2015 to September 30, 2020
Use: Long-term lease for the purpose of operating and performing maintenance, cargo and storage in connection with a facility lease.

Auto Warehousing Company – Second Amendment to Permit and Right of Entry

Location: Terminal 6
Term: Effective August 1, 2015
Use: Defines a new premises and access for the temporary storage of vehicles at Terminal 6.

Speiker Properties, LP (CalWest Industrial Properties, LLC) – Permanent Waiver and Release of First Opportunity to Purchase Real Property

Location: Rivergate Industrial District
Term: Effective August 24, 2015
Use: Permanent waiver for two deeds.

Cummins Northwest, Inc. – Permanent Waiver and Release of First Opportunity to Purchase Real Property

Location: Swan Island Industrial Park
Term: Effective August 24, 2015
Use: Permanent waiver.

Walsh Holdings, LLC – Temporary Construction Easement Agreement

Location: Troutdale Airport
Term: August 12, 2015 to August 12, 2018
Use: Allows Walsh easement access to improve ingress-egress driveways on Port property.

ALR Ice Cream LLC – Temporary Construction Easement Agreement

Location: Troutdale Airport
Term: August 12, 2015 to August 12, 2018
Use: Allows ALR easement access to improve ingress-egress driveways on Port property.

NewTower Trust Company Multi-employer Property Trust – Letter of Consent to License Agreement with Comcast Communications Management, LLC

Location: Portland International Center
Term: Effective July 30, 2015
Use: With this letter the Port conditionally consents to a license agreement between NewTower and Comcast.

House Spirits Distillery – First Amendment to Retail Merchandise Unit Lease

Location: PDX
Term: Effective July 8, 2015
Use: Relocates the movable space where the retail merchandise unit is located.

Tournament Golf Foundation, Inc. – Permit and Right of Entry

Location: PDX
Term: August 1, 2015 to August 18, 2015
Use: Allows temporary parking for the LPGA golf tournament.

Atrium Finance V, LLC – Consent to Assignment

Location: PDX

Term: Effective August 5, 2015

Use: With this letter the Port consents to a transfer in membership interest in Atrium Finance V, LLC to Tucson First Mezzanine LP LLC as part of a financing.

American Airlines – Amended and Restated Signatory Passenger Airline Lease and Operating Agreement

Location: PDX

Term: July 1, 2015 to June 30, 2025

Use: Ten-year lease for airline operations.

**AVIATION DIVISION
FINANCIAL REPORT
July 2015**

PDX	Current Year-to-Date			Annual Adopted Budget	Year-to-Date Actual Amounts		
	Adopted Budget	Actual Amounts	% Variance		Current Year	Prior Year	% Variance
	Total Passengers (in millions)	1.6	1.7		6.3%	16.8	1.7
Landed Weight (Sig & Non Sig lbs. in millions)	1.0	1.0	2.1%	10.1	1.0	0.9	6.3%
Operations	N/A	20,913	N/A	N/A	20,913	20,913	0.0%
Parking Transactions: Valet	N/A	1,143	N/A	N/A	1,143	949	20.4%
Parking Transactions: Long-term (P2) Garage	N/A	28,407	N/A	N/A	28,407	27,276	4.1%
Parking Transactions: Garage	N/A	147,337	N/A	N/A	147,337	136,984	7.6%
Parking Transactions: Economy Lot	N/A	36,204	N/A	N/A	36,204	31,204	16.0%
Parking Transactions: Total	N/A	213,091	N/A	N/A	213,091	196,413	8.5%
Cost per Enplaned Passenger (Rent & Landing Fees)				\$ 11.11			

AIRLINE COST CENTER (ALCC) (in millions)

Airline Rent, Landing Fees & Other	\$9.8	\$10.1	3.1%	\$111.2	\$10.1	\$8.7	16.1%
Retail, Food & Beverage	1.4	1.4	0.0%	14.9	1.4	1.3	7.7%
Other Non-Airline	0.2	0.3	50.0%	3.8	0.3	0.4	-25.0%
TOTAL REVENUE	\$11.4	\$11.8	3.5%	\$129.9	\$11.8	\$10.4	13.5%
Personnel Services	\$2.9	\$2.9	-0.9%	\$34.6	\$2.9	\$2.8	3.6%
Materials, Services & Other	3.8	3.3	-12.1%	47.8	3.3	3.0	10.0%
TOTAL EXPENSES	\$6.7	\$6.2	-7.2%	\$82.4	\$6.2	\$5.8	6.9%
Debt Service & Coverage	\$4.0	\$3.9	-1.6%	\$47.6	\$3.9	\$3.5	11.4%
less: Interest Income	(0.0)	0.0	-100.0%	0.1	0.0	0.0	0.0%
TOTAL NON-OPERATING	\$4.0	\$3.9	-1.5%	\$47.7	\$3.9	\$3.5	11.4%
SURPLUS/(DEFICIT)	\$0.8	\$1.7	124.6%	(\$0.2)	\$1.7	\$1.1	54.5%

PORT COST CENTER (PCC) (in millions)

Parking	\$4.7	\$5.0	6.9%	\$59.1	\$5.0	\$4.6	8.7%
Rental Cars	2.4	2.3	-4.2%	18.9	2.3	2.2	4.5%
Other	1.8	1.9	8.0%	20.0	1.9	1.7	11.8%
TOTAL REVENUE	\$8.8	\$9.2	4.1%	\$98.0	\$9.2	\$8.5	8.2%
Personnel Services	\$1.2	\$1.1	-8.1%	\$14.0	\$1.1	\$1.1	0.0%
Materials, Services & Other	2.1	1.6	-25.0%	24.9	1.6	1.6	0.0%
TOTAL EXPENSES	\$3.3	\$2.7	-18.9%	\$38.9	\$2.7	\$2.7	0.0%
Debt Service & Coverage	\$1.5	\$1.5	0.5%	\$17.9	\$1.5	\$1.5	0.0%
less: Interest Income	(0.1)	0.0	-100.0%	(0.6)	0.0	0.0	0.0%
TOTAL NON-OPERATING	\$1.4	\$1.5	4.0%	\$17.3	\$1.5	\$1.5	0.0%
LESS: REVENUE SHARING	\$0.9	\$0.9	2.5%	\$10.5	\$0.9	\$0.8	12.5%
INCOME	\$3.2	\$4.1	28.7%	\$31.3	\$4.1	\$3.5	17.1%

General Aviation	Current Year-to-Date			Annual Adopted Budget	Year-to-Date Actual Amounts		
	Adopted Budget	Actual Amounts	% Variance		Current Year	Prior Year	% Variance
	TOTAL REVENUE	272,187	295,310		8.5%	3,434,800	\$295,310
TOTAL EXPENSE	342,670	307,532	-10.3%	3,652,709	307,532	309,200	-0.5%
OPERATING INCOME (EXCL. DEP)	(\$70,483)	(\$12,222)	-82.7%	(\$217,908)	(\$12,222)	(\$42,440)	-71.2%

COMMENTS

BUDGET - This report compares actual amounts against the adopted budget.

ACTIVITY

Passenger traffic exceeded the prior year by 6.3%, landed weight by 6.3%, and parking transactions by 8.5%.

AIRLINE COST CENTERS (ACC)

ACC Revenues were up ~\$400K from budget. This was primarily due to higher than expected eased terminal pace (~\$140K), common use rentals (~\$60K), and landing activity (~\$40K).

Debt Service and Coverage is ~\$100K under budget due to favorable interest rates.

PORT COST CENTERS (PCC)

Parking Revenues are up ~\$300K due to higher than expected parking activity. Rental Car Revenues are down ~\$100K due to an erroneous accrual that will be reversed in August.

AIRLINE (ACC) AND PORT COST CENTERS (PCC)

Materials and Services are under budget by ~\$1.0M (~\$500K in each ACC and PCC). For ACC, the variance is primarily related to the timing of outside service contracts (~\$145K under) and utilities (~\$60K under). ACC also received reimbursements from terminal concessionaires for their share of annual promotional events ~\$75K that were not budgeted. For PCC, the largest variance relates to the timing of parking management reimbursement expenses (~\$160K under). Shared cost centers impacting both ACC and PCC have variances related to the timing of environmental expenses (~\$120K under), custodial expenses (~\$120K under), and consulting expenses (~\$70K under).

GENERAL AVIATION

Revenues are over budget by ~\$20K, primarily due to higher than expected fuel flowage fees (up ~\$10K) and rental car revenues (up ~\$10K).

Expenses are under budget by ~\$30K, primarily due to the timing of consulting costs (down ~\$40K).

**GENERAL FUND
FINANCIAL REPORT
July 2015**

MARINE

	Current Year-to-Date			Annual Adopted Budget	Year-to-Date Actual Amounts		
	Adopted Budget	Actual Amounts	Variance		Current Year	Prior Year	Variance
<u>VOLUMES</u>							
Autos (Units)	21,360	26,189	22.6%	267,000	26,189	21,090	24.2%
Breakbulk (Short Tons)	11,354	17,216	51.6%	110,231	17,216	7,911	117.6%
Containers (TEUs)	8,178	360	(95.6%)	94,000	360	14,947	(97.6%)
Grain Bulk (Short Tons)	224,872	37,443	(83.3%)	4,409,245	37,443	172,185	(78.3%)
Mineral Bulk (Short Tons)	436,954	253,521	(42.0%)	5,389,200	253,521	502,077	(49.5%)

All dollars in millions; OIBD = Operating Income Before Depreciation

TOTAL MARINE

Operating Revenues	\$2.5	\$2.1	(\$0.4)	\$32.6	\$2.1	\$2.6	(\$0.5)
Operating Expenses	2.3	1.7	(0.6)	29.1	1.7	1.9	(0.2)
OIBD	\$0.2	\$0.4	\$0.2	\$3.5	\$0.4	\$0.7	(\$0.3)
Depreciation	0.9	0.8	(0.1)	10.2	0.8	0.9	(0.1)
OPERATING INCOME/(LOSS)	(\$0.7)	(\$0.4)	\$0.3	(\$6.7)	(\$0.4)	(\$0.2)	(\$0.2)

AUTOS

Operating Revenues	\$0.7	\$0.7	\$0.0	\$8.1	\$0.7	\$0.6	\$0.1
Operating Expenses	0.1	0.1	0.0	1.2	0.1	0.1	0.0
OIBD	\$0.6	\$0.6	\$0.0	\$6.9	\$0.6	\$0.5	\$0.1

BREAKBULK

Operating Revenues	\$0.1	\$0.2	\$0.1	\$1.6	\$0.2	\$0.1	\$0.1
Operating Expenses	0.2	0.1	(0.1)	1.5	0.1	0.1	0.0
OIBD	(\$0.1)	\$0.1	\$0.2	\$0.1	\$0.1	\$0.0	\$0.1

CONTAINERS

Operating Revenues	\$0.7	\$0.6	(\$0.1)	\$10.3	\$0.6	\$0.9	(\$0.3)
Operating Expenses	0.7	0.3	(0.4)	10.2	0.3	0.8	(0.5)
OIBD	\$0.0	\$0.3	\$0.3	\$0.1	\$0.3	\$0.1	\$0.2

GRAIN BULK

Operating Revenues	\$0.2	\$0.1	(\$0.1)	\$2.9	\$0.1	\$0.2	(\$0.1)
Operating Expenses	0.0	0.0	0.0	0.1	0.0	0.0	0.0
OIBD	\$0.2	\$0.1	(\$0.1)	\$2.8	\$0.1	\$0.2	(\$0.1)

MINERAL BULK

Operating Revenues	\$0.6	\$0.3	(\$0.3)	\$6.5	\$0.3	\$0.5	(\$0.2)
Operating Expenses	0.1	0.1	0.0	1.6	0.1	0.1	0.0
OIBD	\$0.5	\$0.2	(\$0.3)	\$4.9	\$0.2	\$0.4	(\$0.2)

MARINE SUPPORT

Operating Revenues	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Operating Expenses	0.9	0.8	(0.1)	10.5	0.8	0.7	0.1
OIBD	(\$0.9)	(\$0.8)	\$0.1	(\$10.5)	(\$0.8)	(\$0.7)	(\$0.1)

MARINE PROPERTY MGMT

Operating Revenues	\$0.2	\$0.2	\$0.0	\$3.1	\$0.2	\$0.3	(\$0.1)
Operating Expenses	0.3	0.3	0.0	2.9	0.3	0.2	0.1
OIBD	(\$0.1)	(\$0.1)	\$0.0	\$0.2	(\$0.1)	\$0.1	(\$0.2)

MARINE ENVIRONMENTAL (T4)

Operating Revenues	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Operating Expenses	0.0	0.0	0.0	1.2	0.0	0.0	0.0
OIBD	\$0.0	\$0.0	\$0.0	(\$1.2)	\$0.0	\$0.0	\$0.0

Note: Totals may not add due to rounding

COMMENTS

Operating revenues are \$424K less than the Adopted Budget due to lower than anticipated grain volumes, no potash activity at T-5 during the installation of Portland Bulk's new ship loader, and lower ICTSI maintenance services reimbursement revenues. Operating expenses are \$517KM under budget, with the largest variances listed below.

- Contracts, Professional & Consulting Services are \$209K under budget due to the timing of T-2 berth dredging expenses and various environmental expenses.
- Longshore labor expenses are \$107K under budget due to lower than anticipated mechanical maintenance activity at T-6.
- Personnel services are \$99K under budget due to vacancies.
- Materials & supplies expenses are \$66K under budget primarily due to lower than anticipated materials for T-6 cranes.
- Travel and management expenses are \$53K under budget.

Business Line Summaries

Autos – YTD auto volumes are 23% higher than forecasted and 24% higher than last year due to Ford export volumes.

Breakbulk – YTD tonnage is 52% better than forecasted and 118% higher than last year due to steel rail continuing to move through T-2.

Containers – TEUs are down almost 100% from the forecast and last year now that Westwood is the only carrier still calling Portland amid the labor issues at T-6.

Grain Bulk – YTD grain volumes are 83% less than forecasted and 78% lower than last year. Demand is currently very low. In addition, a very strong dollar means buyers can purchase grain elsewhere at a lower relative price.

Mineral Bulk – Overall, volumes are 42% lower than forecasted and 50% lower than last year due to no potash vessel calls. Portland Bulk's new shiploader is being installed, and August is likely to be a low volume month as well.

**GENERAL FUND
FINANCIAL REPORT
July 2015**

INDUSTRIAL DEVELOPMENT
(Includes Land Use Planning)

	Current Year-to-Date			Annual Adopted Budget	Year-to-Date Actual Amounts		
	Adopted Budget	Actual Amounts	Variance		Current Year	Prior Year	Variance
Operating Revenues	\$0.2	\$0.3	\$0.1	\$3.5	\$0.3	\$0.3	\$0.0
Land Sales	3.1	0.0	(3.1)	24.6	0.0	0.0	0.0
Operating Expenses	0.9	0.6	(0.3)	9.4	0.6	0.6	0.0
Cost of Property Sold	2.6	0.0	(2.6)	20.2	0.0	0.0	0.0
OIBD (Op Income Before Depreciation)	(\$0.2)	(\$0.3)	(\$0.1)	(\$1.5)	(\$0.3)	(\$0.3)	\$0.0
Depreciation	0.1	0.1	0.0	0.8	0.1	0.1	0.0
OPERATING INCOME/(LOSS)	(\$0.3)	(\$0.4)	(\$0.1)	(\$2.3)	(\$0.4)	(\$0.4)	\$0.0

NAVIGATION

	Current Year-to-Date			Annual Adopted Budget	Year-to-Date Actual Amounts		
	Adopted Budget	Actual Amounts	Variance		Current Year	Prior Year	Variance
VOLUMES							
Dredging Days	23	18	(21.7%)	120	18	22	(18.2%)
Cubic Yards Dredged		416,445			416,445	281,568	47.9%
Operating Revenues	\$1.4	\$1.6	\$0.2	\$13.6	\$1.6	\$1.5	\$0.1
Operating Expenses	1.3	1.4	0.1	11.8	1.4	1.4	0.0
OIBD (Op Income Before Depreciation)	\$0.1	\$0.2	\$0.1	\$1.8	\$0.2	\$0.1	\$0.1
Depreciation	0.2	0.2	0.0	2.2	0.2	0.1	0.1
OPERATING INCOME/(LOSS)	(\$0.1)	\$0.0	\$0.1	(\$0.4)	\$0.0	\$0.0	\$0.0

Note: Totals may not add due to rounding.

COMMENTS

Industrial Development

Operating revenues are \$64K higher than the Adopted Budget due to the Troutdale Energy Center's option extension fee. Including land sales, revenues are \$3M under budget. The budget assumed the sale of TRIP Lot 1 to FedEx would close in July, but that is now likely to happen in the second quarter. Operating expenses are \$318K under budget, with the largest variances listed below.

- Timing of consulting and outside services for future phases of TRIP development, environmental expenses, and the management fee for Government Island. (~\$212K).
- Personnel services are \$43K under budget due to position vacancies.
- Interdepartmental charges are \$54K under budget due to lower than anticipated services received from Marine.

Navigation

Although the crew dredged 5 fewer days in July than budgeted, operating expenses before depreciation are \$155K over budget due to a \$260K purchase of replacement parts that was not anticipated. The crew used all of the flexible pipe in stock to repair a section of the submerged pipeline. If another section of that pipeline were to tear, dredging operations would have to be shut down if no spare parts were available. The personnel and materials and supplies are partially offset by the timing of water quality monitoring expenses and lower than anticipated fuel costs (a combination of improved efficiency, fewer dredging days and lower fuel prices).

Contracts Over \$50,000 Pursuant to Delegated Authority

APPROVAL LIMITS (Administrative Policy 7.2.3)

BUDGET APPROVAL	<i>All expenditures require management approval:</i>	
	Approval by managers in an amount delegated by Directors	\$ 0 - \$ 25,000
	Approval by Directors	\$ 25,001 - \$250,000
	Approval by Executive Director	\$ 250,001 +

CONTRACTING APPROVAL	<i>Contracting authority is limited to the following:</i>	
	Directors	Up to \$ 10,000
	Buyers	Up to \$ 50,000
	Manager of Contracts & Procurement	Up to \$ 250,000*
	Executive Director	Up to \$ 500,000

*And any amount approved by Commission

Monthly Report for August 2015 (July Activity)

New Purchases

Title	Requestor Department	Vendor Name			P.O. Amount	
Obtain disposal of contaminated soil related to the Vehicle and Equipment Storage Facility Project for Airport Rescue and Fire Fighting.	Engineering Project Development	Hillsboro Landfill, Inc.			\$90,000	
Purchase Epoke material spreader.	PDX Maintenance	Team Eagle, Inc.			\$103,594	
Purchase Microsoft Enterprise licensing and support agreement for July 1, 2015 - June 30, 2016.	Information Technology	Dell Marketing LP			\$340,947	
Obtain construction services for the Hillsboro Airport Perimeter Road Rehabilitation Project.	Engineering Project Development	Wildish Standard Paving Co.			\$488,364	
Obtain construction services for the PDX International Arrivals Bus Canopies Project.	Engineering Project Development	Todd Hess Building Company			\$634,000	
Purchase replacement motor drive systems for Cranes 6373 and 6374 at Terminal 6.	Engineering Design Services	ABB, Inc.			\$1,316,800	

Obtain construction services for infrastructure related to the Hillsboro Airport East Access Road Project.	Engineering Project Development	Wildish Standard Paving Co.			\$1,882,708		
<u>Change Orders and Amendments to Project-Specific Contracts</u>							
Contracts in this category are initially awarded with a specific work scope and an identified not-to-exceed project total.							
Title	Requestor Department	Vendor Name	Original Amount	Previous Changes to Contract	Current Change to Contract	New Contract Total	
Amendment No. 1 to obtain additional labor and parts to repair the Grove 990 crane.	Navigation	Coast Crane Company	\$8,040		\$50,616	\$58,656	
Administrative action to fund additional usage of the City's computer aided dispatch system for emergency services.	Information Technology	City of Portland	\$96,248	\$196,882	\$98,975	\$392,105	
Amendment No. 1 to obtain additional design services for the Economy Lot Exit Plaza Replacement Project.	Engineering Project Development	Mackenzie	\$85,514		\$191,039	\$276,553	
Administrative action to fund additional radio access and radio programming services for the City's emergency services radio network.	Information Technology	City of Portland	\$148,992	\$4,464,025	\$300,000	\$4,913,017	
Amendment No. 2 to obtain additional support for Geographic Information System (GIS) software.	Information Technology	Woolpert, Inc.	\$250,000	\$9,000	\$340,000	\$599,000	
<u>New Task Orders and Changes to Task Orders Against Non-Project Specific Contracts</u>							
Items in this category are issued against contracts that were initially awarded with no specific work scope or product quantity identified (e.g., "requirements" or "on-call" contracts). These contracts establish pricing or rates for products or work that may be needed over a stated term. Estimated quantities may be identified, but no guarantee of actual contract compensation or work is made. Contract durations may be short-term or for multiple years with optional renewal/extension terms.							
Title	Requestor Department	Vendor Name	Original Task Order Amount	Previous Changes to Task Order	Current Change to Task Order	New Task Order Total	Total Contract Activity - All Task Orders
Task order against contract No. 860 to obtain GIS services for the Rivergate Overcrossing Project.	Engineering Project Development	GRI	\$51,106			\$51,106	\$123,544

Task order against contract No. 767 to obtain planning services for the deicing stormwater collection system vaults at PDX.	Engineering Project Development	HNTB Corporation	\$67,281			\$67,281	\$981,527
Task order against contract No. 779 to obtain consulting services to reduce wildlife hazards at PDX.	Environmental	Pacific Habitat Services, Inc.	\$74,993			\$74,993	\$562,040
Amendment No. 2 to task order against contract No. 706 to obtain additional water quality monitoring for the Dredge <i>Oregon</i> .	Environmental	Hart Crowser, Inc.	\$99,956	\$12,720	\$98,329	\$211,005	\$1,132,528
Task order against contract No. 660 to purchase low-sulfur diesel fuel for the Dredge <i>Oregon</i> .	Navigation	Rainier Petroleum Corporation	\$128,996			\$128,996	\$5,115,329
Task order against contract No. 864 for preliminary planning of the PDX terminal core redevelopment related to seismic issues.	Engineering Project Development	ZGF Architects LLP	\$149,135			\$149,135	\$739,173
Task order against contract No. 910 to obtain mitigation and natural lands maintenance at multiple Port sites.	Environmental	Mosaic Ecology LLC	\$234,161			\$234,161	\$234,161
Task order against contract #747 to obtain janitorial services for the PDX terminal and Port headquarters facilities.	Airport Operations	Portland Habilitation Center, Inc.	\$6,758,918			\$6,758,918	\$19,577,790

New Task Orders and Changes to Task Orders Against Supplemental Workforce Contracts

Items in this category are issued against contracts for contracted workforce services (e.g., worker leasing contracts and temporary staffing contracts). At the outset, these contracts typically specify an initial cost or hourly rate and an estimate of total required hours to fulfill the Port's needs, but they may not provide for the immediate deployment of personnel.

Title	Requestor Department	Vendor Name	Original Task Order Amount	Previous Changes to Task Order	Current Change to Task Order	New Task Order Total	Total Contract Activity - All Task Orders
Task order against contract No. 734 to obtain the temporary services for the digital communications department.	Executive Administration	Teksystems, Inc.	\$76,800			\$76,800	\$742,558