



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

SAFETY REPORT

Frequency of incidents decreased by five in May 2015, when compared to incidents incurred in May 2014.

Monthly Report of Injury Incidents

Aviation

There were four non-recordable incidents and three recordable incidents reported, one with time loss:

1. As an employee was sitting in a chair, the chair rolled sideways and partially off the plastic chair mat. The employee caught herself with her forearm on the edge of the desk to stop the motion, causing a bruise to the arm and strain to the mid-back. The employee identified the need for situational awareness.
2. An employee was removing a taper pin from an inoperative bus gate. The employee was attempting to hold the gate arm clamp steady, while also holding a punch in the taper hole with one hand and hammering with the other. The hammer slipped, striking the employee's thumb. In this instance, the taper pin was rusted and difficult to remove. In the future, instead of trying to perform a field repair, staff will remove the component and bring it to the shop for repair.
3. An employee indicated they were not feeling well while in a break room. The employee turned pale, sat down and passed out. The employee's co-workers controlled the collapse to the floor. No site hazard or condition was identified that contributed to the incident. No corrective action recommended.
4. As part of the duties of a firearms instructor, an employee was stapling paper targets to the range backstops and accidentally stapled her thumb. The employee recognized the need to exercise caution and slow down when using a staple gun.
5. An employee experienced heart palpitations while attending a shift meeting. No site hazard or condition was identified that contributed to the incident. No corrective action recommended. Time loss was recorded.
6. While replacing a hose on a water cabinet, a utility knife slipped, resulting in a laceration to an employee's finger. The employee was holding the hose with one hand while cutting it with the knife. Staff discussed the use of a proper cutting surface (hard surface) while using a blade. Hose cutting tools were purchased for the work group and are available to be used for this specific task to prevent cut injuries.

7. An employee tripped on a secondary containment curb of a chemical treatment area. The employee fell forward, landing on his shoulder and side. The curb is necessary to contain chemical spills in a designated area. The employee identified the need for situational awareness.

Marine

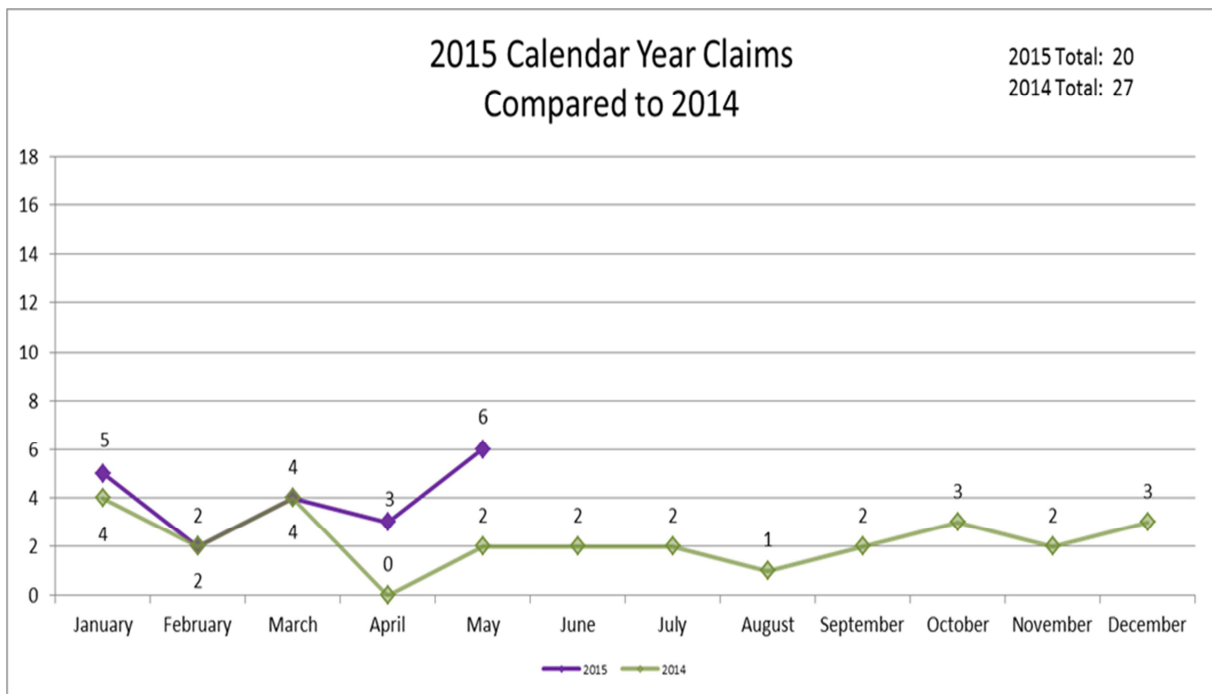
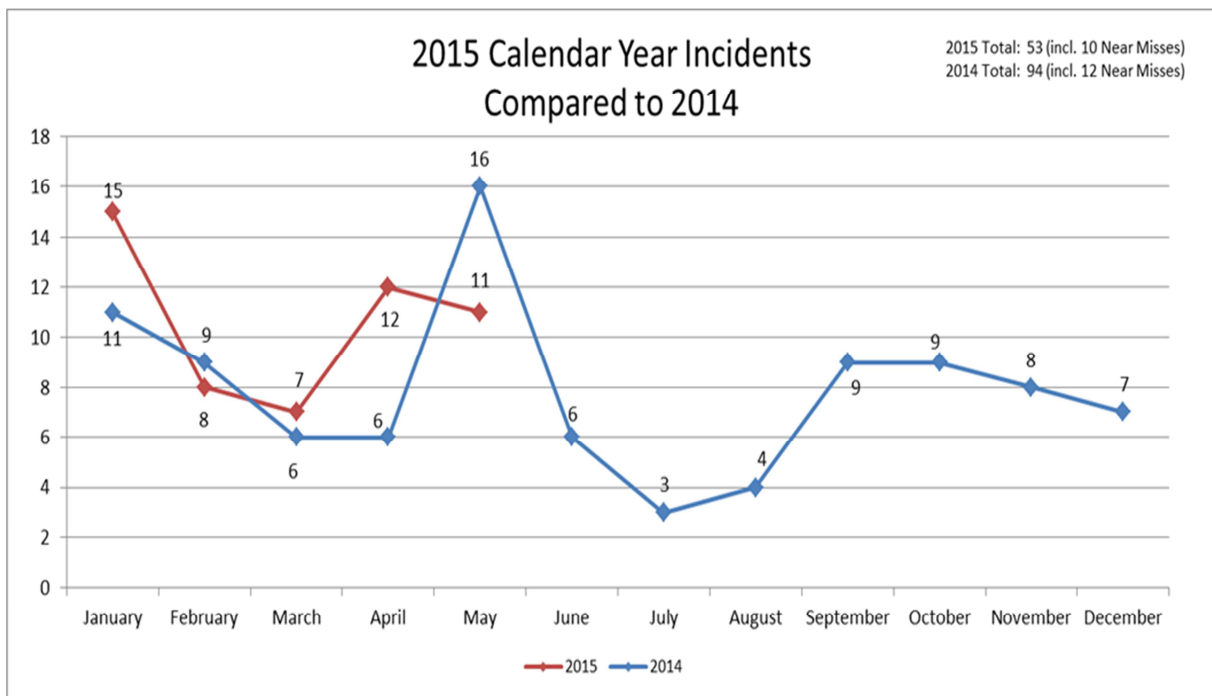
There was one non-recordable incident:

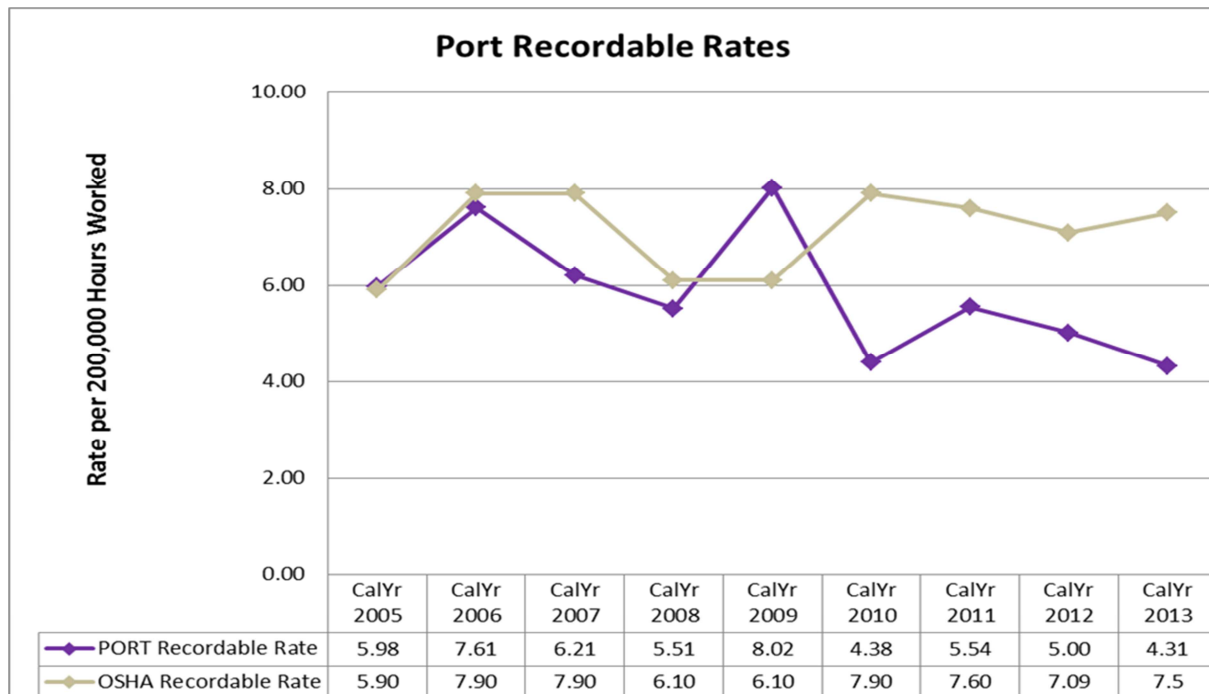
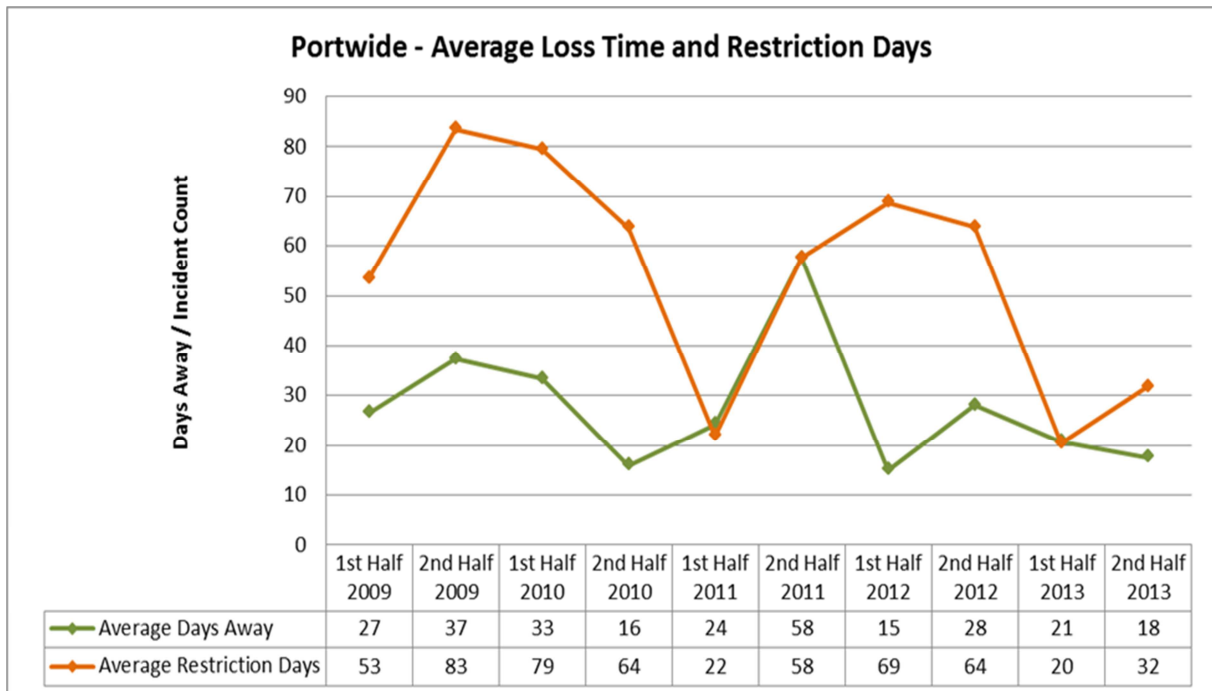
8. An employee strained his back while opening a warehouse overhead roller door. Due to deferral of the monthly preventative maintenance, the door was sticking and difficult to open. The door was adjusted and lubricated to improve ease of operation.

Navigation

There were three recordable incidents:

9. An employee incurred debris in his eye while using a belt sander to grind wrench heads. The employee was wearing safety glasses and a face shield at the time. The employee was wearing appropriate personal protective equipment (PPE). While infrequent, particles can occasionally infiltrate PPE.
10. An employee was tapping a hole in a steel plate in the shop. The tap broke and caused a laceration on the employee's upper arm. The employee may have applied too much pressure and/or was not using enough lubricating oil while cutting the steel to make a thread. The process of tapping a hole in steel was reviewed with the employee and a recommendation was made to make smaller, slower turns and to lubricate well. The use of a larger handle was also recommended.
11. While using a cutting wheel, the grinder slipped, striking an employee on the lower leg. The employee was using the cutting wheel in a tight space while his hands and knees. The guards on the grinder were in place, but grinders can occasionally slip. The employee was cautioned to keep body parts as far away as possible from the grinder and its line of direction.



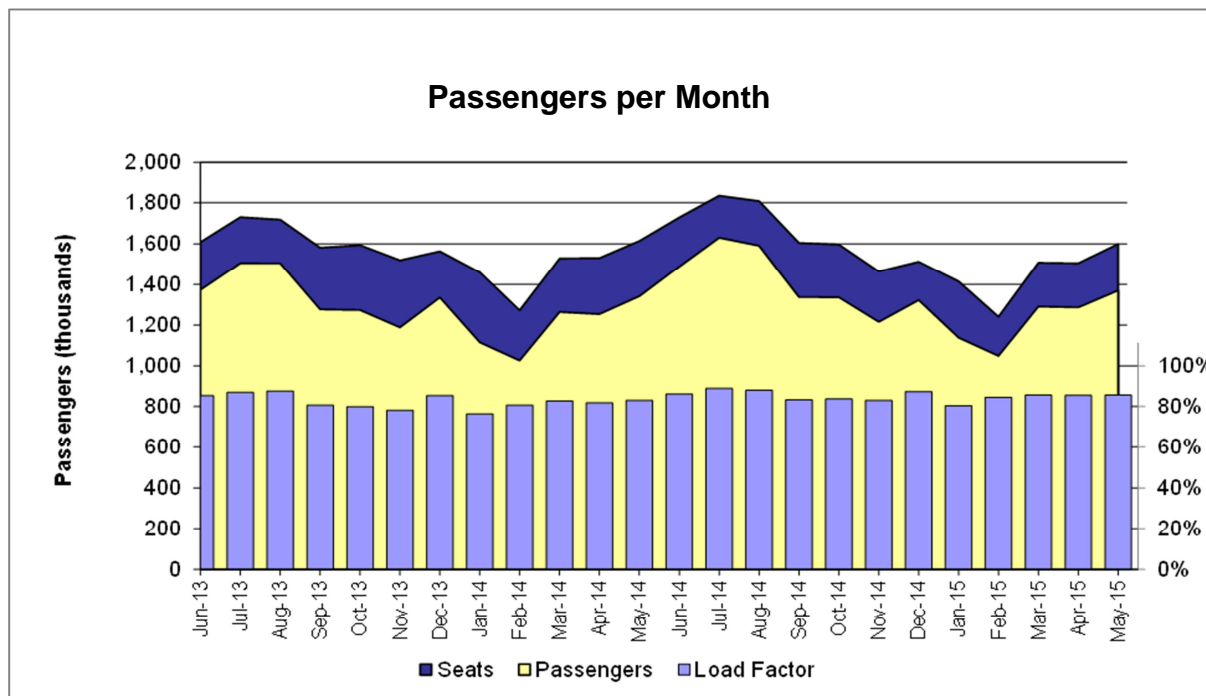


Recordable and DART Rate Charts

The Days Away, Restrictions and Transfers (DART) and Recordable Rate tables are used as bench marking data. The Oregon Occupational Safety and Health Association's (OR-OSHA) comparative industry group statistics, which track recordable injuries, illnesses, and DART rates, are the best benchmarking data available.

Recordable incidents are injuries or illnesses resulting in medical treatment beyond first aid. DART incidents are injuries or illnesses that result in days away from work or restricted work duties and are a subset of Recordable incidents. Please note that OSHA recordable and DART rates are based on number of cases only (normalized at 200,000 hours), and DART rates do not take into account the actual number of lost or modified days that are incurred (normalized at 180 days).

AVIATION REPORT



May 2015 passenger volumes increased 2.1 percent compared to May 2014. Seat capacity decreased 0.9 percent, with the load factor rising 2.5 points to 85.7.

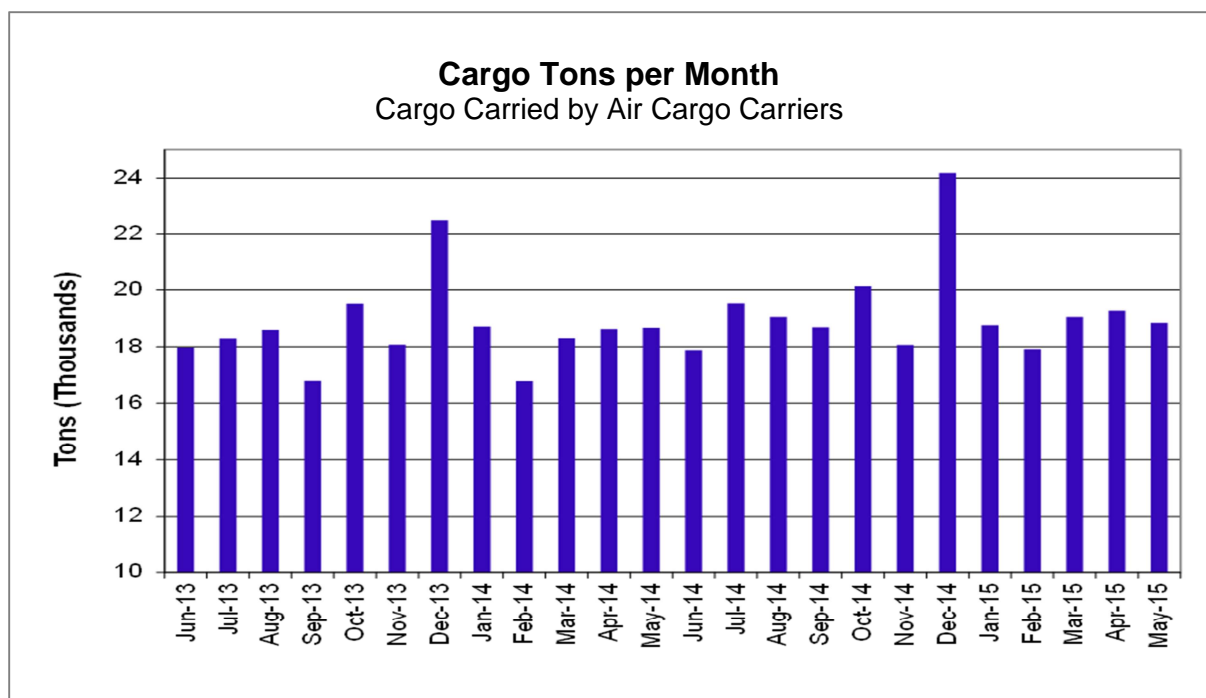
Air Service Development

Alaska Airlines announced that they will provide year-round service from Portland to Austin, Texas.

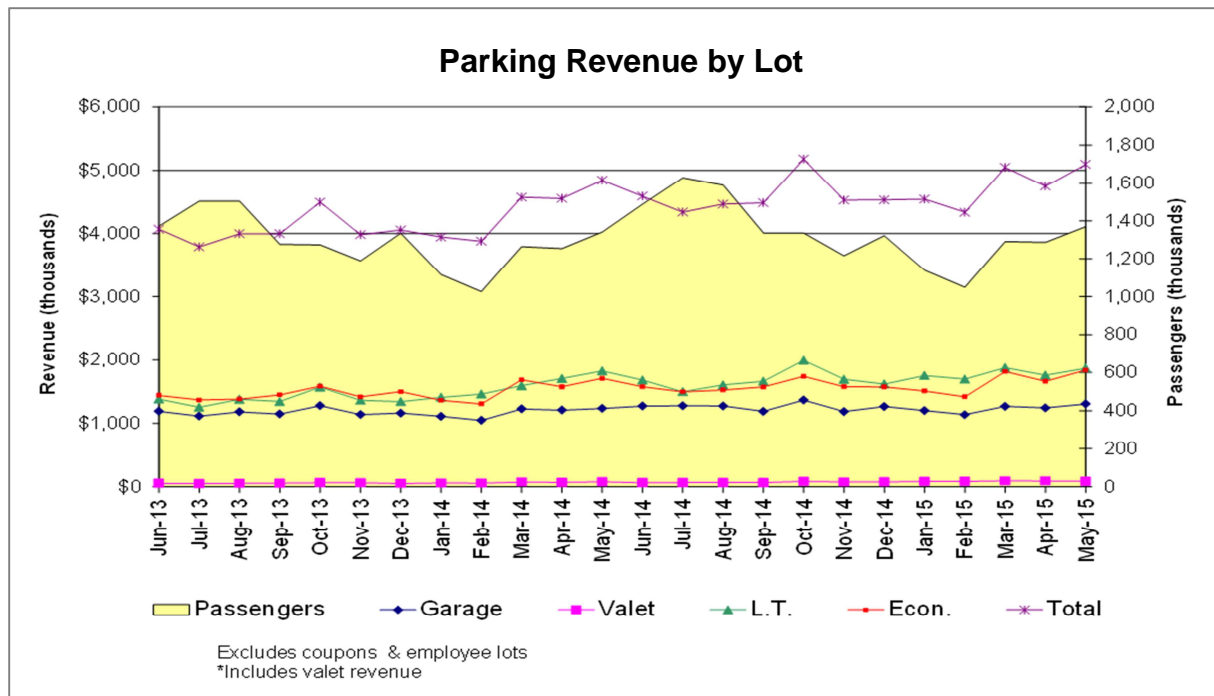
Condor Airlines began service from Portland to Frankfurt, Germany, on June 19, and have already announced that they will expand to three flights per week in the summer of 2016.

JetBlue Airways began service from Portland to Anchorage, Alaska, on June 18.

Eight new BorderXpress Automated Passport Control kiosks are now fully available for international passengers. The new kiosks should reduce waiting times by 25-40 percent.



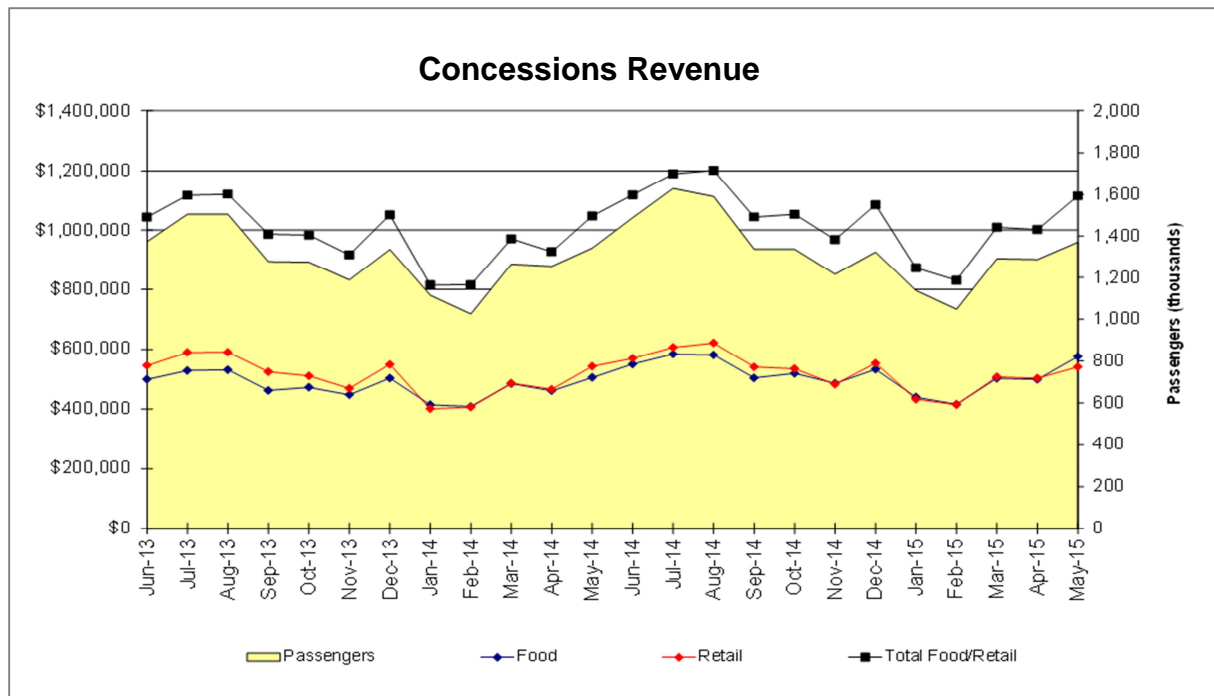
May cargo volumes increased 0.9 percent compared to May 2014. FedEx increased 0.4 percent to 9,519 tons, and UPS decreased 0.2 percent to 5,408 tons.



Parking transactions were up 3.3 percent. Overnight parking occupancy was up 7.6 percent, and noon occupancy was up 8 percent.

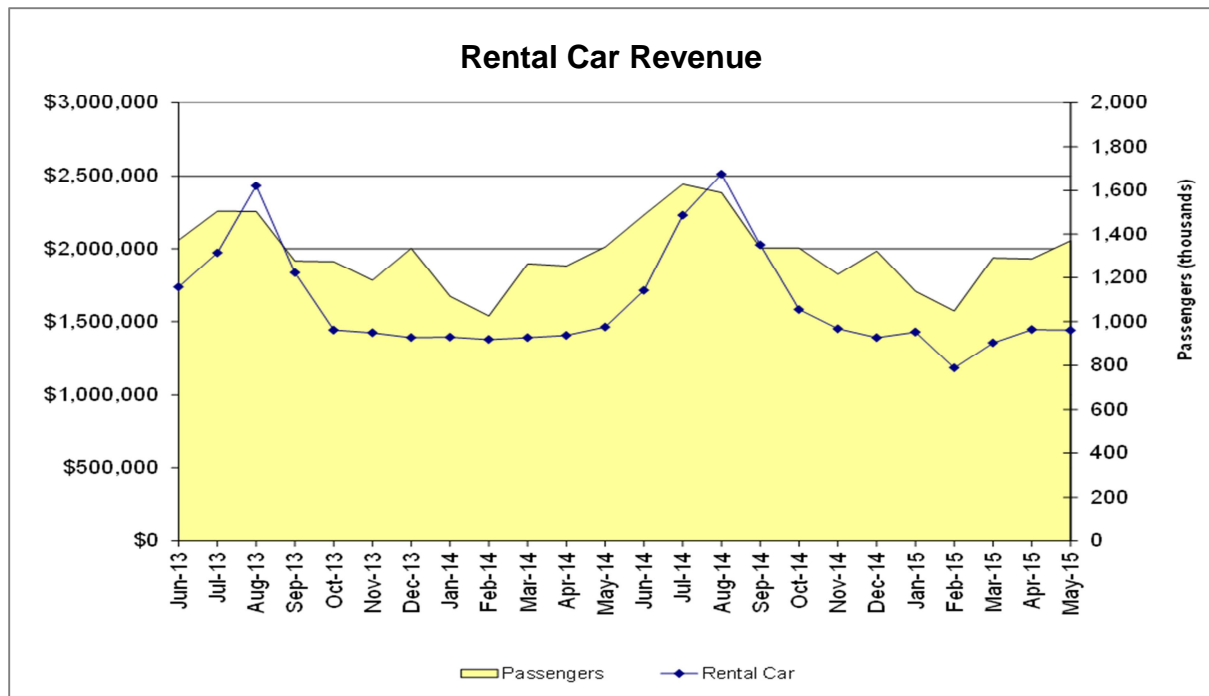
May public parking revenue was \$5,098,857 and represents the second highest public parking revenue month behind October 2014, which was \$5,180,875.

Shuttle bus passenger load numbers were up 8.5 percent, with international bus service leading the growth with a 28.2 percent increase (though international service represents the smallest passenger group).



In this fifth month of concessions transition, combined retail and food and beverage operations reported a 6.5 percent, or \$68,000, rent increase on the month, against a 2.1 percent passenger increase.

Rent performances from new operators of \$194,000 offset last year's rents from previous operators of \$152,000 by \$42,000, or 27.6 percent. Additionally, rent increases totaling \$19,000, or 37.0 percent, from Sandoval's Tequila Grill and Capers Café, associated with the concessions transition, and \$12,000, or 22.0 percent, from the Made in Oregon stores, associated with sales of PDX Carpet merchandise and Oregon Wine Month promotions, helped to generate this overall rent performance.



Rental car operations reported a 1.5 percent, or \$22,000, rent decrease on the month from last year, against a passenger increase of 2.1 percent. The primary reason for the reported decrease is due to the termination of Advantage, which reported \$54,000 in rent last year, and was not offset this year by the introduction of Payless and Airport Van Solutions, which are new ordinance operators. All operators reported rents at Minimum Annual Guarantee (MAG), with the exception of Alamo, Budget, Hertz and Payless, which have no MAG.

CAPITAL GRANTS

Portland International Airport

Staff submitted a reimbursement request to the Federal Aviation Administration (FAA) for the Airport Improvement Program – PDX 71 ATC Phase III project in the amount of \$500,000 (Agreement No. 03-41-0048-071).

Hillsboro Airport (HIO)

Staff submitted a reimbursement request to the FAA for the Airport Improvement Program, HIO 23 HIO Parallel 3rd Runway project, in the amount of \$105,280 (Agreement No. 03-41-0025-023).

Staff submitted a reimbursement request to the Oregon Department of Transportation (ODOT) for the *ConnectOregon* III, HIO RW 12L30R and Taxiway D project, in the amount of \$40,591 (Agreement No. 26905).

Troutdale Airport

Staff submitted a reimbursement request to ODOT for the Jobs and Transportation Act program, NE Graham Drive and Swigert Way Improvements/Design project, in the amount of \$61,403 (Agreement No. 28368).

Marine

Staff submitted a reimbursement request to ODOT for the ConnectOregon III, Terminal 6 Crane Upgrade project, in the amount of \$12,270 (Agreement No. 26915).

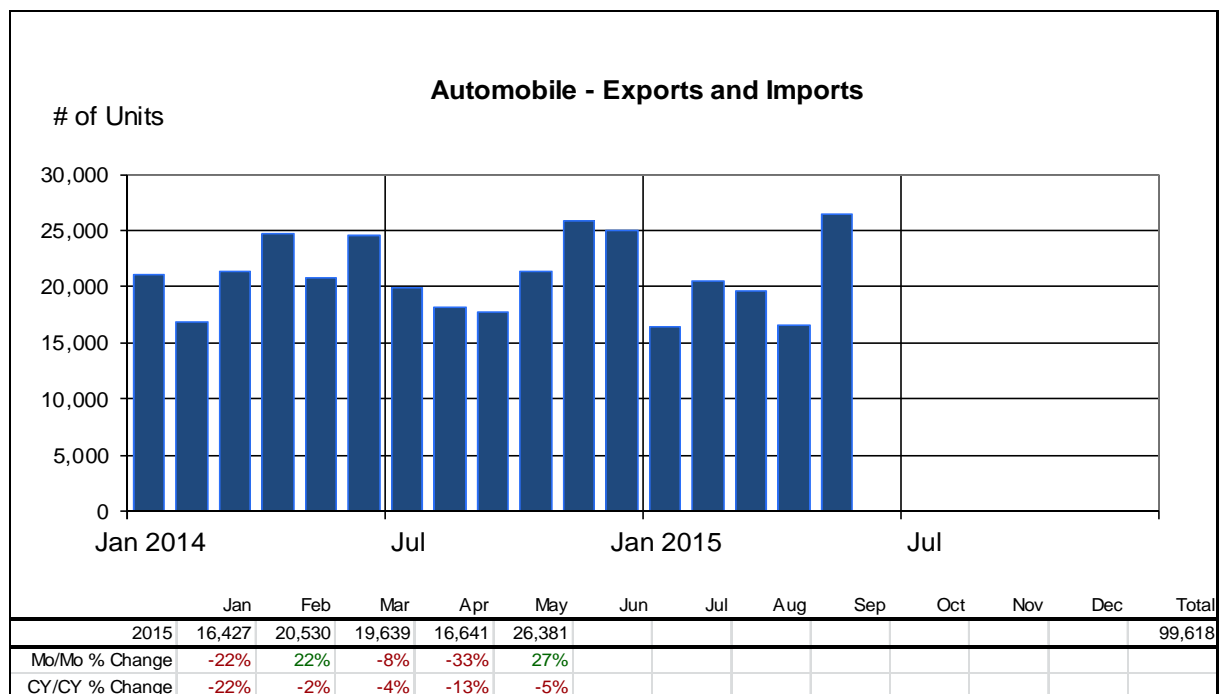
Staff submitted a reimbursement request to ODOT for the ConnectOregon IV, Terminal 6 Wharf Optimization project, in the amount of \$3,193 (Agreement No. 28695).

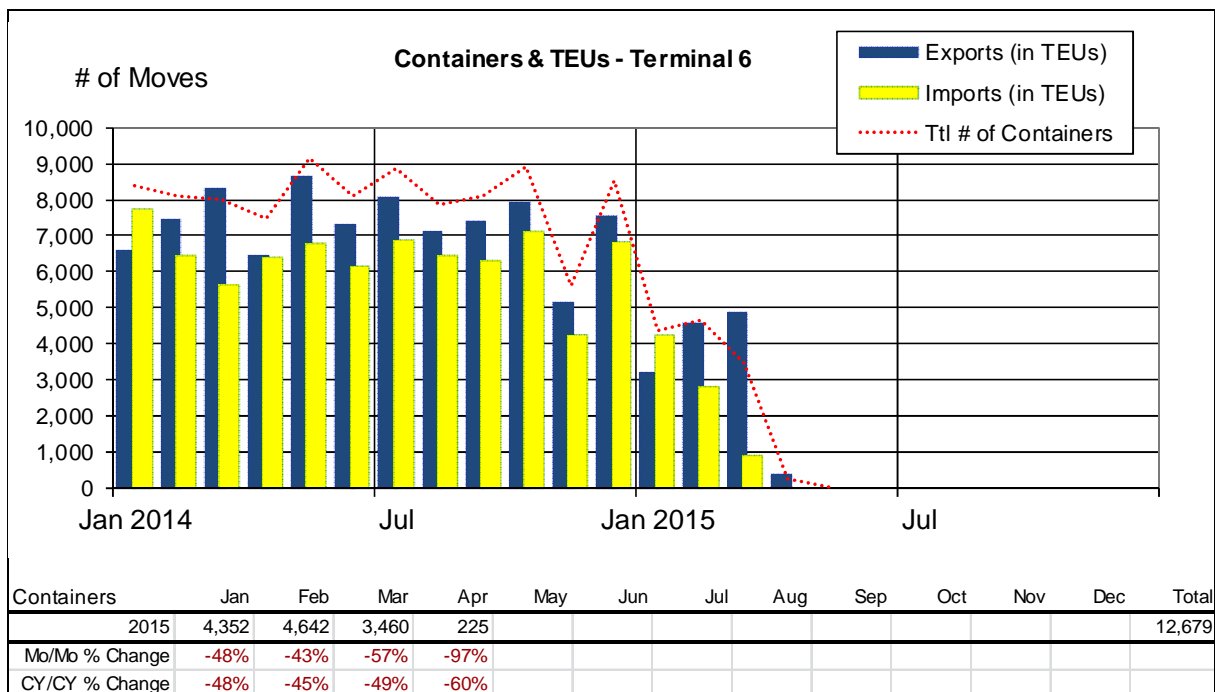
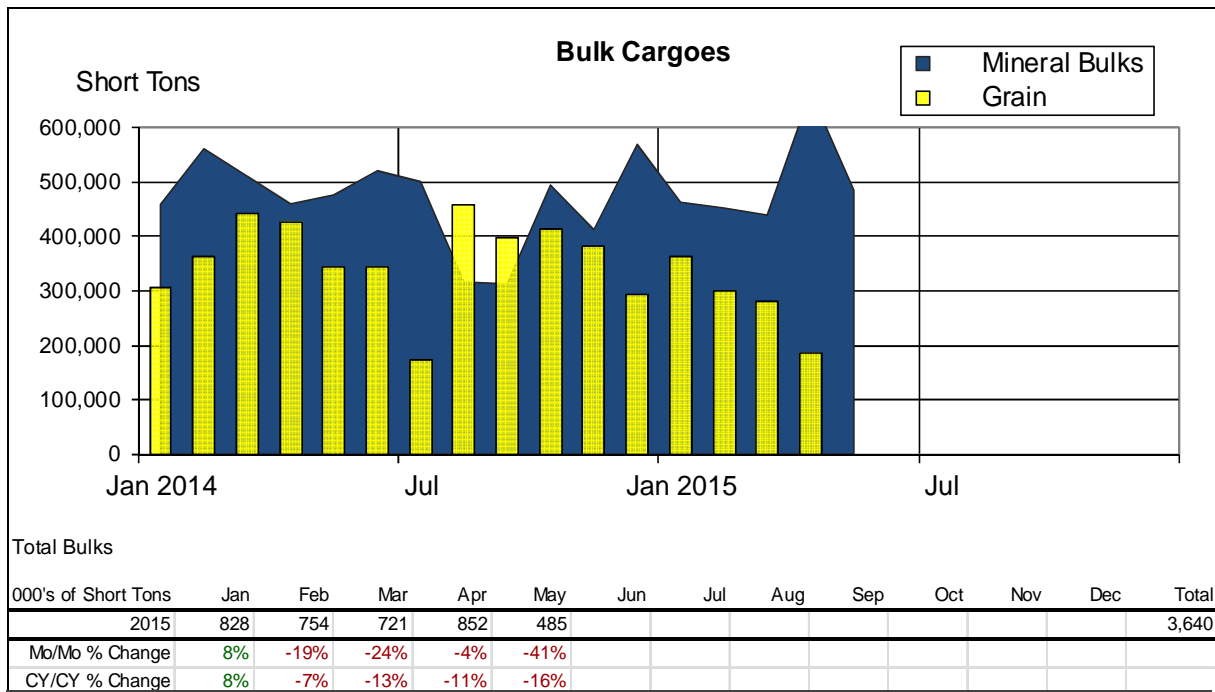
Staff submitted a reimbursement request to ODOT for the ConnectOregon V, Terminal 6 Crane Drive Electronics project, in the amount of \$6,329 (Agreement No. 30128).

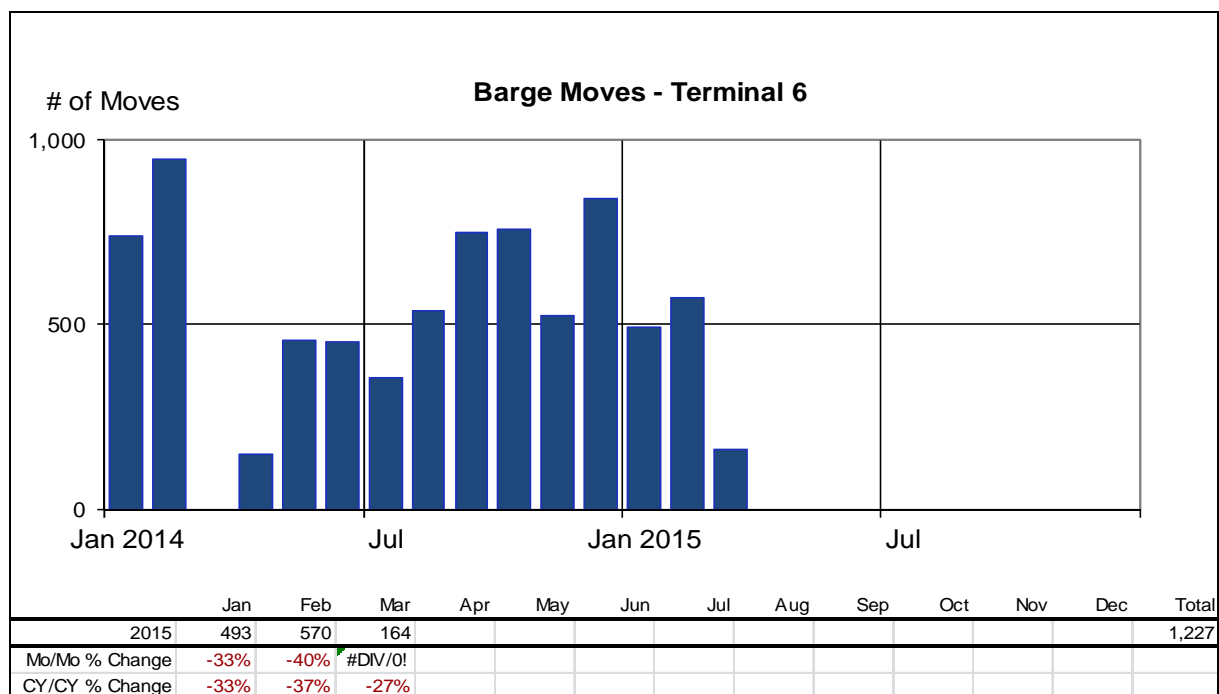
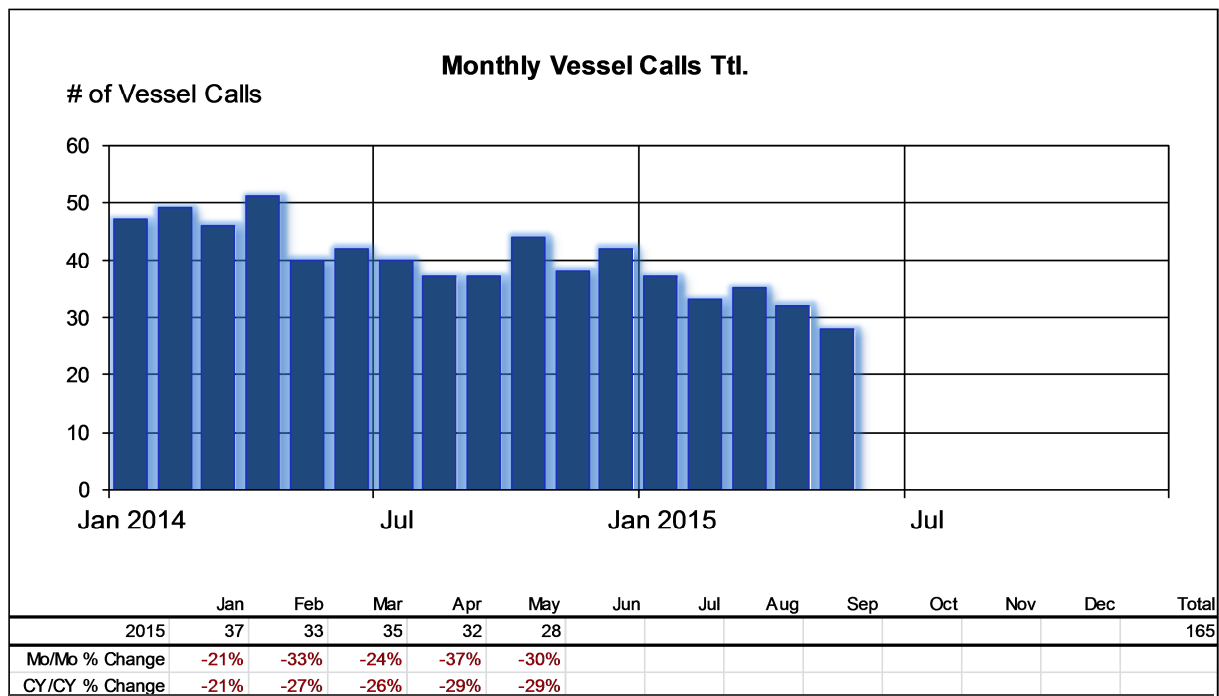
MARINE & INDUSTRIAL DEVELOPMENT REPORT

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

	<u>May 2015</u>	<u>Fiscal Year-to-Date</u>
Total Tonnage	-51.2%	-14.0%
Containers (TEU)	-100.0%	-36.1%
Import Full Containers	-100.0%	-35.8%
Export Full Containers	-100.0%	-42.8%
Breakbulk	-90.2%	-83.1%
Autos	26.9%	-5.0%
Mineral Bulk	1.8%	8.0%
Grain	-100.0%	-13.4%







Marketing and Business Development

A shipper outreach meeting was held in June and was attended by exporters, importers, port service providers and other stakeholders interested in services at Terminal 6. The Port's Transpacific Container Market Analysis was presented and the resumption of the Westwood monthly service, starting in July, was announced.

Operations

Kinder Morgan completed the discharge of approximately 41,500 metric tons of Barite at Terminal 2. Rail car load outs have commenced and will continue on an intermittent basis through spring 2016.

The Port is reviewing the shipping, installation and deconstruction plans for the new ship loader for Portland Bulk Terminal at Terminal 5. The heavy lift vessel is currently scheduled to arrive in early July.

The Port is facing space issues at the Auto Warehousing Company facility at Terminal 6, Berth 601. Hyundai imports are not moving as quickly as projected and Ford exports are expected to increase the second half of this year. At this time, Hyundai is discharging import vehicles into the overflow lot.

Industrial Development

Troutdale Reynolds Industrial Park (TRIP)

A ground breaking ceremony was held on June 30 at TRIP to celebrate the start of construction for Phase II improvements.

The construction work will take two full construction seasons, with the lots being available for development by the end of 2016. The contractor has started to mobilize and will start heavy earth movement in July. Work will be performed six days a week, ten hours a day to maximize this construction season.

PROJECT COMPLETION REPORT

The following construction contract, previously awarded by the Commission, has been completed:

Taxiway T SW Rehabilitation and Taxiway T and K Centerline Lighting – PDX

Approved by Port Commission	April 9, 2014
Contract Award Amount	\$10,481,481.00
Authorized Contract Amendments	(\$118,692.04)
Quantity Underruns	(\$818,690.29)
Final Contract Amount	\$9,544,098.67

Terminal Roadway Rehabilitation – PDX

Approved by Port Commission	April 9, 2014
Contract Award Amount	\$2,061,687.65
Authorized Contract Amendments	\$972,316.31
Quantity Underruns	(\$58,362.66)
Final Contract Amount*	\$2,975,641.30

*The original Terminal Roadway project contract was exceeded by 10 percent due primarily to the upper roadway deck. Differing site conditions were encountered on the upper-inner roadway that required additional paving and bridge joint repair.

REAL ESTATE TRANSACTIONS EXECUTED PURSUANT TO DELEGATED AUTHORITY

Ajinmoto Windsor, Inc. – Permit and Right of Entry

Location: Rivergate Industrial District
Term: June 1, 2015 to June 30, 2015
Use: Permit for due diligence activities in connection with a proposed land exchange.

James B. Grant dba Jim's Biplane Rides – General Aviation Commercial and Non-Commercial Aeronautical Activity Permit

Location: Hillsboro Airport
Term: June 8, 2015 to June 8, 2016
Use: Authorizes activity as a commercial air tour operator.

City of Gresham and Church of Jesus Christ of Latter-Day Saints – Right of Way Dedication Agreement

Location: Gresham Vista Business Park
Term: Effective June 5, 2015
Use: Agreement, deed and associated documents allow the City to use a piece of the church property for the Hood Avenue Extension project.

Thomas A. Braunstein – Aircraft Noise Easement and Noise Disclosure Statement

Location: PDX
Term: Effective June 4, 2015
Use: These documents need Port acknowledgment as required by the Airport Noise Impact Zone, X-Overlay program.

Hickey Family Company – Access Easement

Location: Troutdale Airport
Term: Effective June 16, 2015
Use: Allows Hickey the right of ingress, egress and roadway access across Port land to their property.

United States Department of Agriculture – First Amendment to Permit and Right of Entry

Location: Portwide
Term: Effective June 5, 2015
Use: This amendment expands the premises from Terminal 2 to Portwide and extends the term from October 31, 2015 to December 31, 2015 for the permit authorizing the Department of Agriculture to access Port property to place traps to collect beetles.

Honeywell International Inc. – Sixth Amendment to Ground Lease

Location: PDX
Term: June 17, 2015 to December 31, 2015
Use: This amendment extends the term for an additional six months.

The Boeing Company and Columbia Slough Watershed Council – Consent to License

Location: PDX
Term: June 13, 2015
Use: The Port consents to the Boeing Company licensing to the Columbia Slough Watershed Council part of the premises for one day for the purpose of parking of vehicles for an event.

Port Properties LLC – First Amendment to Lease of Improved Space

Location: N. Lombard
Term: October 8, 2015 to October 8, 2018
Use: This amendment extends the lease for three additional years and modifies language regarding rent.

International Raw Materials, Ltd. – Ninth Amendment to Lease of Improved Space

Location: Terminal 4
Term: Effective June 12, 2015
Use: This amendment modifies the provision regarding vessel side transfers performed by Lessee.

Nike Retail Services – Fourth Amendment to Retail Concession Lease

Location: PDX
Term: July 1, 2015 to June 30, 2016
Use: This amendment extends the term for one additional year.

Distribution, Inc. dba FTL, Inc. – First Amendment for Ground Lease Excess Parking

Location: PDX
Term: June 1, 2015 to November 30, 2016
Use: This amendment extends the term of the lease and modifies language regarding the premises and rent.

Clear Wireless LLC. – First Amendment to Wireless Site Operating and Use Agreement

Location: PDX

Term: June 30, 2015 to June 30, 2016

Use: This amendment extends the term for one additional year.

Sprint Spectrum Realty Company, L.P. – Second Amendment to Wireless Site Operating and Use Agreement

Location: PDX

Term: June 30, 2015 to June 30, 2016

Use: This amendment extends the term for one additional year.

Horizon Air Industries, Inc. – Third Amendment to Ramp Management Agreement

Location: PDX

Term: Effective June 15, 2015

Use: This amendment changes annual reporting requirements.

Oregon Department of Agriculture – Permit and Right of Entry

Location: West Hayden Island

Term: May 15, 2015 to October 31, 2015

Use: This permit allows permittee to access property in order to place non-toxic traps for the Asian Gypsy Moth, which is a significant threat to Oregon Agriculture.

**AVIATION DIVISION
FINANCIAL REPORT
May 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)	14.4	14.6	0.9%	15.9	14.6	14.1	3.4%
Landed Weight (Sig & Non Sig lbs. in millions)	9.0	8.9	-1.8%	9.9	8.9	8.9	-0.9%
Operations	N/A	177,930	N/A	N/A	177,930	176,915	0.6%
Parking Transactions: Valet	N/A	11,504	N/A	N/A	11,504	9,507	21.0%
Parking Transactions: Long-term (P2) Garage	N/A	306,461	N/A	N/A	306,461	290,089	5.6%
Parking Transactions: Garage	N/A	1,142,725	N/A	N/A	1,142,725	1,116,072	2.4%
Parking Transactions: Economy Lot	N/A	380,522	N/A	N/A	380,522	350,836	8.5%
Parking Transactions: Total	N/A	1,841,212	N/A	N/A	1,841,212	1,766,504	4.2%
Cost per Enplaned Passenger (Rent & Landing Fees)				\$ 9.94			

AIRLINE COST CENTER (ACC) (in millions)

Airline Rent, Landing Fees & Other	\$91.0	\$91.3	0.3%	\$99.6	\$91.3	\$90.8	0.6%
Retail, Food & Beverage	11.7	11.7	0.0%	13.1	11.7	11.7	0.0%
Other Non-Airline	4.4	4.6	4.9%	4.7	4.6	3.6	28.2%
TOTAL REVENUE	\$107.1	\$107.6	0.5%	\$117.4	\$107.6	\$106.1	1.4%

Personnel Services	\$30.3	\$29.7	-2.0%	\$33.1	\$29.7	\$28.9	2.8%
Materials, Services & Other	38.7	38.6	-0.3%	42.9	38.6	36.9	4.6%
TOTAL EXPENSES	\$69.0	\$68.3	-1.0%	\$76.0	\$68.3	\$65.8	3.8%

Debt Service & Coverage	\$38.0	\$38.0	0.0%	\$41.5	\$38.0	\$38.0	0.0%
less: Interest Income	0.0	0.0		0.0	0.0	0.0	0.0%
TOTAL NON-OPERATING	\$38.0	\$38.0	0.0%	\$41.5	\$38.0	\$38.0	0.0%

SURPLUS/(DEFICIT)	\$0.1	\$1.3	1216.8%	(\$0.1)	\$1.3	\$2.3	-42.7%
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PORT COST CENTER (PCC) (in millions)

Parking	\$51.4	\$53.4	3.9%	\$56.3	\$53.4	\$48.6	9.9%
Rental Cars	17.9	18.1	1.1%	18.7	18.1	17.5	3.4%
Other	18.0	18.4	2.2%	19.5	18.4	17.5	5.1%
TOTAL REVENUE	\$87.3	\$89.9	3.0%	\$94.5	\$89.9	\$83.6	7.5%

Personnel Services	\$12.7	\$12.2	-3.9%	\$13.8	\$12.2	\$11.9	2.5%
Materials, Services & Other	22.3	21.3	-4.5%	24.8	21.3	20.2	5.4%
TOTAL EXPENSES	\$35.0	\$33.5	-4.3%	\$38.6	\$33.5	\$32.1	4.4%

Debt Service & Coverage	\$16.4	\$16.3	-0.6%	\$17.9	\$16.3	\$16.2	0.6%
less: Interest Income	(0.4)	(0.6)	50.0%	(0.5)	(0.6)	(0.8)	-25.0%
TOTAL NON-OPERATING	\$16.0	\$15.7	-1.9%	\$17.4	\$15.7	\$15.4	1.9%

LESS: REVENUE SHARING	\$9.3	\$9.3	0.0%	\$10.1	\$9.3	\$8.8	5.7%
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INCOME	\$27.0	\$31.4	16.3%	\$28.4	\$31.4	\$27.3	15.0%
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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	3,316,062	3,235,636	-2.4%	3,589,291	\$3,235,636	\$2,871,064	12.7%
TOTAL EXPENSE	3,322,137	3,800,656	14.4%	3,612,940	3,800,656	2,980,510	27.5%
OPERATING INCOME (EXCL. DEPR)	(\$6,075)	(\$565,019)	9200.7%	(\$23,649)	(\$565,019)	(\$109,445)	416.3%

COMMENTS:

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

ACTIVITY

- Passenger traffic exceeded the prior year by 3.4%. Parking transactions exceeded the prior year by 4.2%. Landed weight is down 0.9%.

AIRLINE COST CENTERS (ACC)

- Airline rents and landing fees are approximately \$300K higher than budget, primarily due to higher than expected common use rentals (up ~\$400K), higher terminal rents (up ~\$500K); offset by lower landing fees (down ~\$600K).
- Retail and food and beverage revenues are in line with budget; retail concessions are up ~\$400K, but are offset by lower food and beverage revenues, primarily due to the timing of store openings for new concessions (down ~\$400K).
- Other non-airline revenues are approximately \$200K higher than budget, primarily due to higher than expected advertising revenues (up ~\$150K). Other positive variances include non-airline terminal rent revenues and maintenance reimbursements (up ~\$60K), unbudgeted SmartCarte and Clear Wireless revenues (up ~\$50K), an unbudgeted reimbursement from ORANG for their share of FY14 deicing costs (up ~\$40K), and higher Ordinance-389 airline landings (up ~\$40K).

PORT COST CENTERS (PCC)

- Parking and rental car revenues are approximately \$2.0M and \$200K higher than budget respectively. Higher parking revenues are a result of higher than anticipated activity in the economy lot and long-term garage.
- Other Port Cost Center revenues are approximately \$400K higher than budget, primarily due to higher than budgeted Air Trans Center rent (up ~\$220K), hotel revenues (up ~\$180K), and PIC rent revenues (up ~\$130K).

AIRLINE (ACC) AND PORT COST CENTERS (PCC)

- Personnel Services are approximately \$1.1M lower than budget (~\$600K in ACC and ~\$500K in PCC), due to lower Police and Administration costs primarily attributed to vacancies.
- Materials and Services expenses are approximately \$1.1M lower than budget. ACC is ~\$100K lower than budget due to a reduction in allocated support services made in April due to shared services department expenses running below budget (down ~\$230K). Additionally, the Port has received credits totaling \$275K, related to insurance policy recovery payments for the McBride Slough remedial investigation and Jet Fuel Contamination expenses. This is offset by two fire department insurance settlement payments in May (up ~\$300K). PCC is ~\$1.0M lower than budget. The largest items making up the PCC variance are parking management fees (down ~\$220K), the timing of budgeted environmental expenses (down ~\$280K), and a reduction in allocated support services (down ~\$410K).

GENERAL AVIATION

- Revenues are approximately \$80K lower than budget. An FAA tree removal grant was budgeted for July (at \$100K) and has not been received.
- Expenses are approximately \$480K over budget, primarily due to higher than budgeted outside legal fees associated with the appeal of HIO supplemental environmental assessment (up ~\$100K), utilities (up ~\$80K), equipment repair (up ~\$80K), inter-departmental charges from PDX and Engineering (up ~\$50K), Materials/Supplies (up ~\$40K), Outside Services (up ~\$35K), and overtime wages (up ~\$30K).

**GENERAL FUND
FINANCIAL REPORT
May 2015**

MARINE

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)	233,159	256,239	9.9%	256,500	256,239	259,745	(1.3%)
Breakbulk (Short Tons)	102,074	131,157	28.5%	110,231	131,157	140,668	(6.8%)
Containers (TEUs)	176,523	101,951	(42.2%)	192,500	101,951	159,513	(36.1%)
Grain Bulk (Short Tons)	3,626,605	3,252,918	(10.3%)	3,858,090	3,252,918	3,754,585	(13.4%)
Mineral Bulk (Short Tons)	4,702,209	5,142,294	9.4%	5,198,500	5,142,294	4,794,121	7.3%

All dollars in millions; OIBD = Operating Income Before Depreciation

TOTAL MARINE

Operating Revenues	\$29.1	\$29.7	\$0.6	\$31.6	\$29.7	\$29.4	\$0.3
Operating Expenses	28.1	24.6	(3.5)	30.9	24.6	25.4	(0.8)
OIBD	\$1.0	\$5.1	\$4.1	\$0.7	\$5.1	\$4.0	\$1.1
Depreciation	9.8	9.5	(0.3)	10.7	9.5	9.6	(0.1)
OPERATING INCOME/(LOSS)	(\$8.8)	(\$4.4)	\$4.4	(\$10.0)	(\$4.4)	(\$5.6)	\$1.2

AUTOS

Operating Revenues	\$6.5	\$7.0	\$0.5	\$7.0	\$7.0	\$6.6	\$0.4
Operating Expenses	1.2	1.1	(0.1)	1.2	1.1	1.1	0.0
OIBD	\$5.3	\$5.9	\$0.6	\$5.8	\$5.9	\$5.5	\$0.4

BREAKBULK

Operating Revenues	\$1.2	\$1.5	\$0.3	\$1.3	\$1.5	\$1.7	(\$0.2)
Operating Expenses	1.0	1.4	0.4	1.1	1.4	1.2	0.2
OIBD	\$0.2	\$0.1	(\$0.1)	\$0.2	\$0.1	\$0.5	(\$0.4)

CONTAINERS

Operating Revenues	\$10.1	\$9.6	(\$0.5)	\$11.0	\$9.6	\$9.5	\$0.1
Operating Expenses	11.9	10.1	(1.8)	12.7	10.1	9.7	0.4
OIBD	(\$1.8)	(\$0.5)	\$1.3	(\$1.7)	(\$0.5)	(\$0.2)	(\$0.3)

GRAIN BULK

Operating Revenues	\$2.8	\$2.4	(\$0.4)	\$3.0	\$2.4	\$2.9	(\$0.5)
Operating Expenses	0.3	0.0	(0.3)	0.4	0.0	0.1	(0.1)
OIBD	\$2.5	\$2.4	(\$0.1)	\$2.6	\$2.4	\$2.8	(\$0.4)

MINERAL BULK

Operating Revenues	\$5.7	\$6.1	\$0.4	\$6.2	\$6.1	\$5.8	\$0.3
Operating Expenses	1.3	1.2	(0.1)	1.5	1.2	2.0	(0.8)
OIBD	\$4.4	\$4.9	\$0.5	\$4.7	\$4.9	\$3.8	\$1.1

MARINE SUPPORT

Operating Revenues	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Operating Expenses	9.9	8.8	(1.1)	10.7	8.8	9.6	(0.8)
OIBD	(\$9.9)	(\$8.8)	\$1.1	(\$10.7)	(\$8.8)	(\$9.6)	\$0.8

MARINE PROPERTY MGMT

Operating Revenues	\$2.8	\$3.1	\$0.3	\$3.0	\$3.1	\$3.0	\$0.1
Operating Expenses	2.5	2.0	(0.5)	2.7	2.0	1.6	0.4
OIBD	\$0.3	\$1.1	\$0.8	\$0.3	\$1.1	\$1.4	(\$0.3)

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	0.5	0.0	0.0	0.0
OIBD	\$0.0	\$0.0	\$0.0	(\$0.5)	\$0.0	\$0.0	\$0.0

Note: Totals may not add due to rounding

COMMENTS:

Operating revenues are \$627K higher than the Adopted Budget due to higher than anticipated auto dockage, YTD activity at T-2 and at T-5 for potash, T-4 lay dockage, and Vigor's use of Berth 315. Operating expenses are \$3.5M under budget, with the largest variances listed below.

- Contracts, Professional & Consulting Services are \$1.7M under budget. Container LOB (T-6) contracts and outside services are under budget ~ \$769K YTD primarily due to favorable T-6 berth dredging project results. The Port didn't have to dredge as much material as expected and was able to dispose of material in water. In addition, the Port recovered \$213K in legal expenses related to ILWU claims for costs exceeding the self-insured retention threshold. The annual hydrographic survey showed neither Columbia Grain nor Portland Bulk's berths required dredging as assumed in the budget (\$200K YTD). With Hanjin and Hapag-Lloyd no longer calling, there will be no transload program expenses this fiscal year (\$300K YTD). Labor issues at T-5 have been resolved, which means there are no security expenses as the budget assumed (\$195K YTD). [*This also means invoicing Columbia Grain the respective permit access fees ended in September (~ \$25K per month).*]
- Personnel services are \$1.0M under budget due to vacancies and a reduction in electricians and security officers after the departure of carriers at T-6.
- Longshore labor expenses are \$815K under budget due to reefer work transitioning to Port IBEW electricians in November and fewer crane mechanic hours at T-6.
- Travel and management expenses are \$354K under budget.
- Allocated support was adjusted in April because support services departments are under budget on expenses. Marine's share of overhead is now \$228K under budget.
- Equipment rental and fuel expenses are \$151K under budget.
- Materials & supplies expenses are \$630K over budget primarily due to materials for T-6 crane repairs and the transition to Harbor Industrial as the new crane services provider. ICTSI reimburses the Port for a portion of these expenses.

Business Line Summaries

Autos – YTD autos are 10% more than forecast and 1% less than last year. Ford export volumes continue to be strong, helping offset the decrease in Hondas after the Fit model production moved to Mexico. The Fit was previously imported from Japan through T-6.

Breakbulk – YTD tonnage is 19% greater than what was forecast for the entire year.

Containers – TEUs are down 42% from the forecast and 36% from last year due to the departure of Hanjin, Hapag-Lloyd and Westwood amid labor issues at T-6.

Grain Bulk – With no grain activity in May, YTD volumes are now 10% less than forecasted and 13% less than last year.

Mineral Bulk – Overall, volumes are 9% higher than forecast and 7% better than last year. Potash is driving the positive variance; soda ash lags slightly behind the forecast and last year.

**GENERAL FUND
FINANCIAL REPORT
May 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	\$3.3	\$3.3	\$0.0	\$3.5	\$3.3	\$3.1	\$0.2
Land Sales	0.0	0.0	0.0	6.2	0.0	1.4	(1.4)
Operating Expenses	7.2	5.6	(1.6)	7.9	5.6	5.8	(0.2)
Cost of Property Sold	0.0	0.0	0.0	3.8	0.0	0.6	(0.6)
OIBD (Op Income Before Depreciation)	(\$3.9)	(\$2.3)	\$1.6	(\$2.0)	(\$2.3)	(\$1.9)	(\$0.4)
Depreciation	0.7	0.7	0.0	0.8	0.7	0.7	0.0
OPERATING INCOME/(LOSS)	(\$4.6)	(\$3.0)	\$1.6	(\$2.8)	(\$3.0)	(\$2.6)	(\$0.4)

NAVIGATION

VOLUMES

	Current Year-to-Date			Annual Adopted Budget	Year-to-Date Actual Amounts		
	Adopted Budget	Actual Amounts	Variance		Current Year	Prior Year	Variance
Dredging Days	116	132	13.8%	132	132	78	69.2%
Cubic Yards Dredged		3,029,477			3,029,477	1,987,724	52.4%

Operating Revenues	\$12.9	\$16.5	\$3.6	\$14.4	\$16.5	\$10.6	\$5.9
Operating Expenses	10.9	14.3	3.4	12.3	14.3	9.7	4.6
OIBD (Op Income Before Depreciation)	\$2.0	\$2.2	\$0.2	\$2.1	\$2.2	\$0.9	\$1.3
Depreciation	2.7	1.8	(0.9)	2.9	1.8	1.5	0.3
OPERATING INCOME/(LOSS)	(\$0.7)	\$0.4	\$1.1	(\$0.8)	\$0.4	(\$0.6)	\$1.0

Note: Totals may not add due to rounding.

COMMENTS:

Industrial Development – Operating revenues are in line with the Adopted Budget. Operating expenses are \$1.6M under budget, with the largest variances listed below.

- Contracts, Professional & Consulting Services are \$491K under budget due to the timing of industrial land readiness studies, future phases of TRIP development, and invasive species monitoring and other environmental expenses.
- Personnel services are \$342K under budget due to position vacancies.
- Interdepartmental charges are \$330K under budget primarily due to lower than anticipated services received from Engineering.
- Allocated support was adjusted in April because support services departments are under budget on expenses. Industrial Development's share of overhead is now \$219K under budget.
- Travel and management expenses (primarily for conferences) are \$50K under budget.
- Other expenses are \$85K under budget primarily due to the timing of the Port's share of matching funds for the Columbia / MLK intersection project.

Navigation – February 26 was the last dredging day until the 2015 season begins in June. YTD, the crew dredged 16 more days than forecast. Total operating expenses before depreciation are almost \$3.4M over budget, with the largest variances listed below.

- Personnel services are \$1.8M over budget due to site prep in March and April, the longer than anticipated dredging season, and significant down time required for pump and engine repairs. To make up for the down time, the department had to rely on overtime, which makes up 35% of the personnel variance.
- Materials & supplies are \$732K over budget due to the longer season and materials needed for repairs.
- Contracts, Professional & Consulting Services are \$182K over budget primarily due to higher than anticipated towing expenses.
- Allocated support was adjusted in April because support services departments are under budget on expenses. Navigation's share of overhead is \$153K higher than budget due to the division's higher operating expenses.
- Equipment rental, repairs & fuel are \$125K over budget. Fuel is \$192K under budget due to improved efficiency after the repower, but other costs offset these savings. Equipment rental expenses are \$174K over budget due to the longer season and site prep work in March and April. Repair expenses are \$131K over budget due to problems with the engine and pump.

Depreciation is \$874K less than budgeted due to a delay in capitalization (start of depreciation) for the dry dock and related assets and a longer depreciable life for these assets than originally estimated.

Contracts Over \$50,000 Pursuant to Delegated Authority

APPROVAL LIMITS (Administrative Policy 7.2.3)

BUDGET APPROVAL	All expenditures require management approval:		
	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 +
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CONTRACTING APPROVAL	Contracting authority is limited to the following:		
	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 June 2015 (May Activity)

New Purchases

Title	Requestor Department	Vendor Name			P.O. Amount		
Purchase work stations and software for Fire and Life Safety System.	PDX Maintenance	Siemens Industry, Inc.			\$74,360		
Obtain upgrades to the Fire and Life Safety System infrastructure.	PDX Maintenance	Siemens Industry, Inc.			\$74,839		
Purchase 30-inch ball joints for dredge pipe.	Engineering Design Services	Vosta, Inc.			\$96,158		
Purchase replacement monitors for PDX terminal.	Information Technology	Staples Technology Solutions			\$102,023		
Obtain construction services for HVAC system improvements to PDX room T1612.	Engineering Project Development	COR Construction, Inc.			\$165,371		
Purchase bulk material spreaders.	PDX Maintenance	Team Eagle, Inc.			\$366,990		
Purchase automated passport control kiosks.	Information Technology	Vancouver Airport Authority			\$368,000		

Obtain engineering and naval architectural services for hull and propulsion system modifications to the dredge tender <i>Ivanoff</i> .	Engineering Design Services	Glosten			\$439,172		
Obtain construction services for the PDX Economy Bus Route Rehabilitation Project.	Engineering Project Development	Kodiak Pacific Construction Co.			\$4,173,173		
Obtain construction services for the Troutdale Reynolds Industrial Park (TRIP) Phase 2 Project.	Engineering Project Development	Goodfellow Brothers, Inc.			\$17,441,435		
<p align="center"><u>Change Orders and Amendments to Project-Specific Contracts</u></p> <p align="center">Contracts in this category are initially awarded with a specific work scope and an identified not-to-exceed project total.</p>							
Title	Requestor Department	Vendor Name	Original Amount	Previous Changes to Contract	Current Change to Contract	New Contract Total	
Administrative action to add funding for an additional year of licensing and support for Invensys software products.	Information Technology	Invensys Systems, Inc.	\$36,750	\$673,566	\$78,196	\$788,512	
Administrative action to add funding for an additional year of hardware and software support for the Avaya phone system.	Information Technology	Avaya, Inc.	\$88,971	\$93,973	\$91,829	\$274,773	
Administrative action to add funding to obtain an additional year of self-service baggage cart service at PDX.	Airport Operations	Smarte Carte, Inc.	\$80,000		\$124,000	\$204,000	
Amendment No. 6 to obtain three additional years of support for the Cornerstone application.	Human Resources	Cornerstone Ondemand, Inc.	\$103,626	\$103,970	\$216,777	\$424,373	
Change order Nos. 2, 7, 11 and 12 for additional construction services for the replacement of the PDX access control system.	Engineering Project Development	Hoffman Construction Company of Oregon	\$1,993,816	\$39,663,999	\$618,961	\$42,276,776	

New Task Orders and Changes to Task Orders Against Non-Project Specific Contracts

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. 850 to obtain security officer services for PDX merchandise inspections.	Public Safety & Security	HSS, Inc.	\$55,000			\$55,000	\$2,735,115
Amendment No. 1 to task order against contract No. 780 to obtain additional mitigation site support.	Environmental	SWCA	\$86,225		\$59,084	\$145,309	\$474,643
Task order against contract No. 691 to obtain asbestos abatement services for the PDX Concourse Carpet Replacement Project.	Environmental	Performance Abatement Services	\$70,825			\$70,825	\$157,160
Task order against contract No. 826 to obtain survey support for TRIP Phase 2 Project.	Engineering Design Services	Compass Land Surveyors	\$72,140			\$72,140	\$236,640
Task order against contract No. 779 to obtain surveys for avian species.	Environmental	Pacific Habitat Services, Inc.	\$73,590			\$73,590	\$476,412
Task order against contract No. 835 to obtain testing and inspection services for the TRIP Phase 2 Project.	Engineering Project Development	Mayes Testing Engineers, Inc.	\$79,262			\$79,262	\$321,026
Task order against contract No. 833 to obtain inspection services for the Taxiway E North Rehabilitation Project.	Engineering Project Development	Carlson Testing, Inc.	\$93,412			\$93,412	\$262,925
Task order against contract No. 780 to obtain consulting services related to development of a Rivergate parcel.	Environmental	SWCA	\$111,146			\$111,146	\$474,643

Task order against contract No. 850 to obtain security officer services for vendor escort concession operations.	Public Safety & Security	HSS, Inc.	\$122,000				\$2,735,115
Task order against contract No. 826 to obtain survey support for the TRIP Phase 2 Project.	Engineering Design Services	Compass Land Surveyors	\$153,560				\$236,640
Task order against contract No. 831 to obtain annual hydrographic survey services.	Engineering Design Services	David Evans & Associates, Inc.	\$167,574				\$423,969
Task order against contract No. 743 to obtain PDX terminal program management services for 2015/16.	Engineering Project Development	CH2M HILL, Inc.	\$249,921				\$702,422
Task order against contract No. 850 to obtain security officer services for international arrivals and automated passport control.	Public Safety & Security	HSS, Inc.	\$322,000				\$2,735,115
Task order against contract No. 850 to obtain security officer services for secured areas including midfield checkpoints.	Public Safety & Security	HSS, Inc.	\$800,000				\$2,735,115

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. 737 to obtain temporary business analyst services.	Development Services Administration	Data Resource Group LLC	\$159,360				\$287,944