



EXECUTIVE DIRECTOR'S REPORT  
TO THE  
PORT OF PORTLAND COMMISSION  
FOR JULY 2018

**SAFETY REPORT**

Port of Portland June 2018 safety performance resulted in a reduced frequency of incidents and claims compared to June 2017. There were three total reported incidents in June, none of which resulted in a claim nor in an Occupational Safety and Health Administration recordable case.

**Monthly Report of Injury Incidents**

Aviation

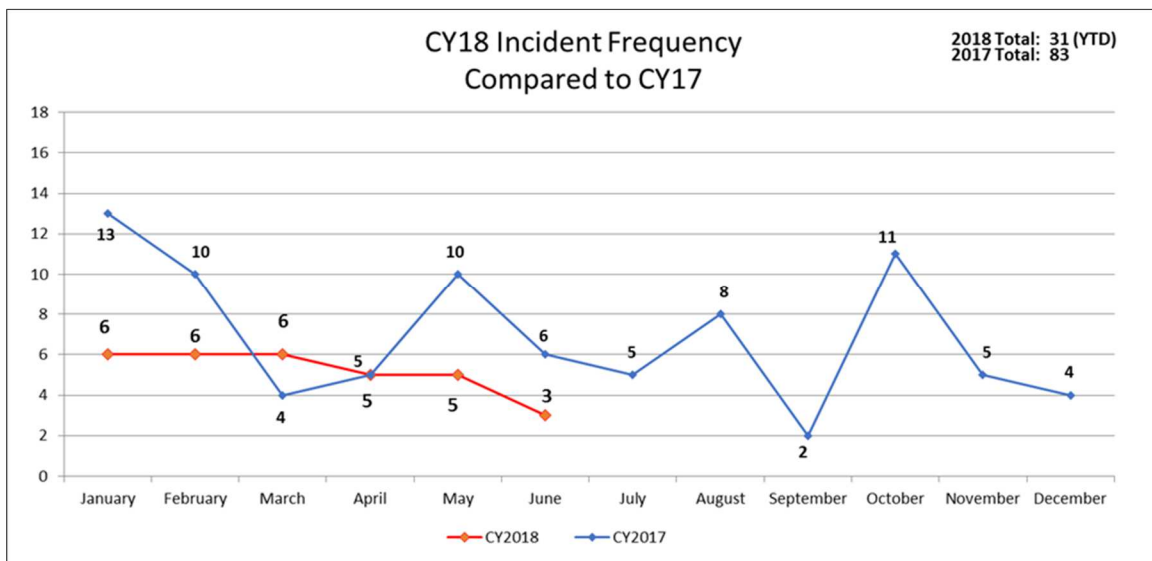
One non-recordable incident:

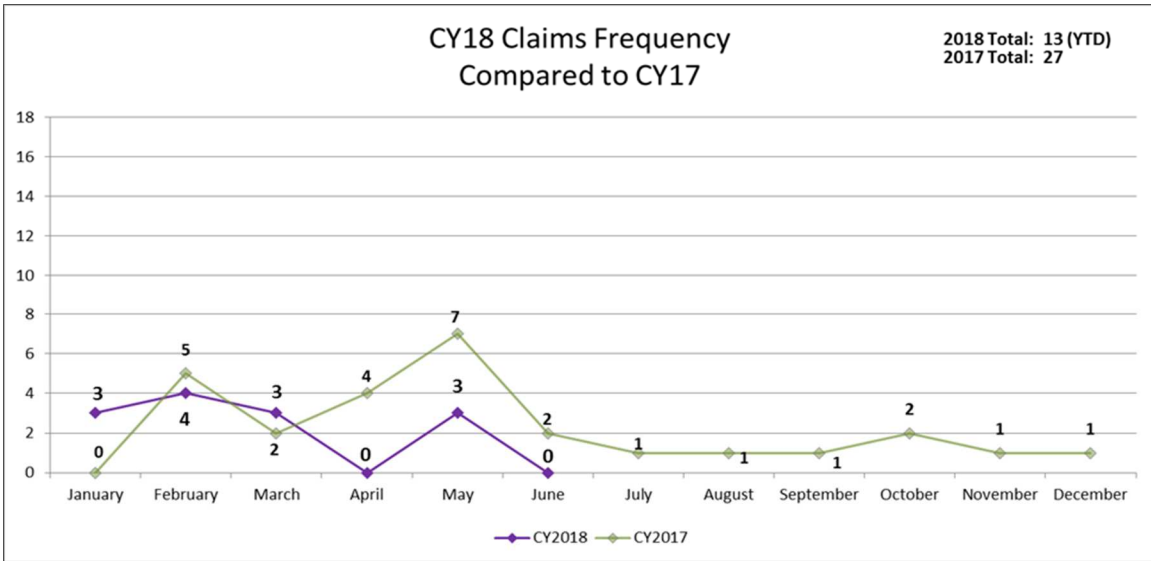
- Administrative employee slipped while walking up the stairs in HQ and fell, resulting in contusions to the right knee and both wrists.

Public Safety and Security

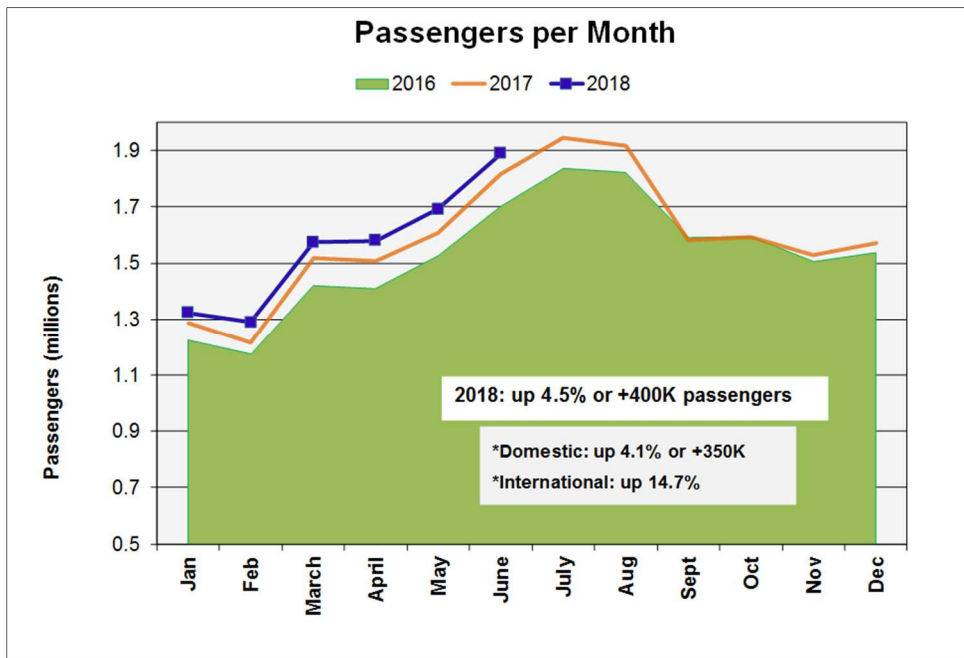
Two non-recordable injury incidents:

- Police officer strained left knee while arresting a combative and uncooperative suspect.
- Police Officer sustained a burn to left eyelid when an ejected casing went between safety glasses and face.





## AVIATION REPORT



### Passengers

June 2018 passenger volumes increased 4.0 percent compared to June 2017. Seat capacity increased 4.1 percent, with the load factor increasing to 84.8.

For fiscal year 2017/18, PDX recorded its fifth year of record traffic, adding 644,000 more passengers, a 3.4 percent increase. A total of 19,480,857 travelers were served.

Changing services at PDX that have been announced in the past month include:

Start Date	Airline	Destination	Frequency
September 15, 2018	Alaska	Sun Valley, ID	Exiting market
November 2018	Sun Country	Honolulu, HI	Sun., Wed., Thur., Sat.
November 2018	Sun Country	Las Vegas, NV	Sun., Mon., Thur., Fri.
November 2018	Sun Country	Palm Springs, CA	Sun., Thur.
November 2018	Sun Country	Phoenix, AZ	Mon., Wed., Fri., Sat.
November 2018	Sun Country	Reno, NV	Mon., Fri.

	Month/Month % change	FYTD % change
	June 2018	July-June 2018
Passengers	4.0%	3.4%
Concessions Revenue	9.9%	9.3%
Rental Car Revenue	10.0%	2.0%
Parking Revenue	8.9%	1.2%

#### Concessions Revenue

Combined terminal concessions operations reported a 9.9 percent, or \$157,000, rent increase on the month, against a 4.0 percent passenger increase. The June rent increase is attributed predominantly to the casual dining and specialty retail categories, which increased 17.7 percent and 11.2 percent, respectively, over last year on the month.

#### Rental Car Revenue

Rental car operations reflect a two percent, or \$389,000, rent increase year-to-date over last year, against a year-to-date enplanement increase of 3.3 percent through June. Much of this increase is due to the substantial August 2017 performance reflective of rentals associated with the solar eclipse.

#### Parking Revenue by Lot

Public parking revenue increased 8.9 percent compared to June 2017 due to the recent rate adjustment and increased transactions. Parking transactions increased 1.8 percent over June 2017. Year-over-year, public parking revenue increased 1.2 percent and transactions decreased 0.3 percent. Compared to 2017, parking revenue has been positive month-over-month since February, and transactions have been positive over the same month since January.

Product	Revenue	Variance	YTD Variance
Short-Term	\$1,639,816	4.8%	0.0%
Long-Term	\$1,805,824	6.2%	-0.2%
Economy	\$2,058,596	14.2%	2.7%
Valet	\$152,480	18.1%	13.5%
Total	\$5,656,716	8.9%	1.2%

## Ground Transportation

Overall ground transportation revenue increased 51.3 percent to \$676,803 in June 2018, compared to \$447,400 in June 2017, mainly due to the per-trip fee increase that went into effect June 11, 2018. Fiscal year-to-date revenue is \$5,599,530, a 25.8 percent increase over last year.

<b>Pick-ups:</b>	<b>TNC</b>	<b>Taxi</b>	<b>Reservation Only</b>	<b>Fixed Route</b>	<b>Courtesy</b>	<b>Charter Bus</b>	<b>Total Pick-ups</b>	<b>Minus TNC</b>
June 2018	88,717	18,159	8,398	1,380	26,774	132	143,560	54,843
June 2017	66,983	21,603	9,621	2,480	30,127	169	130,983	64,000
	32.5%	-15.9%	-12.7%	-44.4%	-11.1%	-21.9%	9.6%	-14.3%

## **CAPITAL GRANTS**

### Portland International Airport

Staff submitted a reimbursement request to the Transportation Security Administration (TSA) for the Law Enforcement Officer (LEO) program in the amount of \$12,400, covering the May 2018 work period (Agreement No. HSTS0213HSLR647).

Staff submitted a reimbursement request to TriMet for the LEO program in the amount of \$13,322, covering the May 2018 work period (Agreement No. GS150820LG).

Staff submitted a reimbursement request to the Federal Bureau of Investigation (FBI) for the PDX Regional Drug Organized Crime Task Force program in the amount of \$1,115, covering the May 2018 work period (Agreement No. 281C-PD-C2079840).

Staff submitted a reimbursement request to TSA for the National Explosives Detection Canine Team program in the amount of \$7,230, covering the May 2018 work period (Agreement No. HSTS0216HNCP464).

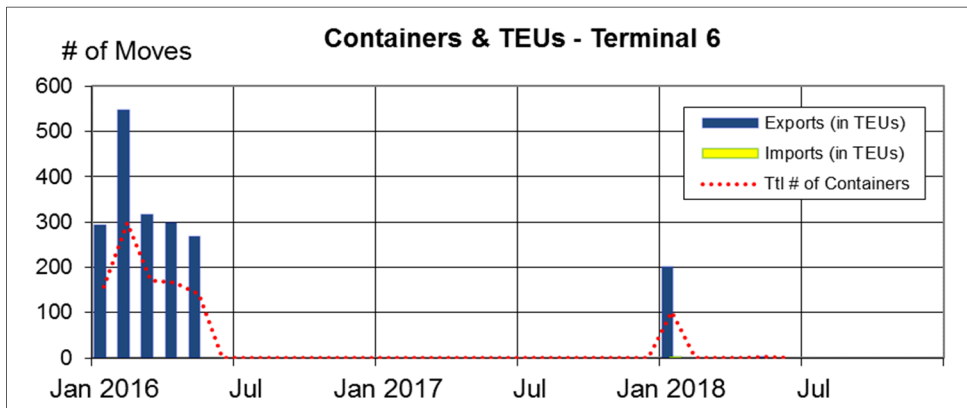
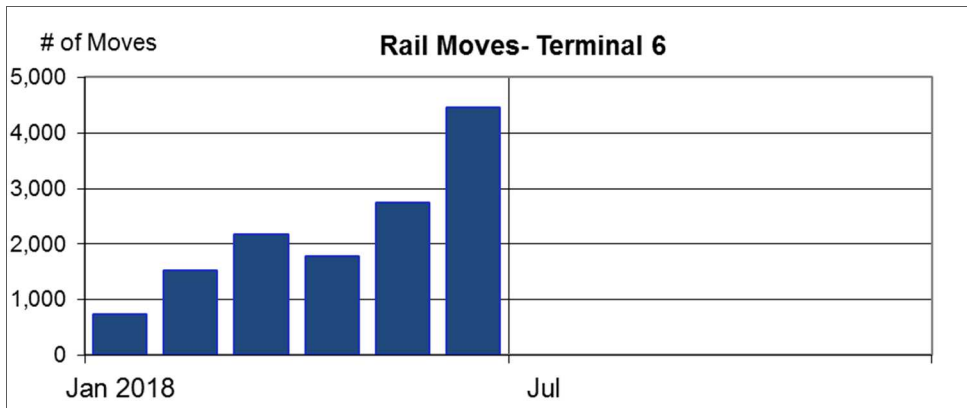
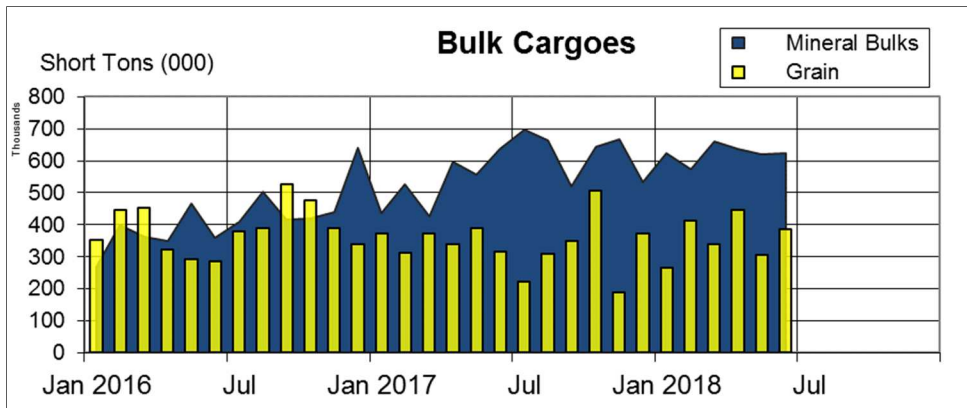
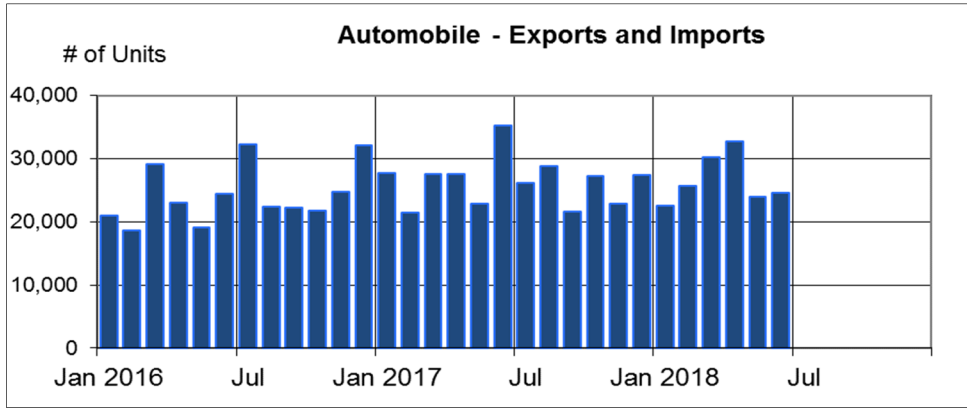
### Properties

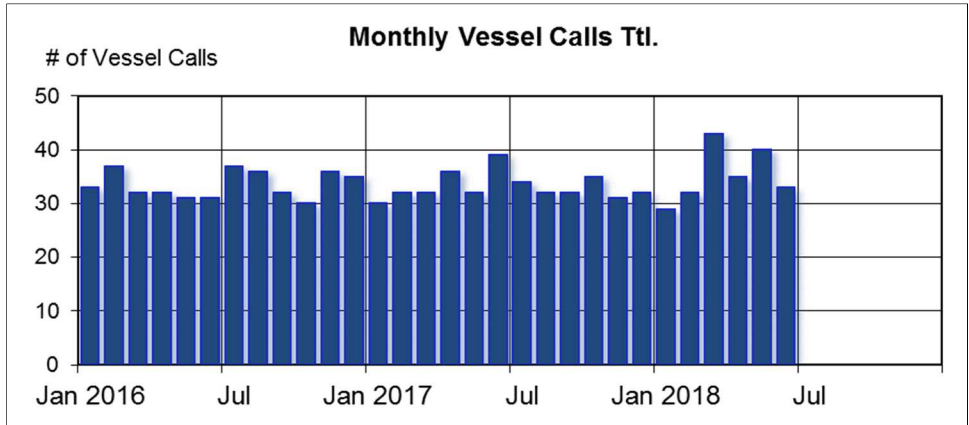
Staff submitted a reimbursement request to the Oregon Department of Transportation for the Graham/Swigert Road Jobs and Transportation Act program in the amount of \$27,410, for the May 2018 work period (Agreement No. 28368).

## **MARINE & INDUSTRIAL DEVELOPMENT REPORT**

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

	<b>June 2018</b>	<b>Fiscal Year-to-Date</b>
Total Tonnage	4.1%	8.9%
Containers (TEU)	--	--
Railyard Containers	--	--
Breakbulk	--	-69.1%
Autos	-30.2%	-1.4%
Mineral Bulk	-2.0%	24.3%
Grain	22.8%	-10.8%





**PROJECT COMPLETION REPORT**

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

**Concourse D West HVAC Replacement – PDX**

Approved by Port Commission	March 9, 2016
Contract Award Amount	\$8,440,000
Authorized Change Order Lines	\$811,810
Final Contract Amount	\$9,251,810

**REAL ESTATE TRANSACTIONS EXECUTED PURSUANT TO DELEGATED AUTHORITY**

**CCM Airport LLC DBA CC McKenzie Shoes & Apparel – Seventh Amendment to Retail Concession Lease**

Location: PDX  
 Term: Effective June 27, 2018  
 Use: Amendment No. 7: This amendment eliminates the Minimum Annual Guarantee (MAG), extends the term, and revises holdover provisions due to the construction impacts of TCORE.

**CC McKenzie Shoes & Apparel LLC – Second Amendment to Retail Concession Lease**

Location: PDX  
 Term: Effective June 27, 2018  
 Use: Amendment No. 2: This amendment adds storage to the premises.

**Rhine & Tanzer, Inc. ABN Elephant's Delicatessen – Fifth Amendment to Food and Beverage Concession Lease**

Location: PDX  
 Term: Effective June 27, 2018  
 Use: Amendment No. 5: This amendment eliminates the MAG and revises holdover provisions due to the construction impacts of TCORE.

Pendleton Woolen Mills, Inc. – First Amendment to Retail Concession Lease

Location: PDX

Term: Effective June 27, 2018

Use: Amendment No. 1: This amendment eliminates the MAG due to the construction impacts of TCORE.

Andalè Management Group, Inc. DBA The Country Cat at PDX – Second Amendment to Food and Beverage Concession Lease

Location: PDX

Term: Effective June 14, 2018

Use: Amendment No. 2: This amendment adds storage space to the Premises.

Andalè Management Group, Inc. DBA The Country Cat at PDX – Second Amendment to Lease of Storage Space

Location: PDX

Term: Effective June 14, 2018

Use: Amendment No. 2: This amendment terminates the lease as there is no more need for storage space.

Titanium LLC DBA Bangkok Express – Second Amendment to Food and Beverage Concession Lease

Location: PDX

Term: Effective June 27, 2018

Use: Amendment No. 2: This amendment eliminates the MAG, lowers percentage rate and revises holdover provisions due to the construction impacts of TCORE.

Skanska USA Building, Inc. – First Amendment to Permit and Right of Entry

Location: PDX

Term: June 01, 2018 to June 30, 2020

Use: Amendment No. 1: This amendment extends the term for two additional years.

EAN Holdings, LLC DBA National Car Rental and Enterprise Rent-A-Car – First Amendment to Lease and Operating Agreement

Location: Hillsboro Airport (HIO)

Term: Effective June 01, 2018

Use: Amendment No. 1: This amendment adds one reserved parking space to the premises.

Dolphin Radio, LLC – First Amendment to Lease of Improved Space

Location: HIO

Term: Effective June 29, 2018

Use: Amendment No. 1: This amendment allows the termination date of the lease to be changed to June 30, 2018 from September 30, 2018.

PacifiCorp – Non-Exclusive Temporary Construction Permit

Location: TRIP

Term: June 01, 2018 to May 31, 2019

Use: Temporary access permit from PacificCorp to the Port to allow the Port to restore PacifiCorp's property over-excavated as part of the TRIP wetlands mitigation project.

State of Oregon – Annual Funding Assistance Commitment for Treatment Season of Japanese Beetle Infestation of Port Owned Property

Location: PDX

Term: Effective June 08, 2018

Use: These documents memorialize the Port and Oregon Department of Agriculture's (ODA) respective roles and responsibilities regarding ODA's seasonal treatment of Japanese beetles for Fiscal Year 2017-2018.

State of Oregon – Memorandum of Agreement

Location: PDX

Term: June 08, 2018 to June 08, 2023

Use: These documents memorialize the Port and ODA's respective roles and responsibilities regarding ODA's seasonal treatment of Japanese beetles for Fiscal Year 2017-2018.

Icon Owner Pool 1 West, LLC – Site Access Agreement

Location: PDX

Term: Effective June 08, 2018

Use: This agreement allows the Port access to Icon's property to perform remedy implementation work for the McBride Slough.

City of Portland – Intergovernmental Agreement

Location: Swan Island, Rivergate Industrial District, Terminal 2, Terminal 4 and Terminal 6

Term: Effective June 13, 2018

Use: This document memorializes both parties' understanding concerning the Port's planned improvements to the water supply systems at Port properties.

CRG Acquisition, LLC – Eighth Amendment to Sale Agreement and Receipt for Earnest Money

Location: PacifiCorp property adjacent to Troutdale Reynolds Industrial Park (TRIP)

Term: Effective May 08, 2018

Use: Amendment No. 8: Assignment and Eighth Amendment. Closing documents for the sale of TRIP Lot 10 to TRIP Lot 10, LLC, under the Sale Agreement and Receipt for Earnest Money.

TRIP Lot 10, LLC – Assignment and Assumption Agreement

Location: TRIP

Term: Effective May 09, 2018

Use: Closing documents for the sale of TRIP Lot 10 to TRIP Lot 10, LLC, under the Sale Agreement and Receipt for Earnest Money.



TRIP Lot 10, LLC – Estimated Seller's Statement to Assignment and Assumption Agreement

Location: TRIP

Term: Effective May 08, 2018

Use: Closing documents for the sale of TRIP Lot 10 to TRIP Lot 10, LLC, under the Sale Agreement and Receipt for Earnest Money

TRIP Lot 10, LLC – Preliminary Statement Regarding Seller's Exempt Status to Assignment and Assumption Agreement

Location: TRIP

Term: Effective May 08, 2018

Use: Closing documents for the sale of TRIP Lot 10 to TRIP Lot 10, LLC, under the Sale Agreement and Receipt for Earnest Money

TRIP Lot 10, LLC – Substitute Form 1099-S to Assignment and Assumption Agreement

Location: TRIP

Term: Effective May 08, 2018

Use: Closing documents for the sale of TRIP Lot 10 to TRIP Lot 10, LLC, under the Sale Agreement and Receipt for Earnest Money

TRIP Lot 10, LLC – Certificate of Non-Foreign Status to Assignment and Assumption Agreement

Location: TRIP

Term: Effective May 08, 2018

Use: Closing documents for the sale of TRIP Lot 10 to TRIP Lot 10, LLC, under the Sale Agreement and Receipt for Earnest Money

TRIP Lot 10, LLC – Preliminary Report to Assignment and Assumption Agreement

Location: TRIP

Term: Effective May 08, 2018

Use: Closing documents for the sale of TRIP Lot 10 to TRIP Lot 10, LLC, under the Sale Agreement and Receipt for Earnest Money

USA-DOT-FAA – Permit and Right of Entry

Location: PDX

Term: June 15, 2018 to July 31, 2018

Use: This Permit allows Federal Aviation Administration access to premises for the purpose of due diligence activities associated with potential leasing of the premises.

## Commission Report from 6/1/2018 through 6/30/2018

**Parameters**
**Purchased on (date range):** from 6/1/2018 to 6/30/2018

**Details**

<u>Contract #</u>	<u>Contract Description</u>	<u>Vendor Name</u>	<u>Amendment/Task Order</u>	<u>Amount</u>
<a href="#">111092</a>	Provide Air Service Development Consulting	Campbell-Hill Aviation Group, LLC	Amendment 6	\$235,000.00
<a href="#">115875</a>	Provide PCI Compliance Services	Coalfire Systems Inc.	Amendment 2	\$52,789.00
<a href="#">119398</a>	Provide Design Services for Rehabilitation of Runway 13R/31L for HIO	Century West Engineering Corporation	Amendment 7	\$71,973.00
<a href="#">129878</a>	Provide Security Services for Secured Areas	HSS INC	Task Order	\$1,035,000.00
<a href="#">129995</a>	Provide Security Services for Secured Areas	HSS INC	Task Order	\$205,000.00
<a href="#">129998</a>	Provide Security Services for Secured Areas	HSS INC	Task Order	\$64,000.00
<a href="#">130458</a>	Provide Safety and Industrial Consulting Services	Wood Environment & Infrastructure		\$65,684.52
<a href="#">130540</a>	Provide State Legislature and Regional Government Lobbying Services	Thorn Run Partners LLC	Amendment 1	\$84,000.00
<a href="#">130983</a>	Taxiway B Center & Exits Rehabilitation	K&E Excavating Inc.		\$610,291.47
<a href="#">136653</a>	Provide Temp Staffing in PDX Terminal	Galt Foundation		\$51,256.08
<a href="#">136724</a>	Runway 3-21 Storm Infrastructure and Paving Improvements	K&E Excavating Inc.		\$50,733.21
<a href="#">137598</a>	Provide PDX Signage Master Plan Consulting Services	HOK Architects Inc.	Amendment 1	\$60,000.00
<a href="#">141157</a>	Provide Project Controls Engineering Services	INICI Group Inc.	Task Order	\$54,405.00
<a href="#">141227</a>	Provide Geotechnical Peer Review Services for TCORE	Seismic Isolation Engineering Inc.		\$240,000.00
<a href="#">141602</a>	Provide Hazardous Waste Technical Support	Wood Environment & Infrastructure	Task Order	\$128,286.00
<a href="#">142438</a>	Provide PSC Redevelopment Services	Viking Engineering & Construction	Task Order	\$58,356.63
<a href="#">143108</a>	Dredge Oregon Pontoon	Fred Wahl Marine Construction Inc.		\$399,359.00

<a href="#">143137</a>	Provide Temporary Staffing Services	CMTS LLC	Task Order	\$219,804.00
<a href="#">143187</a>	Provide Construction Inspection Services	INICI Group Inc.		\$158,058.00
<a href="#">143309</a>	HIO RW 13R-31L Rehab Phase 1 & 2	Kodiak Pacific Construction		\$13,832,697.95
<a href="#">143315</a>	Provide Airside Facilities Network Level FWD Testing	GRI	Task Order	\$75,041.76
<a href="#">143320</a>	Provide ANOMS Maintenance Services	Bruel & KJAER		\$450,000.00
<a href="#">143383</a>	Provide NW Waterline Improvement Phase 1A Services	Walsh Consulting Group LLC	Task Order	\$93,802.42
<a href="#">143384</a>	Provide Construction Inspection & Project Support Services	Mott MacDonald LLC	Task Order	\$207,358.23
<a href="#">143385</a>	Provide Construction Inspection & Project Support Services	Mott MacDonald LLC	Task Order	\$175,305.85
<a href="#">143441</a>	Provide PDX CUP UST Decommissioning Services	Maul Foster & Alongi INC	Task Order	\$178,567.88
<a href="#">143450</a>	Provide TRIP Routine O&M Inspection Services	Apex Companies LLC	Task Order	\$69,760.16
<a href="#">143452</a>	Provide TRIP Groundwater Monitoring and Reporting Services	Apex Companies LLC	Task Order	\$66,565.57
<a href="#">143456</a>	Provide CM/GC Pre-Construction Services for the TCORE Project	Hoffman Skanska LLC		\$5,637,076.00
<a href="#">143461</a>	Provide Construction Inspection/Project Support Services	Mott MacDonald LLC	Task Order	\$203,820.07
<a href="#">143462</a>	Provide Construction Inspection/Project Support Services	Mott MacDonald LLC	Task Order	\$158,952.72
<a href="#">143463</a>	Provide Construction Inspection/Project Support Services	Mott MacDonald LLC	Task Order	\$200,989.71
<a href="#">143531</a>	Provide Third Party Administration Services for Workers Compensation	Tristar Risk Management INC		\$187,500.00
<a href="#">143622</a>	Provide Owners Representative Services for PACR	INICI Group INC	Task Order	\$218,396.00
<a href="#">134483</a>	Provide Parking Additions & ConRAC Design Build	JE Dunn Construction Company		\$2,303,721.00
<a href="#">143637</a>	Provide Landscape Services - Gresham Vista Business Park	Relay Resources		\$52,131.56
<a href="#">143639</a>	Provide General Air Quality Assistance Services	SLR International Corporation	Task Order	\$99,840.00

**Port of Portland**

Printed by: Moody, Christine

Printed on: 7/3/2018

**PORT OF PORTLAND  
Investment Report  
Quarter Ending June 2018**

<b><u>Rate Comparisons</u></b>	<b><u>As of June 30, 2018</u></b>	<b><u>Fiscal Year-to-Date</u></b>
Total Port portfolio yield	1.68%	1.47%
Local Gov't Inv. Pool (LGIP)	2.16%	1.74%
SIFMA Municipal Swap Index	1.51%	1.19%
90-day LIBOR	2.34%	2.41%

**Investment Portfolio Composition**

Unrestricted investments	\$570,582,000
Unrestricted LGIP	39,459,863
PDX construction bond investments	122,120,000
PDX construction bond LGIP	953,183
Restricted (DOL - Longshore)	<u>2,550,000</u>
Total Portfolio	\$735,665,046

**Maturity Schedule**

Under 1 year	\$301,429,046	41%
1-2 years	194,635,000	26%
2-3 years	144,068,000	20%
3-5 years	<u>95,533,000</u>	<u>13%</u>
	\$735,665,046	100%

**Total Portfolio Interest Earnings**

April 2018	\$975,920
May 2018	994,383
June 2018	<u>1,002,454</u>
Quarter Total	\$2,972,757

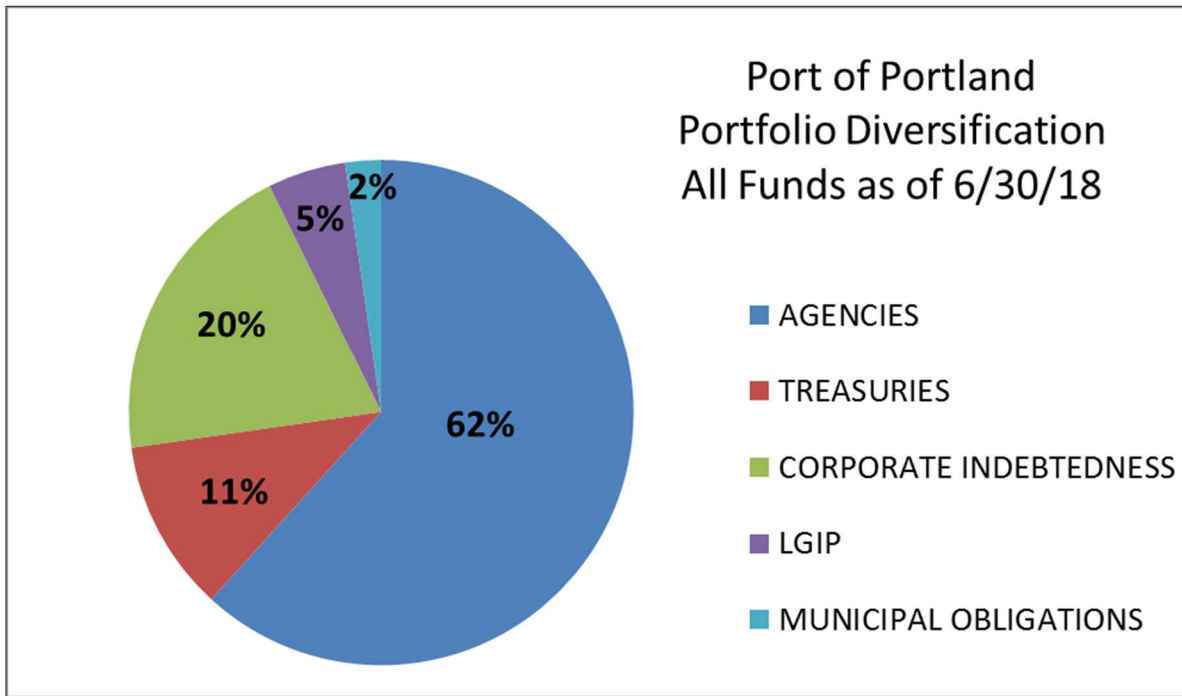
**Comments**

Fiscal year 17/18 unrestricted interest earnings were \$8.8 million, an increase of about \$3.8 million from FY 16/17, and the unrestricted portfolio annualized yield increased .30%.

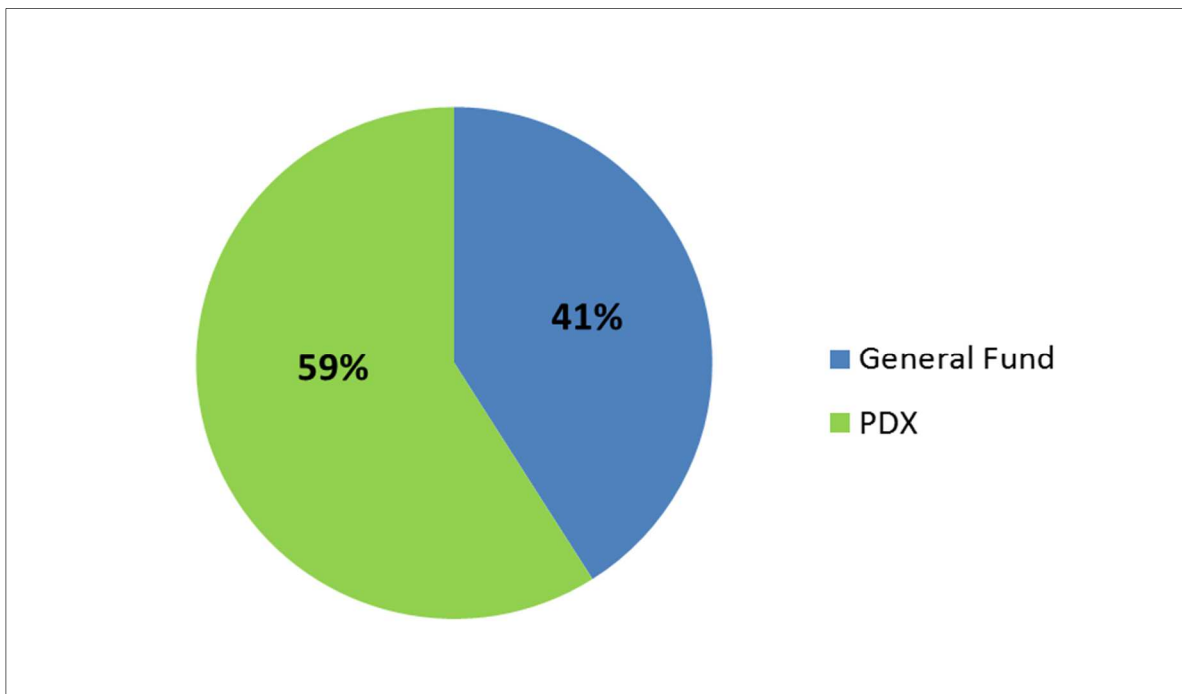
As forecasted, last quarter the Federal Open Market Committee raised the federal funds target rate another .25 basis points. In keeping with the quarterly pace, the FOMC is forecasting two more rate increases in 2018 and three in 2019. Analysts expect the yield curve to continue to flatten.

**Investment Policy Limits:**

U.S. Treasuries 100%; U.S. Agencies 100%; Corp. Indebtedness 35%; Municipal Obligations 15%; LGIP \$48,333,000 maximum



As of June 30, 2018, the Port had \$252 million in funds available for the General Fund and \$359 million available for Portland International Airport.



Non-specific balances reflect neither restricted accounts such as construction bond proceeds, nor do they reflect debt service funds held by the trustees. Allocation is an estimate generated based on accounting balances at 6/30/18 and includes investments, LGIP and cash accounts.

**Port of Portland Investments**  
**Portfolio Management**  
**Portfolio Summary**  
**June 30, 2018**

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>Term</b>	<b>Days to Maturity</b>	<b>YTM</b>
Treasury Coupon Securities	71,500,000.00	70,254,890.00	71,305,968.36	9.72	967	571	1.468
Treasury Discounts	8,100,000.00	7,781,935.50	7,762,731.11	1.06	646	547	2.238
Federal Agency Callable	197,968,000.00	194,004,993.00	197,675,137.18	26.95	1,261	784	1.689
Federal Agency Coupon Securities	224,932,000.00	222,667,665.88	224,893,860.14	30.66	1,035	457	1.442
Federal Agency Discount	32,297,000.00	31,584,049.46	31,828,080.43	4.34	905	323	1.590
Corporate Bonds	115,177,000.00	113,231,273.75	114,633,827.29	15.63	1,095	634	2.079
Commercial Paper Discount	29,000,000.00	28,836,790.00	28,835,381.38	3.93	179	91	2.257
Municipal Bonds	11,380,000.00	11,270,434.20	11,406,745.52	1.56	1,194	615	1.657
Municipal Bond Discount	4,900,000.00	4,713,550.00	4,780,205.90	0.65	1,220	469	1.751
LGIP	40,413,045.76	40,413,045.76	40,413,045.76	5.51	1	1	2.160
<b>Investments</b>	<b>735,665,045.76</b>	<b>724,758,627.55</b>	<b>733,534,983.07</b>	<b>100.00%</b>	<b>1,002</b>	<b>542</b>	<b>1.703</b>

<b>Total Earnings</b>	<b>June 30 Month Ending</b>	<b>Fiscal Year To Date</b>	<b>Fiscal Year Ending</b>
Current Year	1,002,453.69	10,820,520.99	10,820,520.99
<b>Average Daily Balance</b>	<b>726,362,881.51</b>	<b>735,713,774.08</b>	
<b>Effective Rate of Return</b>	<b>1.68%</b>	<b>1.47%</b>	

This report of the Port of Portland investment portfolio is in accordance with Commission Investment Policy 6.1.2 .



Tracy Westerfield, Cash & Investment Program Manager

**Port of Portland Investments**  
**Investments by Sector and Group**  
**Index: Investments**  
**Limitation based on Par Value**  
**June 30, 2018**

CUSIP	Investment #	Issuer	Maturity Date	Par Value	Book Value	Market Value	Target %	Actual %
<b>Agencies</b>								
		Federal Agriculture Mtg Corp						
			Subtotal	19,830,000.00	19,841,261.25	19,617,492.00	30.00	2.69
		Federal Farm Credit Bank						
			Subtotal	131,109,000.00	131,024,137.65	128,886,553.51	30.00	17.82
		Federal Home Loan Bank						
			Subtotal	135,555,000.00	135,329,996.61	133,888,135.65	30.00	18.42
		Federal Home Loan Mtg Corp						
			Subtotal	46,092,000.00	46,046,131.63	45,290,106.14	30.00	6.26
		Financing Corporation						
			Subtotal	14,272,000.00	14,183,899.13	14,080,434.96	30.00	1.94
		Federal National Mtg Assn						
			Subtotal	99,337,000.00	99,149,270.60	97,826,306.08	30.00	13.50
		Private Export Funding Corp						
			Subtotal	4,000,000.00	4,019,955.91	3,986,080.00	30.00	0.54
		Resolution Funding Corporation						
			Subtotal	5,000,000.00	4,802,424.97	4,681,600.00	30.00	0.68
			<b>Total</b>	<b>455,195,000.00</b>	<b>454,397,077.75</b>	<b>448,256,708.34</b>	<b>100.00</b>	<b>61.87</b>
<b>Corporates</b>								
		Apple Inc						
			Subtotal	13,257,000.00	13,143,510.09	13,007,379.66	5.00	1.80
		Berkshire Hathaway						
			Subtotal	1,000,000.00	1,000,684.39	994,790.00	5.00	0.13
		Bank of New York Mellon						
			Subtotal	2,000,000.00	2,000,605.51	1,999,260.00	5.00	0.27
		Cisco Systems Inc						
			Subtotal	5,556,000.00	5,471,938.61	5,444,746.52	5.00	0.75
		Credit Suisse NY						
			Subtotal	6,000,000.00	5,978,212.50	5,976,360.00	5.00	0.81

**Port of Portland Investments  
Investments by Sector and Group  
Limitation based on Par Value**

CUSIP	Investment #	Issuer	Maturity Date	Par Value	Book Value	Market Value	Target %	Actual %
<b>Corporates</b>								
		<b>General Electric Capital Corp</b>						
			Subtotal	2,500,000.00	2,500,000.00	2,443,700.00	5.00	0.34
		<b>Inter-American Development Bnk</b>						
			Subtotal	4,400,000.00	4,348,171.17	4,250,708.00	5.00	0.59
		<b>IBM Corp</b>						
			Subtotal	5,000,000.00	4,993,267.04	4,927,440.00	5.00	0.68
		<b>International Bank Recon &amp; Dev</b>						
			Subtotal	17,800,000.00	17,714,674.21	17,429,848.00	5.00	2.42
		<b>JP Morgan</b>						
			Subtotal	10,000,000.00	9,924,003.88	9,925,900.00	5.00	1.35
		<b>Microsoft Corp</b>						
			Subtotal	10,929,000.00	10,881,287.52	10,725,517.39	5.00	1.48
		<b>National Australia Bank NY</b>						
			Subtotal	1,000,000.00	988,855.70	953,400.00	5.00	0.13
		<b>Oracle Corp</b>						
			Subtotal	4,500,000.00	4,435,929.76	4,339,140.00	5.00	0.61
		<b>Pfizer Inc</b>						
			Subtotal	2,000,000.00	2,000,000.00	1,971,040.00	5.00	0.27
		<b>Royal Bank of Canada</b>						
			Subtotal	2,500,000.00	2,500,962.79	2,499,625.00	5.00	0.34
		<b>Toyota Motor Credit</b>						
			Subtotal	25,444,000.00	25,336,144.48	25,271,230.56	5.00	3.45
		<b>US Bank NA</b>						
			Subtotal	11,791,000.00	11,694,912.54	11,618,338.62	5.00	1.60
		<b>Wells Fargo &amp; Co</b>						
			Subtotal	18,500,000.00	18,556,048.48	18,289,640.00	5.00	2.51
			<b>Total</b>	<b>144,177,000.00</b>	<b>143,469,208.67</b>	<b>142,068,063.75</b>	<b>35.00</b>	<b>19.59</b>
<b>Local Government Inv. Pool</b>								
			Subtotal					
			<b>Total</b>	<b>40,413,045.76</b>	<b>40,413,045.76</b>	<b>40,413,045.76</b>	<b>0.00</b>	<b>5.49</b>
<b>Municipals</b>								
		<b>Clackamas County School Distri</b>						



**Port of Portland Investments  
Investments by Sector and Group  
Limitation based on Par Value**

CUSIP	Investment #	Issuer	Maturity Date	Par Value	Book Value	Market Value	Target %	Actual %
			Subtotal	500,000.00	506,795.78	497,705.00	5.00	0.06
<b>Energy NW</b>			Subtotal	2,075,000.00	2,105,659.61	2,069,826.65	5.00	0.28
<b>City of Hermiston OR</b>			Subtotal	1,240,000.00	1,240,000.00	1,214,542.80	5.00	0.16
<b>Kitsap County School District</b>			Subtotal	900,000.00	895,754.45	893,970.00	5.00	0.12
<b>Metro-OR</b>			Subtotal	1,000,000.00	1,000,040.70	999,350.00	5.00	0.13
<b>Oregon State Lottery</b>			Subtotal	1,950,000.00	1,950,308.84	1,938,046.50	5.00	0.26
<b>Oregon Schools Board Associati</b>			Subtotal	4,000,000.00	3,884,451.45	3,819,580.00	5.00	0.54
<b>Portland Community College</b>			Subtotal	515,000.00	516,455.99	518,146.65	5.00	0.07
<b>Port of Vancouver WA</b>			Subtotal	720,000.00	695,148.78	691,396.80	0.00	0.09
<b>Port of Skagit County WA</b>			Subtotal	1,035,000.00	1,035,000.00	1,020,397.40	5.00	0.14
<b>Washington County OR Schools</b>			Subtotal	2,345,000.00	2,357,335.82	2,321,022.40	5.00	0.31
			<b>Total</b>	<b>16,280,000.00</b>	<b>16,186,951.42</b>	<b>15,983,984.20</b>	<b>15.00</b>	<b>2.21</b>
<b>Treasuries</b>								
			Subtotal					
			<b>Total</b>	<b>79,600,000.00</b>	<b>79,068,699.47</b>	<b>78,036,825.50</b>	<b>100.00</b>	<b>10.82</b>
<b>Grand Total</b>				<b>735,665,045.76</b>	<b>733,534,983.07</b>	<b>724,758,627.55</b>		

**Port of Portland Operating & Financial Results  
FY 2017-18 through June 30, 2018 - Preliminary**

**General Fund**

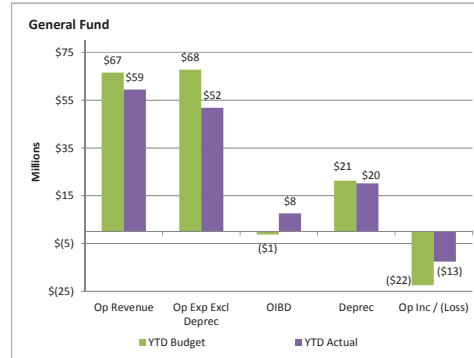
The General Fund includes the operating divisions listed below.

- Marine
- Industrial Development
- Navigation
- General Aviation
- Other Environmental

It also includes the following support services divisions.

- Administration & Equity (Equity, Human Resources, IT and Administrative Services)
- Executive Admin
- Financial, Audit & Risk Services
- Legal
- Project Delivery and Safety (Engineering, Project Portfolio Office and Safety)
- Public Affairs

Operating income before depreciation (OIBD) is \$7.6M. Operating revenues are \$7.2M less than budget primarily due to delays in timing of land sales. Operating expenses before depreciation are \$15.9M less than budget, also largely due to timing of land sales. *Excluding land sales and cost of property, OIBD is \$4.0M.* Financial results for each division are detailed below.



**Marine**

**Volumes:**

**Autos** – Volumes are 5% lower than forecast (2% < prior year). Honda imports are down 26% because of a manufacturing shift from Japan to Mexico. AWC volumes are down 17% due to more inventory control of Hyundai imports and a leveling-off of Ford exports due to lower sales in China. Toyota is the bright spot with volumes up 16% from forecast and 11% from the prior year.

**Breakbulk** – There was no activity in June, and at 2,041 tons, Swire ship calls made up the only breakbulk activity in the fiscal year.

**Containers** – We handled 105 boxes (205 TEUs) for the fiscal year; vessel activity resumes in July.

**Railway Shuttle** – Since the operation began in January, BNSF has moved 13,689 containers to/from the railyard; nearly 1/3 of the volumes were handled in June (4,453).

**Grain Bulk** – Tonnage is 16% higher than forecast.

**Mineral Bulk** – Tonnage is up 53%. Canpotex is routing more potash through T-5 to test the new shiploader and conveyor (95% > forecast; 50% > prior year). Soda ash is up 30% from budget due to market demand overseas.

Marine Volumes*	Current Year-to-Date			Annual Adopted Budget
	Adopted Budget	Actual Amounts	Variance	
Autos (Units)	327,000	309,878	(5.2%)	327,000
Breakbulk	40,000	2,041	(94.9%)	40,000
Containers (TEUs)	-	205	-	-
Rail Shuttle (Lifts)	-	13,689	-	-
Grain Bulk	3,527,360	4,105,342	16.4%	3,527,360
Mineral Bulk	4,953,736	7,595,905	53.3%	4,953,736

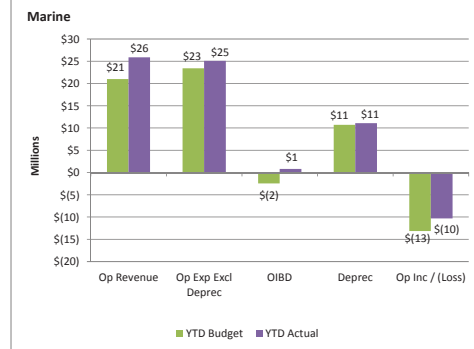
\* Volumes in short tons unless otherwise noted.

**Operating Financial Results:**

Marine OIBD is \$0.8M, \$3.2M better than budget. Operating revenues are up \$4.9M due to higher mineral bulk volumes (\$2.3M > budget), new revenues from BNSF, Swire, and APS Stevedoring activity at T-6 (\$2.6M > budget), and South Rivergate rail access fees (\$793K > budget). These gains are partially offset by lower auto revenues due to the drop in AWC and Honda volumes and vessel calls (\$582K < budget) and lower revenues at T-2 which had no breakbulk activity this fiscal year (\$281K < budget). OIBD for the T-6 container terminal is a loss of \$5.6M.

Operating expenses before depreciation are \$1.7M higher than budget, with the largest variances listed below:

- Longshore Labor is \$2.6M > budget due to the new BNSF, Swire and APS Stevedoring operations at T-6.
- Interdepartmental Transfers are \$398K > budget primarily due to fewer commercial hours charged to Aviation (\$159K > budget) and lower capitalized labor (\$79K > budget).
- Contract, Professional, and Consulting Services are \$282K > budget due to higher than anticipated T-4 berth dredging expenses because of landfill disposal (\$377K > budget), emergency dredging required at T-5 for Columbia Grain (\$159K > budget), and expenses associated with the new activity at T-6 (\$576K > budget). This is partially offset by T-4 environmental accruals, which will not be booked until later in the year-end close process (\$728K < budget), and lower than anticipated commercial consulting expenses (\$210K < budget).
- Personnel Services are \$363K < budget due to position vacancies.
- Allocated Support is \$250K < budget due to lower expenses in the support services divisions.



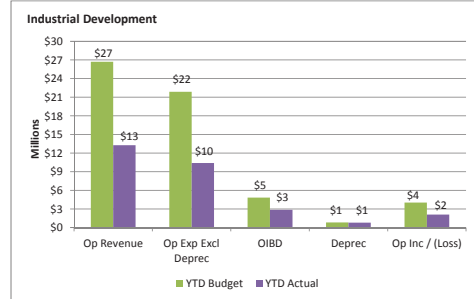
**Industrial Development**

Operating revenues excluding land sales are in line with the budget. Land sales revenues are \$13.5M less than budget due to the timing of the following:

- TRIP Lot 3 (\$6.4M) to FedEx, forecast in December, is now expected to close in the 1st quarter of FY19.
- Swan Island parcel 8 (\$4.9M) was forecast in December, but Daimler is not expected to exercise its option on this property until the 3rd quarter of FY19.
- TRIP Lot 11 (\$4.8M) to BPA, forecast in June, is expected to close with Lot 12 in the 2nd quarter of FY19.
- The sale of Gresham Vista Lot 7 (\$2.3M) closed in February but was not budgeted in FY18.

Operating expenses excluding cost of property sold and depreciation are \$1.6M lower than budget:

- Allocated Support is \$578K < budget due to lower expenses in the support services divisions.
- Contract, Professional, and Consulting Services are \$565K < budget largely due to lower than expected expenses for land development due diligence (\$181K < budget), TRIP environmental mitigation (\$192K < budget), and land use planning (\$124K < budget).
- Personnel Services are \$198K < budget due to position vacancies.
- Interdepartmental Transfers are \$137K < budget primarily due to fewer commercial hours charged to the division (\$101K < budget).

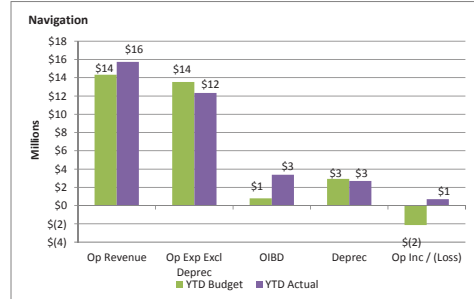


**Navigation**

Operating revenues are \$1.4M higher than budget due to five more dredging days than forecast (22 days > FY17) and the reimbursement of capital projects / depreciation from the U.S. Army Corps of Engineers.

Operating expenses before depreciation are \$1.2M less than budget. Operating labor is \$1.4M > budget due to more dredging days. This is offset by lower materials and supplies expenses (\$509K < budget), a one-time adjustment to move the cumulative cost of small assets paid for outright by the Corps between the balance sheet and income statement (expense credit of \$498K), lower environmental expenses now that water quality monitoring is done in-house (\$295K < budget), lower insurance expenses primarily due to a \$380K credit for the settlement of a 2011 liability claim (\$601K < budget), and higher capitalized labor (\$341K < budget).

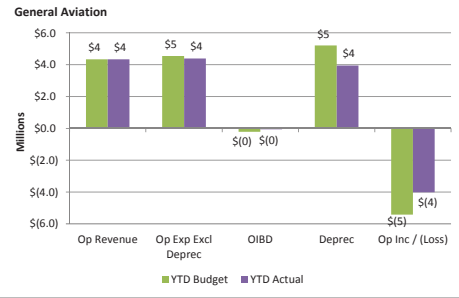
Dredging Volumes	Current Year-to-Date			Annual Adopted Budget
	Budgeted Amounts	Actual Amounts	Variance	
Dredging Days	121	126	4.1%	121
Cubic Yards Dredged		2,800,932		



**Port of Portland Operating & Financial Results**  
**FY 2017-18 through June 30, 2018 - Preliminary**

**General Aviation**

Operating revenues and expenses are in line with budget. Depreciation is \$1.2M less than budget due to timing of capital project close-outs and assets being placed in service.



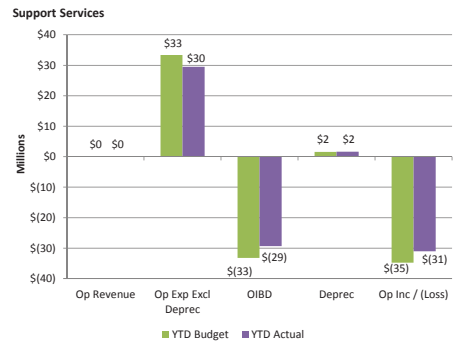
**Support Services**

The costs for the support services divisions are either directly charged out (i.e. Engineering) or allocated to the operating divisions. Support services includes the divisions listed below.

- Administration & Equity (Equity, Human Resources, IT and Administrative Services)
- Executive Admin
- Financial, Audit & Risk Services
- Legal
- Project Delivery and Safety (Engineering, Project Portfolio Office and Safety)
- Public Affairs

Operating expenses before depreciation are \$3.8M under budget, with the largest variances listed below:

- Contract, Professional, and Consulting Services are \$1.8M < budget due to timing of Administration & Equity expenses in Human Resources (\$142 < budget); Project Delivery & Safety expenses related to Navigation safety charged to the Corps of Engineers (\$267K < budget); timing of Public Affairs expenses related to a Port brand refresh and lobbying services (\$444K < budget); and IT expenses for records management (now capital) and the GIS program (\$663K < budget).
- Travel and management expenses are \$532K < budget.
- Personnel services are \$682K < budget due to position vacancies.
- HQ Rent is \$226K < budget.

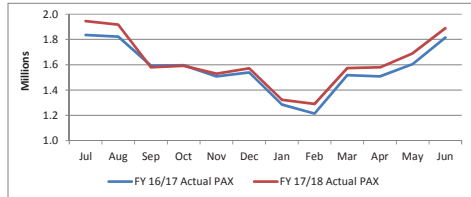


**Portland International Airport**

**Activity**

PDX served almost 19.5 million passengers in FY18, up almost 3.5% from the prior year. At almost 12.3 million pounds, landed weight is up 7.0% from the prior year.

Passengers and landed weight are key drivers of revenues and expenses for the airport. Strong demand for air travel results in air carriers increasing seat capacity and adding flights.

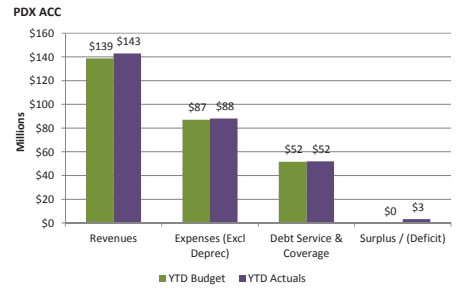


**PDX Airline Cost Center (ACC)**

ACC revenues are \$4.2M higher than budget due to higher than expected food and beverage and retail concessions (\$1.3M), common use rentals (\$1.2M), landing fees (\$874K), and terminal rents (\$469K).

ACC expenses are \$1.0M higher than budget, with the largest variances listed below:

- Materials and services are \$959K > budget primarily due to deicing expenses for December and February snowstorms (up \$771K), higher Customs and Border Protection and third party security costs for the AeroMexico flight (up \$681K), and commercial paper program fees (up \$545K). This is partially offset by runway seismic study expenses pushed into FY19 (down \$360K), airfield environmental expenses (down \$265K), grease collection and disposal for concessionaires (down \$204K), and lower travel and management expenses, including air service development marketing support (ACC share down \$323K).
- Interdepartmental transfers and allocated expenses are \$160K > budget due to fewer hours being charged to capital projects (up \$667K). This is partially offset by lower allocated support expenses (down \$827K).



**PDX Port Cost Center (PCC)**

PCC income is \$44.0M (\$0.7M > budget). PCC revenues are up \$531K due to higher than expected transportation network company trips (Uber, Lyft; up \$1.5M) and rental car revenues (up \$188K). In addition, land lease and rent revenues associated with SW Development, Air Trans Center and PDX GA are higher than budget (up \$769K). This is partially offset by lower than expected parking revenues (down \$1.6M) due to facility utilization on shoulder days (long-term garage full Tues - Thurs; shoulder days are Fri - Mon) and some travelers utilizing TNCS.

PCC expenses are \$2.0M less than budget, with the largest variances listed below:

- Personnel services are \$120K < budget due to position vacancies.
- Materials and services are \$781K < budget primarily due to lower parking credit card fees (down \$294K), parking and roadway management fees (down \$196K), stormwater expenses (down \$149K), environmental expenses (down \$122K), parking and CFC consulting costs (down \$110K), and travel and management expenses, including air service development marketing support (PCC share down \$233K). This is partially offset by commercial paper program fees (up \$363K).
- Interdepartmental transfers and allocated expenses are \$540K < budget due to lower allocated support expenses.

