



PORT OF SEATTLE

Q3 2021 FINANCIAL PERFORMANCE REPORT

AS OF SEPTEMBER 30, 2021

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I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 09/30/21

I. PORTWIDE

EXECUTIVE SUMMARY

The Port's third quarter results still reflect the effects of Covid-19 with lines of businesses showing different rates of recovery. Airport passenger volume is forecast to be in line with the budget, which is 30% lower than 2019. Federal relief funds allow the airport to extend relief to both the airlines and concession tenants and improve the financial outlook for the Aviation division.

The 2021 cruise season recently concluded after safely hosting 82 cruise ship calls and approximately 229,000 revenue passengers between July 19 and October 23. Grain volumes year to date increased 24% over prior year and is expected to exceed budget. On the other hand, revenue from Conference & Event Centers is down due to event cancellations.

Prudent budgeting and careful cost management has positioned the Port well for 2021 despite the major disruption caused by the pandemic. However, there is still uncertainty due to the Delta variant, but it appears to be trending down. Staff will continue to closely monitor changes in business conditions.

PORTWIDE FINANCIAL SUMMARY

	2019 YTD	2020 YTD	2021 YTD		Fav (UnFav)		Incr (Decr)	
			Actual	Budget	Actual vs. Budget		Change from 2020	
	Actual	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's								
Aeronautical Revenues	274,002	220,058	219,378	286,302	(66,924)	-23.4%	(680)	-0.3%
Airport Non-Aero Revenues	205,283	90,106	137,516	138,674	(1,158)	-0.8%	47,410	52.6%
Non-Airport Revenues	109,261	74,173	90,018	79,764	10,254	12.9%	15,845	21.4%
Total Operating Revenues	588,546	384,337	446,912	504,740	(57,828)	-11.5%	62,575	16.3%
Total Operating Expenses	321,663	299,766	301,273	317,062	15,788	5.0%	1,507	0.5%
NOI before Depreciation	266,883	84,571	145,639	187,678	(42,039)	-22.4%	61,067	72.2%
Depreciation	130,769	131,955	137,678	124,727	(12,951)	-10.4%	5,723	4.3%
NOI after Depreciation	136,114	(47,383)	7,961	62,951	(54,990)	-87.4%	55,344	116.8%

2021 YTD Actuals vs. 2021 YTD Budget:

- Total operating revenues were down \$57.8M compared to budget mainly due to lower Aeronautical revenues resulted from applying federal relief grants to offset airline revenue requirements.
- Airport Non-Aero Revenues were \$1.1M lower than budget due to lower revenues from ADR & Terminal Leased Space, Ground Transportation, Clubs and Lounges; partially offset by higher Rental Car revenue.
- Total operating expenses are \$15.8M lower than budget due to delays in hiring and implementing projects/initiatives due to the pandemic.

2021 YTD Actuals vs. 2020 YTD Actuals:

- Total operating revenues for Q3 2021 were up \$62.6M due to higher revenues in Non-Aeronautical lines of businesses (Public Parking, Rental Cars, ADR & Terminal Leased Space, and Ground Transportation), Cruise, Grain, and NWSA Distributable Revenue.
- Total operating expenses for Q3 2021 was \$1.5M higher compared to 2020 primarily because of lower charges to Capital Projects.

NON-AIRPORT FINANCIAL SUMMARY

	2019 YTD	2020 YTD	2021 YTD	2021 YTD	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Budget	Actual vs. Budget Variance		Change from 2020	
\$ in 000's					\$	%	\$	%
NWSA Distributable Revenue	37,678	30,545	43,840	31,705	12,135	38.3%	13,294	43.5%
Maritime Revenues	49,843	31,284	33,836	35,953	(2,117)	-5.9%	2,552	8.2%
EDD Revenues	14,815	7,678	6,849	9,297	(2,448)	-26.3%	(829)	-10.8%
SWU & Other	6,925	4,665	5,492	2,808	2,684	95.6%	827	17.7%
Total Operating Revenues	109,261	74,173	90,018	79,764	10,254	12.9%	15,845	21.4%
Total Operating Expenses	61,896	54,895	54,631	61,930	7,299	11.8%	(264)	-0.5%
NOI before Depreciation	47,365	19,278	35,387	17,834	17,554	98.4%	16,110	83.6%
Depreciation	29,242	28,105	28,375	26,473	(1,902)	-7.2%	271	1.0%
NOI after Depreciation	18,123	(8,827)	7,012	(8,639)	15,651	181.2%	15,839	179.4%

2021 YTD Actuals vs. 2021 YTD Budget

- Total non-airport operating revenues were up \$10.3M compared to budget due to higher NWSA Distributable Revenue, Grain, SWU, and unbudgeted police forfeitures which were offset by the delay of Cruise season, lower than anticipated revenues from Central Harbor Operations and the Conference and Event Center.
- Total non-airport operating expenses were \$7.3M lower than budget because of delays in hiring, project spending delays, timing of tenant improvements, and lower utility expenses.

2021 YTD Actuals vs. 2020 YTD Actuals

- Non-airport operating revenues were \$15.8M higher compared to 2020 because of higher revenues from Grain, NWSA Distributable Revenue, and unbudgeted police forfeitures offset by lower Conference and Event Centers, Fishing & Operations, and Central Harbor Management. The Conference and Event Centers and parking were affected by rescheduling/cancelling of events due to COVID-19.
- Non-airport expenses were \$264K lower than 2020 due to lower charges to Capital Projects offset by less contract spending.

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 09/30/21

MAJOR OPERATING REVENUES SUMMARY

	2019 YTD	2020 YTD	2021 YTD		Fav (UnFav)		Incr (Decr)	
			2021 YTD	2021 YTD	Actual vs. Budget		Change from 2020	
	Actual	Actual	Actual	Budget	Variance			
\$ in 000's					\$	%	\$	%
Aeronautical Revenues	274,002	220,058	219,378	286,302	(66,924)	-23.4%	(680)	-0.3%
Public Parking	60,839	26,591	45,034	43,701	1,334	3.1%	18,443	69.4%
Rental Cars - Operations	29,982	12,318	26,346	17,916	8,429	47.0%	14,028	113.9%
Rental Cars - Operating CFC	12,295	-	653	1,399	(746)	-53.3%	653	0.0%
ADR & Terminal Leased Space	52,283	24,487	33,561	37,322	(3,761)	-10.1%	9,073	37.1%
Ground Transportation	15,685	5,426	8,171	10,021	(1,850)	-18.5%	2,744	50.6%
Employee Parking	7,803	6,751	6,750	7,266	(516)	-7.1%	(2)	0.0%
Airport Commercial Properties	11,444	8,195	9,012	10,161	(1,150)	-11.3%	817	10.0%
Airport Utilities	5,518	4,043	4,633	5,676	(1,043)	-18.4%	589	14.6%
Clubs and Lounges	7,598	1,866	2,187	4,434	(2,247)	-50.7%	321	17.2%
Cruise	22,666	4,028	5,660	9,045	(3,385)	-37.4%	1,632	40.5%
Recreational Boating	9,445	9,449	9,639	9,719	(80)	-0.8%	191	2.0%
Fishing & Operations	7,021	7,246	6,612	6,459	153	2.4%	(633)	-8.7%
Grain	3,187	3,101	4,235	3,156	1,079	34.2%	1,133	36.5%
Maritime Portfolio Management	7,500	7,434	7,689	7,574	114	1.5%	254	3.4%
Central Harbor Management	6,643	6,054	5,577	6,193	(616)	-9.9%	(477)	-7.9%
Conference & Event Centers	8,147	1,599	1,252	3,079	(1,827)	-59.3%	(347)	-21.7%
NWSA Distributable Revenue	37,678	30,545	43,840	31,705	12,135	38.3%	13,294	43.5%
Other	8,811	5,145	6,686	3,612	3,074	85.1%	1,541	30.0%
Total Operating Revenues (w/o Aero)	314,544	164,279	227,534	218,438	9,096	4.2%	63,255	38.5%
TOTAL	588,546	384,337	446,912	504,740	(57,828)	-11.5%	62,575	16.3%

MAJOR OPERATING EXPENSES SUMMARY

	2019 YTD	2020 YTD	2021 YTD		Fav (UnFav)		Incr (Decr)	
			2021 YTD	2021 YTD	Actual vs. Budget		Change from 2020	
	Actual	Actual	Actual	Budget	Variance			
\$ in 000's					\$	%	\$	%
Salaries & Benefits	100,327	108,303	108,770	109,905	1,136	1.0%	467	0.4%
Wages & Benefits	97,817	100,407	98,801	97,884	(917)	-0.9%	(1,606)	-1.6%
Payroll to Capital Projects	18,656	21,408	21,353	24,524	3,171	12.9%	(55)	-0.3%
Outside Services	66,191	68,660	64,373	76,919	12,545	16.3%	(4,287)	-6.2%
Utilities	19,955	16,297	20,166	22,038	1,872	8.5%	3,869	23.7%
Equipment Expense	7,517	6,925	4,620	5,078	458	9.0%	(2,305)	-33.3%
Supplies & Stock	7,753	7,093	6,153	6,521	368	5.6%	(940)	-13.3%
Travel & Other Employee Expenses	3,850	2,053	1,315	1,950	635	32.6%	(738)	-35.9%
Third Party Mgmt Op Exp	9,569	4,343	3,564	5,444	1,880	34.5%	(779)	-17.9%
B&O Taxes	3,805	2,448	2,992	3,325	333	10.0%	545	22.2%
Other Expenses	23,429	5,258	9,648	9,861	213	2.2%	4,389	83.5%
Charges to Capital Projects/Overhead Alloc	(37,207)	(43,429)	(40,481)	(46,388)	(5,906)	12.7%	2,948	-6.8%
TOTAL	321,663	299,766	301,273	317,062	15,788	5.0%	1,507	0.5%

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 09/30/21

PORTWIDE FINANCIAL YEAR-END FORECAST SUMMARY

	2019	2020	2021	2021	Fav (UnFav) Fest vs. Budget Variance		Incr (Decr) Change from 2020	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
\$ in 000's								
Aeronautical Revenues	357,598	297,909	313,203	386,668	(73,465)	-19.0%	15,294	5.1%
Airport Non-Aero Revenues	269,037	116,473	182,419	189,548	(7,129)	-3.8%	65,946	56.6%
Non-Airport Revenues	137,538	96,446	109,369	104,645	4,724	4.5%	12,923	13.4%
Total Operating Revenues	764,174	510,828	604,991	680,861	(75,869)	-11.1%	94,164	18.4%
Total Operating Expenses	441,700	408,681	420,523	423,412	2,889	0.7%	11,842	2.9%
NOI before Depreciation	322,474	102,147	184,468	257,448	(72,980)	-28.3%	82,321	80.6%
Depreciation	174,903	180,086	176,509	176,509	-	0.0%	(3,577)	-2.0%
NOI after Depreciation	147,571	(77,939)	7,959	80,939	(72,980)	-90.2%	85,898	110.2%

Year-End Forecast

- Operating Revenues forecast to be \$75.9M lower than budget mainly due to increased federal relief that lower the CPE rates and cost recovery for Aeronautical revenues.
- Operating Expenses are expected to be \$2.9M lower than budget due to some unbudgeted items and would have been \$4.7M lower than 2020 after adjusting for \$16.5M state pension credit in 2020.
- NOI before depreciation forecast to be \$73M below budget due to significant lower revenues and slightly higher operating costs.

KEY PERFORMANCE METRICS

	2020 YTD	2021 YTD	2020	2021	2021	Fav (UnFav) Fest vs. Budget Variance		Incr (Decr) Change from 2020	
	Actual	Actual	Actual	Forecast	Budget	Chg.	%	Chg.	%
Total Passengers (in 000's)	15,640	26,108	20,087	36,417	36,432	(15)	0.0%	16,330	81.3%
Landed Weight (lbs. in millions)	14,852	19,666	20,071	26,570	26,233	337	1.3%	6,499	32.4%
Passenger CPE (in \$)	N/A	N/A	26.50	15.38	19.62	4.24	21.6%	(11.12)	-42.0%
Grain Volume (metric tons in 000's)	2,612	3,237	4,240	4,803	4,219	584	13.8%	563	13.3%
Cruise Passenger (in 000's) *	-	195	-	229	N/A	-	0.0%	-	0.0%
Shilshole Bay Marina Occupancy	93.9%	94.1%	94.1%	94.2%	96.1%	-1.9%	-2.0%	0.1%	0.1%

* Note: Due to CDC COVID-19 Cruise restrictions, we were unable to Budget for Cruise Passengers for 2021.

KEY BUSINESS EVENTS

The Port recently launched the second cycle of the South King County Fund (SKCF) Economic Recovery Program to further its goal of leading an equitable recovery and the SKCF Environmental Grants Program to support activities such as public space improvements, equipment or artwork installations, neighborhood project or environmental stewardship projects that will benefit near-airport communities. The Port’s Office of Equity Diversity and Inclusion (OEDI) department created an Equity Index which provides a geographic representation of how different communities experience environmental pollutants and various socioeconomic factors. This tool will ensure the equitable distribution of economic recovery funding.

The Port opened the Duwamish River Community Hub located in South Park to support the activities of the Duwamish Valley Port Community Actions Team (PCAT), the Port’s Workforce and Economic Development programs, Green Jobs Initiative, and ongoing port operations at Duwamish River People’s Park (DRPP) Habitat Restoration and Shoreline Access. Additionally, the Port sponsored a Construction Trades Outreach Fair and walking tours of the DRPP. These events are part of the Duwamish Valley Community Equity Program (DVCEP) adopted in late 2019 that advances the Port’s long-term commitment to equity through the promotion of community partnerships, healthy environments and communities, and economic prosperity.

The PortGen Accelerator, an intensive eight-week business development program, is the one of the first business accelerators in the region to focus on women- and minority-owned firms. The main goal of the program is to help small businesses with underrepresented leadership expand and grow. Ten WMBE businesses explored topics like understanding market opportunities, identifying target customers, branding, doing business with the government, and gaining visibility. The participants had a chance to showcase what they have learned in a virtual graduation showcase held in mid-August.

The Port Commission authorized an inventory of the environmental, community, and recreational attributes of 55 acres of land in the southern portion of North SeaTac Park. The results of the inventory are intended to help guide future land use decisions and forest management. The Port will collaborate with the City of SeaTac to conduct the inventory of habitat and uses. Additionally, the Port Commission authorized the next steps in providing the first-ever sound insulation packages for more than 900 apartment units near Seattle-Tacoma International Airport (SEA). This effort is part of the Accelerated Noise Insulation Efforts to benefit airport area communities and will facilitate the completion of the program in roughly half its initial 15-year timeline.

The Port became the first port authority in the nation to formally limit the use of biometric technology. After 18 months of study sessions, stakeholder engagement, and public meetings, the Port Commission voted to permanently prohibit the use of biometric technology – including facial recognition – for law enforcement, security, and mass surveillance purposes by the Port and any private-sector entities operating at its facilities. The Commission also voted to regulate the use of biometrics for customer service functions and the Port’s response to federal international arrivals screening at Port facilities. The Port will require, to the extent allowable under state and federal law, that any such use of the technology must be fully voluntary and meet strict standards for privacy, equity, and transparency.

The airport launched Order SEA, a mobile food ordering service powered by Servy’s Grab Airport Marketplace in in partnership with At YOUR Gate. This new service allows travelers to order via app or website and choose pick-up after the TSA security checkpoints or delivery at the gate. This is just one of the ways the airport is making travel less stressful. Additionally, the SEA Spot Saver program, originally launched in May, is now a permanent program which allows passengers to reserve their spot at several TSA checkpoints 72 hours before their flight.

The Port of Seattle’s Task Force on Port Policing and Civil Rights released the Port Police Assessment after a year of comprehensive interviews and analysis. The assessment, prepared by 21CP, covered nine categories: Diversity in Recruitment and Hiring; Training and Development; Equity; Use of Force; Oversight and Accountability; Police Union Participation; Mutual Aid; Advocacy and Budget; and Roles and Equipment. There were two primary conclusions: first, POSPD is already operating to a great extent in alignment with the Commission’s goals; second, there are opportunities for growth and change that not only sets high standards for performance and community service but centers on equity and civil liberties as core values.

CAPITAL SPENDING SUMMARY

\$ in 000's	2021	2021	2021	Budget Variance	
	YTD Actual	Forecast	Budget	\$	%
Aviation	289,973	399,934	491,202	91,268	18.6%
Maritime	11,056	19,180	26,195	7,015	26.8%
Economic Development	1,881	3,292	5,647	2,355	41.7%
Central Services & Other (note 1)	7,053	10,637	13,605	2,968	21.8%
TOTAL	309,963	433,043	536,649	103,606	19.3%

Note:

(1) "Other" includes 100% Port legacy projects in the North Harbor and Storm Water Utility Small Capital projects.

Total capital spending is forecast to be \$433M for 2021, \$103.6M lower than the approved budget mainly due to spending delays in International Arrival Facility and North Satellite Renovation projects.

PORTWIDE INVESTMENT PORTFOLIO

During the third quarter of 2021, the investment portfolio earned 0.76% versus the benchmark's (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index) of 0.28%. Over the last twelve months, the portfolio and the benchmark have earned 1.19% and 0.21%, respectively. Since the Port became its own Treasurer in 2002, the life-to-date earnings of the Port's portfolio and the benchmark are 2.36% and 1.69%, respectively.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 09/30/21

II. AVIATION DIVISION

FINANCIAL SUMMARY

Financial Summary (S in 000's)	2019	2020	2021	2021	Fav(UnFav) Fest. vs. Budget Variance		Incr/(Decr) Change from 2020	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
	Operating Revenue							
Aeronautical Revenues	357,598	297,909	313,203	386,668	(73,465)	-19.0%	15,294	5.1%
Non-Aeronautical Revenues	269,037	116,473	182,419	189,548	(7,129)	-3.8%	65,946	56.6%
Total Operating Revenues	626,636	414,382	495,622	576,215	(80,593)	-14.0%	81,240	19.6%
Total Operating Expenses	355,245	329,680	339,510	339,908	398	0.1%	9,830	3.0%
Net Operating Income	271,390	84,702	156,113	236,308	(80,195)	-33.9%	71,410	84.3%
Federal Relief		147,148	138,725	37,899	100,826	266.0%	(8,423)	-5.7%
Federal Relief (Concessions)			5,355		5,355		5,355	
NOI (After Federal Relief)	271,390	231,850	300,192	274,207	25,985	9.5%	68,342	29.5%
CPE	12.86	26.50	15.38	19.62	4.24	0.22	(11.12)	-42.0%
Non-Aero NOI (\$ in 000s)	6,671	60,191	80,899	82,742	(1,843)	-2.2%	20,708	34.4%
Enplaned passengers (in 000s)	25,874	10,044	18,209	18,216	(7)	0.0%	8,165	81.3%
Capital Expenditures (in 000s)	573,598	573,598	399,934	491,202	91,268	18.6%	(173,664)	-30.3%

2021 Forecast vs. 2021 Budget

- Net Operating Income (NOI) for 2021 before Federal Relief grants are applied is forecasted to be (-\$80.2M or -33.9%) unfavorable to the budget, driven by:
 - Lower Aeronautical revenue (-\$73.5M or -19.0%) due to grants of approximately \$88M projected to offset Aeronautical costs in 2021. See the Airline Rate Base Cost Drivers table for more details.
 - Non-Aeronautical revenue is (-7.1M or -3.8%) unfavorable. Although improvement is seen in Landside operations due to the improvement in the forecasted passenger volume recovery, Concessions will be requiring Federal Relief. Federal Relief for the concessions area is projected for \$5.4M.
 - Total Operating Expenses are (\$398k or 0.1%) favorable driven primarily by snow removal costs of (\$2.2M) and (\$2M) in payroll over-runs. These over-runs are projected to be absorbed by projected under-runs in Outside Services of \$3.8M driven by savings in Janitorial contract spending, and 398k in under-run charges from Other Divisions.
- Net Operating Income (NOI) for 2021 after a total of \$144M of Federal Relief grants are applied is forecasted to be (\$26M or 9.5%) favorable to the budget.

2021 Forecasts vs. 2020 Actuals

- Net Operating Income for 2021 is projected to be (\$71.4M or 84.3%) higher than prior year before Federal Relief – primarily driven by:
 - Higher Operating Revenue (\$81.2M or 19.6%) compared to prior year is due to passenger levels improving with a forecast of being down 29.6% compared to 2019 vs. 61% down in 2020 compared to 2019.
 - Higher Operating Expenses (\$9.8M or 3%) compared to prior year were primarily driven by higher Environmental Remediation Liability, Outside Services, Utilities, and Police spending in 2021 vs. 2020. Spending in 2020 was lower than normal due to directives to spend less due to the business environment related to the pandemic.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 09/30/21

A. BUSINESS EVENTS

- Higher than expected passenger levels, new forecast now 29.6% lower than 2019.
- Increased federal relief improves bottom line, helps customers:
 - \$45 million for CARES
 - \$37.4 million for CRRSAA
 - \$56.4 million for ARPA
 - \$5.4 million for tenant concessions relief (CRRSAA)
 - Planning to reserve \$119 million for 2022
- Implemented the mid-year airline rate adjustment effective July 1.

B. KEY PERFORMANCE METRICS

	YTD 2019	YTD 2020	YTD 2021	% YTD Change from 2020
Total Passengers (000's)				
Domestic	34,951	14,465	25,063	73.3%
International	4,372	1,174	1,045	-11.0%
Total	39,323	15,640	26,108	66.9%
Operations	338,864	218,147	280,435	28.6%
Landed Weight (In Millions of lbs.)				
Cargo	1,838	1,967	2,146	9.1%
All other	21,934	12,885	17,520	36.0%
Total	23,772	14,852	19,666	32.4%
Cargo - Metric Tons				
Domestic freight	223,936	253,738	268,816	5.9%
International & Mail freight	112,616	77,833	98,108	26.0%
Total	336,552	331,571	366,924	10.7%

*Mail weight for 2021 forward is incorporated in freight

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 09/30/21

Key Performance Measures

	2019	2020	2021	2021	Fav(UnFav) Fest. vs. Budget Variance		Incr/(Decr) Change from 2020	
	Actual	Actual	Forecast	Approved Budget	\$	%	\$	%
Key Performance Metrics								
Cost per Enplanement (CPE)	12.86	26.50	15.38	19.62	4.24	21.6%	(11.12)	-42.0%
Non-Aeronautical NOI (in 000's) ¹	143,917	6,671	80,899	82,742	(1,843)	-2.2%	74,228	1112.7%
Other Performance Metrics								
O&M Cost per Enplanement	13.73	32.82	18.65	18.66	0.01	0.1%	(14.18)	-43.2%
Non-Aero Revenue per Enplanement	10.40	11.60	10.31	10.41	(0.09)	-0.9%	(1.28)	-11.1%
Debt per Enplanement (in \$)	133	326	197	171	(26)	-15.2%	(130)	-39.7%
Debt Service Coverage	1.68	1.40	1.92	1.36	0.57	41.9%	0.52	37.4%
Days cash on hand (10 months = 304 days)	314	327	414	369	45	12.3%	88	26.8%
Aeronautical Revenue Sharing (\$ in 000's)	(17,146)	1	-	-	-	0.0%	(1)	100.0%
Activity (in 000's)								
Enplanements	25,874	10,044	18,209	18,216	(7)	0.0%	8,165	81.3%
Total Passengers	51,748	20,087	36,417	36,432	(15)	0.0%	16,330	81.3%

(1) Assumes Federal Relief for Concessions applied in the 2021 Forecast

Key Performance Metrics

2021 Forecast vs. 2021 Budget

- Cost per Enplanement (CPE):
 - CPE is (\$4.24 or 21.6%) favorable driven primarily by the Federal Relief to help lower the Aeronautical costs to recover.
 - Non-Aero NOI is (-\$1.8M or -2.2%) unfavorable to original approved budget due to projection of improved revenues in the Landside operations and due to Federal Relief.

2021 Forecast vs. 2020 Actuals

- CPE is \$11.12 lower compared to prior year due to lower costs expected to recover due to the Federal Relief offsetting the costs compared to prior year.
- Non-Aero NOI is \$74.2M higher than prior year due to projection of improved revenues in the Landside operations and due to Federal Relief.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 09/30/21

C. OPERATING RESULTS

Division Summary – YTD Actuals

Total Airport Expense Summary (\$ in 000's)	2019 YTD	2020 YTD	2021 YTD	2021 YTD	Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2020	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Operating Expenses								
Payroll	37,534	117,090	116,344	114,316	(2,028)	-1.8%	(746)	-0.6%
Outside Services	13,775	43,872	42,255	48,732	6,477	13.3%	(1,617)	-3.7%
Utilities	4,884	11,692	15,832	16,010	179	1.1%	4,139	35.4%
Other Expenses	4,060	1,904	50	1,146	1,096	95.6%	(1,853)	-97.4%
Total Airport Direct Charges	60,252	174,559	174,481	180,204	5,723	3.2%	(77)	0.0%
Environmental Remediation Liability	-	(2,776)	801	1,569	768	48.9%	3,577	-128.9%
Capital to Expense	30	32	319	-	(319)		286	889.1%
Total Exceptions	30	(2,743)	1,120	1,569	449	28.6%	3,863	-140.8%
Total Airport Expenses	60,282	171,815	175,601	181,773	6,173	3.4%	3,786	2.2%
Corporate	17,542	52,791	51,642	51,853	211	0.4%	(1,150)	-2.2%
Police	5,418	17,807	17,336	18,316	980	5.4%	(471)	-2.6%
Maritime/Economic Development/Other	1,283	2,457	2,064	3,189	1,125	35.3%	(393)	-16.0%
Total Charges from Other Divisions	24,243	73,056	71,042	73,358	2,316	3.2%	(2,014)	-2.8%
Total Operating Expenses	84,525	244,871	246,642	255,131	8,489	3.3%	1,772	0.7%

Expenses – 2021 YTD Actuals vs. 2021 YTD Budget

- Operating Expenses were (\$8.5M or 3.3%) favorable driven primarily by the underspend in Charges from other Divisions of \$2.3M, and in Outside Services of \$6.5M across multiple business areas – including Commercial Management \$634k, F&I and Capital Program \$1.5M, Maintenance \$3.1M, and PMG \$450K.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 09/30/21

Division Summary – YE Forecast

Total Airport Expense Summary (\$ in 000's)	2019	2020	2021	2021	Fav(UnFav) Fest. vs. Budget Variance		Incr/(Decr) Change from 2020	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Operating Expenses								
Payroll	144,051	152,895	155,325	153,293	(2,032)	-1.3%	2,430	1.6%
Outside Services	68,162	63,922	61,863	65,174	3,312	5.1%	(2,060)	-3.2%
Utilities	18,180	15,695	19,919	20,244	325	1.6%	4,224	26.9%
Other Expenses	14,721	3,341	2,440	1,359	(1,080)	-79.5%	(902)	-27.0%
Total Airport Direct Charges	245,114	235,854	239,546	240,071	525	0.2%	3,692	1.6%
Environmental Remediation Liability	15,900	(2,361)	2,036	2,001	(35)	-1.8%	4,397	-186.2%
Capital to Expense	2,089	2,588	489	-	(489)		(2,098)	-81.1%
Total Exceptions	17,989	227	2,525	2,001	(524)	-26.2%	2,299	1013.7%
Total Airport Expenses	263,104	236,081	242,072	242,072	0	0.0%	5,991	2.5%
Corporate	65,729	68,316	69,356	69,767	411	0.6%	1,040	1.5%
Police	22,290	22,150	23,983	23,964	(20)	-0.1%	1,834	8.3%
Maritime/Economic Development/Other	4,123	3,134	4,099	4,105	6	0.1%	965	30.8%
Total Charges from Other Divisions	92,141	93,599	97,438	97,836	398	0.4%	3,839	4.1%
Total Operating Expenses	355,245	329,680	339,510	339,908	398	0.1%	9,830	3.0%

Operating Expenses – 2021 YE Forecast compared to 2021 YE Budget (\$398K or 0.1% favorable)

- Total Operating Expenses is forecasted to be under-run to Budget by \$398k driven by over-runs related to snow removal costs of (\$2.2M) and (\$2M) in payroll over-runs. These over-runs are projected to be absorbed by projected under-runs in Outside Services of \$3.8M driven by savings in Janitorial contract spending, and 398k in under-run charges from Other Divisions.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 09/30/21

Aeronautical Business Unit Summary – YTD Actuals

Aeronautical NOI (\$ in 000's)	2019 YTD	2020 YTD	2021 YTD	2021 YTD	Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2020		
	Actual	Actual	Actual	Budget	\$	%	\$	%	
Rate Base Revenues									
Airfield Movement Area	97,759	58,087	63,808	84,398	(20,590)	-24.4%	5,721	9.8%	
Airfield Apron Area	15,458	13,546	13,028	15,736	(2,708)	-17.2%	(519)	-3.8%	
Terminal Rents	153,616	132,237	122,406	158,783	(36,378)	-22.9%	(9,832)	-7.4%	
Federal Inspection Services (FIS)	11,325	3,374	7,928	15,713	(7,785)	-49.5%	4,554	135.0%	
Total Rate Base Revenues	278,157	207,245	207,170	274,631	(67,461)	-24.6%	(75)	0.0%	
Airfield Commercial Area	8,405	12,812	12,208	11,671	537	4.6%	(604)	-4.7%	
Subtotal before Revenue Sharing	286,563	220,057	219,378	286,302	(66,924)	-23.4%	(679)	-0.3%	
Revenue Sharing	(12,561)	1	-	-	-		(1)	-100.0%	
Total Aeronautical Revenues	274,002	220,058	219,378	286,302	(66,924)	-23.4%	(680)	-0.3%	
Total Aeronautical Expenses	173,836	163,655	168,909	174,642	5,733	3.3%	5,254	3.2%	
Aeronautical NOI	100,166	56,403	50,469	111,659	(61,191)	-54.8%	(5,935)	-10.5%	

Aeronautical – 2021 YTD Actuals vs. 2021 YTD Budget

- Net Operating Income was (-\$61.2M or -55%) unfavorable to budget due to \$66.9M in lower aeronautical revenues driven by lower costs to recover driven by lower operating expenses in Outside Services and Charges from Other Divisions.

Aeronautical – 2021 YTD Actuals vs. 2020 YTD Actuals

- Net Operating Income was (-\$5.9M or -11%) lower than 2020 YTD because aeronautical revenues in 2021 were based on lower rates and charges in anticipation of a recovering year that is not yet back to pre-pandemic activity levels, whereas in 2020 rates and charges were based on pre-pandemic activity levels.

Aeronautical Business Unit Summary - YE Forecast

Aeronautical NOI (\$ in 000's)	2019	2020	2021	2021	Fav(UnFav) Fest. vs. Budget Variance		Incr/(Decr) Change from 2020		
	Actual	Actual	Forecast	Budget	\$	%	\$	%	
Rate Base Revenues									
Airfield Movement Area	123,436	84,906	88,484	115,037	(26,553)	-23.1%	3,578	4.2%	
Airfield Apron Area	22,016	15,146	15,169	21,418	(6,249)	-29.2%	23	0.2%	
Terminal Rents	205,283	171,607	178,292	213,147	(34,855)	-16.4%	6,685	3.9%	
Federal Inspection Services (FIS)	12,321	8,616	14,858	21,454	(6,595)	-30.7%	6,242	72.4%	
Total Rate Base Revenues	363,057	280,275	296,803	371,056	(74,253)	-20.0%	16,528	5.9%	
Airfield Commercial Area	11,687	17,633	16,400	15,612	788	5.0%	(1,233)	-7.0%	
Subtotal before Revenue Sharing	374,744	297,908	313,203	386,668	(73,465)	-19.0%	15,295	5.1%	
Revenue Sharing	(17,146)	1	-	-	-		(1)	-100.0%	
Total Aeronautical Revenues	357,598	297,909	313,203	386,668	(73,465)	-19.0%	15,294	5.1%	
Total Aeronautical Expenses	236,959	219,878	232,635	233,102	467	0.2%	12,757	5.8%	
Aeronautical NOI	120,639	78,031	80,568	153,566	(72,998)	-47.5%	2,537	3.3%	

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 09/30/21

Airline Rate Base Cost Drivers

\$ in 000's	2020 Actual	2021 Budget	2021 Forecast	Impact on Aero Revenues Budget vs Forecast	
				\$	%
O&M ⁽¹⁾	213,775	227,420	227,081	(339)	-0.1%
Federal Relief Grants O&M	(22,507)	(3,500)	(18,950)	(15,450)	441.4%
Net O&M	191,268	223,920	208,131	(15,789)	-7.1%
Debt Service Before Offsets	166,848	193,302	188,984	(4,318)	-2.2%
Debt Service PFC Offset	(36,390)	(47,549)	(61,919)	(14,370)	30.2%
Federal Relief Grants Debt Service	(71,763)	(29,399)	(69,129)	(39,730)	135.1%
Net Debt Service	58,694	116,354	57,936	(58,418)	-50.2%
Amortization	32,359	32,681	32,616	(65)	-0.2%
Space Vacancy	(1,083)	(1,141)	(1,122)	20	-1.7%
TSA Operating Grant and Other	(960)	(758)	(759)	(1)	0.1%
Rate Base Revenues	280,279	371,056	296,803	(74,253)	-20%
Commercial area	17,633	15,612	16,400	788	5%
Total Aero Revenues	297,912	386,668	313,203	(73,465)	-19%

(1) O&M, Debt Service Gross, and Amortization do not include commercial area costs or the international incentive expenses

2021 Forecast to 2021 Budget

- O&M – \$339k lower driven by increases in Movement, Apron, and Gates, but offset by savings in FIS
- Debt Service before Offsets: 3rd runway PFC debt was refunded with revenue bond which increased debt service and offset with refunding savings.
- PFC Offset \$14.4M higher due to refunding of PFC debt with revenue bond which allows more capacity to use PFC collections for debt service offset.
- Federal Relief Grants Aero Portion:
 - Payroll Impact (O&M) – Reducing \$18.9M from Rate Base
 - Debt Service Impact – Reducing \$69.1M from Rate Base

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 09/30/21

Non-Aero Business Unit Summary – YTD Actuals

Non-Aeronautical NOI (\$ in 000's)	2019 YTD	2020 YTD	2021 YTD	2021 YTD	Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2020	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Non-Aeronautical Revenues								
Public Parking	60,839	26,591	45,034	43,701	1,334	3.1%	18,443	69.4%
Rental Cars	42,277	12,318	26,998	19,315	7,683	39.8%	14,681	119.2%
Ground Transportation	15,685	5,426	8,171	10,021	(1,850)	-18.5%	2,744	50.6%
Airport Dining & Retail	47,541	20,063	29,082	33,407	(4,325)	-12.9%	9,020	45.0%
Other	38,941	25,708	28,231	32,231	(4,000)	-12.4%	2,522	9.8%
Total Non-Aeronautical Revenues	205,283	90,106	137,516	138,674	(1,158)	-0.8%	47,410	52.6%
Total Non-Aeronautical Expenses	56,789	81,216	77,733	80,489	2,756	3.4%	(3,483)	-4.3%
Non-Aeronautical NOI	148,494	8,890	59,783	58,185	1,598	2.7%	50,893	572.4%
Less: CFC Surplus	-	-	-	-	-		-	
Adjusted Non-Aeronautical NOI	148,494	8,890	59,783	58,185	1,598	2.7%	50,893	572.4%

Non-Aeronautical – 2021 YTD Actuals vs. 2021 YTD Budget

- Net Operating Income was (\$1.6M or 2.7%) favorable to revised budget driven by:
 - Slower recovery in passenger demand for services in Airport Dining & Retail, In-flight Kitchen, and Clubs & Lounges. These businesses brought in \$8.3M in lower revenues through September month-end.
 - The slower recovery in the Commercial Management operations is partially offset by the improving recovery of passenger levels that result in more demand for services in the Public Parking and Rental Cars businesses. The Landside operations have brought in approximately \$7M in higher revenues through September month-end.
 - Non-Aeronautical operating expenses were (\$2.8M or 3.4%) favorable.

Non-Aeronautical – 2021 YTD Actuals vs. 2020 YTD Actuals

- Net Operating Income was (\$51M or 572.4%) higher than 2020 driven by:
 - Increasing passenger levels and activity when compared to the 3rd quarter in 2020 where the COVID-19 impact was at its peak.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 09/30/21

Non-Aero Business Unit Summary - YE Forecast

Non-Aeronautical NOI (\$ in 000's)	2019	2020	2021		Fav(UnFav) Fest. vs. Budget Variance		Incr/(Decr) Change from 2020	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Non-Aeronautical Revenues								
Public Parking	82,125	34,502	63,104	59,597	3,507	5.9%	28,602	82.9%
Rental Cars	52,567	16,637	35,316	26,880	8,436	31.4%	18,680	112.3%
Ground Transportation	20,765	6,557	11,342	13,628	(2,286)	-16.8%	4,785	73.0%
Airport Dining & Retail	61,615	25,418	37,863	45,936	(8,073)	-17.6%	12,445	49.0%
Other	51,966	33,359	40,148	43,506	(3,358)	-7.7%	6,789	20.4%
Total Non-Aeronautical Revenues	269,037	116,473	187,774	189,548	(1,774)	-0.9%	71,301	61.2%
Total Non-Aeronautical Expenses	118,286	109,802	106,875	106,806	(69)	-0.1%	(2,927)	-2.7%
Non-Aeronautical NOI¹	150,752	6,671	80,899	82,742	(1,843)	-2.2%	74,228	1112.7%
Less: CFC Surplus	(6,834)	-	-	-	-		-	
Adjusted Non-Aeronautical NOI	143,917	6,671	80,899	82,742	(1,843)	-2.2%	74,228	1112.7%

(1) Assumes Federal Relief for Concessions applied in the 2021 Forecast

Non-Aeronautical – 2021 Forecast vs. 2021 Budget

- Non-Aeronautical net operating income is forecasted to be (-\$1.8M or -2.2%) unfavorable primarily in Commercial Management where Airport Dining & Retail revenues are projected to be lower than Budget by \$8.1M, In-Flight Kitchen revenues lower by \$1.3M, and Clubs and Lounges lower by \$2.3M. These operations depend on the recovery in passenger demand for these services, which have been slower than projected. However, the projected under-runs are offset by higher projections in revenues by \$9.1M in the Landside operations, particularly in Parking and Rental Car businesses due to the improvement in the forecasted passenger volume recovery for those operations. The Non-Aeronautical Revenues assumes Federal Relief for the concessions area of \$5.4M.

Non-Aeronautical – 2021 Forecast vs. 2020 Actuals

- Net Operating Income for 2021 is forecasted to be (\$74.2M or 1113%) higher compared to prior year due to passenger levels improving with a forecast of being down 29.6% compared to 2019 vs. 61% down in 2020 compared to 2019.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 09/30/21

D. CAPITAL RESULTS

Capital Variance

\$ in 000's	2021	2021	2021	Budget Variance	
	YTD Actual	Year-End Forecast	Budget	\$	%
International Arrivals Facility ⁽¹⁾	50,235	58,335	86,500	28,165	32.6%
NSAT Renovation ⁽²⁾	67,139	74,639	96,408	21,769	22.6%
2021-25 AFLD Pvmnt ⁽³⁾	19,974	25,032	29,560	4,527	15.3%
Restroom Upgrades Conc B,C,D ⁽⁴⁾	595	6,182	9,899	3,717	37.6%
RCF Security Improvements ⁽⁵⁾	502	1,432	4,934	3,501	71.0%
C1 Expansion ⁽⁶⁾	3,868	5,746	8,763	3,017	34.4%
SAMP Near Term Planning ⁽⁷⁾	1,141	2,051	5,025	2,974	59.2%
Terminal Security Enhancements ⁽⁸⁾	364	625	3,479	2,854	82.0%
Checked Baggage ⁽⁹⁾	65,313	88,713	86,100	(2,613)	-3.0%
Concourse C New Power Center ⁽¹⁰⁾	4,580	5,364	2,961	(2,403)	-81.2%
Conc A Duty Free ⁽¹¹⁾	86	86	2,461	2,375	96.5%
Cargo Buildings Improvements ⁽¹²⁾	352	517	2,801	2,284	81.6%
All Other	75,824	143,319	194,290	50,971	26.2%
Subtotal	289,973	412,041	533,180	121,139	22.7%
CIP Cashflow Mgmt Reserve	-	(12,107)	(41,978)	(29,871)	71.2%
Total Spending	289,973	399,934	491,202	91,268	18.6%

1. The ped walkway continues to slide to the right and is likely going to complete late 2021, possibly 2022. Additionally, in the IAF building, issues with systems, smoke control and commissioning have caused delays to the IAF building.
2. Variance due to anticipated underruns on the Construction Contracts. Also, \$4.0M less Construction (Contract/OFCI/Sales Tax); \$1M less Permit costs did not realize this quarter (King County Sewer Capacity Fees) and \$2M savings (underrun) seating.
3. Bid result for 2021 pavement project came lower than Engineer's estimate by \$4.5M.
4. Underspent due to close-out of earlier phases and the money remaining will be spent in later phases.
5. Construction bid came in lower than Engineer's estimate.
6. Commission Authorization delays due to re-evaluation financial impacts with COVID-19.
7. Continued scoping and analysis extended to gain better information deferring spending.
8. Cash flow based upon previous procurement that was cancelled, revised cash flow per anticipated DB schedule.
9. Accelerated schedule for SSAT Temp Maint Shop.
10. Construction accelerated by 6 months.
11. Project hasn't had a lot of spending as it was under decision to move forward with a two-phased approach.
12. A protracted delay in AE contract negotiations resulted in slower than anticipated design costs.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 09/30/21

III. MARITIME DIVISION

FINANCIAL SUMMARY

	2019	2020	2021	2021	Fav (UnFav) Fest vs. Budget Variance		Incr (Decr) Change from 2020	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
\$ in 000's								
Total Revenues	59,289	42,111	47,165	45,280	1,885	4%	5,054	12%
Total Operating Expenses	48,644	50,228	48,071	50,243	2,172	4%	(2,157)	-4%
Net Operating Income	10,644	(8,117)	(906)	(4,963)	4,057	82%	7,210	89%
Capital Expenditures	7,887	19,698	19,180	26,195	7,015	27%	(518)	-3%

2021 Forecast vs. 2021 Budget

- Operating Revenues are \$1.9M higher than budget driven by higher volumes at the Grain Terminal and better than anticipated Cruise revenues.
- Operating Expenses forecasted \$2.2M lower than budget from a change in maintenance allocation method, open FTEs.
- Net Operating Income Planned \$4.1M favorable to budget.
- Capital Spending forecasted at 73% of \$26.2M budget.

2021 Forecast vs. 2020 Actuals

- Operating Revenues expected \$5.1M higher than 2020 due to higher grain volumes and resumption of cruise business.
- Operating Expenses forecasted \$2.2M lower than 2020 actual driven by lower support service costs, partially offset by increased central services from allocation changes and a favorable pension adjustment in 2020.
- Net Operating Income forecasted \$7.2M above 2020 actual.

Net Operating Income before Depreciation by Business

	2020 YTD	2021 YTD	2021 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2020	
	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's							
Ship Canal Fishing & Operations	(1,086)	(1,451)	(1,768)	317	18%	(364)	-34%
Elliott Bay Fishing & Commercial Operations	(865)	(940)	(1,404)	464	33%	(75)	NA
Recreational Boating	1,223	1,133	737	396	-54%	(90)	-7%
Cruise	(4,762)	(2,316)	(305)	(2,011)	-661%	2,446	-51%
Grain	2,049	3,213	1,825	1,388	-76%	1,164	57%
Maritime Portfolio	(332)	541	(1,003)	1,544	154%	873	-263%
All Other	(305)	(238)	(398)	160	40%	68	22%
Total Maritime	(4,078)	(57)	(2,315)	2,258	98%	4,021	99%

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 09/30/21

A. BUSINESS EVENTS

Recreational Boating – Hosted the Pink Boat Regatta at Shilshole Bay Marina/Corinthian Yacht Club raising money for breast cancer research.

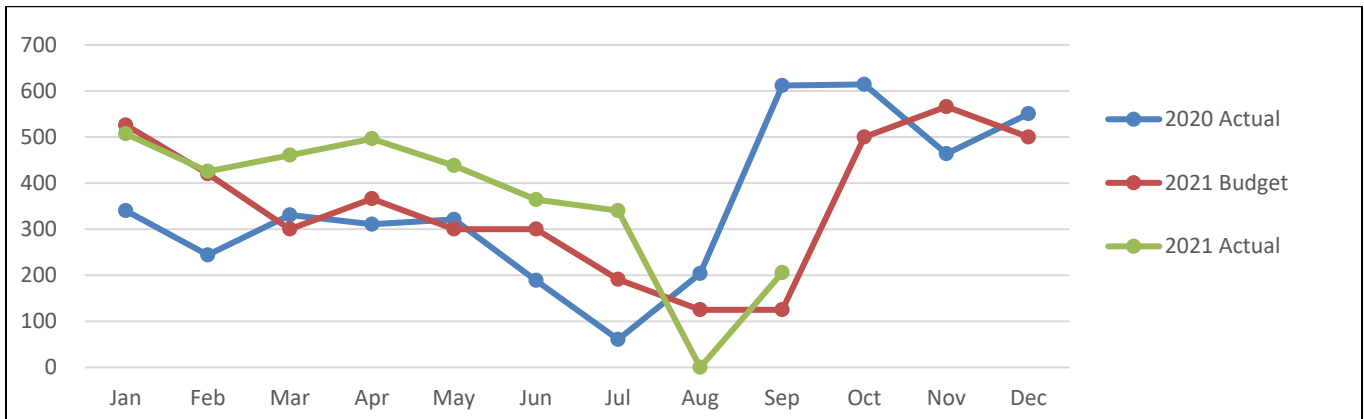
Elliott Bay Fishing and Commercial Operations – New Agreement was executed with Independent Packer Corp (IPC) at Terminal 91. IPC supports the tribal salmon fishery in Puget Sound by offloading and processing the fish at Terminal 91.

Cruise – Re-started the cruise business after a year off. Cruise lines agreed not to discharge wash water from their exhaust gas cleaning systems un the Puget Sound.

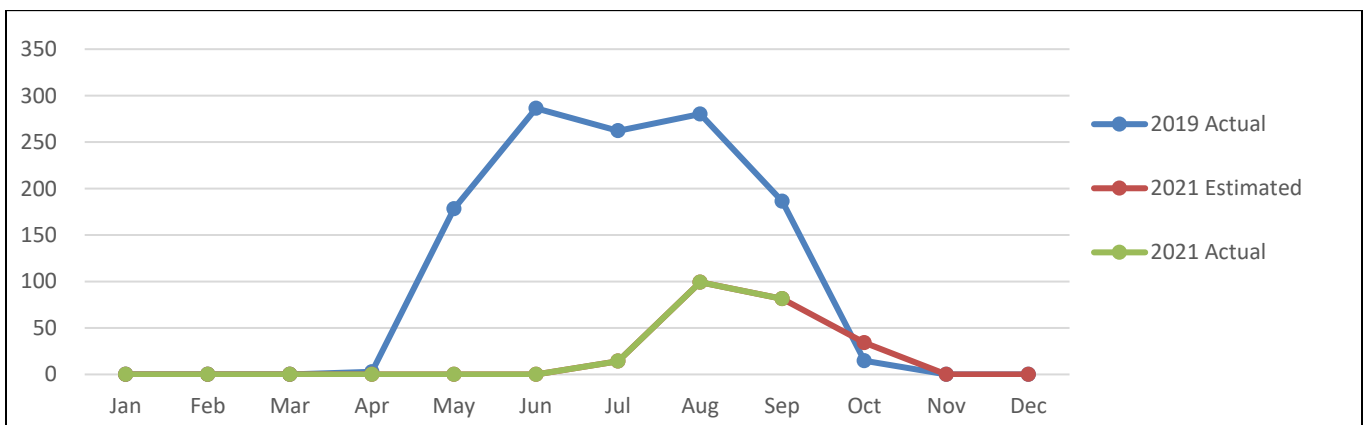
Ship Canal – Fishermen’s Terminal staff conducted a facility tour of Fishermen’s Terminal with **the Duwamish Valley Youth Corp.** This tour was arranged by Equity Diversity and Inclusion/Workforce Development. Business and Operations manager conducted the tour. Discussed maritime career options with fifteen youth, age 16-19 years.

B. KEY PERFORMANCE METRICS

Grain Volume – Metric Tons in 000’s



Cruise Passengers in 000’s



III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 09/30/21

C. OPERATING RESULTS

	2019 YTD	2020 YTD	2021 YTD	2021 YTD	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Budget	Actual vs. Budget Variance		Change from 2020	
\$ in 000's					\$	%	\$	%
Ship Canal Fishing & Operations	2,913	3,516	3,186	3,076	110	4%	(330)	-9%
Elliott Bay Fishing & Commercial Operations	4,108	3,729	3,427	3,383	44	1%	(303)	-8%
Recreational Boating	9,445	9,449	9,639	9,719	(80)	-1%	191	2%
Cruise	22,666	4,028	5,660	9,045	(3,385)	-37%	1,632	41%
Grain	3,187	3,101	4,235	3,156	1,079	34%	1,133	37%
Maritime Portfolio Management	7,500	7,434	7,689	7,574	114	2%	254	3%
Other	25	26	2	0	2	NA	(25)	-94%
Total Revenue	49,843	31,284	33,836	35,953	(2,117)	-6%	2,552	8%
Expenses								
Maritime (Excl. Maint)	9,474	10,903	10,185	11,963	1,777	15%	(718)	-7%
Economic Development	3,552	3,409	3,067	4,208	1,141	27%	(341)	-10%
Total Direct	13,026	14,312	13,252	16,171	2,918	18%	(1,059)	-7%
Maintenance Expenses	8,350	8,638	7,958	8,762	804	9%	(679)	-8%
Envir Services & Planning	1,666	1,760	1,127	1,606	479	30%	(633)	-36%
Seaport Finance & Cost Recovery	731	704	747	735	(12)	-2%	42	6%
Seaport Project Management	180	280	279	238	(40)	-17%	(1)	0%
Total Support Services	10,927	11,382	10,110	11,341	1,231	11%	(1,272)	-11%
IT	2,027	2,099	1,997	2,123	127	6%	(103)	-5%
Police Expenses	2,953	2,298	2,260	2,383	123	5%	(38)	-2%
External Relations	1,145	906	891	1,026	134	13%	(14)	-2%
Other Central Services	4,344	4,145	5,137	5,046	(91)	-2%	992	24%
Aviation Division / Other	209	221	246	179	(67)	-38%	25	11%
Total Central Services / Other	10,678	9,669	10,531	10,757	226	2%	861	9%
Total Expense	34,630	35,363	33,893	38,269	4,375	11%	(1,469)	-4%
NOI Before Depreciation	15,213	(4,078)	(57)	(2,315)	2,258	98%	4,021	99%
Depreciation	13,267	13,131	13,281	12,154	(1,127)	-9%	150	1%
NOI After Depreciation	1,946	(17,209)	(13,338)	(14,469)	1,131	8%	3,871	22%

2021 YTD Actuals vs. 2021 YTD Budget

- Operating Revenues were \$2,117K lower than budget driven by:
 - 1) Ship Canal Higher by \$110K misclassified invoice.
 - 2) Cruise \$3,385K lower due to invoice timing at P66 and phasing of sailings at T91.
 - 3) Grain \$1,079K higher from increase in annual volumes.
 - 4) All other variances add up to \$80K higher.
- Operating Expenses were \$4,375K lower than budget:
 - 1) Direct Expenses were \$2,918K lower than budget
 - Rec Boating \$150K lower than budget due to open FTEs.
 - Ship Canal Fishing and Operations \$66K lower from reversal of bad debt expense.
 - Elliot Bay Fishing and Commercial \$448K below due to lower utilities expenses.
 - Cruise \$1,116K under from timing of Port Valet costs and utilities.
 - Maritime Security \$96K lower than budget due to timing of cruise sailings.
 - Maritime Marketing \$125K below budget from event cancellations.
 - Portfolio Management \$1,094K favorable from lower utility expense and timing of tenant improvements.
 - Environmental remediation was \$68K unfavorable to budget.
 - Divisional contingency open headcount vacancy factor created a \$163K unfavorable variance
 - All other Direct Expenses net to \$82K over budget.
 - 2) Total Support Services were \$1,231K favorable to budget.
 - Maintenance \$804K favorable due to reduced wage expenses and favorable allocation change.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 09/30/21

- Environmental Services and Planning were \$479K lower than budget due to open position and outside services timing.
- 3) Total Central Services / Other were \$226K favorable to budget.
- Net Operating Income was \$2,258K favorable to budget.

2021 YTD Actuals vs. 2020 YTD Actuals

- Operating Revenues were \$2.6M higher than 2020 due to increased volumes at the Grain terminal and resumption of the Cruise business.
- Operating Expenses were \$1.5M lower than 2020 actual driven by lower utilities, maintenance, and environmental services allocation, offset by a higher central service allocation.
- Net Operating Income was \$4M better than 2020 actual.

	2019	2020	2021	2021	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Forecast	Budget	Fest vs. Budget Variance		Change from 2020	
\$ in 000's					\$	%	\$	%
Ship Canal Fishing & Operations	3,929	4,704	4,135	4,135	0	0%	(569)	-12%
Elliott Bay Fishing & Commercial Operations	6,095	5,752	4,679	4,509	170	4%	(1,073)	-19%
Recreational Boating	12,484	12,611	12,835	12,915	(80)	-1%	224	2%
Cruise	22,410	3,824	9,175	8,558	617	7%	5,351	140%
Grain	4,266	5,142	5,981	4,903	1,078	22%	839	16%
Maritime Portfolio Management	10,108	10,074	10,359	10,259	100	1%	285	3%
Other	(3)	4	0	0	0	NA	(4)	-100%
Total Revenue	59,289	42,111	47,165	45,280	1,885	4%	5,054	12%
Expenses								
Maritime (Excl. Maint)	13,789	16,256	14,964	15,539	575	4%	(1,292)	-8%
Economic Development	4,987	4,511	4,840	5,365	525	10%	329	7%
Total Direct	18,776	20,767	19,804	20,904	1,100	5%	(963)	-5%
Maintenance Expenses	12,186	12,029	11,095	11,595	500	4%	(934)	-8%
Envir Services & Planning	2,250	2,739	1,740	2,140	400	19%	(998)	-36%
Seaport Finance & Cost Recovery	835	937	977	977	0	0%	40	4%
Seaport Project Management	175	1,061	416	316	(100)	-32%	(644)	-61%
Total Support Services	15,446	16,765	14,228	15,028	800	5%	(2,537)	-15%
IT	2,685	2,719	2,834	2,853	19	1%	116	4%
Police Expenses	4,086	2,865	3,121	3,118	(3)	0%	255	9%
External Relations	1,564	1,200	989	1,347	358	27%	(211)	-18%
Other Central Services	5,810	5,596	6,851	6,749	(102)	-2%	1,255	22%
Aviation Division / Other	278	315	243	243	0	0%	(72)	-23%
Total Central Services / Other	14,423	12,695	14,039	14,311	272	2%	1,343	11%
Total Expense	48,644	50,228	48,071	50,243	2,172	4%	(2,157)	-4%
NOI Before Depreciation	10,644	(8,117)	(906)	(4,963)	4,057	82%	7,210	89%
Depreciation	17,627	17,624	16,899	16,899	0	0%	(725)	-4%
NOI After Depreciation	(6,982)	(25,741)	(17,805)	(21,862)	4,057	19%	7,935	31%

2021 Forecast vs. 2021 Budget

- Operating Revenues are forecasted \$1,885K higher than budget:
 - 1) Grain \$1,078K higher year to date.
 - 2) Cruise \$617K higher based on YTD current schedule.
 - 3) Elliot Bay Fishing & Operations is \$170K higher due to better pier utilization at T91.
- Operating Expenses forecasted \$2.2M favorable to budget from change in maintenance allocations, lower payroll, and reduced external relations expenses.
- Net Operating Income Planned \$4.1M favorable to budget.

2021 Forecast vs. 2020 Actuals

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 09/30/21

- Operating Revenues expected \$5M higher than 2020 with partial resumption of Cruise, higher Grain volumes, offset by 2020 revenue benefitting from the lengthy closure of the Ballard Locks.
- Operating Expenses forecasted \$2.2M lower than 2020 actual driven primarily by favorable Maintenance, Seaport Project Management, and Environmental allocations, less capital to expense, offset by unfavorable central services allocations from 2020 one-time pension adjustment.
- Net Operating Income forecasted \$7.2M better than 2020 actual.

D. CAPITAL RESULTS

\$ in 000's	2021 YTD	2021	2021	Budget Variance	
	Actual	Forecast	Budget	\$	%
T117 Restoration	5,895	9,729	8,809	(920)	-10%
T91 Northwest Fender	1,027	4,018	7,761	3,743	48%
MD Small Projects	517	1,195	3,383	2,188	65%
MD Fleet	330	880	3,201	2,321	73%
FT Maritime Innovation Center	236	355	1,475	1,120	76%
T91 Berth 6&8 Redev	859	1,163	1,025	(138)	-13%
P91 Pass Term Upgrade COV	15	16	1,000	984	98%
P66 Shore Power	296	399	765	366	48%
SBM Restrms/Service Bldgs Rep	369	374	665	291	44%
FT Gateway Building	249	337	600	263	44%
All Other Projects	1,263	714	(2,489)	(3,203)	129%
Total Maritime	11,056	19,180	26,195	7,015	27%

Comments on Key Projects

- **T91 Northwest Fender** – Construction bid well under Engineer's Estimate. Have reduced forecast accordingly.
- **FT Maritime Innovation Center** – Budget increase due to unexpected increased Design costs, and new scope (risk mitigation measures), but also due to the escalation adjustment triggered by wage inflation projected for 2022 and expected skilled labor shortages announced in late March 2021. Design progress towards 90% delayed due to need for Commission authorization to amend NTE amount on Service Agreement and additional funding to complete design and permitting phase.
- **MD Small Projects** – Several projects deferred to 2022 per the sponsor's request.

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 09/30/21

IV. ECONOMIC DEVELOPMENT DIVISION

FINANCIAL SUMMARY

	2019	2020	2021	2021	Fav (UnFav) Fest vs. Budget Variance		Incr (Decr) Change from 2020	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
\$ in 000's								
Total Revenues	21,151	9,470	9,448	13,348	(3,900)	-29%	(22)	0%
Total Operating Expenses	27,155	20,611	19,722	21,413	1,691	8%	(889)	-4%
Net Operating Income	(6,004)	(11,141)	(10,274)	(8,065)	(2,209)	-27%	867	-8%
Capital Expenditures	3,121	9,314	3,292	5,647	2,355	42%	(6,022)	-65%

2021 Forecast vs. 2021 Budget

- Operating Revenues forecasted to \$3.9M unfavorable to budget due to lower volumes at the Conference & Event Center related COVID-19 cancellations and variable revenue at parking facilities.
- Operating Expenses \$1.7M favorable to budget due to variable cost impact of conference cancellations, delayed hiring, and Washington Tourism Alliance expenses moving to 2022, offset by change in Maintenance allocation.
- Net Operating Income forecasted at \$2.2M below budget.
- Capital spending forecasted to 58% of \$5.6M budget.

2021 Forecast vs. 2020 Actuals

- Operating Revenues forecasted flat to 2020.
- Operating Expenses \$889K lower than 2020 with higher Washington Tourism Alliance expenses, offset by favorable Central Services costs.
- Net Operating Income forecasted \$867K better than 2020 actual.

Net Operating Income before Depreciation by Business

	2020 YTD	2021 YTD	2021 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2020	
	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's							
Portfolio Management	(1,057)	(2,663)	(1,598)	(1,065)	-67%	(1,606)	-152%
Conference & Event Centers	(2,420)	(2,948)	(2,200)	(748)	-34%	(529)	-22%
Tourism	(385)	(635)	(851)	216	25%	(250)	-65%
EDD Grants	27	(109)	(123)	14	11%	(136)	-498%
Env Grants/Remed Liab/ERC	(300)	(24)	(825)	801	97%	276	92%
Total Econ Dev	(4,134)	(6,379)	(5,596)	(783)	-14%	(2,245)	-54%

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 09/30/21

A. BUSINESS EVENTS

Diversity in Contracting – Launched business accelerator with 10 WMBE businesses.

Economic Development and Innovation – Staff is administering 25 Economic Development Partnership grants with participating cities. Supporting second Maritime Blue Innovation Accelerator.

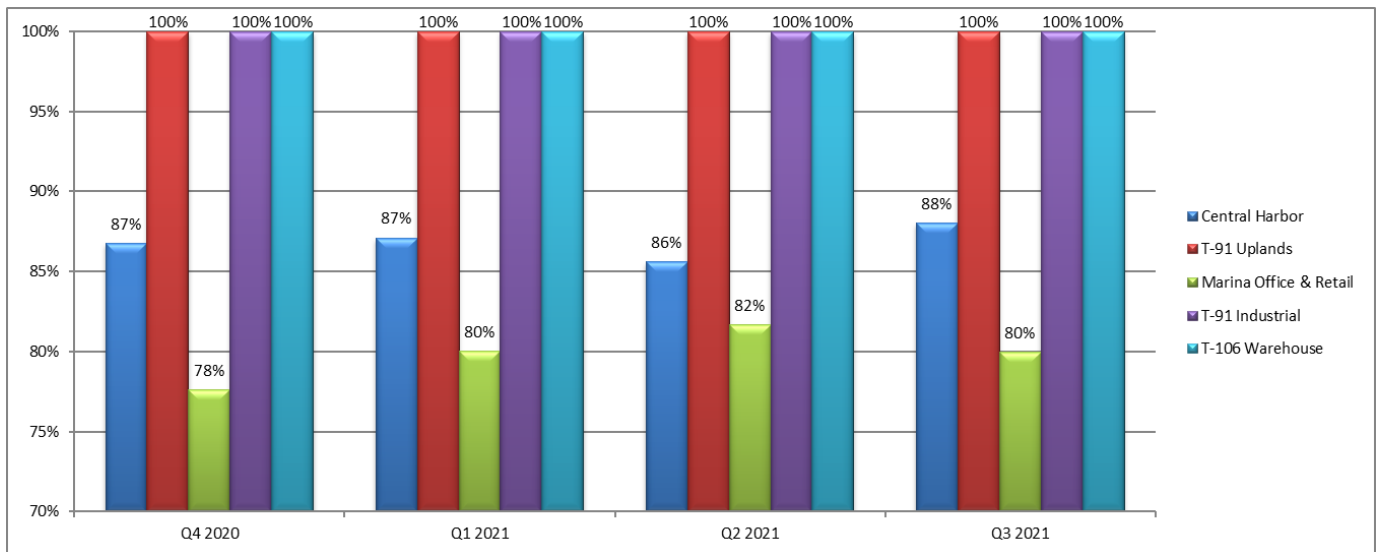
Portfolio Management – Maintained 94% occupancy across real estate portfolio despite ongoing COVID-19 pandemic challenges.

Real Estate Development – Executed ground lease at T-106.

Tourism – Earned media resulting from international office activities YTD: \$525K. Created webinars in collaboration with U.S. Commercial Service, Visit USA Committees, CLIA, tour operators and travel trade publications to broadcast Washington tourism opportunities.

B. KEY PERFORMANCE METRICS

Building Occupancy by Location:



IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 09/30/21

C. OPERATING RESULTS

	2019 YTD	2020 YTD	2021 YTD	2021 YTD	Fav(UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Budget	Actual vs. Budget	Variance	Change from 2020	
\$ in 000's					\$	%	\$	%
Revenue	6,668	6,079	5,597	6,218	(620)	-10%	(482)	-8%
Conf & Event Centers	8,147	1,599	1,252	3,079	(1,827)	-59%	(347)	-22%
Total Revenue	14,815	7,678	6,849	9,297	(2,448)	-26%	(829)	-11%
Expenses								
Portfolio Management	2,791	2,291	2,408	2,606	198	8%	117	5%
Conf & Event Centers	6,867	3,632	2,246	3,367	1,121	33%	(1,386)	-38%
P69 Facilities Expenses	153	176	135	167	32	19%	(41)	-23%
RE Dev & Planning	79	157	133	115	(18)	-16%	(24)	-15%
EconDev Expenses Other	584	704	465	542	77	14%	(239)	-34%
Maintenance Expenses	2,264	2,042	2,784	1,904	(880)	-46%	741	36%
Maritime Expenses (Excl Maint)	193	354	721	793	72	9%	368	104%
Total EDD & Maritime Expenses	12,930	9,357	8,893	9,495	602	6%	(465)	-5%
Diversity in Contracting	130	75	69	106	37	35%	(6)	-8%
Tourism	868	600	652	1,733	1,081	62%	52	9%
EDD Grants	(12)	(26)	109	113	4	3%	135	517%
Total EDD Initiatives	986	649	830	1,952	1,122	57%	181	28%
Environmental & Sustainability	268	145	16	24	7	31%	(129)	-89%
Police Expenses	150	158	151	160	9	5%	(7)	-4%
Other Central Services	4,248	4,464	3,204	3,168	(36)	-1%	(1,260)	-28%
Aviation Division	83	115	133	93	(40)	-42%	17	15%
Total Central Services & Aviation	4,749	4,882	3,505	3,446	(59)	-2%	(1,377)	-28%
Envir Remed Liability	0	0	0	0	0	NA	0	NA
Total Expense	18,665	14,889	13,228	14,893	1,665	11%	(1,661)	-11%
NOI Before Depreciation	(3,850)	(7,211)	(6,379)	(5,596)	(783)	-14%	832	12%
Depreciation	2,747	2,631	2,879	2,276	(603)	-26%	248	9%
NOI After Depreciation	(6,597)	(9,842)	(9,258)	(7,872)	(1,385)	-18%	584	6%

2021 YTD Actuals vs. 2021 YTD Budget

- Operating revenue were \$2,448K unfavorable to budget due primarily to lower than anticipated Conference and Event Center volumes as a result of the on-going COVID-19 restrictions on meetings and events.
- Operating Expenses were \$1,665K favorable to budget:
 - 1) Conference and Event Center \$1,121K favorable from lower activity as a result of the on-going COVID-19 restrictions on meetings and events.
 - 2) Maintenance Expenses \$880K unfavorable due to change in Maintenance allocation methodology.
 - 3) EDD Initiatives \$1,122K favorable due to timing of spending related to COVID-19.
 - 4) All other expenses net to \$302K below budget.
- Net Operating Income was \$783K below budget.

2021 YTD Actuals vs. 2020 YTD Actuals

- Operating Revenues were \$829K lower than 2020 actual
- Operating Expenses were \$1,661K lower than 2020 actual:
 - 1) Conference and Event Centers \$1,386K lower than 2020 due to variable costs associated with lower Conference and Event Center volumes as a result of the on-going COVID-19 restrictions on meetings and events.
 - 2) Maintenance Expenses \$741K higher than 2020 due to change in Maintenance allocation methodology.
 - 3) Central Services \$1,377K lower than 2020.
 - 4) All other Expenses net to \$361K higher than 2020.
- Net Operating Income was \$832K above 2020 actual.

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 09/30/21

	2019	2020	2021	2021	Fav (UnFav) Fest vs. Budget		Incr (Decr) Change from 2020	
	Actual	Actual	Forecast	Budget	Variance			
					\$	%	\$	%
\$ in 000's								
Revenue	8,912	7,808	7,713	8,313	(600)	-7%	(95)	-1%
Conf & Event Centers	12,239	1,662	1,735	5,035	(3,300)	-66%	73	4%
Total Revenue	21,151	9,470	9,448	13,348	(3,900)	-29%	(22)	0%
Expenses								
Portfolio Management	3,732	3,073	3,201	3,401	200	6%	127	4%
Conf & Event Centers	10,218	4,440	3,420	4,920	1,500	30%	(1,019)	-23%
P69 Facilities Expenses	215	232	177	222	45	20%	(56)	-24%
RE Dev & Planning	136	209	154	154	0	0%	(55)	-26%
EconDev Expenses Other	930	938	695	835	140	17%	(243)	-26%
Maintenance Expenses	3,145	3,042	3,337	2,537	(800)	-32%	295	10%
Maritime Expenses (Excl Maint)	1,070	1,035	1,060	1,060	0	0%	24	2%
Total EDD & Maritime Expenses	19,448	12,969	12,043	13,128	1,085	8%	(927)	-7%
Diversity in Contracting	152	103	122	142	20	14%	19	19%
Tourism	1,337	954	2,131	2,481	350	14%	1,177	123%
EDD Grants	785	778	1,060	1,060	0	0%	282	36%
Total EDD Initiatives	2,274	1,834	3,313	3,683	370	10%	1,478	81%
Environmental & Sustainability	24	44	13	31	18	58%	(31)	-70%
Police Expenses	61	64	209	209	0	0%	146	230%
Other Central Services	5,234	5,539	4,024	4,242	218	5%	(1,515)	-27%
Aviation Division	114	161	120	120	0	0%	(41)	-25%
Total Central Services & Aviation	5,433	5,808	4,367	4,603	236	5%	(1,441)	-25%
Envir Remed Liability	0	0	0	0	0	NA	0	NA
Total Expense	27,155	20,611	19,722	21,413	1,691	8%	(889)	-4%
NOI Before Depreciation	(6,004)	(11,141)	(10,274)	(8,065)	(2,209)	-27%	867	8%
Depreciation	3,647	3,611	3,216	3,216	0	0%	(395)	-11%
NOI After Depreciation	(9,651)	(14,753)	(13,490)	(11,281)	(2,209)	-20%	1,263	9%

2021 Forecast vs. 2021 Budget

- Operating Revenues forecasted to \$3.9M unfavorable to budget due to lower volumes at the Conference & Event Center related COVID-19 cancellations (\$3.3M) and variable revenue at parking facilities (\$600K).
- Operating Expenses \$1.7M favorable to budget due to variable cost impact of conference cancellations (\$1.5M), delayed hiring, and Washington Tourism Alliance expenses moving to 2022, offset by change in Maintenance allocation.
- Net Operating Income forecasted at \$2.2M below budget.
- Capital spending forecasted to 58% of \$5.6M budget due to mis categorization of budgeted capital at BHICC (\$950K) and P69 Under Dock Utility Replacement.

2021 Forecast vs. 2020 Actuals

- Operating Revenues forecasted to equal to 2020.
- Operating Expenses \$889K lower than 2020 with higher Washington Tourism Alliance expenses, offset by favorable Central Services costs.
- Net Operating Income forecasted \$867K better than 2020 actual.

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 09/30/21

D. CAPITAL RESULTS

	2021 YTD Actual	2021 Forecast	2021 Budget	Budget Variance	
				\$	%
\$ in 000's					
BHICC Interior Modernization	344	806	1,990	1,184	59%
P69 Underdock Utility Rpl	126	166	1,028	862	84%
CW Bridge Elev Modernization	74	334	943	609	65%
WTC HVAC Replacement	655	1,080	848	(232)	-27%
T91 Uplands Dev Phase 1	421	474	800	326	41%
P66 Roof Upgrades	115	412	544	132	24%
EDD Small Projects	41	116	522	406	78%
Tenant Improvements -Capital	0	58	289	231	80%
EDD Technology Projects	0	0	250	250	100%
P66 HVAC Systems Upgrade	0	0	185	185	100%
All Other Projects	105	(154)	(1,752)	(1,598)	91%
Total Economic Development	1,881	3,292	5,647	2,355	42%

Comments on Key Projects

- **BHICC Modernization** – Approved annual 2021 budget is erroneously showing expense portion and is showing it twice.
- **P69 Under Dock Utility Replacement** – City of Seattle permitting approval process is taking a lot longer and the Corps permit is expected to take longer.
- **T -91 Upland Development** – Decrease in projected spending for 2021 due to the need to procure new Service Agreement for Professional Design Services, after terminating contract with former design consultant.

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 09/30/21

V. CENTRAL SERVICES DIVISION

FINANCIAL SUMMARY

	2019 YTD	2020 YTD	2021 YTD		Fav (UnFav)		Incr (Decr)	
			Actual	Budget	Actual vs. Budget		Change from 2020	
	\$ in 000's	Actual	Actual	Budget	\$	%	\$	%
Total Operating Revenues	1,045	2,105	2,685	136	2,549	1878.9%	580	27.6%
Core Central Support Services	57,106	60,727	61,963	63,679	1,716	2.7%	1,236	2.0%
Police	21,882	21,967	21,097	21,641	544	2.5%	(869)	-4.0%
Engineering/PCS	7,547	7,284	6,580	6,872	291	4.2%	(704)	-9.7%
Total Operating Expenses	86,535	89,978	89,640	92,191	2,551	2.8%	(338)	-0.4%

2021 YTD Actuals vs. 2021 YTD Budget

- Operating Revenues favorable due primarily to Police forfeiture seizures of \$2.6M.
- Operating Expenses \$2.6M favorable to budget mainly due to staffing vacancies, projects spending delays, and delayed Outside Services costs.

2021 YTD Actuals vs. 2020 YTD Actuals

- Operating Revenues \$580K above 2020 mainly due to higher Police forfeiture seizures in 2021.
- Operating Expenses \$338K lower than 2020 mainly due to lower Outside Services, Travel & Other Employee Expenses, and Equipment offset by higher Insurance Expense, higher payroll from FTEs hired in 2020, and less charges to Capital Projects.

A. BUSINESS EVENTS

- Conducted outreach to support public input on the Northwest Ports Clean Air Strategy with community group briefings, a webinar and three public input workshops.
- Opened the Duwamish River Community Hub in South Park with community ceremony, workforce development fair and tours of Duwamish River People's Park construction.
- Supported the reopening of Cruise through a public webinar with cruise lines, programs with Visit Seattle aimed at the hospitality industry, and a kickoff celebration event.
- Held a Working Waterfront boat tour with Business Improvement Areas from Pioneer Square, SODO and the Waterfront.
- Launched new round of South King County Fund Environmental Grants with information sessions, site tours and tabling at community events.
- Launched "Airport Jobs" multi-channel advertising campaign to help airport tenants fill vacant positions.
- Launched "FlyHealthy@SEA" multi-channel advertising campaign to maintain compliance with COVID protocols during busy August-Labor Day travel period.
- Welcomed the inaugural Maritime High School students with multiple media opportunities.
- Introduced Order SEA, a new mobile ordering solution that allows passengers and employees to order from any airport restaurant for mobile pick up or delivery to your gate.
- Opened Refugee Welcome center at SEA, coordinated media availabilities with our partners at World Relief Seattle.
- Secured City of Seattle Memorandum of Understanding (MOU) for participation in West Seattle Bridge repair funding.
- Completed the Policing Assessment with the Port of Seattle Task Force on Policing and Civil Rights; an implementation plan was created, and the findings were presented to commission.

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 09/30/21

B. KEY PERFORMANCE METRICS

Century Agenda Strategic Objectives	2019	2020	2021
Responsibly Invest in the Economic Growth of the Region and all its Communities			
A. Job seekers placed in jobs at SEA Airport through the Employment Center	1680	681	969
B. Number of SEA Airport tenants supported in finding employees	102	70	75
C. Employment Center training completions	245	160	166
D. K-12 Career Connected Learning: WFD engagement with teachers/faculty	450	5,050	1,600
E. Community members entering employment in construction, maritime and environmental sustainability	120	10	42
F. Number of Job Openings created	488	265	354
G. Job applications received	10,268	6,018	8,623
H. Number of job interviews conducted	1,394	593	1,128
I. Number of new employees hired	404	195	249
J. Number of interns	144	44	114
K. Number of Veteran Fellows	5	0	2
L. Number of employees participating in Tuition Reimbursement	30	27	36
Become a Model for Equity, Diversity and Inclusion			
A. Employee participation in OEDI programming (Caucuses, Book Clubs, Town Halls, etc.)	N/A	496	731
B. Port employees and supervisors completing required racial equity orientations/trainings.	N/A	N/A	548
Be a Highly Effective Public Agency			
A. Central Services costs as a % of Total Operating Expenses	26.3%	29.4%	29.0%
B. Investment portfolio earnings versus the benchmark (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index)	2.18%/1.69%	1.93%/0.14%	0.76%/0.28%
C. Comply with Public Disclosure Act and respond in a timely manner	480	426	494
D. Litigation and Claim Reserves	\$2.2M	\$2.9M	\$681K
E. Claims/Injury Damages Reserves	\$957K	\$494K	\$611K
F. Percent of annual audit work plan completed each year	100%	100%	100%
G. Employee Development Class Attendees/Structured Learning	1,642	3,809	1,970
H. Total Recordable Incident Rate (previous Occupational Injury Rate)	4.97	3.57	5.52
I. Lost Work Day Rate (previously Days Away Severity Rate)	34.56	65.76	62.5
J. Customer Survey for Police Service Excellent or Above Average	83%	84%	91%

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 09/30/21

C. OPERATING RESULTS

Financial Summary (Year-End Forecast)

	2019 YTD	2020 YTD	2021 YTD		Fav (UnFav)		Incr (Decr)	
			Actual	Budget	Actual vs. Budget	Variance	Change from 2020	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
Total Revenues	1,045	2,105	2,685	136	2,549	1878.9%	580	27.6%
Executive	1,557	1,684	1,867	1,716	(152)	-8.8%	184	10.9%
Commission	1,543	1,320	1,591	1,630	39	2.4%	271	20.5%
Legal	3,374	4,478	5,397	2,937	(2,460)	-83.7%	919	20.5%
External Relations	5,766	5,578	5,732	7,470	1,739	23.3%	153	2.7%
Equity Diversity and Inclusion	1,495	2,464	2,429	2,617	188	7.2%	(35)	-1.4%
Human Resources	6,732	6,574	7,176	8,597	1,421	16.5%	602	9.2%
Labor Relations	982	1,014	1,023	1,010	(14)	-1.3%	10	0.9%
Internal Audit	1,144	1,213	1,228	1,228		0.0%	15	1.2%
Accounting & Financial Reporting Services	5,739	6,216	6,333	6,353	21	0.3%	117	1.9%
Information & Communication Technology	17,804	19,087	17,903	18,185	282	1.6%	(1,184)	-6.2%
Information Security	898	1,245	1,216	1,428	212	14.9%	(29)	-2.3%
Finance & Budget	1,602	1,725	1,715	1,714	(1)	0.0%	(10)	-0.6%
Business Intelligence	845	908	826	1,110	283	25.5%	(81)	-9.0%
Risk Services	2,379	2,486	2,955	2,914	(42)	-1.4%	470	18.9%
Office of Strategic Initiatives	1,068	715	675	756	82	10.8%	(40)	-5.7%
Central Procurement Office	3,430	3,430	3,523	4,096	573	14.0%	93	2.7%
Contingency	35	(57)	(54)	(1,126)	(1,072)	95.2%	3	-4.9%
Core Central Support Services	56,394	60,079	61,534	62,634	1,100	1.8%	1,455	2.4%
Police	21,882	21,967	21,097	21,641	544	2.5%	(869)	-4.0%
Total Before Cap Dev & Environment	78,276	82,046	82,631	84,275	1,644	2.0%	585	0.7%
Capital Development								
Engineering	4,810	4,085	3,912	4,156	245	5.9%	(174)	-4.3%
Port Construction Services	2,737	3,199	2,668	2,715	47	1.7%	(530)	-16.6%
Sub-Total	7,547	7,284	6,580	6,872	291	4.2%	(704)	-9.7%
Environment & Sustainability								
Environment & Sustainability	711	463	429	1,044	615	58.9%	(34)	-7.3%
Sub-Total	711	463	429	1,044	615	58.9%	(34)	-7.3%
Total Expenses	86,535	89,978	89,640	92,191	2,551	2.8%	(338)	-0.4%

2021 Forecast vs. 2021 Budget

- Operating Expenses for 2021 are forecasted to be \$154K below Approved Budget due primarily to:
 - **Executive** – unfavorable variance of (\$182K) due to higher Payroll of (\$112K) and Outside Services (\$70K).
 - **Commission** – favorable variance of \$79K due to lower Payroll of \$26K and planned lower Travel of \$51K.
 - **Legal** – unfavorable variance of (\$2.9M) is due to higher than unbudgeted Outside Services (\$2.8M).
 - **External Relations** – favorable variance of \$1.9M primarily due to reduced Outside Services of \$1.5M, Payroll of \$168K, Travel of \$75K, General Expenses of \$93K, and Promo Expenses of \$86K.
 - **Equity, Diversity, and Inclusion** – unfavorable variance of (\$800K) primarily due to higher Outside Services of (\$1M) offset by lower Payroll of \$112K and Property Rentals of \$49K.
 - **Human Resources** – favorable variance of \$1.1M primarily due to lower Payroll of \$800K and General Expenses (primarily Employee Commuter Benefits) of \$288K.
 - **Labor Relations** – unfavorable variance of (\$22K) due to higher Payroll of (\$27K) offset by lower Travel of \$3K.
 - **Internal Audit** – unfavorable variance of (\$6K) primarily due to higher Payroll from job refresh.
 - **Accounting and Financial Reporting Services** – favorable variance of \$2K from savings in Supplies and Stock.
 - **Information & Communication Technology** – plans to be on target.
 - **Information Security** – favorable variance of \$163K primarily due to lower Outside Services of \$186K offset by higher Payroll of (\$17K).
 - **Corporate Finance & Budget** – unfavorable variance of (\$2K) due to unplanned Worker’s Compensation of (\$13K) offset by lower Payroll of \$11K.
 - **Business Intelligence** – favorable variance of \$300K due to lower Payroll of \$153K and Outside Services of \$142K.
 - **Risk Services** – unfavorable variance of (\$56K) due to higher Insurance Expenses of (\$118K) offset by lower Payroll of \$45K and Outside Services of \$16K.
 - **Office of Strategic Initiative** – favorable variance of \$194K is primarily due to lower Payroll.
 - **Central Procurement Office** – favorable variance of \$477K primarily due to higher than planned charges to Capital Projects of \$35K, lower Payroll of \$338K, General Expenses of \$61K, and Supplies & Stock of \$72K offset by higher Equipment of (\$38K).
 - **Police** – unfavorable variance of (\$23K) primarily due to higher General Expenses of (\$291K) offset by lower Payroll of \$50K, Outside Services of \$112K, Travel of \$55K, Supplies & Stock of \$32K, and Equipment of \$10K.
 - **Engineering** – plans to be on target.
 - **PCS** – unfavorable variance of (\$2K) primarily due to lower charges to Capital Projects of (\$732K) and unplanned Worker’s Compensation of (\$66K) which were offset by lower Outside Services of \$419K, Payroll of \$195K, Supplies of \$95K, and Equipment of \$64K.
 - **Environment & Sustainability Admin** – favorable variance of \$324K due to delayed Outside Services of \$350K offset by higher Payroll of (\$22K).
 - **Contingency** – unfavorable variance of (\$500K). Adjusted forecast for Vacancy Factor actuals and approved mid-year unbudgeted new FTEs.

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 09/30/21

2021 Forecast vs. 2020 Actuals

- Operating Expenses for 2021 are forecasted to be \$5.6M higher than 2020 actuals mainly due to:
 - **Core Central Support Services** – \$4.5M higher than 2020 primarily due to higher payroll in 2021 due to planned new hires, full year salaries of people hired in 2020, and Pension True-up in 2020 of (\$4.5M).
 - **Police** – \$802K above 2020 due to the following:
 - There were several vacancies in 2020 that are planned to be filled in 2021, 2020 had much lower overtime due to cancellation of Cruise season, and Pension True-up in 2020 of (\$2.5M).
 - **Capital Development** – \$104K higher than 2020 primarily due to higher payroll due to 2021 new hires, full year salaries of people hired in 2020, higher planned Outside Services, and Pension True-up in 2020 of (\$1.5M).
 - **Environment & Sustainability** – \$392K higher than 2020 due to planned increases to Outside Services to support key initiatives and Pension True-up in 2020 of (\$25K).

D. CAPITAL RESULTS

\$ in 000's	2021	2021	2021	Budget Variance	
	YTD Actual	Year-End Forecast	Budget	\$	%
Infrastructure - Small Cap	648	1,600	1,911	311	16.3%
Services Tech - Small Cap	905	1,232	1,226	(6)	-0.5%
Radio System Upgrade	2,062	2,455	2,955	500	16.9%
Office Wi-Fi Refresh	13	263	1,350	1,087	80.5%
Phone System Upgrade	203	878	840	(38)	-4.5%
Environmental MIS projects	4	79	600	521	86.8%
CDD Fleet Replacement	170	370	1,123	753	67.1%
Corporate Fleet Replacement	0	429	685	256	37.4%
Other (note 1)	357	1,517	1,968	451	22.9%
Subtotal	4,362	8,823	12,658	3,835	30.3%
CIP Cashflow Adjustment	0	(1,500)	(3,000)	(1,500)	50.0%
TOTAL	4,362	7,323	9,658	2,335	24.2%

Note:

(1) "Other" includes remaining ICT projects and small capital projects/acquisitions.