



Item No. 11c attach
Meeting Date: May 24, 2022

PORT OF SEATTLE

Q1 2022 FINANCIAL PERFORMANCE REPORT

AS OF MARCH 31, 2022

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I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 03/31/22

I. PORTWIDE

EXECUTIVE SUMMARY

The Port's first quarter results still reflect the effects of COVID-19 with lines of businesses showing different rates of recovery. Airport passenger volume continue to rebound and expected to be 7.6% lower than 2019. Federal relief funds allow the airport to extend relief to concession tenants and improve the financial outlook for the Aviation division.

The 2022 cruise schedule was announced in February with a record 295 scheduled sailings and an estimated 1.26 million revenue passengers. Grain volumes is up 6% year over year and is expected to exceed budget while Conference and Event Centers is experiencing a slower rate of recovery.

The Port continues to implement planned initiatives and programs to help communities hardest hit by the pandemic. This includes the launch of the second year of funding under the Environmental Grants Program. Eighteen organizations will receive grants to support projects related to urban forest restoration, park trails maintenance, youth environmental stewardship, community garden improvements, and installation of a public bicycle skills track.

PORTWIDE FINANCIAL SUMMARY

	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
	Actual	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's								
Aeronautical Revenues	86,284	61,313	87,213	88,140	(927)	-1.1%	25,901	42.2%
Airport Non-Aero Revenues	49,956	26,930	50,944	30,915	20,029	64.8%	24,013	89.2%
Non-Airport Revenues	25,313	24,658	28,488	26,599	1,889	7.1%	3,830	15.5%
Total Operating Revenues	161,553	112,901	166,645	145,654	20,991	14.4%	53,744	47.6%
Total Operating Expenses	103,591	94,866	105,002	119,102	14,099	11.8%	10,137	10.7%
NOI before Depreciation	57,962	18,036	61,643	26,552	35,091	132.2%	43,608	241.8%
Depreciation	43,728	44,829	51,021	45,996	(5,025)	-10.9%	6,192	13.8%
NOI after Depreciation	14,233	(26,794)	10,622	(19,444)	30,066	-154.6%	37,416	-139.6%

2022 YTD Actuals vs. 2022 YTD Budget:

- Airport Non-Aero Revenues were up \$20.0M compared to budget mainly due to timing of applying the Concessionaire Relief Grant and higher Public Parking revenue, partially offset by lower revenue from Rental Cars.
- Non-Airport Revenues were \$1.9M above budget mainly due to higher NWSA Distributable revenue.
- Total Operating Expenses are \$14.1M lower than budget due to delays in hiring and implementing projects/initiatives.

2022 YTD Actuals vs. 2021 YTD Actuals:

- Total Operating Revenues were up \$53.7M due higher passenger volumes compared to 2021; higher revenues in non-aeronautical lines of businesses (Public Parking, ADR & Terminal Leased Space, Rental Cars, Ground Transportation, Clubs & Lounges, Airport Commercial Properties) and NWSA Distributable Revenue.
- Total Operating Expenses was \$10.1 M higher compared to 2021 due to higher Payroll, Utilities, Outside Services, and General Expenses.

NON-AIRPORT FINANCIAL SUMMARY

	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
	Actual	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's								
NWSA Distributable Revenue	10,730	11,343	14,030	12,360	1,670	13.5%	2,687	23.7%
Maritime Revenues	9,340	9,539	10,511	9,969	542	5.4%	972	10.2%
EDD Revenues	3,277	2,002	2,580	3,338	(758)	-22.7%	578	28.9%
SWU & Other	1,966	1,774	1,367	931	435	46.8%	(407)	-23.0%
Total Operating Revenues	25,313	24,658	28,488	26,599	1,889	7.1%	3,830	15.5%
Total Operating Expenses	18,425	16,778	19,736	23,480	3,745	15.9%	2,958	17.6%
NOI before Depreciation	6,888	7,881	8,753	3,119	5,634	180.7%	872	11.1%
Depreciation	9,423	9,510	9,452	9,098	(354)	-3.9%	(59)	-0.6%
NOI after Depreciation	(2,535)	(1,630)	(699)	(5,979)	5,280	-88.3%	930	-57.1%

2022 YTD Actuals vs. 2022 YTD Budget

- Non-Airport Operating Revenues were up \$1.9M compared to budget due to higher NWSA Distributable Revenue, Grain, Fishing and Operations, Stormwater Utilities (SWU), Maritime Portfolio Management, and unbudgeted police forfeitures which were offset by lower volumes at the Conference and Event Center.
- Non-Airport Operating Expenses were \$3.7M lower than budget because of delays in hiring, project spending delays, timing of tenant improvements, and maintenance costs offset by higher Utilities and General Expenses.

2022 YTD Actuals vs. 2021 YTD Actuals

- Non-Airport Operating Revenues were \$3.8M higher compared to 2021 because of higher revenues from Conference and Event Centers, Maritime Portfolio Management, Grain, NWSA Distributable Revenue, Recreational Boating, Fishing and Operations, and unbudgeted police forfeitures offset by lower Cruise revenue.
- Non-Airport Operating Expenses were \$3.0M higher than 2021 due to higher Payroll, Outside Services, Equipment Expense, Insurance Expense, and other General Expenses.

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 03/31/22

MAJOR OPERATING REVENUES SUMMARY

	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Budget	Actual vs. Budget		Change from 2021	
					\$	%	\$	%
\$ in 000's								
Aeronautical Revenues	86,284	61,313	87,213	88,140	(927)	-1.1%	25,901	42.2%
Public Parking	16,720	9,330	18,872	17,121	1,752	10.2%	9,542	102.3%
Rental Cars - Operations	6,928	3,484	6,705	7,384	(679)	-9.2%	3,221	92.4%
Rental Cars - Operating CFC	-	-	566	1,971	(1,405)	-71.3%	566	0.0%
ADR & Terminal Leased Space	12,376	6,297	11,374	(9,025)	20,398	-226.0%	5,076	80.6%
Ground Transportation	3,931	1,459	3,551	3,536	14	0.4%	2,091	143.3%
Employee Parking	2,623	2,144	2,447	2,617	(170)	-6.5%	303	14.1%
Airport Commercial Properties	3,641	2,557	3,807	3,306	501	15.1%	1,250	48.9%
Airport Utilities	1,606	1,297	1,801	1,941	(140)	-7.2%	504	38.9%
Clubs and Lounges	1,714	175	1,057	1,738	(682)	-39.2%	882	505.3%
Cruise	114	48	(66)	59	(125)	-211.5%	(114)	-237.5%
Recreational Boating	3,134	3,125	3,443	3,377	66	2.0%	318	10.2%
Fishing & Operations	2,501	2,203	2,488	2,222	267	12.0%	285	13.0%
Grain	1,048	1,719	1,874	1,753	122	6.9%	155	9.0%
Maritime Portfolio Management	2,541	2,443	2,765	2,554	211	8.3%	322	13.2%
Central Harbor Management	2,158	1,870	1,962	1,984	(21)	-1.1%	92	4.9%
Conference & Event Centers	1,115	127	618	1,347	(729)	-54.1%	491	386.9%
NWSA Distributable Revenue	10,730	11,343	14,030	12,360	1,670	13.5%	2,687	23.7%
Other	2,391	1,967	2,137	1,268	869	68.6%	170	8.7%
Total Operating Revenues (w/o Aero)	75,269	51,589	79,432	57,514	21,918	38.1%	27,843	54.0%
TOTAL	161,553	112,901	166,645	145,654	20,991	14.4%	53,744	47.6%

MAJOR OPERATING EXPENSES SUMMARY

	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Budget	Actual vs. Budget		Change from 2021	
					\$	%	\$	%
\$ in 000's								
Salaries & Benefits	35,987	35,317	37,033	37,228	195	0.5%	1,717	4.9%
Wages & Benefits	34,133	31,551	32,529	35,049	2,520	7.2%	978	3.1%
Payroll to Capital Projects	6,497	6,398	5,556	8,669	3,112	35.9%	(842)	-13.2%
Outside Services	20,420	19,135	20,451	35,166	14,715	41.8%	1,316	6.9%
Utilities	6,871	6,658	8,149	6,894	(1,255)	-18.2%	1,491	22.4%
Equipment Expense	2,160	1,248	1,946	3,153	1,207	38.3%	699	56.0%
Supplies & Stock	2,503	2,127	1,980	2,364	383	16.2%	(147)	-6.9%
Travel & Other Employee Expenses	1,101	445	672	1,628	956	58.7%	227	50.9%
Third Party Mgmt Op Exp	2,445	886	1,466	2,344	878	37.4%	580	65.5%
B&O Taxes	1,086	764	974	1,084	110	10.1%	210	27.5%
Other Expenses	3,989	2,270	5,711	3,985	(1,726)	-43.3%	3,441	151.6%
Charges to Capital Projects/Overhead Alloc	(13,602)	(11,933)	(11,466)	(18,461)	(6,994)	37.9%	467	-3.9%
TOTAL	103,591	94,866	105,002	119,102	14,099	11.8%	10,137	10.7%

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 03/31/22

PORTWIDE FINANCIAL YEAR-END FORECAST SUMMARY

	2020	2021	2022	2022	Fav (UnFav) Fcst vs. Budget Variance		Incr (Decr) Change from 2021		
	Actual	Actual	Forecast	Budget	\$	%	\$	%	
\$ in 000's									
Aeronautical Revenues	297,909	317,513	385,706	394,963	(9,257)	-2.3%	68,193	21.5%	
Airport Non-Aero Revenues	116,473	183,819	239,404	240,820	(1,415)	-0.6%	55,586	30.2%	
Non-Airport Revenues	96,446	120,689	137,373	131,072	6,302	4.8%	16,685	13.8%	
Total Operating Revenues	510,828	622,020	762,484	766,854	(4,370)	-0.6%	140,464	22.6%	
Total Operating Expenses	408,681	364,656	494,450	499,146	4,696	0.9%	129,794	35.6%	
NOI before Depreciation	102,147	257,364	268,033	267,708	325	0.1%	10,670	4.1%	
Depreciation	180,086	190,683	196,757	196,757	-	0.0%	6,074	3.2%	
NOI after Depreciation	(77,939)	66,681	71,277	70,952	325	0.5%	4,596	6.9%	

Year-End Forecast

- Total Operating Revenues are expected to be \$4.4M lower than budget but \$140.5M higher than 2021; the federal relief helps offset \$77M of the Aeronautical revenues for 2022.
- Total Operating Expenses are expected to be \$4.7M favorable to the budget and \$129.8M higher than 2021. It would have only been \$72.1M higher than 2021 after adjusting for \$57.7M state pension credit in 2021.
- NOI before depreciation forecast to be \$325K favorable to the budget and \$10.7M higher than 2021.

KEY PERFORMANCE METRICS

	2021 YTD 2022 YTD		2021	2022	2022	Fav (UnFav) Fcst vs. Budget Variance		Incr (Decr) Change from 2021	
	Actual	Actual	Actual	Forecast	Budget	Chg.	%	Chg.	%
Total Passengers (in 000's)	4,868	9,015	36,146	47,819	48,517	(698)	-1.4%	11,673	32.3%
Landed Weight (lbs. in millions)	5,266	6,430	26,584	29,448	29,448	-	0.0%	2,864	10.8%
Passenger CPE (in \$)	N/A	N/A	15.93	14.44	14.82	0.38	2.6%	(1.49)	-9.4%
Grain Volume (metric tons in 000's)	1,393	1,480	4,720	4,613	4,500	113	2.5%	(108)	-2.3%
Cruise Passenger (in 000's)	-	-	229	1,300	907	-	0.0%	-	0.0%
Shilshole Bay Marina Occupancy	93.1%	96.9%	94.5%	96.3%	96.3%	0.0%	0.0%	1.8%	1.9%

KEY BUSINESS EVENTS

The Port welcomed the first two women of color to the Commission and for the first time in the Port’s 110-year history. One of the new commission’s first agenda for 2022 was the briefing on the results of the Port-wide equity assessment. The goals of the assessment were to identify strengths, weaknesses, and barriers to equity; establish a baseline to track the Port’s progress in becoming a more equitable organization; and develop strategies and actions to build a more equitable, anti-racist Port. A progress report will be presented to the commission in December of 2022.

The Port expanded its investment in equitable recovery programs with approval of \$3.9 million in funding for the Youth Career Launch Program (formerly Opportunity Youth Initiative) and Economic Development Partnership. The Youth Career Launch Program was originally launched in 2020 to help mitigate the impacts of the pandemic. The program provided internship training opportunities in Port-related jobs and careers in aviation, construction, green jobs, and maritime to 280 youth of color and from economically distressed zip codes in 2021. This year’s grants will continue to focus on projects that advance equitable economic recovery.

The Port has selected 25 grant applicants to receive a total of \$200,000 Port funds under the 2022 Tourism Marketing Support Program (TMSP). Projects spearheaded by awardees will support equity, cultural tourism values, ecotourism, responsible travel, and increase the number of visitors and visitor expenditures within Washington. Additionally, the Port awarded 18 organizations serving communities around Seattle-Tacoma International Airport (SEA) with environmental grants totaling \$687,000. The Port offered multi-year awards of up to 3 years to allow groups to invest in long-term planning and implementation of projects geared in addressing noise mitigation, environmental health, and sustainability.

The Port Commission authorized the Memorandum of Understanding (MOU) with the City of Seattle that will contribute \$5.5 million to the East Marginal Way Corridor Improvement project. This project will improve safety, support freight loads by rebuilding East Marginal Way to heavy haul standards, promote efficiency through signal modifications, and improve wayfinding and lighting. The project will commence this year and is estimated to wrap up in 2025.

The Port hosted a special event to reveal Seattle-Tacoma International Airport (SEA)’s brand-new International Arrivals Facility (IAF), which is the most complex capital project in the Port’s history. It will dramatically improve travelers’ experience and advance the Puget Sound region as a leading tourism and business gateway. Construction consisted of nearly three million labor hours including nearly one million minority labor hours (35%), over 500,000 apprentice hours (19%), and more than 139,000 (5%) labor hours by women. In addition, SEA became the only second large hub U.S. airport to earn the travel industry’s prestigious Skytrax 4-Star Airport Rating. Key improvements that led to this high rating include wayfinding and customer information improvements, seating and furniture upgrades, seat power rollout, and substantive upgrades to the dining experience.

The Port shared the 2022 preliminary cruise schedule with 295 scheduled sailings and an estimated 1.26 million revenue passengers through the two cruise ship terminals. The Port partnered with the cruise line to host cruise a job fair at the Port’s Community Hub in South Park. The Port is one of the most environmentally progressive cruise homeports in North America, setting new standards that go beyond regulatory compliance. The Port continues to work closely with the industry to minimize the climate change and air quality impacts by requiring shore power capable ships to use shore power. A new shore power connection at Bell Street Pier Cruise Terminal is expected to be completed in 2023.

CAPITAL SPENDING SUMMARY

\$ in 000's	2022	2022	2022	2022	Budget Variance	
	YTD Actual	Forecast	Budget	POF	\$	%
Aviation	58,342	449,817	527,917	514,812	78,100	14.8%
Maritime	2,357	21,950	23,521	23,408	1,571	6.7%
Economic Development	1,179	10,811	10,483	10,515	(328)	-3.1%
Central Services & Other (note 1)	1,157	11,210	12,889	11,013	1,679	13.0%
TOTAL	63,035	493,788	574,810	559,748	81,022	14.1%

Note:

POF (Plan of Finance) is the total estimated during the budget process.

(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 \$493.8M for 2022, 85.9% of the budget due to delay in projects: P66 Shore Power, North MT Redevelopment, C1 Building Floor Expansion, Office Wi-Fi Refresh.

PORTWIDE INVESTMENT PORTFOLIO

During the first quarter of 2022, the investment portfolio earned 0.81% versus the benchmark's (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index) of 2.22%. Over the last twelve months, the portfolio and the benchmark have earned 0.87% and 0.86%, respectively. Since the Port became its own Treasurer in 2002, the life-to-date earnings of the Port's portfolio and the benchmark are 2.31% and 1.67%, respectively.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

II. AVIATION DIVISION

FINANCIAL SUMMARY

Financial Summary (\$ in 000's)	2020	2021	2022		Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2021	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Operating Revenue								
Aeronautical Revenues	297,909	317,513	385,706	394,963	(9,257)	-2.3%	68,193	21.5%
Non-Aeronautical Revenues	116,473	183,819	239,404	240,820	(1,415)	-0.6%	55,586	30.2%
Total Operating Revenues	414,382	501,332	625,110	635,783	(10,672)	-1.7%	123,779	24.7%
Operating Expenses								
Airport Direct Charges	235,854	218,644	283,514	285,197	1,684	0.6%	64,869	29.7%
Environmental Remediation Liability	(2,361)	1,583	791	985	194	19.7%	(792)	-50.0%
Capital to Expense	2,588	1,254	-	-	-	-	(1,254)	-100.0%
Charges from Other Divisions	93,599	72,736	112,527	111,440	(1,087)	-1.0%	39,790	54.7%
Total Operating Expenses	329,680	294,217	396,831	397,622	791	0.2%	102,614	34.9%
Net Operating Income	84,702	207,114	228,279	238,160	(9,881)	-4.1%	21,165	10.2%
CPE	26.50	15.93	14.44	14.82	0.38	2.6%	(1.49)	-9.4%
Non-Aero NOI (\$ in 000s)	93,175	21,521	110,779	114,047	(3,268)	-2.9%	89,258	414.8%
Enplaned passengers (in 000s)	10,044	18,073	23,909	24,259	(349)	-1.4%	5,836	32.3%
Capital Expenditures (in 000s)	573,598	389,051	449,817	527,917	78,100	14.8%	60,766	15.6%

2022 Forecast vs. 2022 Budget

- Net Operating Income (NOI) for 2022 which includes Federal Relief grants is forecasted to be (-\$9.9M or -4.1%) unfavorable to the budget, driven primarily by:
 - Lower Aeronautical revenue (-\$9.3M or -2.3%) is primarily due to savings in cost from the delays in the Airline Realignment timing and IAF and with more grants applied in the forecast compared to what was in the budget. See the Airline Rate Base Cost Drivers table for more details.
 - Non-Aeronautical revenue is (-1.4M or -0.6%) unfavorable primarily due to the shortage of labor and impact of slower recovery in international passenger volumes, along with the delay of opening the new Salty's Restaurant, delay of the AMEX Lounge opening and lower lounge visits so far this year, partially offset by strong performances in In-Flight Kitchens and AIClear.
 - Total Operating Expenses are projected to be closely aligned to budget at (\$791K or 0.2%) favorable.

2022 Forecasts vs. 2021 Actuals

- Net Operating Income for 2022 is projected to be (\$21.2M or 10.2%) higher than prior year primarily driven by:
 - Higher Operating Revenue (\$123.8M or 24.7%) compared to prior year is due to passenger levels improving with a forecast of being down only 7.5% compared to 2019 vs. 29.6% down in 2021 when compared to 2019.
 - Higher Operating Expenses (\$102.6M or 34.9%) compared to prior year were primarily driven by higher Payroll, Outside Services, and Charges from Other Divisions compared to 2021. 2021 was the first year of recovery, but spending was still lower than normal due to directives to spend less due to the business environment related to the pandemic.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

A. BUSINESS EVENTS

- Expected passenger levels is projected to be 7.6% lower than 2019.
- Federal relief continues to improve bottom line, and helps customers:
 - \$118.8 million for ARPA
 - \$21.4 million for tenant concessions relief (CRRSAA)
 - Planning to reserve \$22.9 million for 2023
- Soft opening of IAF in April 2022

B. KEY PERFORMANCE METRICS

	YTD 2020	YTD 2021	YTD 2022	% YTD Change from 2021
Total Passengers (000's)				
Domestic	8,205	4,662	8,338	78.9%
International	1,004	205	677	229.5%
Total	9,209	4,868	9,015	85.2%
Operations	99,983	75,878	89,018	17.3%
Landed Weight (In Millions of lbs.)				
Cargo	606	709	691	-2.5%
All other	6,283	4,557	5,739	25.9%
Total	6,889	5,266	6,430	22.1%
Cargo - Metric Tons				
Domestic freight	75,866	84,502	82,797	-2.0%
International & Mail freight	25,795	25,223	32,145	27.4%
Total	101,661	109,725	114,942	4.8%

*Mail weight for 2021 forward is incorporated in freight

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

Key Performance Measures

	2020	2021	2022	2022	Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2021	
	Actual	Actual	Forecast	Approved Budget	\$	%	\$	%
Key Performance Metrics								
Cost per Enplanement (CPE)	26.50	15.93	14.44	14.82	0.38	2.6%	(1.49)	-9.4%
Non-Aeronautical NOI (in 000's) ¹	6,671	93,175	110,779	114,047	(3,268)	-2.9%	17,604	18.9%
Other Performance Metrics								
O&M Cost per Enplanement	32.82	16.28	16.60	16.39	(0.21)	-1.3%	0.32	2.0%
Non-Aero Revenue per Enplanement	11.60	10.17	10.01	9.93	0.09	0.9%	(0.16)	-1.6%
Debt per Enplanement (in \$)	326	198	142	140	(2)	-1.5%	(56)	-28.2%
Debt Service Coverage	1.40	1.69	2.29	2.03	0.26	12.8%	0.60	35.5%
Days cash on hand (10 months = 304 days)	327	423	411	426	-15	-3.6%	(12)	-2.9%
Aeronautical Revenue Sharing (\$ in 000's)	1	-	-	-	-	0.0%	-	0.0%
Activity (in 000's)								
Enplanements	10,044	18,073	23,909	24,259	(349)	-1.4%	5,836	32.3%
Total Passengers	20,087	36,146	47,819	48,517	(698)	-1.4%	11,673	32.3%

(1) Assumes Federal Relief for Concessions applied in the 2022 Forecast

Key Performance Metrics

2022 Forecast vs. 2022 Budget

- Cost per Enplanement (CPE):
 - CPE is (\$.38 or 2.6%) favorable driven primarily by the Federal Relief to help lower the Aeronautical costs to recover.
 - Non-Aero NOI is (-\$3.3M or -2.9%) unfavorable to budget primarily due to shortage of labor and impact of slower recovery in international passenger volumes, along with the delay of opening the new Salty's Restaurant.

2022 Forecast vs. 2021 Actuals

- CPE is \$1.49 lower compared to prior year due to more Federal Relief offsetting the costs compared to prior year.
- Non-Aero NOI is \$17.6M higher than prior year due to projection of improved revenues compared to prior year across the Non-Aeronautical businesses.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

C. OPERATING RESULTS

Division Summary – YTD Actuals

Total Airport Expense Summary (\$ in 000's)	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2021	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Operating Expenses								
Payroll	39,071	37,305	38,499	39,668	1,169	2.9%	1,193	3.2%
Outside Services	14,011	13,477	14,781	25,625	10,844	42.3%	1,304	9.7%
Utilities	4,884	5,060	5,529	4,723	(806)	-17.1%	469	9.3%
Other Expenses	3,061	24	2,502	(565)	(3,066)	543.1%	2,478	10515.5%
Total Airport Direct Charges	61,027	55,865	61,310	69,450	8,141	11.7%	5,444	9.7%
Environmental Remediation Liability	-	-	-	-	-	-	-	-
Capital to Expense	-	75	-	-	-	-	(75)	-100.0%
Total Exceptions	-	75	-	-	-	-	(75)	-100.0%
Total Airport Expenses	61,027	55,940	61,310	69,450	8,141	11.7%	5,370	9.6%
Corporate	16,791	15,891	17,627	18,321	693	3.8%	1,736	10.9%
Police	6,509	5,537	5,562	6,910	1,348	19.5%	25	0.5%
Maritime/Economic Development/Other	838	720	767	940	173	18.4%	47	6.6%
Total Charges from Other Divisions	24,139	22,148	23,957	26,171	2,214	8.5%	1,809	8.2%
Total Operating Expenses	85,166	78,088	85,267	95,621	10,355	10.8%	7,179	9.2%

Expenses – 2022 YTD Actuals vs. 2022 YTD Budget

- Operating Expenses were (\$10.4M or 10.8%) favorable driven primarily by the underspend in Charges from other Divisions of \$2.2M, and in Outside Services of \$10.8M across multiple business areas. The bulk of the under-run is in the Aviation Project Management Group with delays in the Airline Realignment work and Custodial Contract in Maintenance due to late invoices, and under-runs in Facilities and Infrastructure due to timing of when service directives are executed. Also, there were \$2.2M under-run in Charges from Other Divisions.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

Division Summary – YE Forecast

Total Airport Expense Summary (\$ in 000's)	2020	2021	2022		Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2021	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Operating Expenses								
Payroll	152,895	134,567	168,162	167,505	(657)	-0.4%	33,594	25.0%
Outside Services	63,922	62,382	95,565	101,757	6,193	6.1%	33,182	53.2%
Utilities	15,695	20,175	21,308	21,008	(300)	-1.4%	1,133	5.6%
Other Expenses	3,341	1,519	(1,521)	(5,074)	(3,553)	70.0%	(3,040)	-200.1%
Total Airport Direct Charges	235,854	218,644	283,514	285,197	1,684	0.6%	64,869	29.7%
Environmental Remediation Liability	(2,361)	1,583	791	985	194	19.7%	(792)	-50.0%
Capital to Expense	2,588	1,254	-	-	-		(1,254)	-100.0%
Total Exceptions	227	2,837	791	985	194	19.7%	(2,046)	-72.1%
Total Airport Expenses	236,081	221,481	284,305	286,182	1,878	0.7%	62,824	28.4%
Corporate	68,316	56,711	79,902	78,940	(962)	-1.2%	23,191	40.9%
Police	22,150	13,916	27,767	27,658	(108)	-0.4%	13,850	99.5%
Maritime/Economic Development/Other	3,134	2,110	4,858	4,842	(16)	-0.3%	2,749	130.3%
Total Charges from Other Divisions	93,599	72,736	112,527	111,440	(1,087)	-1.0%	39,790	54.7%
Total Operating Expenses	329,680	294,217	396,831	397,622	791	0.2%	102,614	34.9%

Operating Expenses – 2022 YE Forecast compared to 2022 YE Budget (\$398K or 0.1% favorable)

- Total Operating Expenses is forecasted to be under-run to Budget by \$791K driven by projected savings at year-end primarily due to the delays in the Airline Realignment work within the Aviation Project Management Group and delays in the opening of IAF in Q1, partially offset overruns due to less charges to capital versus expenses, vacancy savings target that has not been fully met, and more allocations from Central Services.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

Aeronautical Business Unit Summary – YTD Actuals

Aeronautical NOI (\$ in 000's)	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2021	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Rate Base Revenues								
Airfield Movement Area	25,223	15,396	23,669	23,700	(31)	-0.1%	8,272	53.7%
Airfield Apron Area	5,360	4,302	4,119	3,691	428	11.6%	(183)	-4.3%
Terminal Rents	47,756	35,605	50,680	51,922	(1,243)	-2.4%	15,075	42.3%
Federal Inspection Services (FIS)	4,019	1,869	4,662	4,679	(17)	-0.4%	2,794	149.5%
Total Rate Base Revenues	82,357	57,172	83,130	83,993	(863)	-1.0%	25,958	45.4%
Airfield Commercial Area	3,927	4,139	4,084	4,148	(64)	-1.5%	(55)	-1.3%
Subtotal before Revenue Sharing	86,284	61,311	87,213	88,140	(927)	-1.1%	25,903	42.2%
Revenue Sharing	-	-	-	-	-	-	-	-
Total Aeronautical Revenues	86,284	61,311	87,213	88,140	(927)	-1.1%	25,903	42.2%
Total Aeronautical Expenses	50,268	54,141	58,283	65,628	7,344	11.2%	4,142	7.7%
Aeronautical NOI	36,016	7,169	28,930	22,513	6,417	28.5%	21,761	303.5%

Aeronautical – 2022 YTD Actuals vs. 2022 YTD Budget

- Net Operating Income was (\$6.4M or 28.5%) favorable to budget driven by lower operating expenses in Outside Services and Charges from Other Divisions.

Aeronautical – 2022 YTD Actuals vs. 2021 YTD Actuals

- Net Operating Income was (\$21.8M or 303.5%) higher than 2021 Q1 because aeronautical revenues in 2022 were based on increased passenger activity compared to the same last year when it was only the first year of recovery where activity levels were still low.

Aeronautical Business Unit Summary - YE Forecast

Aeronautical NOI (\$ in 000's)	2020	2021	2022	2022	Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2021	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Rate Base Revenues								
Airfield Movement Area	84,906	88,061	118,704	118,291	413	0.3%	30,643	34.8%
Airfield Apron Area	22,016	17,146	15,197	16,439	(1,242)	-7.6%	(1,950)	-11.4%
Terminal Rents	205,283	184,625	212,017	220,174	(8,157)	-3.7%	27,393	14.8%
Federal Inspection Services (FIS)	8,616	10,978	23,280	23,468	(188)	-0.8%	12,302	112.1%
Total Rate Base Revenues	320,821	300,810	369,198	378,373	(9,174)	-2.4%	68,388	22.7%
Airfield Commercial Area	17,633	16,702	16,508	16,590	(82)	-0.5%	(194)	-1.2%
Subtotal before Revenue Sharing	338,454	317,513	385,706	394,963	(9,257)	-2.3%	68,193	21.5%
Revenue Sharing	1	-	-	-	-	-	-	-
Total Aeronautical Revenues	338,455	317,513	385,706	394,963	(9,257)	-2.3%	68,193	21.5%
Total Aeronautical Expenses	219,878	203,573	268,206	270,850	2,643	1.0%	64,633	31.7%
Aeronautical NOI	118,577	113,940	117,500	124,113	(6,613)	-5.3%	3,560	3.1%

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

Airline Rate Base Cost Drivers

\$ in 000's	2021 Actual	2022 Budget	2022 Forecast	Impact on Aero Revenues Budget vs Forecast	
				\$	%
O&M ⁽¹⁾	198,065	263,372	260,645	(2,727)	-1.0%
Federal Relief Grants O&M	(2,571)	(12,700)	(9,300)	3,400	-26.8%
Net O&M	195,494	250,672	251,345	673	0.3%
Debt Service Before Offsets	187,134	235,151	234,475	(676)	-0.3%
Debt Service PFC Offset	(54,076)	(79,803)	(79,903)	(100)	0.1%
Federal Relief Grants Debt Service	(58,878)	(58,975)	(68,180)	(9,205)	15.6%
Net Debt Service	74,180	96,373	86,392	(9,981)	-10.4%
Amortization	32,511	33,699	33,699	-	0.0%
Space Vacancy	(1,102)	(1,613)	(1,585)	28	-1.7%
TSA Operating Grant and Other	(687)	(758)	(735)	23	-3.1%
Rate Base Revenues	300,397	378,373	369,116	(9,257)	-2%
Commercial area	16,702	16,590	16,590	-	0%
Total Aero Revenues	317,099	394,963	385,706	(9,257)	-2%

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

2022 Forecast to 2022 Budget

- O&M – \$2.7M lower due primarily to delays in Airline Realignment work and IAF opening later, partially offset by small increases in Airfield Movement and Terminal cost centers.
- Federal Relief Grants Aero Portion:
 - Payroll Impact (O&M) – Reducing \$9.3M from Rate Base
 - Debt Service Impact – Reducing \$68.2M from Rate Base

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

Non-Aero Business Unit Summary – YTD Actuals

Non-Aeronautical NOI (\$ in 000's)	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2021	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Non-Aeronautical Revenues								
Public Parking	16,720	9,330	18,872	17,121	1,752	10.2%	9,542	102.3%
Rental Cars	6,928	3,484	7,272	9,355	(2,083)	-22.3%	3,787	108.7%
Ground Transportation	3,931	1,459	3,551	3,536	14	0.4%	2,091	143.3%
Airport Dining & Retail	10,680	4,865	9,794	(10,448)	20,243	-193.7%	4,929	101.3%
Other	11,697	7,791	11,455	11,351	104	0.9%	3,664	47.0%
Total Non-Aeronautical Revenues	49,956	26,930	50,944	30,915	20,029	64.8%	24,013	89.2%
Total Non-Aeronautical Expenses	24,307	23,947	26,983	29,994	3,011	10.0%	3,036	12.7%
Non-Aeronautical NOI	25,649	2,984	23,961	921	23,040	2501.5%	20,977	703.1%
Less: CFC Surplus	-	-	-	-	-		-	
Adjusted Non-Aeronautical NOI	25,649	2,984	23,961	921	23,040	2501.5%	20,977	703.1%
Debt Service	-	-	-	-	-		-	
Net Cash Flow	25,649	2,984	23,961	921	23,040	2501.5%	20,977	703.1%

Non-Aeronautical – 2022 YTD Actuals vs. 2022 YTD Budget

- Net Operating Income is (\$23M or 2501.5%) favorable to budget driven by:
 - Timing of \$21.4M of Concessionaire Relief Grant assumed in the Airport, Dining, and Retail (ADR) budget in Q1 resulting in lower budgeted revenues at end of Q1, while the actuals for the corresponding Concessionaire Relief Grant has not been realized yet. Without the Concessionaire Relief Grant in the budget, the actuals would be closer aligned to budget in total Non-Aeronautical revenues.
 - Public Parking revenue is improving and more closely aligned with changes in passenger volumes, while there is slower recovery in the Commercial Management operations, particularly in ADR due to lower enplanements, coupled with the delay of the Salty's Restaurant opening is driving ADR revenue down in 1Q.
 - Non-Aeronautical operating expenses were (\$3M or 10%) favorable.

Non-Aeronautical – 2022 YTD Actuals vs. 2021 YTD Actuals

- Net Operating Income was (\$21M or 703.1%) higher than 2021 driven by:
 - Increasing passenger levels and activity when compared to Q1 2021 when it was still early in the first year of recovery from the pandemic.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

Non-Aero Business Unit Summary - YE Forecast

Non-Aeronautical NOI (\$ in 000's)	2020	2021	2022	2022	Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2021	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Non-Aeronautical Revenues								
Public Parking	34,502	64,104	81,028	81,028	-	0.0%	16,924	26.4%
Rental Cars	16,637	34,740	52,138	52,138	-	0.0%	17,398	50.1%
Ground Transportation	6,557	11,947	18,242	18,242	-	0.0%	6,295	52.7%
Airport Dining & Retail	25,418	35,565	37,170	37,829	(660)	-1.7%	1,605	4.5%
Other	33,359	37,463	50,827	51,582	(756)	-1.5%	13,364	35.7%
Total Non-Aeronautical Revenues	116,473	183,819	239,404	240,820	(1,415)	-0.6%	55,586	30.2%
Total Non-Aeronautical Expenses	109,802	90,644	128,625	126,773	(1,852)	-1.5%	37,981	41.9%
Non-Aeronautical NOI¹	6,671	93,175	110,779	114,047	(3,268)	-2.9%	17,604	18.9%
Less: CFC Surplus	(6,834)	-	-	-	-		-	
Adjusted Non-Aeronautical NOI	(163)	93,175	110,779	114,047	(3,268)	-2.9%	17,604	18.9%
Debt Service	(33,065)	(27,096)	(24,474)	(33,372)	8,898	-26.7%	2,622	-9.7%
Net Cash Flow	(33,229)	66,079	86,305	80,676	5,630	7.0%	20,227	30.6%

Non-Aeronautical – 2022 Forecast vs. 2022 Budget

- Non-Aeronautical net operating income is forecasted to be (-\$3.3M or -2.9%) unfavorable primarily in Commercial Management where ADR revenue is forecasted unfavorable to budget driven by enplanements down (1.4%), the delay in the opening of the new Salty's Restaurant, partially offset by slightly lower average percentage rent to the Port.
- Duty Free is forecasted unfavorable (\$324K) as this group continues to suffer from a slow recovery in international enplanements as travel restrictions continue and we see sluggish international flying. This is compounded by lower sales per enplanement and lower average percentage rent rate to the Port.
- Food & Beverage is forecasted to be (\$781K) unfavorable to budget due to the delay of the Salty's Restaurant opening from Q1 2022 to Q3 2022.

Non-Aeronautical – 2022 Forecast vs. 2021 Actuals

- Net Operating Income for 2022 is forecasted to be (\$17.6M or 18.9%) higher compared to prior year due to passenger levels improving with a forecast of being down 7.6% compared to 2019 vs. 29.6% down in 2021 compared to 2019.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

D. CAPITAL RESULTS

Capital Variance

\$ in 000's	2022	2022	2022	2022	Bud vs. Fcst	
	YTD Actual	Year-End Forecast	Budget	POF	\$	%
North MT Redevelopment ⁽¹⁾	2,390	80,444	97,849	38,575	17,405	17.8%
C1 Building Floor Expansion ⁽²⁾	2,778	20,746	31,576	50,155	10,829	34.3%
Checkpoint 1 Relocation ⁽³⁾	365	4,778	14,122	20,388	9,344	66.2%
Concourse A Expansion ⁽⁴⁾	957	8,816	17,138	13,986	8,323	48.6%
SSAT Infrastructure HVAC ⁽⁵⁾	533	1,467	7,719	6,077	6,252	81.0%
Checked Baggage ⁽⁶⁾	25,937	125,412	130,600	104,000	5,188	4.0%
Upgrades STS Train Control ⁽⁷⁾	261	13,222	17,278	15,117	4,056	23.5%
Conc HVAC renewal & replace ⁽⁸⁾	-	374	4,326	2,537	3,953	91.4%
NSAT Renovation ⁽⁹⁾	1,196	15,560	19,270	27,347	3,710	19.3%
Apartment Sound Insulation ⁽¹⁰⁾	59	2,933	6,270	4,656	3,336	53.2%
GSE Electrical Chrg Stations ⁽¹¹⁾	612	6,031	9,209	9,411	3,178	34.5%
International Arrivals Facility ⁽¹²⁾	4,356	19,556	16,700	20,509	(2,856)	-17.1%
All Other	18,898	198,272	223,284	297,864	25,011	11.2%
Subtotal	58,342	497,612	595,341	610,622	97,729	16.4%
CIP Cashflow Mgmt Reserve	-	(47,795)	(67,424)	(95,810)	(19,629)	29.1%
Total Spending	58,342	449,817	527,917	514,812	78,100	14.8%

Note: POF (Plan of Finance) is the total estimated during the budget process.

- Underspent due to the delay in executing TRA 1, which was not fully executed until December 2021.
- Commission Authorization delays, due to re-evaluating financial impacts with COVID-19.
- Design required more effort than originally projected delaying start of construction.
- Potential delay due to recent request from the tenant.
- Returned \$5M savings in Q1 and design delays have caused underspending.
- SSAT work has been delayed by approximately 6 months due to delay in IAF opening.
- Significant 4-5 month delay in negotiating/executing contract with the STS manufacturer and revised schedule has deferred cashflows.
- Delayed start of the project due to PM resources.
- Under-run due to delays finalizing Dec 2021 Contractor invoice, final construction contract audit and reduced Port staff engagement.
- Clarity on project scope shifts cost out and identifies likely savings.
- Contract for Phase 2B came under estimate.
- Flood recovery costs added to 2022. Opening delayed from March to May. Extended LOE for closeout & litigation support for PM/CM teams.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

III. MARITIME DIVISION

FINANCIAL SUMMARY (Excludes Pension Adjustments)

	2020	2021	2022	2022	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
\$ in 000's								
Total Revenues	42,111	48,738	67,920	59,137	8,783	15%	19,182	39%
Total Operating Expenses	52,357	47,784	58,862	57,865	(997)	-2%	11,078	23%
Net Operating Income	(10,246)	954	9,058	1,272	7,786	-612%	8,104	-849%
<i>NOI Including Pension Adj</i>	(8,117)	7,616	9,058	1,272	6,789	-534%	1,442	19%
Capital Expenditures	19,698	18,923	21,949	23,521	1,572	7%	3,026	16%

2022 Forecast vs. 2022 Budget

- Operating Revenues are forecasted \$8.8M higher than budget driven by occupancy rates and the expectation of a full cruise season.
- Operating Expenses forecasted \$1.0M unfavorable to budget from capital to expense of the Gateway Building at Fishermen's Terminal.
- Net Operating Income forecasted \$7.8M favorable to budget.
- Capital Spending forecasted at 93.3% of \$23.5M budget.

2022 Forecast vs. 2021 Actuals

- Operating Revenues expected \$19.2M higher than 2021 due to full season of cruise business.
- Operating Expenses forecasted \$11.1M higher than 2021 actual driven by higher payroll cost and elimination of pandemic austerity measures.
- Net Operating Income forecasted \$8.1M above 2021 actual.

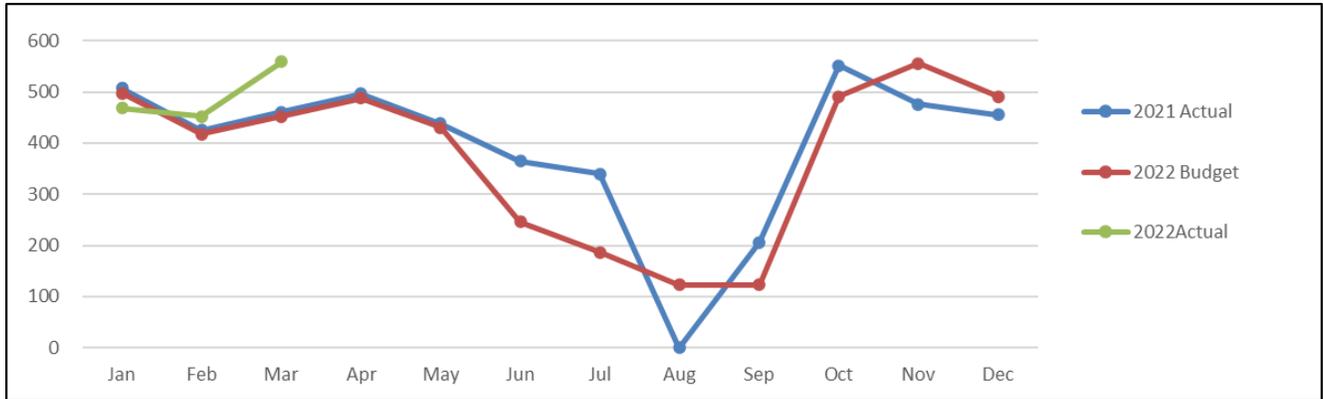
Net Operating Income before Depreciation by Business

	2021 YTD	2022 YTD	2022 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2020	
	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's							
Ship Canal Fishing & Operations	(372)	(494)	(774)	280	36%	(122)	-33%
Elliott Bay Fishing & Commercial Operations	(261)	(351)	(613)	262	43%	(90)	NA
Recreational Boating	304	259	60	200	333%	(44)	-15%
Cruise	(2,517)	(2,819)	(3,163)	344	11%	(301)	-12%
Grain	1,431	1,572	1,390	182	13%	140	10%
Maritime Portfolio	88	(393)	(1,062)	669	63%	(481)	546%
All Other	(71)	8	120	(112)	93%	79	-111%
Total Maritime	(1,398)	(2,218)	(4,043)	1,826	45%	(820)	-59%

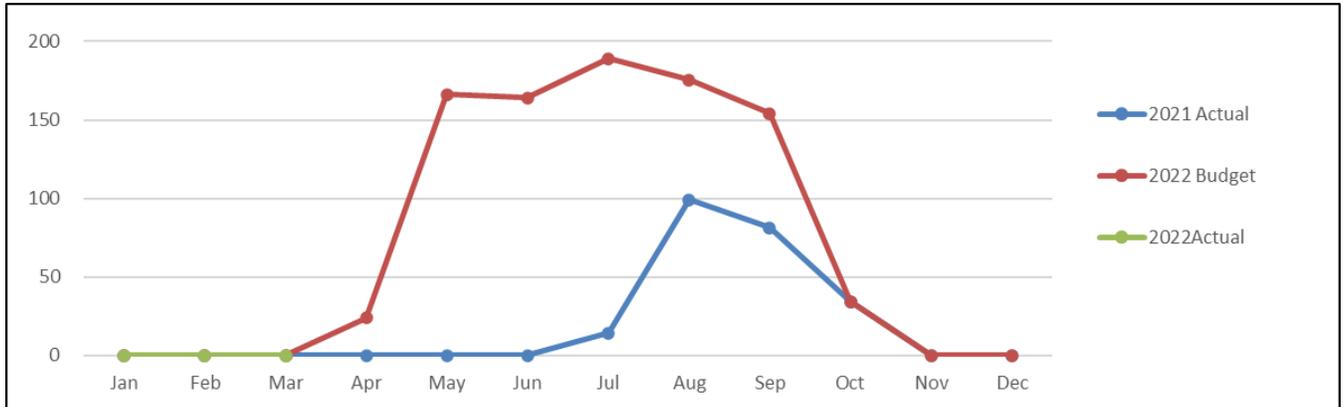
III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

A. KEY PERFORMANCE METRICS

Grain Volume – Metric Tons in 000's



Cruise Passengers in 000's



III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

B. OPERATING RESULTS

	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Budget	Actual vs. Budget Variance		Change from 2021	
\$ in 000's					\$	%	\$	%
Ship Canal Fishing & Operations	1,082	1,067	1,180	1,076	104	10%	113	11%
Elliott Bay Fishing & Commercial Operations	1,418	1,136	1,308	1,145	163	14%	172	15%
Recreational Boating	3,134	3,125	3,443	3,377	66	2%	318	10%
Cruise	114	48	(66)	59	(125)	-212%	(114)	-238%
Grain	1,048	1,719	1,874	1,753	122	7%	155	9%
Maritime Portfolio Management	2,541	2,443	2,765	2,554	211	8%	322	13%
Other	3	1	6	5	2	NA	5	598%
Total Revenue	9,340	9,539	10,511	9,969	542	5%	972	10%
Expenses								
Maritime (Excl. Maint)	3,724	3,576	3,957	3,825	(132)	-3%	381	11%
Economic Development	1,314	1,059	1,589	1,775	186	10%	530	50%
Total Direct	5,038	4,635	5,546	5,600	54	1%	910	20%
Maintenance Expenses	2,671	2,357	2,720	3,372	652	19%	363	15%
Envir Services & Planning	447	359	140	601	461	77%	(218)	-61%
Seaport Finance & Cost Recovery	227	237	210	257	47	18%	(28)	-12%
Seaport Project Management	43	76	171	149	(22)	-15%	95	124%
Total Support Services	3,387	3,029	3,241	4,380	1,139	26%	212	7%
IT	689	651	751	798	48	6%	100	15%
Police Expenses	842	722	752	884	132	15%	30	4%
External Relations	305	281	365	414	49	12%	83	30%
Other Central Services	1,340	1,549	1,987	1,873	(114)	-6%	439	28%
Aviation Division / Other	59	71	88	64	(24)	-38%	18	25%
Total Central Services / Other	3,236	3,273	3,943	4,033	90	2%	670	20%
Total Expense	11,661	10,937	12,729	14,013	1,283	9%	1,792	16%
NOI Before Depreciation	(2,321)	(1,398)	(2,218)	(4,043)	1,826	45%	(820)	-59%
Depreciation	4,395	4,464	4,464	4,219	(244)	-6%	(0)	0%
NOI After Depreciation	(6,715)	(5,862)	(6,682)	(8,263)	1,581	19%	(820)	-14%

2022 YTD Actuals vs. 2022 YTD Budget

- Operating Revenues were \$542K higher than budget driven by:
 - Ship Canal favorable \$104K from higher occupancy and favorable utility sales.
 - Elliott Bay Fishing higher by \$163K due to favorable moorage and heavy lift truck rental.
 - Recreational Boating 66K favorable from occupancy and electrical sales.
 - Cruise \$125K lower due to invoice timing.
 - Grain \$122K favorable from higher volumes.
 - Maritime Portfolio Management \$211 higher from favorable temporary leases.
- Operating Expenses were \$1,283K lower than budget:
 - Direct Expenses were \$54K lower than budget
 - Rec Boating \$11K higher than budget due to utilities expenses.
 - Ship Canal Fishing and Operations \$79K higher due to utilities expenses.
 - Elliot Bay Fishing and Commercial \$95K over from litigation reserve.
 - Cruise \$203K under from timing of outside services and open FTE.
 - Maritime Security \$20K lower than budget.
 - Maritime Marketing \$116K below budget due to timing of spend.
 - Maritime Portfolio Management \$192K below budget due to timing tenant improvements.
 - Divisional contingency open headcount vacancy factor created a \$314K unfavorable variance.
 - All other Direct Expenses net to \$22K under budget.
 - Total Support Services were \$1,139K favorable to budget due to significant open FTEs in both Maintenance and Environmental along with saving from project deferrals.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

- Total Central Services / Other were \$90K favorable to budget.
- Net Operating Income was \$1,826K favorable to budget.

2022 YTD Actuals vs. 2021 YTD Actuals

- Operating Revenues were \$1.0M higher than 2021 due to increased rates at marinas and commercial properties.
- Operating Expenses were \$1.8M higher than 2021 actual driven by higher utilities, increased wage rates, and removal of austerity measures.
- Net Operating Income was \$.8M lower than 2021 actual.

	2020	2021	2022	2022	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
\$ in 000's								
Ship Canal Fishing & Operations	4,704	4,240	4,361	4,211	150	4%	121	3%
Elliott Bay Fishing & Commercial Operations	5,752	5,618	4,917	4,717	200	4%	(701)	-12%
Recreational Boating	12,611	12,851	13,831	13,731	100	1%	980	8%
Cruise	3,824	9,517	28,574	20,574	8,000	39%	19,057	200%
Grain	5,142	6,112	6,022	5,900	122	2%	(90)	-1%
Maritime Portfolio Management	10,074	10,392	10,197	9,986	211	2%	(196)	-2%
Other	4	7	19	19	0	NA	12	164%
<i>Pension Revenue Adjustment</i>	<i>0</i>	<i>(408)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>NA</i>	<i>408</i>	<i>NA</i>
Total Revenue	42,111	48,331	67,920	59,137	8,783	15%	19,590	41%
Expenses								
Maritime (Excl. Maint)	16,676	13,951	17,672	16,022	(1,650)	-10%	3,721	27%
Economic Development	4,549	4,559	6,065	6,065	0	0%	1,506	33%
Total Direct	21,225	18,510	23,737	22,087	(1,650)	-7%	5,227	28%
Maintenance Expenses	12,353	11,326	14,399	14,624	225	2%	3,073	27%
Envir Services & Planning	2,947	2,018	2,317	2,542	225	9%	300	15%
Seaport Finance & Cost Recovery	1,072	1,163	1,096	1,096	0	0%	(67)	-6%
Seaport Project Management	1,144	342	712	712	0	0%	370	108%
Total Support Services	17,518	14,849	18,525	18,975	450	2%	3,676	25%
IT	2,888	2,695	3,349	3,349	0	0%	655	24%
Police Expenses	3,131	3,064	3,380	3,495	115	3%	316	10%
External Relations	1,242	1,222	1,357	1,654	297	18%	135	11%
Other Central Services	6,035	7,109	8,230	8,021	(209)	-3%	1,121	16%
Aviation Division / Other	318	336	285	285	0	0%	(51)	-15%
Total Central Services / Other	13,614	14,426	16,601	16,804	203	1%	2,175	15%
Total Expense before Pension Adjustment	52,357	47,784	58,862	57,865	(997)	-2%	11,078	23%
<i>Pension Expense Adjustment</i>	<i>(2,129)</i>	<i>(7,070)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>NA</i>	<i>7,070</i>	<i>-100%</i>
Total Expense	50,228	40,714	58,862	57,865	(997)	-2%	18,148	45%
<i>NOI excluding Pension Adjustments</i>	<i>(10,246)</i>	<i>954</i>	<i>9,058</i>	<i>1,272</i>	<i>7,786</i>	<i>612%</i>	<i>8,104</i>	<i>849%</i>
NOI Before Depreciation	(8,117)	7,616	9,058	1,272	7,786	612%	1,442	-19%
Depreciation	17,624	17,718	17,510	17,510	0	0%	(208)	-1%
NOI After Depreciation	(25,741)	(10,101)	(8,452)	(16,238)	7,786	48%	1,650	16%

2022 Forecast vs. 2022 Budget

- Operating Revenues are forecasted \$8.8M higher than budget:
 - Cruise \$8.0M higher based on more sailings than budgeted with the reduction of COVID-19 issues.
 - Fishing, Commercial, and Boating Marinas are \$450K higher due to better pier utilization and occupancy.
- Operating Expenses forecasted \$1.0M unfavorable to budget from a capital to expense classification of the discontinued Fishermen's Terminal Gateway building.
- Net Operating Income Planned \$7.8M favorable to budget.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

2022 Forecast vs. 2021 Actuals (Excludes Pension Adjustment)

- Operating Revenues expected \$20.0M higher than 2021 with resumption of Cruise, higher Grain volumes, and rate increases.
- Operating Expenses forecasted \$11.1M higher than 2021 actual driven primarily by increased represented and non-represented wage rates.
- Net Operating Income forecasted \$8.1M better than 2021 actual.

C. CAPITAL RESULTS

	2022 YTD Actual	2022 Year- End Forecast	2022 Budget	2022 POF	Budget vs Forecast	
					\$	%
\$ in 000's						
P66 Shore Power	45	5,342	7,582	7,500	2,240	30%
T117 Restoration	1,283	5,208	5,346	2,502	138	3%
MD Video Camera Pro	0	1,400	1,400	1,400	0	0%
T91 Berth 6&8 Redevelop	111	1,019	1,235	1,334	216	17%
FT Maritime Innovation Center	132	1,222	1,222	1,317	0	0%
FT ADA Compliance	68	1,138	1,138	1,385	0	0%
SBM Dock X Pier Replacement	48	975	1,000	833	25	3%
P90E Timber Pile Caps	9	55	909	837	854	94%
MD Fleet	200	2,870	2,670	2,085	(200)	-7%
MD Small Projects	126	2,396	2,445	2,246	49	2%
All Other Project	334	6,483	7,371	11,544	888	12%
Subtotal	2,356	28,108	32,318	32,983	4,210	13%
CIP Cashflow Mgmt Reserve	0	(6,159)	(8,797)	(9,775)	(2,638)	30.0%
Total Maritime	2,356	21,949	23,521	23,208	1,572	6.7%

Note: POF (Plan of Finance) is the total estimated during the budget process.

Comments on Key Projects

- **P66 Shore Power**– Significant project schedule and budget reset to account for permitting concerns, continuing supply chain delays, and construction cost escalations.
- **P90E Timber Pile Caps**– Construction delayed for one year due to Construction Management resource constraint.

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

IV. ECONOMIC DEVELOPMENT DIVISION

FINANCIAL SUMMARY

	2020	2021	2022	2022	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
\$ in 000's								
Total Revenues	9,470	9,294	14,470	18,769	(4,299)	-23%	5,176	56%
Total Operating Expenses	21,382	20,560	25,332	28,301	2,969	10%	4,773	23%
Net Operating Income	(11,912)	(11,266)	(10,862)	(9,532)	(1,330)	-14%	404	-4%
<i>NOI Including Pension Adj</i>	(11,141)	(8,870)	(10,862)	(9,532)	1,639	17%	(1,992)	22%
Capital Expenditures	9,314	4,311	10,811	10,483	(328)	-3%	6,500	151%

2022 Forecast vs. 2022 Budget

- Operating Revenues forecasted to \$4.3M unfavorable to budget due to lower volumes at the Conference & Event Center.
- Operating Expenses \$3.0M favorable to budget due to variable cost impact of lower Conference Center volumes (\$2.8M), delayed hiring, and Maintenance Expenses.
- Net Operating Income forecasted at \$1.3M below budget.
- Capital Spending forecasted at 103.1% of \$10.5M budget.

2022 Forecast vs. 2021 Actuals

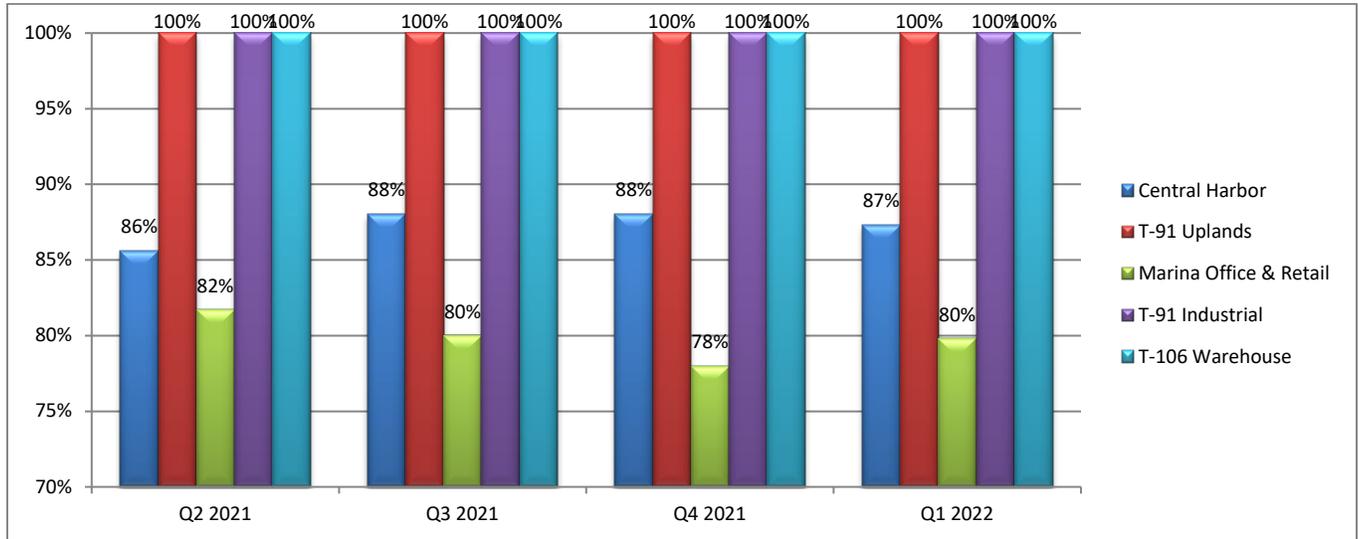
- Operating Revenues forecasted \$5.2 M higher than 2021 with \$4.1M increase in Conference & Event Center along with increased concession revenue at the Bell Street garage.
- Operating Expenses \$4.8M higher than 2021 due to payroll increases and Conference & Event Center volumes.
- Net Operating Income forecasted \$.4M better than 2021 actual, but \$2.0M worse when factoring in the pension adjustments.

Net Operating Income before Depreciation by Business

	2021 YTD	2022 YTD	2022 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's							
Portfolio Management	(845)	(1,056)	(1,166)	109	9%	(211)	-25%
Conference & Event Centers	(1,030)	(928)	(953)	24	3%	102	10%
Tourism	(169)	(146)	(289)	142	49%	23	13%
EDD Grants	21	26	(113)	138	123%	5	23%
Env Grants/Remed Liab/ERC	(23)	(364)	83	(447)	-538%	(340)	-1467%
Total Econ Dev	(2,047)	(2,469)	(2,436)	(32)	-1%	(422)	-21%

A. KEY PERFORMANCE METRICS

Building Occupancy by Location:



Key Building Vacancies

Central Harbor

- T-102 Corporate Center mainly Suite A-205 (9,061sf), Suite A-105 (4,191sf), Suite A-203 (3,745sf), and Suite A-104 (2,212sf).
- World Trade Center West Suite 130 (11,388sf) and Suite 230 (5,777sf).

Marina Office & Retail

- Maritime Industrial Center mainly Building A1 Suite 300 (15,651sf) and Suite 301 (11,657sf).
- Fishermen’s Terminal mainly Building C-2 Suite D (4,967sf) and Building C-15 Suite 315 (4,811sf).

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

B. OPERATING RESULTS

	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Budget	Actual vs. Budget Variance		Change from 2021	
\$ in 000's					\$	%	\$	%
Revenue	2,163	1,875	1,962	1,991	(29)	-1%	87	5%
Conf & Event Centers	1,115	127	618	1,347	(729)	-54%	491	387%
Total Revenue	3,277	2,002	2,580	3,338	(758)	-23%	578	29%
Expenses								
Portfolio Management	899	839	1,011	915	(96)	-10%	172	21%
Conf & Event Centers	1,557	545	888	1,624	735	45%	343	63%
P69 Facilities Expenses	55	47	51	68	17	25%	4	8%
RE Dev & Planning	41	48	75	49	(26)	-53%	27	57%
EconDev Expenses Other	291	187	249	176	(73)	-42%	62	33%
Maintenance Expenses	635	847	809	978	169	17%	(38)	-5%
Maritime Expenses (Excl Maint)	244	235	229	302	72	24%	(6)	-3%
Total EDD & Maritime Expenses	3,722	2,748	3,313	4,111	798	19%	565	21%
Diversity in Contracting	25	26	26	32	5	17%	1	3%
Tourism	207	167	496	281	(215)	-76%	329	197%
EDD Grants	(57)	(21)	(26)	113	138	123%	(5)	22%
Total EDD Initiatives	175	172	497	426	(71)	-17%	325	189%
Environmental & Sustainability	8	5	5	6	1	16%	1	13%
Police Expenses	58	48	49	58	9	15%	1	2%
Other Central Services	1,244	1,041	1,142	1,143	1	0%	101	10%
Aviation Division	29	35	43	31	(12)	-39%	8	24%
Total Central Services & Aviation	1,339	1,129	1,240	1,238	(1)	0%	111	10%
Envir Remed Liability	0	0	0	0	0	NA	0	NA
Total Expense	5,236	4,049	5,049	5,775	726	13%	1,000	25%
NOI Before Depreciation	(1,959)	(2,047)	(2,469)	(2,436)	(32)	-1%	(422)	-21%
Depreciation	909	958	938	891	(48)	-5%	(19)	-2%
NOI After Depreciation	(2,867)	(3,005)	(3,407)	(3,327)	(80)	-2%	(403)	-13%

2022 YTD Actuals vs. 2022 YTD Budget

- Operating Revenue were \$758K unfavorable to budget due primarily to lower than anticipated Conference and Event Center from a slow recovery threatened by COVID-19 variants.
- Operating Expenses were \$726K favorable to budget:
 - Conference and Event Center \$735K favorable from lower activity.
 - Maintenance Expenses \$169K favorable due to open positions.
 - EDD Initiatives \$71K below budget.
 - All other expenses net to \$107K below budget.
- Net Operating Income was \$32K below budget.

2022 YTD Actuals vs. 2021 YTD Actuals

- Operating Revenues were \$578K higher than 2021 actual
- Operating Expenses were \$1,000K higher than 2021 actual:
 - Conference and Event Centers \$343K higher than 2021 due to variable costs associated with higher Conference and Event Center volumes.
 - Maintenance Expenses \$38K lower than 2021 due to open positions.
 - Central Services \$111K higher than 2021.
 - All other Expenses net to \$584K higher than 2021.
- Net Operating Income was \$422K below 2021 actual.

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

	2020	2021	2022	2022	Fav(UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
\$ in 000's								
Revenue	7,808	7,384	8,470	8,470	0	0%	1,086	15%
Conf & Event Centers	1,662	1,910	6,000	10,299	(4,299)	-42%	4,090	214%
Total Revenue	9,470	9,294	14,470	18,769	(4,299)	-23%	5,176	56%
Expenses								
Portfolio Management	3,143	3,737	3,905	3,905	0	0%	168	5%
Conf & Event Centers	4,440	3,124	6,318	9,018	2,700	30%	3,194	102%
P69 Facilities Expenses	268	268	228	228	0	0%	(39)	-15%
RE Dev & Planning	230	231	246	246	0	0%	15	7%
EconDev Expenses Other	974	736	842	842	0	0%	106	14%
Maintenance Expenses	3,055	3,769	4,101	4,201	100	2%	332	9%
Maritime Expenses (Excl Maint)	1,117	862	1,279	1,279	0	0%	417	48%
Total EDD & Maritime Expenses	13,227	12,727	16,919	19,719	2,800	14%	4,193	33%
Diversity in Contracting	162	253	168	168	0	0%	(85)	-34%
Tourism	991	1,877	1,750	1,750	0	0%	(127)	-7%
EDD Grants	778	889	1,500	1,500	0	0%	611	69%
Total EDD Initiatives	1,931	3,019	3,418	3,418	0	0%	399	13%
Environmental & Sustainability	33	24	55	59	4	7%	31	128%
Police Expenses	215	205	221	229	8	3%	16	8%
Other Central Services	5,815	4,408	4,592	4,749	157	3%	184	4%
Aviation Division	161	177	128	128	0	0%	(49)	-28%
Total Central Services & Aviation	6,225	4,814	4,996	5,165	169	3%	181	4%
Total Expense before Pension Adjustment	21,382	20,560	25,332	28,301	2,969	10%	4,773	23%
Pension Expense Adjustment	(771)	(2,396)	0	0	0	NA	2,396	-100%
Total Expense	20,611	18,164	25,332	28,301	2,969	10%	7,168	39%
NOI Before Depreciation	(11,141)	(8,870)	(10,862)	(9,532)	(1,330)	-14%	(1,992)	-22%
Depreciation	3,611	3,841	3,741	3,741	0	0%	(100)	-3%
NOI After Depreciation	(14,752)	(12,711)	(14,603)	(13,273)	(1,330)	-10%	(1,892)	-15%

2022 Forecast vs. 2022 Budget

- Operating Revenues forecasted to \$4.3M unfavorable to budget due to lower volumes at the Conference & Event Center.
- Operating Expenses \$3.0M favorable to budget due to variable cost impact of lower Conference Center volumes (\$2.8M), delayed hiring, and Maintenance Expenses.
- Net Operating Income forecasted at \$1.3M below budget.

2022 Forecast vs. 2021 Actuals (Excludes Pension Adjustments)

- Operating Revenues forecasted \$5.2M higher than 2021 with \$4.1M increase in Conference & Event Center along with increased concession revenue at the Bell Street garage.
- Operating Expenses \$4.8M higher than 2021 due to payroll increases and Conference & Event Center volumes.
- Net Operating Income forecasted \$.4M better than 2021 actual.

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

C. CAPITAL RESULTS

	2022 YTD Actual	2022 Year- End Forecast	2022 Budget	2022 POF	Budget vs Forecast	
					\$	%
\$ in 000's						
P69 Underdock Utility Rpl	64	2,678	2,678	2,600	0	0%
CW Bridge Elev Modernization	167	2,352	2,352	2,000	0	0%
P66 Roof Upgrades	339	1,553	1,559	752	6	0%
T91 Uplands Dev Phase 1	20	1,513	1,404	1,484	(109)	-8%
WTCW Roof Replacement	22	1,099	1,099	1,570	0	0%
WTC HVAC Replacement	537	1,020	1,020	2,739	0	0%
Tenant Improvements -Capital	0	501	501	300	0	0%
BHICC Interior Modernization	8	168	310	4	142	46%
EDD Technology Projects	0	250	250	250	0	0%
EDD Small Projects	11	670	669	620	(1)	0%
All Other Projects	11	1,055	1,046	1,750	(9)	-1%
Subtotal	1,179	12,859	12,888	14,069	29	0%
CIP Cashflow Mgmt Reserve	0	(2,048)	(2,405)	(3,554)	(357)	15%
Total Economic Development	1,179	10,811	10,483	10,515	(328)	-3%

Note: POF (Plan of Finance) is the total estimated during the budget process.

Comments on Key Projects

As of Q1, 2022 Economic Development Capital Spending is forecasted to slightly exceed budget. Favorable resolution of claim at BHICC offset by increased cost on all other projects.

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

V. CENTRAL SERVICES DIVISION

FINANCIAL SUMMARY

	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Budget	Actual vs. Budget Variance		Change from 2021	
\$ in 000's					\$	%	\$	%
Total Operating Revenues	907	956	165	47	118	253.6%	(791)	-82.8%
Core Central Support Services	19,359	18,743	21,471	22,691	1,220	5.4%	2,728	14.6%
Police	7,908	6,748	6,756	8,200	1,444	17.6%	8	0.1%
Engineering/PCS	2,158	1,965	1,923	2,793	869	31.1%	(41)	-2.1%
Total Operating Expenses	29,425	27,455	30,150	33,683	3,533	10.5%	2,695	9.8%

2022 YTD Actuals vs. 2022 YTD Budget

- Operating Revenues favorable by \$118K due primarily to Police forfeiture.
- Operating Expenses \$3.5M favorable to budget mainly due to staffing vacancies, and project spending delays offset by lower charges to Capital Projects.

2022 YTD Actuals vs. 2021 YTD Actuals

- Operating Revenues \$791K below 2021 mainly due to higher Police forfeiture seizures in 2021.
- Operating Expenses \$2.7M higher than 2021 mainly due to higher Payroll, Equipment Expense, Outside Services, Travel & Other Employee Expenses, and General Expenses.

A. BUSINESS EVENTS

- Port partnered with WorkSource to host the Job and Resource Fair for newly arrived Afghan refugees
- Developed and implemented an electronic daily self-check health survey for consultants/contractors
- Reviewed and finalized the budget for the WMBE goals
- Received the GFOA Financial Reporting Excellence Award for the 16th consecutive year
- Finalized the banking services procurement; ongoing work to ensure smooth implementation/transition
- Conducted the Equitable Disruption event and Strengths, Weaknesses, Opportunities, and Threats (SWOT) training
- Designed and led a Rapid Improvement project to assist with ACH Vendor Payment Improvements
- Hosted the International Arrivals Facility VIP and online “reveal” events
- Completed the Evidence Management System that will allow Port police to efficiently manage physical/digital evidence and property associated with calls for service, incidents, and cases
- Police Assessment Implementation Team (PAIT) reviewed the 52 recommendations highlighted by the consultant and identified resources for implementation
- Acquired a new boat to assist the POS Police Marine Unit in providing required waterside security
- Communicated the results of the port-wide Equity Assessment and Women of Color Assessment; shared the equity performance goal requirements and new hiring process requirements
- Physical Completion issued for the Pier 66 Interior Modernization and South Satellite Infrastructure Upgrade projects
- Substantial completion achieved on: Main Terminal Space Conversion Phase II, ADA access controls at C4 area, and Concourse Info Hub

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

B. KEY PERFORMANCE METRICS

Century Agenda Strategic Objectives	YTD 2020	YTD 2021	YTD 2022
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	366	166	300
B. Number of SEA Airport tenants supported in finding employees	56	49	59
C. Employment Center training completions	107	48	87
D. K-12 Career Connected Learning: WFD engagement with teachers/faculty	1,800	0	0
E. Community members entering employment in construction, maritime and environmental sustainability	0	9	10
F. Number of Job Openings created	201	66	100
G. Job applications received	2,855	2,276	2722
H. Number of job interviews conducted	351	171	487
I. Number of new employees hired	95	24	122
J. Number of interns	25	1	1
K. Number of Veteran Fellows	0	0	0
L. Number of employees participating in Tuition Reimbursement	27	40	36
Become a Model for Equity, Diversity and Inclusion			
A. Employee participation in OEDI programming (Caucuses, Book Clubs, Town Halls, etc.)	N/A	178	63
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	27.8%	28.3%	28.1%
B. Investment portfolio earnings versus the benchmark (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index)	2.16%/0.21%	1.33%/0.19%	0.81%/2.22%
C. Comply with Public Disclosure Act and respond in a timely manner	135	153	227
D. Percent of annual audit work plan completed each year	100%	100%	100%
E. Employee Development Class Attendees/Structured Learning	1,100	492	573
F. Total Recordable Incident Rate (previous Occupational Injury Rate)	4.28	5.49	2.33
G. Lost Work Day Rate (previously Days Away Severity Rate)	35.38	32.69	19.18
H. Customer Survey for Police Service Excellent or Above Average	84%	100%	90%

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

C. OPERATING RESULTS

Financial Summary (Year-End Forecast)

	2020	2021	2022	2022	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
\$ in 000's								
Total Revenues	2,512	(233)	334	186	148	79.3%	568	-243.2%
Executive	2,263	2,051	2,759	2,738	(21)	-0.8%	708	34.5%
Commission	1,755	1,773	2,454	2,486	32	1.3%	681	38.4%
Legal	6,290	7,054	5,248	5,105	(143)	-2.8%	(1,806)	-25.6%
External Relations	7,481	6,827	9,438	10,874	1,436	13.2%	2,611	38.2%
Equity Diversity and Inclusion	4,676	4,937	6,306	5,756	(550)	-9.6%	1,369	27.7%
Human Resources	8,380	8,675	13,141	13,126	(15)	-0.1%	4,465	51.5%
Labor Relations	1,286	1,110	1,402	1,444	41	2.9%	293	26.4%
Internal Audit	1,540	1,296	2,608	1,868	(740)	-39.6%	1,312	101.2%
Accounting & Financial Reporting Services	8,165	6,967	9,326	9,418	92	1.0%	2,358	33.9%
Information & Communication Technology	24,732	19,944	27,597	27,597	()	0.0%	7,653	38.4%
Information Security	1,656	1,328	2,311	2,449	138	5.6%	983	74.0%
Finance & Budget	2,177	1,801	2,478	2,525	47	1.9%	677	37.6%
Business Intelligence	1,181	904	1,930	1,953	23	1.2%	1,026	113.6%
Risk Services	3,349	4,047	4,890	4,688	(202)	-4.3%	842	20.8%
Office of Strategic Initiatives	934	713	1,156	1,231	75	6.1%	443	62.2%
Central Procurement Office	4,280	3,633	6,479	6,678	200	3.0%	2,846	78.3%
Contingency	(190)	(123)	(3,763)	(5,000)	(1,238)	24.8%	(3,640)	2959.8%
Core Central Support Services	79,956	72,936	95,759	94,936	(823)	-0.9%	22,823	31.3%
Police	27,538	17,194	31,686	32,746	1,060	3.2%	14,492	84.3%
Total Before Cap Dev & Environment	107,494	90,130	127,445	127,682	237	0.2%	37,315	41.4%
Capital Development								
Engineering	4,959	1,626	6,935	7,428	493	6.6%	5,309	326.4%
Port Construction Services	4,138	3,321	4,499	4,906	407	8.3%	1,178	35.5%
Sub-Total	9,096	4,948	11,434	12,334	900	7.3%	6,486	131.1%
Environment & Sustainability								
Environment & Sustainability	692	676	1,660	1,741	81	4.7%	984	145.5%
Sub-Total	692	676	1,660	1,741	81	4.7%	984	145.5%
Industrial Development Corporation	-	-	-	-	-	0.0%	-	0.0%
Capital to Expense	193	-	-	-	-	0.0%	-	0.0%
Total Expenses	117,476	95,753	140,538	141,756	1,218	0.9%	44,785	46.8%

2022 Forecast vs. 2022 Budget

Operating Expenses for 2022 are forecasted to be \$1.2M below Budget due primarily to:

- **Executive** – unfavorable variance of (\$21K) primarily due to higher Payroll.
- **Commission** – favorable variance of \$32K due to lower Payroll \$45K offset by higher General Expenses of (\$15K).
- **Legal** – unfavorable variance of (\$143K) due to higher Outside Services (\$165K) offset by lower Payroll of \$23K.
- **External Relations** – favorable variance of \$1.4M primarily due to reduced Outside Services of \$1.4M and Promotional Expenses of \$101K offset by higher Payroll of (\$46K).
- **Equity, Diversity, and Inclusion** – unfavorable variance of (\$550K) primarily due to the increase of Property Rentals of (\$1.1M) offset by lower Outside Services of \$538K.
- **Human Resources** – unfavorable variance of (\$15K) primarily due to higher Payroll of (\$134K) and General Expenses (\$46K) offset by lower Equipment \$42K, Outside Services \$58K and Travel of \$64K.
- **Labor Relations** – favorable variance of \$41K due to lower Payroll.
- **Internal Audit** – unfavorable variance of (\$740K) primarily due to unplanned General Expense of (\$739K) and lower charges to Capital Projects (\$90K) offset by lower Outside Services \$90K.
- **Accounting and Financial Reporting Services** – favorable variance of \$92K primarily due to lower Payroll of \$68K, General Expenses \$26K, and Travel of \$8K offset by higher Telecommunications of (\$9K).
- **Information & Communication Technology** – plans to be on target.
- **Information Security** – favorable variance of \$138K primarily due to lower Outside Services of \$132K and lower Payroll of 5K.
- **Corporate Finance & Budget** – favorable variance of \$47K primarily due to lower Payroll.
- **Business Intelligence** – favorable variance of \$23K primarily due to lower Payroll.
- **Risk Services** – unfavorable variance of (\$202K) due to higher Insurance Expenses of (\$253K) offset by lower Payroll of \$44K.
- **Office of Strategic Initiative** – favorable variance of \$75K due to lower Payroll of \$67K and Outside Services of 7K.
- **Central Procurement Office** – favorable variance of \$200K primarily due to more charges to Capital Projects \$261K offset by higher Payroll of (\$55K) and Outside Services of (\$6K).
- **Police** – favorable variance of \$1.1M primarily due to lower Payroll of \$1.5M offset by higher General Expenses of (\$491K).
- **Engineering** – favorable variance of \$493K primarily due to lower Payroll of \$2.1M offset by less charges to Capital Projects of (\$1.7M).
- **PCS** – favorable variance of \$407K primarily due to lower Payroll of \$468K, Outside Services of \$163K, and Supplies & Stock \$57K offset by lower charges to Capital Projects of (\$366K).
- **Environment & Sustainability Admin** – favorable variance of \$81K due to lower Payroll.
- **Contingency** – unfavorable variance of (\$1.2M). Adjusted forecast for Vacancy Factor actuals.

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/22

2022 Forecast vs. 2021 Actuals

- Operating Expenses for 2022 are forecasted to be \$15.0M higher than 2021, after adjusting for \$29.8M state pension credit in 2021 actuals, mainly due to:
 - **Core Central Support Services** – \$10.0M higher than 2021 primarily due to: higher payroll for current employees and new and unfrozen positions as well as full year salaries for mid-year 2021 positions; contractual increases; addition of new initiatives to support growing needs of the organization.
 - **Police** – \$3.0M above 2021 due to: increase in salary and benefits for represented groups based on contracts; new and unfrozen positions; addition of new initiatives to enhance the safety and security of the public.
 - **Capital Development** – \$2.0M higher than 2021 primarily due to higher payroll and addition of new and unfrozen positions as well as contractual increases to support the capital program.

D. CAPITAL RESULTS

\$ in 000's	2022	2022	2022	2022	Budget Variance	
	YTD Actual	Year-End Forecast	Budget	POF	\$	%
Engineering Fleet Replacement	267	2,127	2,065	1,465	(62)	-3.0%
Services Tech - Small Cap	313	1,992	1,500	1,500	(492)	-32.8%
Infrastructure - Small Cap	43	1,493	1,500	1,500	7	0.5%
Phone System Upgrade	54	1,414	1,414	1,000	0	0.0%
Radio Microwave Redund. Loop	0	1,040	1,040	1,040	0	0.0%
Office Wi-Fi Refresh	39	229	1,039	1,300	810	78.0%
Corporate Fleet Replacement	165	799	901	645	102	11.3%
Other (note 1)	18	4,484	5,830	4,844	1,346	23.1%
Subtotal	899	13,578	15,289	13,294	1,711	11.2%
CIP Cashflow Adjustment	0	(3,800)	(4,400)	(3,900)	(600)	13.6%
TOTAL	899	9,778	10,889	9,394	1,111	10.2%

Note:

POF (Plan of Finance) is the total estimated during the budget process.

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