



PORT OF SEATTLE

Q2 2022 FINANCIAL PERFORMANCE REPORT

AS OF JUNE 30, 2022

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I. PORTWIDE**EXECUTIVE SUMMARY**

The Port's second 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 is expected to be 9.72% 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 Port welcomed the first cruise ship in April to kick-off the start of the 2022 Cruise season. A record number of 293 sailings and an estimated 1.25 million revenue passengers are expected this season. Cruise, Fishing, and Commercial and Recreational Marinas revenues are expected to exceed budget targets while Conference and Event Centers is experiencing a slower rate of recovery.

The Port continues to implement planned initiatives and programs that align with Port goals and mission. This includes the commission action that will increase funding for the Youth Career Launch Program (formerly known as Opportunity Youth Initiative) and lays the groundwork to evolve this successful program from a temporary response to the economic crisis to a more permanent program. The Port will collaborate with community organizations to provide career launch opportunities for youth in port-related industries.

PORTWIDE FINANCIAL SUMMARY

	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
Aeronautical Revenues	163,722	143,188	181,846	189,061	(7,214)	-3.8%	38,659	27.0%
Airport Non-Aero Revenues	64,225	73,219	114,802	98,166	16,636	16.9%	41,582	56.8%
Non-Airport Revenues	48,298	49,475	65,638	62,722	2,916	4.6%	16,162	32.7%
Total Operating Revenues	276,244	265,883	362,286	349,948	12,338	3.5%	96,403	36.3%
Total Operating Expenses	197,820	195,776	220,822	245,788	24,966	10.2%	25,046	12.8%
NOI before Depreciation	78,424	70,107	141,464	104,160	37,304	35.8%	71,357	101.8%
Depreciation	87,855	91,246	104,114	92,614	(11,500)	-12.4%	12,868	14.1%
NOI after Depreciation	(9,431)	(21,139)	37,350	11,546	25,803	223.5%	58,489	-276.7%

2022 YTD Actuals vs. 2022 YTD Budget:

- Airport Non-Aero Revenues were up \$16.6M compared to budget mainly due to the timing of a \$21.4M Federal Operating Grant Revenue offset.
- Non-Airport Revenues were \$2.9M above budget mainly due to higher Cruise, Fishing & Operations, and Maritime Portfolio Management partially offset by lower revenues from Conference & Event Center and NWSA Distributable Revenue.
- Total Operating Expenses are \$25.0M lower than budget due to delays in hiring and implementing projects/initiatives, lower Equipment Expense, Third Party Management Expense, and Travel & Other Employee Expenses; partially offset by less Charges to Capital Projects.

2022 YTD Actuals vs. 2021 YTD Actuals:

- Total Operating Revenues were up \$96.4M due to 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), Cruise, Conference & Event Centers, Recreational Boating, and NWSA Distributable Revenue.
- Total Operating Expenses were \$25.0M higher compared to 2021 due to higher Payroll, Utilities, Outside Services, Equipment Expense, 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	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
NWSA Distributable Revenue	21,218	22,166	24,527	24,720	(193)	-0.8%	2,361	10.6%
Maritime Revenues	18,338	19,507	31,788	28,010	3,778	13.5%	12,281	63.0%
EDD Revenues	5,359	4,089	6,680	8,130	(1,450)	-17.8%	2,591	63.4%
SWU & Other	3,383	3,713	2,643	1,863	780	41.9%	(1,070)	-28.8%
Total Operating Revenues	48,298	49,475	65,638	62,722	2,916	4.6%	16,162	32.7%
Total Operating Expenses	34,441	35,658	43,508	48,770	5,262	10.8%	7,850	22.0%
NOI before Depreciation	13,857	13,817	22,129	13,952	8,178	58.6%	8,312	60.2%
Depreciation	18,794	18,949	18,918	18,198	(721)	-4.0%	(31)	-0.2%
NOI after Depreciation	(4,936)	(5,132)	3,211	(4,246)	7,457	-175.6%	8,343	-162.6%

2022 YTD Actuals vs. 2022 YTD Budget

- Non-Airport Revenues were \$2.9M above budget mainly due to higher Cruise, Fishing & Operations, and Maritime Portfolio Management; partially offset by lower revenues from Conference & Event Center and NWSA Distributable Revenue.
- Non-Airport Operating Expenses were \$5.3M lower than budget because of delays in hiring, project spending delays, lower Third-Party Management Op Expenses; partially offset by higher Utilities.

2022 YTD Actuals vs. 2021 YTD Actuals

- Non-Airport Operating Revenues were \$16.2M higher compared to 2021 because of higher revenues from Cruise, Conference and Event Centers, NWSA Distributable Revenue, and Recreational Boating.
- Non-Airport Operating Expenses were \$7.9M higher than 2021 due to higher Payroll, Outside Services, Equipment Expense, and other General Expenses.

MAJOR OPERATING REVENUES SUMMARY

	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
Aeronautical Revenues	163,722	143,188	181,846	189,061	(7,214)	-3.8%	38,659	27.0%
Public Parking	20,002	25,537	41,842	38,143	3,699	9.7%	16,304	63.8%
Rental Cars - Operations	7,591	11,497	16,803	16,721	82	0.5%	5,306	46.1%
Rental Cars - Operating CFC	-	-	-	6,418	(6,418)	-100.0%	-	0.0%
ADR & Terminal Leased Space	16,918	17,764	26,131	7,794	18,337	235.3%	8,367	47.1%
Ground Transportation	4,374	4,208	9,226	8,129	1,097	13.5%	5,018	119.2%
Employee Parking	4,678	4,457	5,062	5,234	(172)	-3.3%	604	13.6%
Airport Commercial Properties	5,777	5,541	7,520	7,230	290	4.0%	1,979	35.7%
Airport Utilities	2,758	3,010	3,845	3,883	(37)	-1.0%	835	27.7%
Clubs and Lounges	1,714	709	3,048	3,862	(814)	-21.1%	2,339	329.8%
Cruise	133	61	11,258	8,391	2,867	34.2%	11,197	18467.2%
Recreational Boating	6,211	6,330	6,914	6,811	103	1.5%	584	9.2%
Fishing & Operations	5,091	4,768	4,967	4,501	466	10.3%	198	4.2%
Grain	2,005	3,433	3,405	3,271	134	4.1%	(28)	-0.8%
Maritime Portfolio Management	4,884	4,914	5,237	5,027	211	4.2%	324	6.6%
Central Harbor Management	4,104	3,654	4,131	4,071	59	1.5%	477	13.1%
Conference & Event Centers	1,240	420	2,538	4,039	(1,501)	-37.2%	2,118	503.7%
NWSA Distributable Revenue	21,218	22,166	24,527	24,720	(193)	-0.8%	2,361	10.6%
Other	3,824	4,225	3,986	2,644	1,342	50.8%	(238)	-5.6%
Total Operating Revenues (w/o Aero)	112,523	122,695	180,440	160,888	19,552	12.2%	57,745	47.1%
TOTAL	276,244	265,883	362,286	349,948	12,338	3.5%	96,403	36.3%

MAJOR OPERATING EXPENSES SUMMARY

	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
Salaries & Benefits	71,427	71,476	76,063	77,526	1,463	1.9%	4,587	6.4%
Wages & Benefits	67,147	64,484	67,884	70,908	3,024	4.3%	3,400	5.3%
Payroll to Capital Projects	14,460	14,733	12,936	18,445	5,509	29.9%	(1,797)	-12.2%
Outside Services	45,545	40,724	48,370	72,078	23,707	32.9%	7,646	18.8%
Utilities	12,104	12,860	16,626	15,196	(1,430)	-9.4%	3,766	29.3%
Equipment Expense	4,211	2,960	4,532	6,043	1,511	25.0%	1,572	53.1%
Supplies & Stock	4,653	4,030	4,227	4,652	424	9.1%	197	4.9%
Travel & Other Employee Expenses	1,603	864	1,675	3,434	1,759	51.2%	811	94.0%
Third Party Mgmt Op Exp	3,228	2,010	3,498	5,495	1,997	36.3%	1,488	74.0%
B&O Taxes	1,716	1,682	2,246	2,483	237	9.5%	564	33.5%
Other Expenses	2,188	6,392	7,578	8,072	493	6.1%	1,186	18.6%
Charges to Capital Projects/Overhead Alloc	(30,462)	(26,440)	(24,814)	(38,543)	(13,729)	35.6%	1,626	-6.2%
TOTAL	197,820	195,776	220,822	245,788	24,966	10.2%	25,046	12.8%

PORTWIDE FINANCIAL YEAR-END FORECAST SUMMARY

	2020	2021	2022	2022	Fav (UnFav) Fest vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Forecast	Budget	\$	%	\$	%
Aeronautical Revenues	297,909	317,513	391,896	394,963	(3,066)	-0.8%	74,384	23.4%
Airport Non-Aero Revenues	116,473	183,819	249,239	240,820	8,419	3.5%	65,420	35.6%
Non-Airport Revenues	96,446	120,689	136,883	131,072	5,811	4.4%	16,194	13.4%
Total Operating Revenues	510,828	622,020	778,018	766,854	11,163	1.5%	155,998	25.1%
Total Operating Expenses	408,681	364,656	488,894	499,146	10,252	2.1%	124,238	34.1%
NOI before Depreciation	102,147	257,364	289,123	267,708	21,415	8.0%	31,760	12.3%
Depreciation	180,086	190,683	196,757	196,757	-	0.0%	6,074	3.2%
NOI after Depreciation	(77,939)	66,681	92,367	70,952	21,415	30.2%	25,686	38.5%

Year-End Forecast

- Total Operating Revenues are expected to be \$11.2M above budget due to higher forecasted revenues in Cruise and Landside businesses driven by high demand from returning passengers.
- Total Operating Expenses are expected to be \$10.3M favorable to the budget and \$124.2M higher than 2021.
- NOI before depreciation forecast is \$21.4M favorable to the budget and \$31.8M higher than 2021.

KEY PERFORMANCE METRICS

	2021 YTD	2022 YTD	2021	2022	2022	Fav (UnFav) Fest vs. Budget Variance		Incr (Decr) Change from 2021	
	Actual	Actual	Actual	Forecast	Budget	Chg.	%	Chg.	%
Total Passengers (in 000's)	14,298	20,889	36,146	46,721	48,517	(1,796)	-3.7%	10,575	29.3%
Landed Weight (lbs. in millions)	11,993	13,617	26,584	29,334	29,448	(115)	-0.4%	2,750	10.3%
Passenger CPE (in \$)	N/A	N/A	15.93	15.28	14.82	(0.46)	-3.1%	(0.65)	-4.1%
Grain Volume (metric tons in 000's)	2,691	2,659	4,720	4,629	4,500	129	2.9%	(92)	-1.9%
Cruise Passenger (in 000's)	-	451	229	1,250	907	343	37.8%	1,021	445.7%
Shilshole Bay Marina Occupancy	93.7%	97.8%	94.5%	96.3%	96.3%	0.0%	0.0%	1.8%	1.9%

KEY BUSINESS EVENTS

The Port welcomed the Norwegian Cruise Line's Bliss, first cruise ship of the 2022 season last April. For the 2022 season, the Port is expecting 1.25 million revenue passengers and 293 ship calls. Cruise is an important component of the Port's strategy to expand economic opportunity generating approximately \$900 million in economic benefit supporting 5,500 jobs. As one of the most environmentally progressive cruise homeports in North America, the Port continues to set new standards that go beyond regulatory compliance to reduce environmental impact. The Port, along with the City and Borough of Juneau, Vancouver Fraser Port Authority, cruise lines, the Global Maritime Forum, Blue Sky Maritime Coalition, and Washington Maritime Blue will explore feasibility of a 'green corridor' that could accelerate the deployment of zero greenhouse gas emission ships and operations between Alaska, British Columbia, and Washington.

The Port released the 2021 Diversity in Contracting report. The Port continued to make great strides despite the ongoing challenges presented by COVID-19 and was able to surpass the 2020 results in achieving Port-wide WMBE utilization goals for 2021. The Port is only 10 firms away from achieving the target of working with 354 WMBE firms by the year 2023. The Port is committed to increasing WMBE utilization and eliminating specific disparities in utilization for certain ethnic groups and women.

The Port will collaborate with the Seattle Aquarium on a project to study and map the presence of kelp forests along the urban waterfront of Elliott Bay as well as East and West Waterways of Seattle Harbor. The project will survey in and around existing kelp beds utilizing the Aquarium's Blue2 ROV. The information collected will help develop an understanding of the ecological structure of urban kelp forests as well as their potential contribution to coastal resilience and inform public engagement work focused on kelp.

The Port added an additional \$2 million dollars in funding to the Youth Career Launch Pilot Program which brings the program total to \$4.1 million for the next three years. The additional funding will come from cruise revenue and will support port-related jobs. This program builds on the groundwork set by the successful Opportunity Youth Initiative that provided living wage jobs to 280 youth in 2021. This pilot program will explore how to develop this initiative into a permanent program aligned with core Port priorities and best practices.

The Port hosted a one-day conference for local non-profits and community groups that included panel presentations featuring projects successfully funded through the South King County Community Impact Fund Environmental Grants. The grants program demonstrates the Port's commitment to its closest neighbors in South King County who experience disproportionate environmental impacts, with less access to parks and green space. Similarly, the Port hosted the annual Industry Day inviting diverse businesses to learn about the upcoming S Concourse Evolution project. Participants were provided information on how to apply as a contractor or subcontractor for the project.

The Airport (SEA) was named as the 2022 Best Airport in North America. The SkyTrax World Airport Awards are the most prestigious accolades for airports by assessing customer service and facilities from more than 550 global airports. SEA also celebrated Air Canada's inaugural flight from SEA to Montreal, Canada's second-largest city. Air Canada's Montreal service is one of four new international services launching this year. Turkish Airlines recently launched service to Istanbul, Finnair also launched the seasonal service to Helsinki and SEA will welcome Air Tahiti Nui's service to Tahiti in October.

CAPITAL SPENDING SUMMARY

\$ in 000's	2022	2022	2022	2022	Budget Variance	
	YTD Actual	Forecast	Budget	POF	\$	%
Aviation	133,425	406,980	527,917	514,812	120,937	22.9%
Maritime	2,589	16,786	23,521	23,408	6,735	28.6%
Economic Development	3,032	10,448	10,483	10,515	35	0.3%
Central Services & Other (note 1)	2,999	9,448	12,889	11,013	3,441	26.7%
TOTAL	142,045	443,662	574,810	559,748	131,148	22.8%

Note:

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

Total capital spending forecast for 2022 is \$443.7M, 77.2% of the budget due to a delay in many projects, some of the larger variances include: P66 Shore Power, North MT Redevelopment, C Concourse Expansion, Checkpoint 1 Relocation, and Engineering Replacement.

PORTWIDE INVESTMENT PORTFOLIO

During the second quarter of 2022, the investment portfolio earned 1.17% versus the benchmark's (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index) of 2.95%. Over the last twelve months, the portfolio and the benchmark have earned 0.85% and 1.54%, respectively. Since the Port became its own Treasurer in 2002, the life-to-date earnings of the Port's portfolio and the benchmark are 2.29% and 1.68%, respectively.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/22

II. AVIATION DIVISION

FINANCIAL SUMMARY

Financial Summary (\$ in 000's)	2020	2021	2022	2022	Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2021	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Operating Revenue								
Aeronautical Revenues	297,909	317,513	391,896	394,963	(3,066)	-0.8%	74,384	23.4%
Non-Aeronautical Revenues	116,473	183,819	249,239	240,820	8,419	3.5%	65,420	35.6%
Total Operating Revenues	414,382	501,332	641,135	635,783	5,352	0.8%	139,804	27.9%
Operating Expenses								
Airport Direct Charges	235,854	218,644	282,402	285,197	2,795	1.0%	63,758	29.2%
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	107,949	111,440	3,491	3.1%	35,213	48.4%
Total Operating Expenses	329,680	294,217	391,142	397,622	6,480	1.6%	96,925	32.9%
Net Operating Income	84,702	207,114	249,993	238,160	11,832	5.0%	42,878	20.7%
CPE	26.50	15.93	15.28	14.82	(0.46)	-3.1%	(0.65)	-4.1%
Non-Aero NOI (\$ in 000s)	93,175	53,914	122,602	114,047	8,555	7.5%	68,688	127.4%
Enplaned passengers (in 000s)	10,044	18,073	23,361	24,259	(898)	-3.7%	5,288	29.3%
Capital Expenditures (in 000s)	573,598	389,051	406,980	527,917	120,937	22.9%	17,929	4.6%

2022 Forecast vs. 2022 Budget

- Net Operating Income (NOI) for 2022 which includes Federal Relief grants is forecasted to be (\$11.8M or 5%) favorable to the budget, driven primarily by:
 - Lower Aeronautical revenue (-\$3.1M or -0.8%) is primarily due to savings in cost from the delays in the Airline Realignment timing and timing of IAF opening. See the Airline Rate Base Cost Drivers table for more details.
 - Non-Aeronautical revenue is (8.5M or 3.5%) favorable 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 (\$6.5M or 1.6%) favorable.

2022 Forecasts vs. 2021 Actuals

- Net Operating Income for 2022 is projected to be (\$42.9M or 20.7%) higher than prior year primarily driven by:
 - Higher Operating Revenue (\$140M or 27.9%) compared to prior year is due to passenger levels improving with a forecast of being down only 9.72% compared to 2019 vs. 29.6% down in 2021 when compared to 2019.
 - Higher Operating Expenses (\$97M or 32.9%) 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 06/30/22

A. BUSINESS EVENTS

- Passenger levels forecast is 9.72% lower than 2019
- Anticipate applying \$132 million of federal relief grants in 2022, including \$21M in ARPA concession relief grant
- Opened International Arrivals Facility (IAF)
- SEA won Skytrax Best Airport in North America
- Received \$10M BIL competitive grant for restroom renovations

B. KEY PERFORMANCE METRICS

	YTD 2020	YTD 2021	YTD 2022	% YTD Change from 2021
Total Passengers (000's)				
Domestic	10,074	13,770	19,075	38.5%
International	1,054	528	1,814	243.8%
Total	11,128	14,298	20,889	46.1%
Operations	142,657	171,873	154,951	-9.8%
Landed Weight (In Millions of lbs.)				
Cargo	1,254	1,409	1,357	-3.7%
All other	8,537	10,584	12,260	15.8%
Total	9,791	11,993	13,617	13.5%
Cargo - Metric Tons				
Domestic freight	161,957	174,449	165,169	-5.3%
International & Mail freight	47,466	60,738	61,487	1.2%
Total	209,423	235,187	226,656	-3.6%

*Mail weight for 2021 forward is incorporated in freight

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/22

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	15.28	14.82	(0.46)	-3.1%	(0.65)	-4.1%
Non-Aeronautical NOI (in 000's) ¹	6,671	93,175	122,602	114,047	8,555	7.5%	29,427	31.6%
Other Performance Metrics								
O&M Cost per Enplanement	32.82	16.28	16.74	16.39	(0.35)	-2.2%	0.46	2.9%
Non-Aero Revenue per Enplanement	11.60	10.17	10.67	9.93	0.74	7.5%	0.50	4.9%
Debt per Enplanement (in \$)	326	198	146	140	(5)	-3.8%	(53)	-26.5%
Debt Service Coverage	1.40	1.69	2.73	2.03	0.70	34.5%	1.04	61.5%
Days cash on hand (10 months = 304 days)	327	423	454	426	28	6.6%	31	7.3%
Aeronautical Revenue Sharing (\$ in 000's)	1	-	-	-	-	0.0%	-	0.0%
Activity (in 000's)								
Enplanements	10,044	18,073	23,361	24,259	(898)	-3.7%	5,288	29.3%
Total Passengers	20,087	36,146	46,721	48,517	(1,796)	-3.7%	10,575	29.3%

(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 (-\$0.46 or -3.1%) unfavorable driven primarily by less Federal Relief to help lower the Aeronautical costs to recover.
 - Non-Aero NOI is (\$8.6M or 7.5%) favorable to budget primarily due to Landside revenue continuing to recover strongly, especially in Parking, Rental Car, and GT due to high demand from returning passengers.

2022 Forecast vs. 2021 Actuals

- CPE is \$0.65 lower compared to prior year due to more Federal Relief offsetting the costs compared to prior year.
- Non-Aero NOI is \$29.4M higher than prior year due to continued recovery in passenger volumes and the projection of improved revenues compared to prior year across the Non-Aeronautical businesses.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/22

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	77,615	76,202	79,627	80,991	1,365	1.7%	3,425	4.5%
Outside Services	29,634	26,770	32,518	51,099	18,581	36.4%	5,748	21.5%
Utilities	8,757	9,750	12,207	10,927	(1,280)	-11.7%	2,456	25.2%
Other Expenses	2,092	(461)	5,128	(1,360)	(6,488)	477.1%	5,589	-1212.5%
Total Airport Direct Charges	118,099	112,261	129,480	141,658	12,178	8.6%	17,218	15.3%
Environmental Remediation Liability	(2,776)	801	(2,312)	420	2,732	650.5%	(3,113)	-388.6%
Capital to Expense	-	288	26	-	(26)		(263)	-91.0%
Total Exceptions	(2,776)	1,090	(2,286)	420	2,706	644.3%	(3,376)	-309.8%
Total Airport Expenses	115,323	113,351	127,193	142,078	14,884	10.5%	13,843	12.2%
Corporate	34,298	34,011	36,831	38,176	1,344	3.5%	2,820	8.3%
Police	12,162	11,336	11,677	14,451	2,775	19.2%	341	3.0%
Maritime/Economic Development/Other	1,596	1,420	1,613	2,313	701	30.3%	193	13.6%
Total Charges from Other Divisions	48,057	46,767	50,121	54,940	4,819	8.8%	3,354	7.2%
Total Operating Expenses	163,380	160,118	177,314	197,018	19,704	10.0%	17,196	10.7%

Expenses – 2022 YTD Actuals vs. 2022 YTD Budget

- Operating Expenses were (\$19.7M or 10%) favorable driven primarily by the underspend in Charges from other Divisions of \$4.8M, and in Outside Services of \$18.6M 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.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/22

Division Summary – YE Forecast

Total Airport Expense Summary (\$ in 000's)	2020	2021	2022	2022	Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2021	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Operating Expenses								
Payroll	152,895	134,567	167,283	167,505	222	0.1%	32,715	24.3%
Outside Services	63,922	62,382	94,609	101,757	7,148	7.0%	32,227	51.7%
Utilities	15,695	20,175	22,263	21,008	(1,255)	-6.0%	2,088	10.3%
Other Expenses	3,341	1,519	(1,753)	(5,074)	(3,321)	65.4%	(3,272)	-215.4%
Total Airport Direct Charges	235,854	218,644	282,402	285,197	2,795	1.0%	63,758	29.2%
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	283,193	286,182	2,989	1.0%	61,712	27.9%
Corporate	68,316	56,711	77,939	78,940	1,001	1.3%	21,228	37.4%
Police	22,150	13,916	25,152	27,658	2,506	9.1%	11,236	80.7%
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	107,949	111,440	3,491	3.1%	35,213	48.4%
Total Operating Expenses	329,680	294,217	391,142	397,622	6,480	1.6%	96,925	32.9%

Operating Expenses – 2022 YE Forecast vs. 2022 YE Budget

- Total Operating Expenses is forecasted to be under-run to budget by \$6.5M or 1.6% 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 06/30/22

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	54,693	37,192	47,737	54,642	(6,905)	-12.6%	10,545	28.4%
Airfield Apron Area	9,575	10,932	8,290	7,760	530	6.8%	(2,642)	-24.2%
Terminal Rents	77,111	83,321	105,972	107,572	(1,600)	-1.5%	22,651	27.2%
Federal Inspection Services (FIS)	14,621	3,560	11,527	10,792	735	6.8%	7,967	223.8%
Total Rate Base Revenues	156,000	135,005	173,527	180,765	(7,239)	-4.0%	38,521	28.5%
Airfield Commercial Area	7,720	8,177	8,320	8,295	25	0.3%	143	1.8%
Subtotal before Revenue Sharing	163,720	143,182	181,846	189,061	(7,214)	-3.8%	38,665	27.0%
Revenue Sharing	1	-	-	-	-	-	-	-
Total Aeronautical Revenues	163,722	143,182	181,846	189,061	(7,214)	-3.8%	38,665	27.0%
Total Aeronautical Expenses	108,286	111,036	120,393	133,974	13,581	10.1%	9,357	8.4%
Aeronautical NOI	55,436	32,146	61,453	55,087	6,367	11.6%	29,308	91.2%

Aeronautical – 2022 YTD Actuals vs. 2022 YTD Budget

- Net Operating Income was (\$6.4M or 11.6%) favorable to budget driven by delay in Airline Realignment costs.

Aeronautical – 2022 YTD Actuals vs. 2021 YTD Actuals

- Net Operating Income was (\$29.3M or 91.2%) higher than 2021 Q2 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	117,486	118,291	(805)	-0.7%	29,425	33.4%
Airfield Apron Area	22,016	17,146	15,231	16,439	(1,208)	-7.3%	(1,916)	-11.2%
Terminal Rents	205,283	184,625	215,572	220,174	(4,602)	-2.1%	30,947	16.8%
Federal Inspection Services (FIS)	8,616	10,978	27,100	23,468	3,632	15.5%	16,121	146.8%
Total Rate Base Revenues	320,821	300,810	375,388	378,373	(2,984)	-0.8%	74,578	24.8%
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	391,896	394,963	(3,066)	-0.8%	74,384	23.4%
Revenue Sharing	1	-	-	-	-	-	-	-
Total Aeronautical Revenues	338,455	317,513	391,896	394,963	(3,066)	-0.8%	74,384	23.4%
Total Aeronautical Expenses	219,878	203,573	264,506	270,850	6,344	2.3%	60,933	29.9%
Aeronautical NOI	118,577	113,940	127,391	124,113	3,277	2.6%	13,451	11.8%
Debt Service	(62,607)	(80,554)	(87,946)	(99,789)	11,843	-11.9%	(7,392)	9.2%
Net Cash Flow	55,970	33,385	39,445	24,324	15,121	62.2%	6,059	18.1%

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/22

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	257,397	(5,975)	-2.3%
Federal Relief Grants O&M	(2,571)	(12,700)	-	12,700	-100.0%
Net O&M	195,494	250,672	257,397	6,725	2.7%
Debt Service Before Offsets	187,134	235,151	234,493	(658)	-0.3%
Debt Service PFC Offset	(54,076)	(79,803)	(79,855)	(52)	0.1%
Federal Relief Grants Debt Service	(58,878)	(58,975)	(68,491)	(9,516)	16.1%
Net Debt Service	74,180	96,373	86,147	(10,226)	-10.6%
Amortization	32,511	33,699	33,681	(18)	-0.1%
Space Vacancy	(1,102)	(1,613)	(1,078)	535	-33.1%
TSA Operating Grant and Other	(687)	(758)	(758)	0	0.0%
Rate Base Revenues	300,397	378,373	375,388	(2,984)	-1%
Commercial area	16,702	16,590	16,508	(82)	0%
Total Aero Revenues	317,099	394,963	391,896	(3,066)	-1%

(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 – \$6M 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:
 - Debt Service Impact – Reducing \$68M from Rate Base

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/22

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	20,002	25,537	41,842	38,143	3,699	9.7%	16,304	63.8%
Rental Cars	7,591	11,497	16,803	23,139	(6,336)	-27.4%	5,306	46.1%
Ground Transportation	4,374	4,208	9,226	8,129	1,097	13.5%	5,018	119.2%
Airport Dining & Retail	14,138	15,119	23,428	5,148	18,280	355.1%	8,309	55.0%
Other	18,119	16,858	23,503	23,607	(104)	-0.4%	6,645	39.4%
Total Non-Aeronautical Revenues	64,225	73,219	114,802	98,166	16,636	16.9%	41,582	56.8%
Total Non-Aeronautical Expenses	34,278	49,082	56,921	63,044	6,123	9.7%	7,839	16.0%
Non-Aeronautical NOI	29,947	24,138	57,881	35,122	22,759	64.8%	33,743	139.8%
Less: CFC Surplus	-	-	-	-	-		-	
Adjusted Non-Aeronautical NOI	29,947	24,138	57,881	35,122	22,759	64.8%	33,743	139.8%
Debt Service	-	-	-	-	-		-	
Net Cash Flow	29,947	24,138	57,881	35,122	22,759	64.8%	33,743	139.8%

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

- Net Operating Income is (\$22.8M or 64.8%) favorable to budget
- Operating Revenue is (\$16.6M or 16.9%) favorable to budget
 - Timing of \$21.4M of Concessionaire Relief Grant assumed in the Airport, Dining, and Retail (ADR) budget in first half of the year resulting in lower budgeted revenues, while the timing for Federal Grant Concession Relief rent credits will mostly occur in the 2nd half of 2022. Without the Concessionaire Relief Grant in the budget, the ADR actuals would be closer aligned to budget in total Non-Aeronautical revenues.
 - Public Parking and Ground Transportation revenues are outperforming budget due to strong demand from returning passengers.
 - Many Non-Aeronautical businesses, especially Airport Dining & Retail, are still experiencing labor shortages, which impacts business recovery.
 - Construction delays impacted a number of tenant projects and lowered YTD revenue, including the planned opening of Salty's restaurant (ADR) and the new larger AMEX Lounge (Other Revenue).
- Non-Aeronautical operating expenses were (\$6.1M or 9.7%) favorable.

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

- Net Operating Income was (\$33.7M or 139.8%) higher than 2021 driven by:
 - Increasing passenger levels and activity when compared to Q2 2021 when it was still early in the first year of recovery from the pandemic.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/22

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	94,678	81,028	13,650	16.8%	30,573	47.7%
Rental Cars	16,637	34,740	53,618	52,138	1,480	2.8%	18,878	54.3%
Ground Transportation	6,557	11,947	21,686	18,242	3,444	18.9%	9,739	81.5%
Airport Dining & Retail	25,703	36,510	30,212	39,244	(9,032)	-23.0%	(6,297)	-17.2%
Other	33,074	36,518	49,045	50,167	(1,123)	-2.2%	12,527	34.3%
Total Non-Aeronautical Revenues	116,473	183,819	249,239	240,820	8,419	3.5%	65,420	35.6%
Total Non-Aeronautical Expenses	109,802	90,644	126,636	126,773	136	0.1%	35,993	39.7%
Non-Aeronautical NOI¹	6,671	93,175	122,602	114,047	8,555	7.5%	29,427	31.6%
Less: CFC Surplus	(6,834)	-	-	-	-		-	
Adjusted Non-Aeronautical NOI	(163)	93,175	122,602	114,047	8,555	7.5%	29,427	31.6%
Debt Service	(33,065)	(27,096)	(19,413)	(33,372)	13,958	-41.8%	7,683	-28.4%
Net Cash Flow	(33,229)	66,079	103,189	80,676	22,513	27.9%	37,110	56.2%

Non-Aeronautical – 2022 Forecast vs. 2022 Budget

- Non-Aeronautical net operating income is forecasted to be (\$8.6M or 7.5%) favorable
 - Non-Aeronautical revenue is forecasted to be \$8.4M favorable primarily driven by strong performance in Parking and Ground Transportation, partially offset by lower revenue in Airport Dining & Retail due to the delayed opening of Salty's restaurant and continued labor shortages for ADR tenants.
 - Non-Aeronautical expenses are expected to align closely with the 2022 Budget.

Non-Aeronautical – 2022 Forecast vs. 2021 Actuals

- Net Operating Income for 2022 is forecasted to be (\$29.4M or 31.6%) higher compared to prior year due to passenger levels improving with a forecast of being down 9.72% compared to 2019 vs. 29.6% down in 2021 compared to 2019.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/22

D. CAPITAL RESULTS

Capital Variance

\$ in 000's	2022 YTD Actual	2022 Year-End Forecast	2022 Budget	2022 POF	Bud vs. Fcst	
					\$	%
North MT Redevelopment ⁽¹⁾	13,729	59,089	97,849	38,575	38,760	39.6%
C Concourse Expansion ⁽²⁾	5,321	9,815	31,576	50,155	21,760	68.9%
Checkpoint 1 Relocation ⁽³⁾	442	2,398	14,122	20,388	11,724	83.0%
Concourse A Expansion ⁽⁴⁾	2,371	8,635	17,138	13,986	8,503	49.6%
Upgrades STS Train Control ⁽⁵⁾	669	9,027	17,278	15,117	8,251	47.8%
NS NSAT Renov NSTS Lobbies ⁽⁶⁾	4,051	11,662	19,270	27,347	7,608	39.5%
SSAT Infrastructure HVAC ⁽⁷⁾	602	1,246	7,719	6,077	6,473	83.9%
Apartment Sound Insulation ⁽⁸⁾	96	2,036	6,270	4,656	4,234	67.5%
Conc HVAC renewal & replace ⁽⁹⁾	-	131	4,326	2,537	4,196	97.0%
International Arrivals Fac-IAF ⁽¹⁰⁾	7,719	20,452	16,700	20,509	(3,752)	-22.5%
GSE Electrical Chrg Stations ⁽¹¹⁾	3,095	5,724	9,209	9,411	3,485	37.8%
All Other	95,330	316,078	353,884	401,864	37,805	10.7%
Subtotal	133,425	446,294	595,341	610,622	149,047	25.0%
CIP Cashflow Mgmt Reserve	-	(39,314)	(67,424)	(95,810)	(28,110)	41.7%
Total Spending	133,425	406,980	527,917	514,812	120,937	22.9%

(1) Start of Phase A construction has been delayed approximately 6 months pending design evaluations and final decisions for revising key elements of the Program scope requested by Alaska Airlines that deviates from the original PDD.

(2) Underspensing because the baseline was overloaded due to the incorrect cost loading of the schedule.

(3) Construction starts delayed, due to longer than anticipated design development to address progress set comments, supply chain issues with prototypes, and design team member turnover.

(4) 2022 Plan based off estimate of receiving/payment of TRA submittals. Construction start delays with Delta.

(5) 6-month delay in negotiating Goods-Services Contract w/STS Manufacturer.

(6) Q2 2022 actuals came around \$1M less than forecasted due to Hensel Phelps "credit" for Asbestos Abatement invoices after the final audit, and underruns in Port Staff and Jacobs level of effort (LOE).

(7) Design delays have caused underspending.

(8) Design was pushed out by 4 months. And, received firm projection on cost for rest of year and it was less than projected previously.

(9) Continued delay in getting PM onboard delaying project initiation.

(10) Flood costs and pending claim action infuse significant volatility into cash flow forecasts.

(11) Contract for Phase 2B came under Engineer's estimate.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/22

III. MARITIME DIVISION

FINANCIAL SUMMARY (Excludes Pension Adjustments)

	2020	2021	2022	2022	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Forecast	Budget	\$	%	\$	%
Total Revenues	42,111	48,738	68,537	59,137	9,400	16%	19,799	41%
Total Operating Expenses	52,357	47,784	58,111	57,865	(246)	0%	10,327	22%
Net Operating Income	(10,246)	954	10,426	1,272	9,154	720%	9,472	993%
<i>NOI Including Pension Adj</i>	(8,117)	7,616	10,426	1,272	8,908	700%	2,810	37%
Capital Expenditures	19,698	18,923	16,786	23,521	6,735	29%	(2,137)	-11%

2022 Forecast vs. 2022 Budget

- Operating Revenues are forecasted \$9.4M higher than budget driven by occupancy rates and the expectation of a full cruise season.
- Operating Expenses forecasted \$0.20M unfavorable to budget from capital to expense of the Gateway Building at Fishermen's Terminal.
- Net Operating Income forecasted \$9.2M favorable to budget.
- Capital Spending forecasted at 71% of \$23.5M budget.

2022 Forecast vs. 2021 Actuals

- Operating Revenues expected \$19.8M higher than 2021 due to full season of cruise business.
- Operating Expenses forecasted \$10.4M higher than 2021 actual driven by higher payroll cost and elimination of pandemic austerity measures.
- Net Operating Income forecasted \$9.5M above 2021 actual (\$2.8M when factoring in pension adjustment).

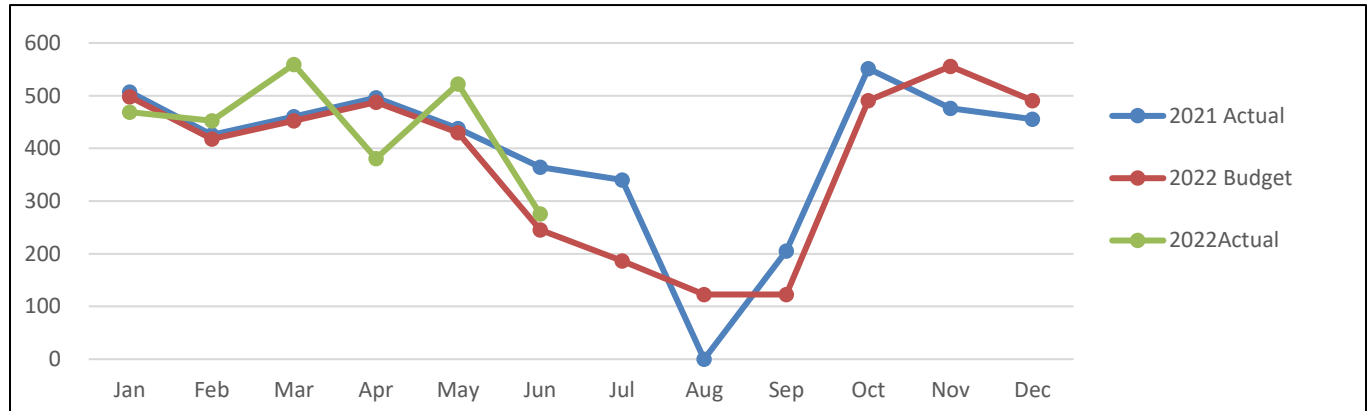
Net Operating Income before Depreciation by Business

	2021 YTD	2022 YTD	2022 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Budget	\$	%	\$	%
Ship Canal Fishing & Operations	(945)	(1,405)	(1,524)	119	8%	(460)	-49%
Elliott Bay Fishing & Commercial Operations	(257)	(673)	(1,285)	612	48%	(416)	-162%
Recreational Boating	558	166	(38)	203	539%	(392)	-70%
Cruise	(5,190)	5,312	1,589	3,722	234%	10,502	202%
Grain	2,798	2,731	2,511	220	9%	(67)	-2%
Maritime Portfolio	123	(2,193)	(1,937)	(256)	-13%	(2,316)	-1880%
All Other	(161)	(200)	238	(438)	-184%	(39)	-24%
Total Maritime	(3,074)	3,738	(446)	4,183	939%	6,812	222%

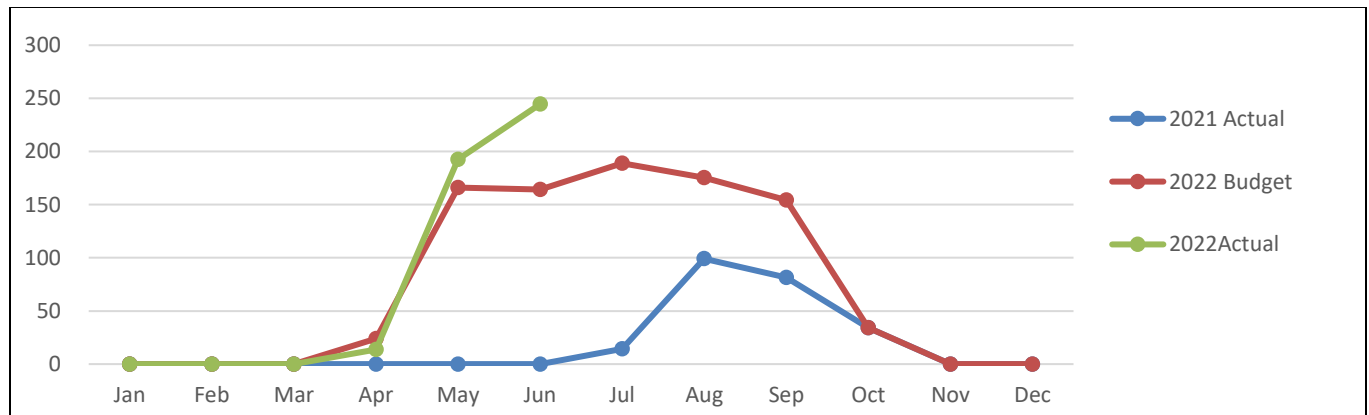
III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/22

A. KEY PERFORMANCE METRICS

Grain Volume – Metric Tons in 000's



Cruise Passengers in 000's



III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/22

B. OPERATING RESULTS

	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
Ship Canal Fishing & Operations	2,182	2,134	2,328	2,198	131	6%	195	9%
Elliott Bay Fishing & Commercial Operations	2,908	2,635	2,638	2,304	335	15%	4	0%
Recreational Boating	6,211	6,330	6,914	6,811	103	2%	584	9%
Cruise	133	61	11,258	8,391	2,867	34%	11,197	18467%
Grain	2,005	3,433	3,405	3,271	134	4%	(28)	-1%
Maritime Portfolio Management	4,884	4,914	5,237	5,027	211	4%	324	7%
Other	15	1	7	10	(2)	NA	6	460%
Total Revenue	18,338	19,507	31,788	28,010	3,778	13%	12,281	63%
Expenses								
Maritime (Excl. Maint)	6,869	7,031	9,019	8,043	(976)	-12%	1,987	28%
Economic Development	2,325	2,135	2,864	3,146	282	9%	729	34%
Total Direct	9,194	9,166	11,882	11,188	(694)	-6%	2,716	30%
Maintenance Expenses	4,879	5,093	6,387	6,773	385	6%	1,294	25%
Envir Services & Planning	1,226	785	757	1,269	512	40%	(28)	-4%
Seaport Finance & Cost Recovery	457	513	473	539	66	12%	(39)	-8%
Seaport Project Management	188	193	445	343	(102)	-30%	252	131%
Total Support Services	6,751	6,584	8,062	8,924	861	10%	1,478	22%
IT	1,393	1,335	1,526	1,642	116	7%	192	14%
Police Expenses	1,569	1,477	1,577	1,836	259	14%	99	7%
External Relations	615	571	743	831	88	11%	172	30%
Other Central Services	2,652	3,277	4,080	3,893	(188)	-5%	803	24%
Aviation Division / Other	137	170	179	142	(37)	-26%	9	5%
Total Central Services / Other	6,367	6,830	8,105	8,343	238	3%	1,275	19%
Total Expense	22,311	22,581	28,050	28,455	406	1%	5,469	24%
NOI Before Depreciation	(3,973)	(3,074)	3,738	(446)	4,183	939%	6,812	222%
Depreciation	8,781	8,881	8,952	8,440	(511)	-6%	71	1%
NOI After Depreciation	(12,754)	(11,955)	(5,214)	(8,886)	3,672	41%	6,741	56%

2022 YTD Actuals vs. 2022 YTD Budget

- Operating Revenues were \$3,778K higher than budget driven by:
 - Ship Canal favorable \$131K from higher occupancy and favorable utility sales.
 - Elliott Bay Fishing higher by \$335K due to favorable moorage and heavy lift truck rental.
 - Recreational Boating \$103K favorable from occupancy and electrical sales.
 - Cruise \$2,867K higher due to more sailings than budgeted.
 - Grain \$134K favorable from higher volumes.
 - Maritime Portfolio Management \$211 higher from favorable temporary leases.
- Operating Expenses were \$406K lower than budget:
 - Direct Expenses were \$694K higher than budget
 - Rec Boating \$173K under due to open positions.
 - Ship Canal Fishing and Operations \$96K higher due to utilities expenses.
 - Elliot Bay Fishing and Commercial \$93K over from litigation reserve.
 - Cruise \$517K under from timing of outside services and open FTE.
 - Maritime Security \$54K lower than budget.
 - Maritime Marketing \$187K below budget due to timing of spend.
 - Maritime Portfolio Management \$362K below budget due to timing tenant improvements.
 - Capital to expense unfavorable by \$1,284K at Fishermen's Terminal.
 - Divisional contingency open headcount vacancy factor created a \$628K unfavorable variance.
 - All other Direct Expenses net to \$104K under budget.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/22

- Total Support Services were \$861K favorable to budget due to significant open FTEs in both Maintenance and Environmental along with saving from project deferrals.
- Total Central Services / Other were \$238K favorable to budget.
- Net Operating Income was \$4,183K favorable to budget.

2022 YTD Actuals vs. 2021 YTD Actuals

- Operating Revenues were \$12.3M higher than 2021 due to increased rates at marinas and commercial properties along with full resumption of Cruise.
- Operating Expenses were \$5.5M higher than 2021 actual driven by higher utilities, increased wage rates, and removal of austerity measures.
- Net Operating Income was \$6.8M higher than 2021 actual.

	2020	2021	2022	2022	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Forecast	Budget	\$	%	\$	%
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	5,017	4,717	300	6%	(601)	-11%
Recreational Boating	12,611	12,851	13,831	13,731	100	1%	980	8%
Cruise	3,824	9,517	29,074	20,574	8,500	41%	19,557	205%
Grain	5,142	6,112	6,050	5,900	150	3%	(62)	-1%
Maritime Portfolio Management	10,074	10,392	10,186	9,986	200	2%	(207)	-2%
Other	4	7	19	19	0	NA	12	164%
<i>Pension Revenue Adjustment</i>	0	(408)	0	0	0	NA	408	NA
Total Revenue	42,111	48,331	68,537	59,137	9,400	16%	20,207	42%
Expenses								
Maritime (Excl. Maint)	16,676	13,951	17,872	16,022	(1,850)	-12%	3,921	28%
Economic Development	4,549	4,559	5,865	6,065	200	3%	1,306	29%
Total Direct	21,225	18,510	23,737	22,087	(1,650)	-7%	5,227	28%
Maintenance Expenses	12,353	11,326	14,224	14,624	400	3%	2,898	26%
Envir Services & Planning	2,947	2,018	2,042	2,542	500	20%	25	1%
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	18,075	18,975	900	5%	3,226	22%
IT	2,888	2,695	3,310	3,349	39	1%	616	23%
Police Expenses	3,131	3,064	3,176	3,495	319	9%	112	4%
External Relations	1,242	1,222	1,302	1,654	352	21%	80	7%
Other Central Services	6,035	7,109	8,227	8,021	(206)	-3%	1,118	16%
Aviation Division / Other	318	336	285	285	0	0%	(51)	-15%
Total Central Services / Other	13,614	14,426	16,300	16,804	504	3%	1,874	13%
Total Expense before Pension Adjustment	52,357	47,784	58,111	57,865	(246)	0%	10,327	22%
<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	58,111	57,865	(246)	0%	17,397	43%
<i>NOI excluding Pension Adjustments</i>	<i>(10,246)</i>	<i>954</i>	<i>10,426</i>	<i>1,272</i>	<i>9,154</i>	<i>720%</i>	<i>9,472</i>	<i>993%</i>
NOI Before Depreciation	(8,117)	7,616	10,426	1,272	9,154	720%	2,810	37%
Depreciation	17,624	17,718	17,510	17,510	0	0%	(208)	-1%
NOI After Depreciation	(25,741)	(10,101)	(7,084)	(16,238)	9,154	56%	3,018	30%

2022 Forecast vs. 2022 Budget

- Operating Revenues are forecasted \$9.4M higher than budget:
 - Cruise \$8.5M higher based on more sailings than budgeted with the reduction of COVID-19 issues.
 - Fishing, Commercial, and Boating Marinas are \$550K higher due to better pier utilization and occupancy.
- Operating Expenses forecasted \$.2M unfavorable to budget from a capital to expense classification of the discontinued Fishermen's Terminal Gateway building.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/22

- Net Operating Income Planned \$9.2M favorable to budget.

2022 Forecast vs. 2021 Actuals (Excludes Pension Adjustment)

- Operating Revenues expected \$19.8M higher than 2021 with resumption of Cruise, higher Grain volumes, and rate increases.
- Operating Expenses forecasted \$10.3M higher than 2021 actual driven primarily by increased represented and non-represented wage rates.
- Net Operating Income forecasted \$9.5M 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	204	4,167	7,582	7,500	3,415	45%
T117 Restoration	1,474	4,416	5,346	2,502	930	17%
MD Video Camera Pro	0	1,400	1,400	1,400	0	0%
T91 Berth 6&8 Redev	168	937	1,235	1,334	298	24%
FT Maritime Innovation Center	379	1,349	1,222	1,317	(127)	-10%
FT ADA Compliance	125	1,172	1,138	1,385	(34)	-3%
SBM Dock X Pier Replacement	97	202	1,000	833	798	80%
P90E Timber Pile Caps	27	56	909	837	853	94%
MD Fleet	397	2,667	2,670	2,085	3	0%
MD Small Projects	199	2,179	2,445	2,246	266	11%
All Other Project	(481)	2,969	7,371	11,744	4,402	60%
Subtotal	2,589	21,514	32,318	33,183	10,804	33%
CIP Cashflow Mgmt Reserve	0	(4,728)	(8,797)	(9,775)	(4,069)	46.3%
Total Maritime	2,589	16,786	23,521	23,408	6,735	28.6%

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.
- **SBM Dock X Pier Replacement**- Construction delayed due to SDCI permitting
- **FT Gateway (All other projects)**- Actuals do date expensed (\$1.6M)

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/22

IV. ECONOMIC DEVELOPMENT DIVISION

FINANCIAL SUMMARY

	2020	2021	2022	2022	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Forecast	Budget	\$	%	\$	%
Total Revenues	9,470	9,294	14,970	18,769	(3,799)	-20%	5,676	61%
Total Operating Expenses	21,382	20,560	25,320	28,301	2,981	11%	4,761	23%
Net Operating Income	(11,912)	(11,266)	(10,350)	(9,532)	(818)	-9%	916	-8%
NOI Including Pension Adj	(11,141)	(8,870)	(10,350)	(9,532)	2,163	23%	(1,480)	-17%
Capital Expenditures	9,314	4,311	10,448	10,483	35	0%	6,137	142%

2022 Forecast vs. 2022 Budget

- Operating Revenues forecasted to \$3.8M 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 (\$2.7M), delayed hiring, and Maintenance Expenses.
- Net Operating Income forecasted at \$0.8M below budget.
- Capital Spending forecasted at \$10.5M budget.

2022 Forecast vs. 2021 Actuals

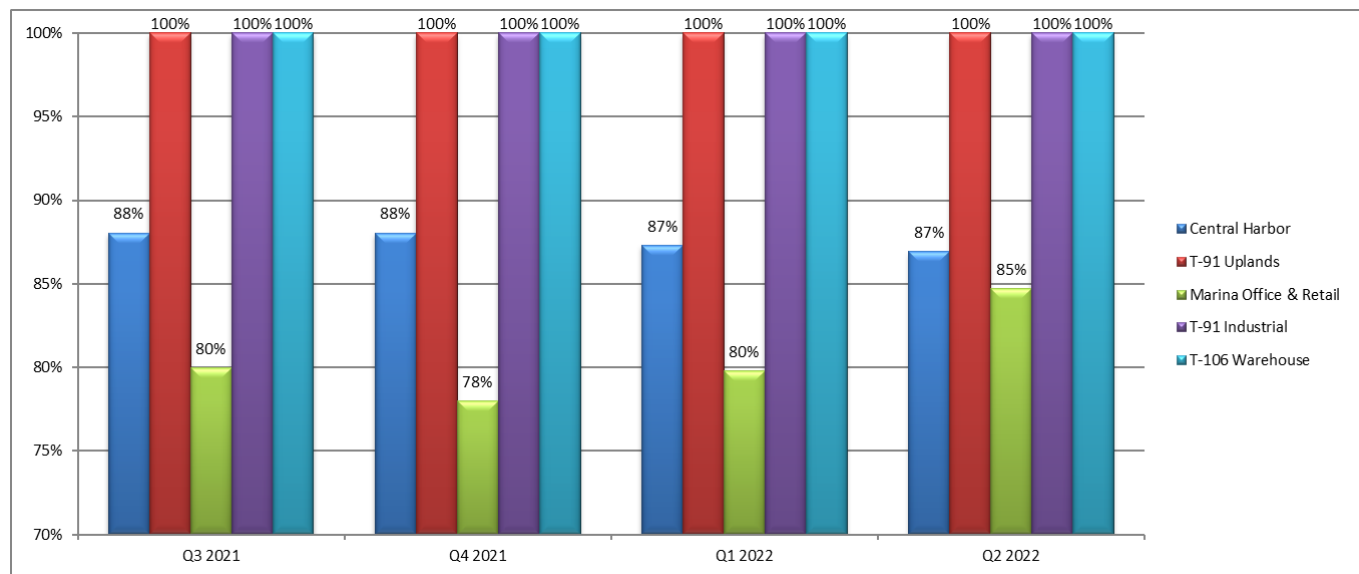
- Operating Revenues forecasted \$5.7M higher than 2021 with \$4.6M increase in Conference & Event Center along with increased concession revenue at the Bell Street garage.
- Operating Expenses \$4.8M higher than 2021 due to payroll increases and Conference & Event Center volumes.
- Net Operating Income forecasted \$.9M better than 2021 actual, but \$1.5M 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	
\$ in 000's	Actual	Actual	Budget	\$	%	\$	%
Portfolio Management	(1,804)	(1,875)	(2,394)	518	22%	(72)	-4%
Conference & Event Centers	(2,130)	(1,195)	(1,277)	82	6%	936	44%
Tourism	(379)	(312)	(616)	304	49%	68	18%
EDD Grants	(88)	1	(160)	161	101%	89	-101%
Env Grants/Remed Liab/ERC	(2)	(812)	(244)	(568)	233%	(810)	-36598%
Total Econ Dev	(4,403)	(4,192)	(4,690)	497	11%	211	5%

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 301B (3,993sf)
- 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 06/30/22

B. OPERATING RESULTS

	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav(UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
Revenue	4,119	3,669	4,142	4,091	51	1%	473	13%
Conf & Event Centers	1,240	420	2,538	4,039	(1,501)	-37%	2,118	504%
Total Revenue	5,359	4,089	6,680	8,130	(1,450)	-18%	2,591	63%
Expenses								
Portfolio Management	1,583	1,643	1,898	1,923	25	1%	255	16%
Conf & Event Centers	2,378	1,271	2,333	3,942	1,609	41%	1,061	83%
P69 Facilities Expenses	119	90	98	123	25	21%	8	8%
RE Dev & Planning	91	94	132	100	(31)	-31%	38	40%
EconDev Expenses Other	488	298	492	347	(145)	-42%	193	65%
Maintenance Expenses	1,170	1,792	1,718	1,965	247	13%	(73)	-4%
Maritime Expenses (Excl Maint)	229	490	535	632	97	15%	45	9%
Total EDD & Maritime Expenses	6,058	5,678	7,205	9,032	1,827	20%	1,527	27%
Diversity in Contracting	50	48	57	85	28	33%	9	19%
Tourism	374	380	1,099	1,010	(90)	-9%	720	189%
EDD Grants	(27)	87	(1)	150	151	101%	(89)	-101%
Total EDD Initiatives	397	515	1,155	1,245	89	7%	640	124%
Environmental & Sustainability	101	13	10	21	11	54%	(3)	-24%
Police Expenses	108	99	103	120	17	14%	4	4%
Other Central Services	2,760	2,093	2,319	2,334	14	1%	227	11%
Aviation Division	69	95	80	68	(12)	-18%	(15)	-16%
Total Central Services & Aviation	3,037	2,300	2,513	2,543	30	1%	213	9%
Envir Remed Liability	0	0	0	0	0	NA	0	NA
Total Expense	9,493	8,493	10,872	12,819	1,947	15%	2,380	28%
NOI Before Depreciation	(4,134)	(4,403)	(4,192)	(4,690)	497	11%	211	5%
Depreciation	1,774	1,919	1,906	1,782	(125)	-7%	(12)	-1%
NOI After Depreciation	(5,908)	(6,322)	(6,099)	(6,471)	373	6%	223	4%

2022 YTD Actuals vs. 2022 YTD Budget

- Operating Revenue were \$1,450K 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 \$1,947K favorable to budget:
 - Conference and Event Center \$1,609K favorable from lower activity.
 - Maintenance Expenses \$247K favorable due to open positions.
 - EDD Other and Initiatives \$55K above budget due to timing.
 - All other expenses net to \$146K below budget.
- Net Operating Income was \$497K above budget.

2022 YTD Actuals vs. 2021 YTD Actuals

- Operating Revenues were \$2,591K higher than 2021 actual.
- Operating Expenses were \$2,380K higher than 2021 actual:
 - Portfolio Management higher by \$255K due to 2021 open positions.
 - Conference and Event Centers \$1,061K higher than 2021 due to variable costs associated with higher Conference and Event Center volumes.
 - Maintenance Expenses \$73K lower than 2021 due to open positions.
 - Tourism \$720K higher due to timing of final Washington Tourism Alliance invoice.
 - Central Services \$213K higher than 2021.
 - All other Expenses net to \$204K higher than 2021.
- Net Operating Income was \$211K higher than 2021 actual.

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/22

	2020	2021	2022	2022	Fav(UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Forecast	Budget	\$	%	\$	%
Revenue	7,808	7,384	8,470	8,470	0	0%	1,086	15%
Conf & Event Centers	1,662	1,910	6,500	10,299	(3,799)	-37%	4,590	240%
Total Revenue	9,470	9,294	14,970	18,769	(3,799)	-20%	5,676	61%
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	1,142	842	(300)	-36%	406	55%
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	17,219	19,719	2,500	13%	4,493	35%
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	1,200	1,500	300	20%	311	35%
Total EDD Initiatives	1,931	3,019	3,118	3,418	300	9%	99	3%
Environmental & Sustainability	33	24	71	59	(12)	-20%	47	194%
Police Expenses	215	205	250	229	(21)	-9%	45	22%
Other Central Services	5,815	4,408	4,535	4,749	214	5%	127	3%
Aviation Division	161	177	128	128	0	0%	(49)	-28%
Total Central Services & Aviation	6,225	4,814	4,984	5,165	181	4%	169	4%
Total Expense before Pension Adjustment	21,382	20,560	25,320	28,301	2,981	11%	4,761	23%
Pension Expense Adjustment	(771)	(2,396)	0	0	0	NA	2,396	-100%
Total Expense	20,611	18,164	25,320	28,301	2,981	11%	7,156	39%
NOI Before Depreciation	(11,141)	(8,870)	(10,350)	(9,532)	(818)	-9%	(1,480)	-17%
Depreciation	3,611	3,841	3,741	3,741	0	0%	(100)	-3%
NOI After Depreciation	(14,752)	(12,711)	(14,091)	(13,273)	(818)	-6%	(1,380)	-11%

2022 Forecast vs. 2022 Budget

- Operating Revenues forecasted to \$3.8M 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 (\$2.7M), delayed hiring, and Maintenance Expenses.
- Net Operating Income forecasted at \$0.8M below budget.

2022 Forecast vs. 2021 Actuals (Excludes Pension Adjustments)

- Operating Revenues forecasted \$5.7M higher than 2021 with \$4.6M 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 \$.9M better than 2021 actual absent pension adjustment.

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/22

C. CAPITAL RESULTS

	2022 YTD Actual	2022 Year- End Forecast	2022 Budget	2022 POF	Budget vs Forecast	
\$ in 000's					\$	%
P69 Underdock Utility Rpl	97	2,573	2,678	2,600	105	4%
CW Bridge Elev Modernization	864	2,595	2,352	2,000	(243)	-10%
P66 Roof Upgrades	444	1,108	1,559	752	451	29%
T91 Uplands Dev Phase 1	86	1,197	1,404	1,484	207	15%
WTCW Roof Replacement	93	1,189	1,099	1,570	(90)	-8%
WTC HVAC Replacement	1,234	1,489	1,020	2,739	(469)	-46%
Tenant Improvements -Capital	0	116	501	300	385	77%
BHICC Interior Modernization	151	157	310	4	153	49%
EDD Technology Projects	0	250	250	250	0	0%
EDD Small Projects	41	300	669	620	369	55%
All Other Projects	22	1,026	1,046	1,750	20	2%
Subtotal	3,032	12,000	12,888	14,069	888	7%
CIP Cashflow Mgmt Reserve	0	(1,552)	(2,405)	(3,554)	(853)	35%
Total Economic Development	3,032	10,448	10,483	10,515	35	0%

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

Comments on Key Projects

- **P66 Roof Upgrades**- project delayed due to weather and construction constraints.
- **WTC HVAC Replacement**- project acceleration completed.

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/22

V. CENTRAL SERVICES DIVISION

FINANCIAL SUMMARY

	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
Total Operating Revenues	1,629	1,982	271	93	177	190.4%	(1,712)	-86.3%
Core Central Support Services	39,102	39,964	44,434	46,969	2,535	5.4%	4,470	11.2%
Police	14,819	13,769	14,211	17,121	2,910	17.0%	442	3.2%
Engineering/PCS	4,773	4,575	4,418	5,951	1,533	25.8%	(157)	-3.4%
Total Operating Expenses	58,694	58,309	63,064	70,041	6,977	10.0%	4,755	8.2%

2022 YTD Actuals vs. 2022 YTD Budget

- Operating Revenues favorable by \$177K due primarily to Police forfeiture.
- Operating Expenses \$7.0M favorable to budget mainly due delay in contract spending and delays in hiring vacant positions and lower charges to Capital Projects.

2022 YTD Actuals vs. 2021 YTD Actuals

- Operating Revenues \$1.7M below 2021 mainly due to higher Police forfeiture seizures in 2021.
- Operating Expenses \$4.8M higher than 2021 mainly due to higher Payroll, General Expense, Equipment Expense, Outside Services, Travel, and lower charges to Capital Project.

A. BUSINESS EVENTS

- Equity Diversity & Inclusion hosted a Lunch & Learn about the history of housing segregation practices in King County, including the use of racial restrictive covenants and redlining
- Hosted the South King County Environmental Symposium. Presentations centered on Food Justice and Community Gardens, Community Stewardship and Youth Activism, and Green Jobs for a Just Transition
- Participated in the outreach event, Women in Trades Fair, to provide information on learning and employment opportunities in the construction trades
- Partnered with the cruise lines, Visit Seattle, Seattle Southside Regional Tourism Authority, and Visit Bellevue to present the webinar, What to expect when you're expecting (visitors), to kick off the 2022 cruise season
- Conducted multiple stakeholder briefings and hosted the Cruise Job Fair at Duwamish River Community Hub
- Sponsored the annual Seattle Maritime Industry Breakfast with presentations from Commissioner Hasegawa and Executive Director Metruck, who was honored with the Public Official of the Year award
- Hosted the annual Raisbeck Aviation High School Environmental Challenge
- Presented the first Priority Hire & Apprenticeship annual report to the Commission
- Physical Completion Issued for: 2021 Airfield Pavement and Supporting Infrastructure Replacement, Arc Flash Mitigation, and North Terminals Utilities Upgrade Project Phase 1
- Human Resources hired over 305 positions year to date (92 internal hires and 213 external hires)
- Information and Communications Technology and Police collaborated to replace the Evidence Management System with two modern software packages: EvidenceOnQ and DitigalOnQ
- Information Security implemented the Security Information Event Management (SIEM) tool which will enhance the Port's layered cyber defense strategy
- Accounting & Financial Reporting worked with Aviation Commercial Management to issue rent credits to 45 tenants from grants received under the Coronavirus Response & Relief Supplemental Appropriation (CRRSA) Act
- Strategic Planning team executed a weeklong virtual Disruption Summit engaging with 410 employees
- Presented the 2021 Annual Police Report to the Commission and Executive Staff

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/22

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	1288	743	851
B. Number of SEA Airport tenants supported in finding employees	60	65	70
C. Employment Center training completions	108	99	213
D. Airport Job Placements	436	560	660
E. K-12 Career Connected Learning: WFD engagement with teachers/faculty	1,800	0	TBD
F. Community members entering employment in construction, maritime and environmental sustainability	0	9	37
G. Number of Job Openings created	233	124	187
H. Job applications received	3,703	5,825	7,662
I. Number of job interviews conducted	461	640	1314
J. Number of new employees hired	155	140	276
K. Number of interns	47	140	276
L. Number of Veteran Fellows	0	2	1
M. Number of employees participating in Tuition Reimbursement	27	36	36
Become a Model for Equity, Diversity and Inclusion			
A. Employee participation in OEDI programming (Caucuses, Book Clubs, Town Halls, etc.)	N/A	599	828
Be a Highly Effective Public Agency			
A. Central Services costs as a % of Total Operating Expenses	29.0%	29.1%	28.0%
B. Investment portfolio earnings versus the benchmark (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index)	1.98%/ 0.18%	1.23%/ 0.25%	1.17%/ 2.95%
C. Comply with Public Disclosure Act and respond in a timely manner	248	305	418
D. Percent of annual audit work plan completed each year	100%	100%	100%
E. Employee Development Class Attendees/Structured Learning	3,071	1,637	1,097
F. Total Recordable Incident Rate (previous Occupational Injury Rate)	2.93	5.84	3.32
G. Lost Work Day Rate (previously Days Away Severity Rate)	46.43	57.47	18.41
H. Customer Survey for Police Service Excellent or Above Average	84%	100%	TBD

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/22

C. OPERATING RESULTS

Financial Summary (Year-End Forecast)

	2020 YTD	2021 YTD	2022 YTD	2022 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Forecast	Budget	\$	%	\$	%
Total Revenues	2,512	(233)	396	186	210	112.6%	630	-269.8%
Executive	2,263	2,051	2,679	2,738	59	2.1%	628	30.6%
Commission	1,755	1,773	2,359	2,486	127	5.1%	586	33.1%
Legal	6,290	7,054	5,866	5,105	(761)	-14.9%	(1,188)	-16.8%
External Relations	7,481	6,827	9,171	10,874	1,703	15.7%	2,344	34.3%
Equity Diversity and Inclusion	4,676	4,937	5,740	5,756	16	0.3%	803	16.3%
Human Resources	8,380	8,675	12,837	13,126	289	2.2%	4,161	48.0%
Labor Relations	1,286	1,110	1,276	1,444	168	11.6%	166	15.0%
Internal Audit	1,540	1,296	2,595	1,868	(727)	-38.9%	1,299	100.2%
Accounting & Financial Reporting Services	8,165	6,967	8,895	9,418	523	5.6%	1,927	27.7%
Information & Communication Technology	24,732	19,944	27,614	27,597	(17)	-0.1%	7,670	38.5%
Information Security	1,656	1,328	2,118	2,449	331	13.5%	790	59.5%
Finance & Budget	2,177	1,801	2,476	2,525	48	1.9%	675	37.5%
Business Intelligence	1,181	904	1,473	1,953	480	24.6%	569	63.0%
Risk Services	3,349	4,047	5,188	4,688	(500)	-10.7%	1,141	28.2%
Office of Strategic Initiatives	934	713	1,124	1,231	106	8.6%	412	57.7%
Central Procurement Office	4,280	3,633	6,557	6,678	121	1.8%	2,924	80.5%
Contingency	(190)	(123)	(2,475)	(5,000)	(2,525)	50.5%	(2,352)	1912.8%
Core Central Support Services	79,956	72,936	95,493	94,936	(557)	-0.6%	22,557	30.9%
Police	27,538	17,194	29,800	32,746	2,945	9.0%	12,607	73.3%
Total Before Cap Dev & Environment	107,494	90,130	125,294	127,682	2,388	1.9%	35,164	39.0%
Capital Development								
Engineering	4,959	1,626	6,271	7,428	1,156	15.6%	4,645	285.6%
Port Construction Services	4,138	3,321	3,980	4,906	926	18.9%	659	19.8%
Sub-Total	9,096	4,948	10,252	12,334	2,082	16.9%	5,304	107.2%
Environment & Sustainability								
Environment & Sustainability	692	676	1,493	1,741	248	14.3%	817	120.8%
Sub-Total	692	676	1,493	1,741	248	14.3%	817	120.8%
Capital to Expense	193	-	6	-	(6)	0.0%	6	0.0%
Total Expenses	117,476	95,753	137,044	141,756	4,712	3.3%	41,291	43.1%

2022 Forecast vs. 2022 Budget

Operating Expenses for 2022 are forecasted to be \$4.7M below Budget due primarily to:

- **Executive** – favorable variance of \$59K primarily due to lower Payroll.
- **Commission** – favorable variance of \$127K primarily due to lower Payroll.
- **Legal** – unfavorable variance of (\$761K) due to higher Outside Services (\$889K) offset by lower Payroll of \$129K.
- **External Relations** – favorable variance of \$1.7M primarily due to reduced Outside Services of \$1.6M, Promotional Expenses of \$116K, and Travel of \$45K offset by higher Equipment Expense (\$25K).
- **Equity, Diversity, and Inclusion** – favorable variance of \$16K primarily due to lower Outside Services of \$700K, Payroll of \$26K, and Equipment Expense of \$11K offset by budget transfer from Outside Services to Property Rentals of (\$747K).
- **Human Resources** – favorable variance of \$289K primarily due to lower Payroll of \$382K and Travel of \$15K offset by higher Outside Services (\$41K) General Expenses (\$84K).
- **Labor Relations** – favorable variance of \$168K primarily due to lower Payroll.
- **Internal Audit** – unfavorable variance of (\$727K) primarily due to unplanned General Expense of (\$739K).
- **Accounting and Financial Reporting Services** – favorable variance of \$523K primarily due to lower Payroll of \$472K and Travel of \$57K offset by higher Telecommunications of (\$10K) and Outside Services (\$6K).
- **Information & Communication Technology** – plans to be on target.
- **Information Security** – favorable variance of \$331K primarily due to lower Outside Services of \$199K, Payroll of \$109K, and Travel of \$16K.
- **Corporate Finance & Budget** – favorable variance of \$48K primarily due to lower Payroll of \$34K and Worker's Comp \$14K.
- **Business Intelligence** – favorable variance of \$480K primarily due to lower Payroll \$276K and Outside Services of \$192K.
- **Risk Services** – unfavorable variance of (\$500K) due to higher Insurance Expenses of (\$544K) offset by lower Payroll \$45K.
- **Office of Strategic Initiative** – favorable variance of \$106K due to lower Payroll of \$83K and Outside Services \$19K.
- **Central Procurement Office** – favorable variance of \$121K primarily due to lower Payroll of \$295K offset by higher charges to Outside Services of (\$30K) and lower charges to Capital Projects (\$150K).
- **Police** – favorable variance of \$2.9M primarily due to lower Payroll of \$3.1M, Equipment Expense \$199K, Supplies & Stock \$119K, and Travel \$167K offset by higher General Expenses of (\$589K) and Outside Services (\$80K).
- **Engineering** – favorable variance of \$1.2M primarily due to lower Payroll of \$2.2M and higher charges to Capital Projects of \$890K offset by higher Outside Services of (\$2M).
- **PCS** – favorable variance of \$926K primarily due to lower Payroll of \$668K, Outside Services of \$261K, and Equipment \$50K offset by lower charges to Capital Projects of (\$216K).
- **Environment & Sustainability Admin** – favorable variance of \$248K due to lower Payroll of \$139K and lower Outside Services \$110K.
- **Contingency** – unfavorable variance of (\$2.5M). Adjusted forecast for Vacancy Factor actuals.
- **Capital to Expense** – unfavorable variance of (\$6K).

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/22

2022 Forecast vs. 2021 Actuals

- Operating Expenses for 2022 are forecasted to be \$11.3M higher than 2021, after adjusting for \$29.8M state pension credit in 2021 actuals, mainly due to:
 - **Core Central Support Services** – \$9.5M 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** – \$1.1M 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** – \$700K 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	Plan of Finance	\$	%
Engineering Fleet Replacement	485	1,380	2,065	1,465	685	33.2%
Services Tech - Small Cap	770	1,978	1,500	1,500	(478)	-31.9%
Infrastructure - Small Cap	96	1,495	1,500	1,500	5	0.3%
Phone System Upgrade	199	1,294	1,414	1,000	120	8.5%
Radio Microwave Redund. Loop	0	540	1,040	1,040	500	48.1%
Office Wi-Fi Refresh	293	393	1,039	1,300	646	62.2%
Corporate Fleet Replacement	313	611	901	645	290	32.2%
Other (note 1)	581	3,318	5,830	4,844	2,512	43.1%
Subtotal	2,737	11,009	15,289	13,294	4,280	28.0%
CIP Cashflow Adjustment	0	(2,700)	(4,400)	(3,900)	(1,700)	38.6%
TOTAL	2,737	8,309	10,889	9,394	2,580	23.7%

Note:

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