



PORT OF SEATTLE

Q2 2023 FINANCIAL PERFORMANCE REPORT

AS OF JUNE 30, 2023

TABLE OF CONTENTS

	<u>PAGE</u>
I. Portwide Performance Report	3-8
II. Aviation Division Report	9-18
III. Maritime Division Report	19-23
IV. Economic Development Division Report	24-27
V. Central Services Division Report	28-32

I. PORTWIDE

EXECUTIVE SUMMARY

Airport passenger volume continues to rebound and is expected to be 8.8% higher than 2022 and 3.4% lower than pre-pandemic volumes in 2019. Non-Aeronautical revenues are anticipated to exceed the budget due to higher revenues in most lines of business. The remaining federal relief funds of \$13.8M, which includes \$1.9M for Airport Dining and Retail (ADR) tenants, will be applied in 2023.

The 2023 cruise season is under way with a projected total of 287 cruise sailings and 1.4 million revenue passengers. Each homeported vessel brings in over \$4 million to the local economy each time it provisions at the dock. The Port will provide shore power connections to vessels allowing them to turn off diesel engines while at the dock, which reduces air pollution and greenhouse gas emissions. The Port joined other organizations in creating the world’s first cruise-focused Green Corridor to explore decarbonization strategies last year.

Fishing, Commercial and Recreational Marinas, Cruise, and Maritime Portfolio Management are expected to exceed revenue targets while grain volume is projected to be down 35% due to lower demand from China. Conference center volume is estimated to be down by 13% due to events and conference cancellations earlier this year.

Overall, operating revenues were 8.3M or 1.8% above budget while expenses were \$15.7M or 5.6% lower than budget in the second quarter of 2023. For the full year, we are projecting operating revenues to be \$18.3M to exceed budget mainly due to higher-than-expected Airport Non-Aero Revenues. Operating expenses are expected to be \$5.0M lower than budget due to vacant positions, lower Utilities and Third-Party Management Expenses.

PORTWIDE FINANCIAL SUMMARY

	2021 YTD	2022 YTD	2023 YTD		Actual vs. Budget		Change from 2022	
	Actual	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's								
Aeronautical Revenues	143,188	181,846	240,218	244,692	(4,474)	-1.8%	58,372	32.1%
Airport Non-Aero Revenues	73,219	114,802	145,446	137,662	7,785	5.7%	30,644	26.7%
Non-Airport Revenues	49,475	65,638	76,356	71,411	4,945	6.9%	10,718	16.3%
Total Operating Revenues	265,883	362,286	462,020	453,765	8,255	1.8%	99,734	27.5%
Total Operating Expenses	195,776	220,822	264,713	280,383	15,670	5.6%	43,890	19.9%
NOI before Depreciation	70,107	141,464	197,307	173,382	23,925	13.8%	55,844	39.5%
Depreciation	91,246	104,114	123,656	98,780	(24,876)	-25.2%	19,542	18.8%
NOI after Depreciation	(21,139)	37,350	73,651	74,603	(951)	-1.3%	36,302	97.2%

2023 YTD Actuals vs. 2023 YTD Budget:

- Airport Non-Aero Revenues were up \$7.8M compared to budget mainly due to higher Public Parking, Airport Commercial Properties, and Rental Car revenue; partially offset by lower revenue from Airport Dining and Retail & Terminal Lease Space revenue.
- Non-Airport Revenues were \$4.9M above budget mainly due to higher Cruise and NWSA Distributable revenue; partially offset by lower Grain and Conference & Event Centers.
- Total Operating Expenses are \$15.7M lower than budget due to delays in hiring and implementing projects/initiatives.

2023 YTD Actuals vs. 2022 YTD Actuals:

- Total Operating Revenues were up \$99.7M due higher passenger volumes compared to 2022; higher revenues in non-aeronautical lines of businesses (Public Parking, ADR & Terminal Leased Space, Rental Cars, Ground Transportation, Clubs & Lounges, and Airport Commercial Properties), Cruise, and NWSA Distributable Revenue.
- Total Operating Expenses was \$43.9 M higher compared to 2022 due to higher Payroll, Outside Services, Equipment, Supplies & Stock, and Third-Party Management Expense.

NON-AIRPORT FINANCIAL SUMMARY

	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget		Change from 2022	
	Actual	Actual	Actual	Budget	Variance		Incr (Decr)	
\$ in 000's					\$	%	\$	%
NWSA Distributable Revenue	22,166	24,527	28,949	25,153	3,796	15.1%	4,422	18.0%
Maritime Revenues	19,507	31,788	35,856	34,040	1,816	5.3%	4,068	12.8%
EDD Revenues	4,089	6,680	8,361	10,123	(1,761)	-17.4%	1,681	25.2%
SWU & Other	3,713	2,643	3,189	2,095	1,094	52.2%	546	20.7%
Total Operating Revenues	49,475	65,638	76,356	71,411	4,945	6.9%	10,718	16.3%
Total Operating Expenses	35,658	43,508	49,171	54,420	5,249	9.6%	5,662	13.0%
NOI before Depreciation	13,817	22,129	27,185	16,991	10,194	60.0%	5,056	22.8%
Depreciation	18,949	18,918	19,138	18,141	(997)	-5.5%	220	1.2%
NOI after Depreciation	(5,132)	3,211	8,047	(1,150)	9,198	-799.7%	4,836	150.6%

2023 YTD Actuals vs. 2023 YTD Budget

- Non-Airport Operating Revenues were up \$4.9M compared to budget mainly due to higher NWSA Distributable revenue and Cruise; partially offset by lower Grain and Conference & Event Centers.
- Non-Airport Operating Expenses were \$5.2M lower than budget because of delays in hiring, project spending delays, and timing of tenant improvements and maintenance.

2023 YTD Actuals vs. 2022 YTD Actuals

- Non-Airport Operating Revenues were \$10.7M higher compared to 2022 because of higher revenues from NWSA Distributable Revenue, Cruise, Conference and Event Centers, Recreational Boating, Fishing and Operations, Central Harbor Management, and unbudgeted police forfeitures; partially offset by lower Grain, and Maritime Portfolio Management revenues.
- Non-Airport Operating Expenses were \$5.7M higher than 2022 due to higher Payroll and Outside Services; partially offset by lower Property Rentals and Utilities.

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 06/30/23

MAJOR OPERATING REVENUES SUMMARY

	2021 YTD		2022 YTD		2023 YTD		2023 YTD		Actual vs. Budget		Change from 2022	
									Variance		Incr (Decr)	
	Actual	Actual	Actual	Budget	Actual	Budget	\$	%	\$	%		
\$ in 000's												
Aeronautical Revenues	143,188	181,846	240,218	244,692	(4,474)	-1.8%	58,372	32.1%				
Public Parking	25,537	41,842	52,391	48,001	4,390	9.1%	10,549	25.2%				
Rental Cars - Operations	11,497	16,803	18,021	16,626	1,395	8.4%	1,218	7.2%				
Rental Cars - Operating CFC	-	-	5,495	4,819	676	14.0%	5,495	0.0%				
ADR & Terminal Leased Space	17,764	26,131	31,985	33,930	(1,946)	-5.7%	5,854	22.4%				
Ground Transportation	4,208	9,226	11,750	11,420	330	2.9%	2,524	27.4%				
Employee Parking	4,457	5,062	5,460	5,234	226	4.3%	398	7.9%				
Airport Commercial Properties	5,541	7,520	9,618	8,014	1,604	20.0%	2,098	27.9%				
Airport Utilities	3,010	3,845	4,194	4,271	(77)	-1.8%	348	9.1%				
Clubs and Lounges	709	3,048	5,436	4,396	1,040	23.7%	2,388	78.3%				
Cruise	61	11,258	15,437	13,100	2,337	17.8%	4,179	37.1%				
Recreational Boating	6,330	6,914	7,751	7,776	(24)	-0.3%	837	12.1%				
Fishing & Operations	4,768	4,967	5,481	4,927	554	11.2%	514	10.3%				
Grain	3,433	3,405	1,964	3,231	(1,268)	-39.2%	(1,441)	-42.3%				
Maritime Portfolio Management	4,914	5,237	5,205	4,994	210	4.2%	(33)	-0.6%				
Central Harbor Management	3,654	4,131	4,960	4,672	288	6.2%	829	20.1%				
Conference & Event Centers	420	2,538	3,377	5,439	(2,061)	-37.9%	839	33.1%				
NWSA Distributable Revenue	22,166	24,527	28,949	25,153	3,796	15.1%	4,422	18.0%				
Other	4,225	3,986	4,329	3,069	1,260	41.1%	343	8.6%				
Total Operating Revenues (w/o Aero)	122,695	180,440	221,802	209,073	12,729	6.1%	41,362	22.9%				
TOTAL	265,883	362,286	462,020	453,765	8,255	1.8%	99,734	27.5%				

MAJOR OPERATING EXPENSES SUMMARY

	2021 YTD		2022 YTD		2023 YTD		2023 YTD		Actual vs. Budget		Change from 2022	
									Variance		Incr (Decr)	
	Actual	Actual	Actual	Budget	Actual	Budget	\$	%	\$	%		
\$ in 000's												
Salaries & Benefits	71,476	76,063	90,131	89,742	(389)	-0.4%	14,068	18.5%				
Wages & Benefits	64,484	67,884	79,333	77,916	(1,417)	-1.8%	11,449	16.9%				
Payroll to Capital Projects	14,733	12,936	15,420	21,826	6,405	29.3%	2,484	19.2%				
Outside Services	40,724	48,370	57,354	77,604	20,250	26.1%	8,984	18.6%				
Utilities	12,860	16,626	15,541	15,779	238	1.5%	(1,085)	-6.5%				
Equipment Expense	2,960	4,532	5,683	5,432	(251)	-4.6%	1,151	25.4%				
Supplies & Stock	4,030	4,227	5,617	4,613	(1,004)	-21.8%	1,390	32.9%				
Travel & Other Employee Expenses	864	1,675	2,208	4,329	2,122	49.0%	533	31.8%				
Third Party Mgmt Op Exp	2,010	3,498	5,485	6,669	1,183	17.7%	1,987	56.8%				
B&O Taxes	1,682	2,246	2,895	3,207	312	9.7%	649	28.9%				
Other Expenses	6,392	7,578	14,991	12,362	(2,629)	-21.3%	7,412	97.8%				
Charges to Capital Projects/Overhead Alloc	(26,440)	(24,814)	(29,947)	(39,096)	(9,150)	23.4%	(5,133)	20.7%				
TOTAL	195,776	220,822	264,713	280,383	15,670	5.6%	43,890	19.9%				

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 06/30/23

PORTWIDE FINANCIAL YEAR-END FORECAST SUMMARY

	2021	2022	2023	2023	Fest vs. Budget		Change from 2022	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
\$ in 000's								
Aeronautical Revenues	317,513	402,540	501,441	504,948	(3,507)	-0.7%	98,901	24.6%
Airport Non-Aero Revenues	183,819	256,613	317,218	296,102	21,116	7.1%	60,605	23.6%
Non-Airport Revenues	120,689	150,977	153,278	152,634	644	0.4%	2,301	1.5%
Total Operating Revenues	622,020	810,130	971,937	953,684	18,253	1.9%	161,807	20.0%
Total Operating Expenses	364,656	475,739	568,461	573,431	4,970	0.9%	92,721	19.5%
NOI before Depreciation	257,364	334,390	403,476	380,253	23,224	6.1%	69,086	20.7%
Depreciation	190,683	232,236	207,951	207,951	-	0.0%	(24,285)	-10.5%
NOI after Depreciation	66,681	102,155	195,526	172,302	23,224	13.5%	93,371	91.4%

Year-End Forecast

- Total Operating Revenues are expected to be \$18.3M higher than budget and \$161.8M higher than 2022; the \$13.8M federal relief grants help offset the \$11.8M Aeronautical revenues and provide \$1.9M for Airport Dining and Retail (ADR) tenants in 2023.
- Total Operating Expenses are expected to be \$5.0M favorable to budget and \$92.7M higher than 2022. It would have only been \$77.1M higher than 2022 after adjusting for \$15.6M state pension credit in 2022.
- NOI before depreciation forecast to be \$23.2M favorable to budget and \$69.1M higher than 2022.

KEY PERFORMANCE METRICS

	2022 YTD		2023			Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Forecast	Budget	Fest vs. Budget	Change from 2022	Chg.	%
						Chg.	%	Chg.	%
Total Passengers (in 000's)	20,889	23,740	45,964	50,063	48,887	1,176	2.4%	4,099	8.9%
Landed Weight (lbs. in millions)	13,617	15,103	29,079	31,603	30,226	1,377	4.6%	2,524	8.7%
Passenger CPE (in \$)	N/A	N/A	16.09	18.66	19.29	0.63	3.2%	2.57	16.0%
Grain Volume (metric tons in 000's)	2,659	1,362	4,391	3,253	4,338	(1,085)	-25.0%	(1,137)	-25.9%
Cruise Passenger (in 000's)	451	653	1,309	1,548	1,430	118	8.2%	238	18.2%
Shilshole Bay Marina Occupancy	97.2%	97.8%	97.6%	97.5%	97.5%	0.0%	0.0%	-0.1%	-0.1%

KEY BUSINESS EVENTS

The Port of Seattle signed a Memorandum of Agreement (MOA) with the Muckleshoot Indian Tribal Government. This MOA will allow for greater collaboration on mutually agreed interests in major transportation, infrastructure, economic development, and conservation projects. Areas already identified of greatest interest for the shared focus include Elliott Bay, the Duwamish Estuary, Lake Washington Ship Canal, Salmon Bay, Puget Sound, and the broader Salish Sea. Both entities will develop a work plan that identifies projects and initiatives intended to make progress towards sustainable co-existence on the land and waters of the region.

The Port launched the fourth cycle of the South King County Community Impact Fund (SKCCIF) Economic Recovery Program. Community-led groups and nonprofits can apply for up to \$100,000 for a single year or \$250,000 in multiyear funding. The SKCCIF was established in 2019 to increase opportunities in historically underserved, ethnically and culturally diverse communities and more than 60 projects have received SKCCIF funding since 2019. Majority of the projects funded were geared towards providing job application assistance in underserved and non-English speaking communities as well as improving public spaces and increasing environmental awareness. In addition, the Port held the 3rd Annual Pathways to Opportunities – An Environment and Jobs Symposium. Participants heard from local and regional leaders in the environmental and workforce space, and learned about funding sources, including the Port of Seattle’s South King County Community Impact Fund. Similarly, the Port joined other Seattle-based maritime organizations in a “Maritime Works” campaign to increase awareness to local opportunities for young adults looking for a high-wage career based in Puget Sound.

The Port Commission authorized a new Language Access Policy that sets into motion an assessment of current practices (including a review of publicly facing documents, resources, signage, websites, social media sites, and forms); the development of a guidance manual for divisions to create language access plans; and a proposal for budgeting resources necessary to implement this policy. This policy aims to identify and systemically eliminate disparities as well as ensure that all audiences have access to critical Port information, despite language or accessibility barriers.

Additionally, the Port commission adopted the Equity Policy Directive which will serve as a guide in the integration of equity, diversity, and inclusion into the Port’s policies, practices, and programs for years to come. This directive represents more than a year of work among the Commission Office, Office of Equity Diversity and Inclusion, Human Resources, External Relations, Legal, the Port’s Executive Leadership Team, external and community-based partners, and input from many Port employees. The Port will report continuous process improvement opportunities annually regarding contracting with community-based organizations, informed by at least one listening session with these community-based organizations.

The Port, in partnership with Schmidt Ocean Institute (SOI), hosted an event to announce the discovery of three new hydrothermal vents from SOI’s inaugural expedition and to celebrate SOI’s Artist-at-Sea program. The deep-sea inspired art was displayed at the Port from October 2022 until April 2023. Both the event and art program highlight the importance of increasing awareness of deep-sea diversity for the planet.

The Port celebrated the newly signed legislation to create policy and per-gallon price incentives for the production and use of Sustainable Aviation Fuel (SAF) in Washington. The Port advocated for the new law as part of its multi-year push to accelerate the deployment of locally produced SAF at Seattle-Tacoma International Airport. The per gallon incentive can be claimed as a tax credit by fuel producers or consumers like airlines. The bill also requires Washington State University and University of Washington to calculate the emission benefits near Seattle-Tacoma International Airport (SEA) from the increased use of SAF.

SEA welcomed the latest new international service on Tahiti Nui from Seattle to France. This service is offered year-round, twice weekly. Air Tahiti Nui, in partnership with Alaska Airlines, is the first and only carrier offering nonstop flights connecting the South Pacific, Pacific Northwest, and now Paris. The codeshare partnership between Air Tahiti Nui and Alaska Airlines allows passengers to travel via SEA to and from almost 100 cities in North America. Likewise, SEA welcomed Alaska Airlines' new international service to Nassau, Bahamas (NAS). Seasonal service will begin on December 15 and operate through April 10.

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 06/30/23**CAPITAL SPENDING SUMMARY**

\$ in 000's	2023	2023	2023	2023	Budget Variance	
	YTD Actual	Forecast	Budget	Plan of Finance	\$	%
Aviation	184,564	458,345	485,572	663,877	27,227	5.6%
Maritime	4,421	27,967	32,313	40,805	4,346	13.4%
Economic Development	2,574	7,670	8,086	6,737	416	5.1%
Central Services & Other (note 1)	2,959	12,270	15,371	14,424	3,101	20.2%
TOTAL	194,518	506,252	541,342	725,843	35,090	6.5%

Note:

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

Total capital spending is forecast to be \$506.3M for 2023, 93.5% of the budget due to delay in projects: MT Low Voltage Sys Upgrade, Checked Bag Recap/Optimization, Surface Area Management System, C Concourse Expansion, SEA Gateway, and Engineering Fleet Replacement.

PORTWIDE INVESTMENT PORTFOLIO

During the second quarter of 2023, the investment portfolio earned 3.11% versus the benchmark's (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index) of 4.98%. Over the last twelve months, the portfolio and the benchmark have earned 2.64% and 4.49%, respectively. Since the Port became its own Treasurer in 2002, the life-to-date earnings of the Port's portfolio and the benchmark are 2.33% and 1.83%, respectively.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/23

II. AVIATION DIVISION

FINANCIAL SUMMARY

Financial Summary (\$ in 000's)	2021	2022	2023	2023	Actual vs. Budget Variance		Incr/(Decr) Change from 2022	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Operating Revenue								
Aeronautical Revenues	317,513	402,540	501,441	504,948	(3,507)	-0.7%	98,901	24.6%
Non-Aeronautical Revenues	183,819	256,613	317,218	296,102	21,116	7.1%	60,605	23.6%
Total Operating Revenues	501,332	659,153	818,659	801,051	17,609	2.2%	159,506	24.2%
Total Operating Expenses	341,679	394,990	458,703	460,535	1,832	0.4%	63,714	16.1%
Net Operating Income	159,652	264,163	359,956	340,515	19,441	5.7%	95,793	36.3%
CPE	15.93	16.09	18.66	19.29	0.63	3.2%	2.57	16.0%
Non-Aero NOI (\$ in 000s)	135,483	72,611	174,118	150,386	(23,732)	-15.8%	101,507	139.8%
Enplaned passengers (in 000s)	18,073	22,966	25,031	24,444	(588)	-2.4%	2,065	9.0%
Capital Expenditures (in 000s)	389,051	311,631	458,345	485,572	27,226	5.6%	146,714	47.1%

2023 Forecast vs. 2023 Budget

- Net Operating Income (NOI) for 2023 which includes Federal Relief grants is forecasted to be (\$19.4M or 5.7%) favorable to the budget, driven primarily by:
 - Non-Aeronautical revenue is (21.1M or 7.1%) favorable primarily due to Landside revenue continues to recover strongly, especially in Parking, Rental Car, and GT due to high demand from returning passengers. Concessions still required Federal Relief of \$1.9M.
 - Total Operating Expenses are projected to underspend by (\$1.8M or 0.4%).

2023 Forecasts vs. 2022 Actuals

- Net Operating Income for 2023 is projected to be (\$95.8M or 36.3%) higher than prior year primarily driven by:
 - Higher Operating Revenue (\$160M or 24.2%) compared to prior year is due to passenger levels improving with a forecast of being down only 3.4% compared to 2019.
 - Higher forecasted Operating Expenses (\$63.7M or 16.1%) compared to prior year is primarily driven by higher Payroll, Outside Services, and Charges from Other Divisions compared to 2022. 2022 was the second 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 06/30/23

A. BUSINESS EVENTS

- Expected passenger levels is projected to be 3.4% lower than 2019.
- Federal relief continues to improve bottom line, and helps customers:
 - \$11.8 million for ARPA
 - \$1.9 million for tenant concessions relief (CRRSAA)

B. KEY PERFORMANCE METRICS

	YTD 2021	YTD 2022	YTD 2023	% YTD Change from 2022
Total Passengers (000's)				
Domestic	13,770	19,075	21,046	10.3%
International	528	1,814	2,694	48.5%
Total	14,298	20,889	23,740	13.6%
Operations	171,873	190,202	162,365	-14.6%
Landed Weight (In Millions of lbs.)				
Cargo	1,409	1,357	1,319	-2.8%
All other	10,584	12,260	13,784	12.4%
Total	11,993	13,617	15,103	10.9%
Cargo - Metric Tons				
Domestic freight	174,449	165,169	147,095	-10.9%
International & Mail freight	60,738	61,487	52,588	-14.5%
Total	235,187	226,656	199,683	-11.9%

*Mail weight for 2021 forward is incorporated in freight

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/23

Key Performance Measures

	2021	2022	2023	2023	Actual vs. Budget Variance		Incr/(Decr) Change from 2022	
	Actual	Actual	Forecast	Approved Budget	\$	%	\$	%
Key Performance Metrics								
Cost per Enplanement (CPE)	15.93	16.09	18.66	19.29	0.63	3.2%	2.57	16.0%
Non-Aeronautical NOI (in 000's) ¹	93,175	30,256	174,118	150,386	23,732	15.8%	143,862	475.5%
Other Performance Metrics								
O&M Cost per Enplanement	16.28	3.86	18.33	18.84	0.52	2.7%	14.47	375.0%
Non-Aero Revenue per Enplanement	10.17	2.36	12.67	12.11	0.56	4.6%	10.31	436.6%
Debt per Enplanement (in \$)	198	-	151	154	4	2.3%	151	0.0%
Debt Service Coverage	1.69	2.64	2.03	1.87	0.16	8.5%	(0.61)	-23.1%
Days cash on hand (10 months = 304 days)	423	0	467	457	11	2.3%	467	0.0%
Aeronautical Revenue Sharing (\$ in 000's)	-	-	-	-	-	0.0%	-	0.0%
Activity (in 000's)								
Enplanements	18,073	22,966	25,031	24,444	588	2.4%	2,065	9.0%
Total Passengers	36,154	45,964	50,063	48,887	1,176	2.4%	4,099	8.9%

Key Performance Metrics

2023 Forecast vs. 2023 Budget

- Cost per Enplanement (CPE):
 - CPE is forecasted to be (\$.63 or 3.2%) within alignment to budget.
 - Non-Aero NOI is (\$23.7M or 15.8%) favorable due to Landside revenues continuing to recover strongly, especially in Parking, Rental Car, and GT due to high demand from returning passengers.

2023 Forecast vs. 2022 Actuals

- CPE is \$2.57 higher compared to prior year due to Increases due to higher divisional allocations, changes in ERL & Capital to Expense adjustments, IAF Smarte Carte, IAF CBP Expenses, and rebalancing of VIP Hospitality focus areas.
- Non-Aero NOI is \$143.9M 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 06/30/23

C. OPERATING RESULTS

Division Summary – YTD Actuals

Total Airport Expense Summary (\$ in 000's)	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget Variance		Incr/(Decr) Change from 2022	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Operating Expenses								
Payroll	76,202	79,627	92,502	92,928	426	0.5%	12,876	16.2%
Outside Services	26,770	32,518	38,888	52,850	13,962	26.4%	6,370	19.6%
Utilities	9,750	12,207	11,437	11,488	51	0.4%	(770)	-6.3%
Other Expenses	(461)	5,128	7,102	2,939	(4,163)	-141.6%	1,974	38.5%
Total Airport Direct Charges	112,261	129,480	149,929	160,205	10,277	6.4%	20,449	15.8%
Environmental Remediation Liability	801	(2,312)	6,377	2,680	(3,697)	-138.0%	8,689	-375.8%
Capital to Expense	288	26	359	-	(359)		333	1286.2%
Total Exceptions	1,090	(2,286)	6,737	2,680	(4,057)	-151.4%	9,023	-394.7%
Total Airport Expenses	113,351	127,193	156,665	162,885	6,220	3.8%	29,472	23.2%
Corporate	34,011	36,831	42,814	45,023	2,209	4.9%	5,982	16.2%
Police	11,336	11,677	14,123	15,591	1,469	9.4%	2,446	20.9%
Maritime/Economic Development/Other	1,420	1,613	1,940	2,463	523	21.2%	328	20.3%
Total Charges from Other Divisions	46,767	50,121	58,877	63,077	4,201	6.7%	8,756	17.5%
Total Operating Expenses	160,118	177,314	215,542	225,963	10,421	4.6%	38,228	21.6%

Expenses – 2023 YTD Actuals vs. 2023 YTD Budget

- Operating Expenses were (\$10.4M or 4.6%) underspent to Budget driven primarily by the underspend in Charges from other Divisions of \$4.2M, and in Outside Services of \$14M 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 savings from Custodial Contracts related to vendors not earning incentive pay, and under-runs in Facilities and Infrastructure due to timing of when service directives are executed.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/23

Division Summary – YE Forecast

Total Airport Expense Summary (\$ in 000's)	2021	2022	2023	2023	Actual vs. Budget Variance		Incr/(Decr) Change from 2022	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Operating Expenses								
Payroll	157,207	168,389	184,224	189,477	5,253	2.8%	15,835	9.4%
Outside Services	62,382	75,700	107,667	109,249	1,582	1.4%	31,966	42.2%
Utilities	20,175	22,880	21,344	22,321	977	4.4%	(1,536)	-6.7%
Other Expenses	1,519	15,141	7,734	4,296	(3,438)	-80.0%	(7,407)	-48.9%
Total Airport Direct Charges	241,284	282,110	320,968	325,342	4,374	1.3%	38,858	13.8%
Environmental Remediation Liability	1,583	(1,274)	11,027	7,120	(3,907)	-54.9%	12,302	-965.2%
Capital to Expense	1,254	2,356	400	-	(400)		(1,956)	-83.0%
Total Exceptions	2,837	1,081	11,427	7,120	(4,307)	-60.5%	10,346	956.8%
Total Airport Expenses	244,121	283,191	332,396	332,462	66	0.0%	49,204	17.4%
Corporate	71,550	80,452	91,521	92,679	1,157	1.2%	11,070	13.8%
Police	23,473	27,660	29,647	30,264	617	2.0%	1,987	7.2%
Maritime/Economic Development/Other	2,536	3,687	5,139	5,131	(8)	-0.2%	1,453	39.4%
Total Charges from Other Divisions	97,558	111,799	126,308	128,074	1,766	1.4%	14,509	13.0%
Total Operating Expenses	294,217	382,704	458,703	460,535	1,832	0.4%	76,000	19.9%

Operating Expenses – 2023 YE Forecast compared to 2023 YE Budget

- Total Operating Expenses is forecasted to underspend by \$1.8M driven by under-runs in Payroll due to vacancies and \$1.8M Charges from Other Divisions, offset by projected over-runs in Outside Services due to mid-year requests approved with largest impact due to Baggage Handling Equipment software and other mid-year requests.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/23

Aeronautical Business Unit Summary – YTD Actuals

Aeronautical NOI (\$ in 000's)	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget Variance		Incr/(Decr) Change from 2022	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Rate Base Revenues								
Airfield Movement Area	37,192	47,737	66,779	67,008	(230)	-0.3%	19,042	39.9%
Airfield Apron Area	10,932	8,290	14,321	14,671	(350)	-2.4%	6,030	72.7%
Terminal Rents	83,321	105,972	133,174	132,787	387	0.3%	27,202	25.7%
Federal Inspection Services (FIS)	3,560	11,527	17,345	21,801	(4,457)	-20.4%	5,817	50.5%
Total Rate Base Revenues	135,005	173,527	231,618	236,268	(4,650)	-2.0%	58,091	33.5%
Airfield Commercial Area	8,177	8,320	8,600	8,425	176	2.1%	281	3.4%
Subtotal before Revenue Sharing	143,182	181,846	240,218	244,692	(4,474)	-1.8%	58,372	32.1%
Revenue Sharing	-	-	-	-	-	-	-	-
Total Aeronautical Revenues	143,182	181,846	240,218	244,692	(4,474)	-1.8%	58,372	32.1%
Total Aeronautical Expenses	111,036	120,393	151,356	157,242	5,886	3.7%	30,963	25.7%
Aeronautical NOI	32,146	61,453	88,862	87,451	1,411	1.6%	27,409	44.6%

Aeronautical – 2023 YTD Actuals vs. 2023 YTD Budget

- Net Operating Income was (\$1.4M or 1.6%) favorable to budget driven by lower operating expenses in Outside Services and Charges from Other Divisions.

Aeronautical – 2023 YTD Actuals vs. 2022 YTD Actuals

- Net Operating Income was (\$27.4M or 44.6%) higher than 2022 Q2 because aeronautical revenues in 2022 were based on increased passenger activity compared to the same last year when it was only the second year of recovery where activity levels were still relatively lower.

Aeronautical Business Unit Summary - YE Forecast

Aeronautical NOI (\$ in 000's)	2021	2022	2023	2023	Actual vs. Budget Variance		Incr/(Decr) Change from 2022	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Rate Base Revenues								
Airfield Movement Area	88,061	118,240	145,819	141,938	3,881	2.7%	27,579	23.3%
Airfield Apron Area	22,016	17,211	27,195	29,330	(2,135)	-7.3%	9,983	58.0%
Terminal Rents	205,283	220,399	269,231	270,513	(1,282)	-0.5%	48,832	22.2%
Federal Inspection Services (FIS)	10,978	29,347	41,982	46,317	(4,334)	-9.4%	12,635	43.1%
Total Rate Base Revenues	326,339	385,197	484,227	488,098	(3,871)	-0.8%	99,030	25.7%
Airfield Commercial Area	16,702	17,343	17,214	16,850	364	2.2%	(129)	-0.7%
Subtotal before Revenue Sharing	343,041	402,541	501,441	504,948	(3,507)	-0.7%	98,901	24.6%
Revenue Sharing	-	-	-	-	-	-	-	-
Total Aeronautical Revenues	343,041	402,541	501,441	504,948	(3,507)	-0.7%	98,901	24.6%
Total Aeronautical Expenses	203,573	261,574	322,207	320,649	(1,558)	-0.5%	60,633	23.2%
Aeronautical NOI	139,468	140,967	179,234	184,300	(5,065)	-2.7%	38,268	27.1%
Debt Service	(62,607)	(80,554)	(147,510)	(152,649)	5,139	-3.4%	(66,956)	83.1%
Net Cash Flow	76,860	60,413	31,724	31,650	74	0.2%	(28,689)	-47.5%

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/23

Airline Rate Base Cost Drivers

\$ in 000's	2023 Budget	2023 Forecast	Impact on Aero Revenues Budget vs Budget	
			\$	%
O&M ⁽¹⁾	310,618	313,932	3,314	1.1%
Federal Relief Grants O&M	-	-	-	0.0%
Net O&M	310,618	313,932	3,314	1.1%
Debt Service Before Offsets	234,463	227,395	(7,068)	-3.0%
Debt Service PFC Offset	(89,720)	(88,557)	1,162	-1.3%
Federal Relief Grants Debt Service	-	(1,673)	(1,673)	0.0%
Net Debt Service	144,743	137,165	(7,578)	-5.2%
Amortization	35,561	35,289	(272)	-0.8%
Space Vacancy	(2,066)	(1,400)	666	-32.2%
TSA Operating Grant and Other	(758)	(758)	-	0.0%
Rate Base Revenues	488,098	484,227	(3,871)	-1%
Commercial area	16,850	17,214	364	2%
Total Aero Revenues	504,948	501,441	(3,507)	-1%
<i>(1) O&M, Debt Service Gross, and Amortization do not include commercial area costs or the international incentive expenses</i>				

2023 Forecast to 2023 Budget

- O&M – \$3.3M higher due primarily to increase in Aero allocated O&M. Increases primarily in Gates, Mvmt Area and Terminal, partially offset by savings in FIS. Increases due to higher divisional allocations, changes in ERL & Capital to Expense adjustments, IAF Smarte Carte, IAF CBP Expenses, and rebalancing of VIP Hospitality focus areas.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/23

Non-Aero Business Unit Summary – YTD Actuals

Non-Aeronautical NOI (\$ in 000's)	2021 YTD	2022 YTD	2023 YTD	2023 YTD Revised	2023 YTD	Actual vs. Budget Variance		Incr/(Decr) Change from 2022	
	Actual	Actual	Actual	Budget	Budget	\$	%	\$	%
Non-Aeronautical Revenues									
Public Parking	25,537	41,842	52,391	48,001	48,001	4,390	9.1%	10,549	25.2%
Rental Cars	11,497	16,803	23,516	21,445	21,445	2,070	9.7%	6,712	39.9%
Ground Transportation	4,208	9,226	11,750	11,420	11,420	330	2.9%	2,524	27.4%
Airport Dining & Retail	14,871	22,835	27,200	29,432	29,432	(2,232)	-7.6%	4,365	19.1%
Other	17,106	24,096	30,589	27,363	27,363	3,226	11.8%	6,493	26.9%
Total Non-Aeronautical Revenues	73,219	114,802	145,446	137,662	137,662	7,785	5.7%	30,644	26.7%
Total Non-Aeronautical Expenses	30,353	56,921	64,186	68,721	68,721	4,535	6.6%	7,265	12.8%
Non-Aeronautical NOI	42,867	57,881	81,260	68,941	68,941	12,320	17.9%	23,379	40.4%

Non-Aeronautical – 2023 YTD Actuals vs. 2023 YTD Budget

- Net Operating Income is (\$12.3M or 17.9%) favorable to budget driven by:
 - Parking revenue YTD reflects strong performance due to higher tariff rates than prior year. Most recent Parking rate increase was implemented in April 2022.
 - Rental Car strong revenue performance reflects higher rental rates due to continued shortage in rental vehicle availability.

Non-Aeronautical – 2023 YTD Actuals vs. 2022 YTD Actuals

- Net Operating Income was (\$23.4M or 40.4%) higher than 2022 driven by:
 - Increasing passenger levels and activity when compared to Q2 2022 when it was still early in the second year of recovery from the pandemic.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/23

Non-Aero Business Unit Summary - YE Forecast

Non-Aeronautical NOI (\$ in 000's)	2021	2022	2023	2023	Actual vs. Budget Variance		Incr/(Decr) Change from 2022	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
	Non-Aeronautical Revenues							
Public Parking	64,104	88,899	108,539	96,768	11,771	12.2%	19,640	22.1%
Rental Cars	34,740	56,473	59,918	53,830	6,088	11.3%	3,445	6.1%
Ground Transportation	11,947	20,804	25,074	24,324	750	3.1%	4,270	20.5%
Airport Dining & Retail	35,565	36,581	61,383	64,270	(2,887)	-4.5%	24,802	67.8%
Other	37,463	53,856	62,304	56,910	5,393	9.5%	8,448	15.7%
Total Non-Aeronautical Revenues	183,819	256,613	317,218	296,102	21,116	7.1%	60,605	23.6%
Total Non-Aeronautical Expenses	90,644	121,130	136,496	139,887	3,390	2.4%	15,367	12.7%
Non-Aeronautical NOI¹	93,175	135,483	180,721	156,216	24,506	15.7%	45,239	33.4%
Less: CFC Surplus	(6,834)	-	(6,603)	(5,829)	(774)	13.3%	(6,603)	
Adjusted Non-Aeronautical NOI	86,341	135,483	174,118	150,386	23,732	15.8%	38,635	28.5%
Debt Service	(33,065)	(27,096)	(33,562)	(34,094)	532	-1.6%	(6,466)	23.9%
Net Cash Flow	53,276	108,387	140,556	116,293	24,264	20.9%	32,169	29.7%

(1) Includes Federal Relief for Concessions

Non-Aeronautical – 2023 Forecast vs. 2022 Budget

- Non-Aeronautical net operating income (before reduction of CFC Surplus) is forecasted to be (\$24.5M or 15.7%) favorable primarily in the Landside business areas, particularly in Parking with strong performance due to higher tariff rates than prior year. Rental Car strong revenue performance reflects higher rental rates due to continued shortage in rental vehicle availability.

Non-Aeronautical – 2023 Forecast vs. 2022 Actuals

- Non-Aeronautical net operating income (before reduction of CFC Surplus) is forecasted to be (\$45.2M or 33.4%) higher compared to prior year due to passenger levels improving with a forecast of being only down 3.4% compared to 2019.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/23

D. CAPITAL RESULTS

Capital Variance

\$ in 000's	2023	2023	2023	2023	Bud vs. Fcst	
	YTD Actual	Year-End Forecast	Budget	POF	\$	%
MT Low Voltage Sys Upgrade ⁽¹⁾	5,050	17,050	24,000	24,425	6,950	29.0%
Checked Bag Recap/Optimization ⁽²⁾	46,428	98,033	102,855	131,600	4,822	4.7%
Surface Area Management System ⁽³⁾	442	1,052	5,565	6,890	4,513	81.1%
C Concourse Expansion ⁽⁴⁾	17,097	45,413	49,625	31,996	4,211	8.5%
Telecommunication Meet Me Room ⁽⁵⁾	965	3,030	6,902	7,045	3,872	56.1%
AF Utility Improvements ⁽⁶⁾	320	727	4,209	7,131	3,481	82.7%
Art Pool ⁽⁷⁾	308	1,808	5,250	5,250	3,442	65.6%
Checkpoint 1 Relocation ⁽⁸⁾	401	2,794	5,744	11,479	2,950	51.4%
International Arrivals Fac-IAF ⁽⁹⁾	1,781	7,756	10,700	18,781	2,944	27.5%
NEPL Improvements ⁽¹⁰⁾	1,290	2,527	4,930	5,300	2,403	48.7%
Cargo Buildings Improvements ⁽¹¹⁾	83	300	2,124	2,292	1,824	85.9%
All Other	110,399	322,053	341,528	532,447	19,475	5.7%
Subtotal	184,564	502,543	563,432	784,636	60,888	10.8%
CIP Cashflow Mgmt Reserve	-	(44,198)	(77,860)	(120,759)	(33,662)	43.2%
Total Spending	184,564	458,345	485,572	663,877	27,226	5.6%

1. Equipment Purchase Delays; New cashflow forecast provided by Contractor.
2. SSAT work has been delayed. Designer is behind in billing.
3. Schedule delays due to complexities of Airfield/JOC/DBB and SAAB Contractor work.
4. Cash flow has been updated to reflect GCCM design and construction phasing sequencing.
5. MMR Bldg Mob delayed due to Conc A project in the space. Equip Lead time delivery/invoice timing. Design review comments delayed permitting 2 months. Fiber design on track but behind on invoices.
6. Cascade Rd Ductbank project delayed due to Contractors work re-sequencing.
7. Delays in contract executions with artists.
8. Scope decrease. Schedule delays for NTP, therefore further delaying 2023 costs to 2024.
9. Design delays.
10. Phase 2 estimate is under budget. And Phase 3 is behind schedule pending EV discussions.
11. Pre-Construction submittals delay, Permit delay, and Contract negotiations extension.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/23

III. MARITIME DIVISION

FINANCIAL SUMMARY (Excludes Pension Adjustments)

	2021	2022	2023	2023	Actual vs. Budget		Change from 2022	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
\$ in 000's								
Total Revenues	48,738	71,365	77,962	76,262	1,700	2%	6,598	9%
Total Operating Expenses	47,784	59,556	64,921	66,068	1,147	2%	5,365	9%
Net Operating Income	954	11,808	13,041	10,194	2,847	-28%	1,233	-10%
<i>NOI Including Pension Adj</i>	<i>7,616</i>	<i>14,375</i>	<i>13,041</i>	<i>10,194</i>	<i>2,847</i>	<i>-28%</i>	<i>(1,333)</i>	<i>-9%</i>
Capital Expenditures	18,923	21,949	27,967	32,313	4,346	13%	6,018	27%

2023 Forecast vs. 2023 Budget

- Operating Revenues are forecasted \$1.7M higher than budget:
 - Grain \$2.0M lower from reduction in volumes. Cruise \$3M and Marinas \$.6M higher from increased occupancy.
- Operating Expenses forecasted \$1.1M lower than budget from payroll savings and some project deferrals.
- Net Operating Income Planned \$2.8M favorable to budget.
- Capital Spending forecasted at 87% of \$32.3M budget.

2023 Forecast vs. 2022 Actuals

- Operating Revenues expected \$6.6M higher than 2022 with higher Cruise occupancy & rates offset by lower grain volumes.
- Operating Expenses forecasted \$5.4M higher than 2022 actual driven primarily by increased represented and non-represented wage rates.
- Net Operating Income forecasted \$1.2M higher than 2022 actual.

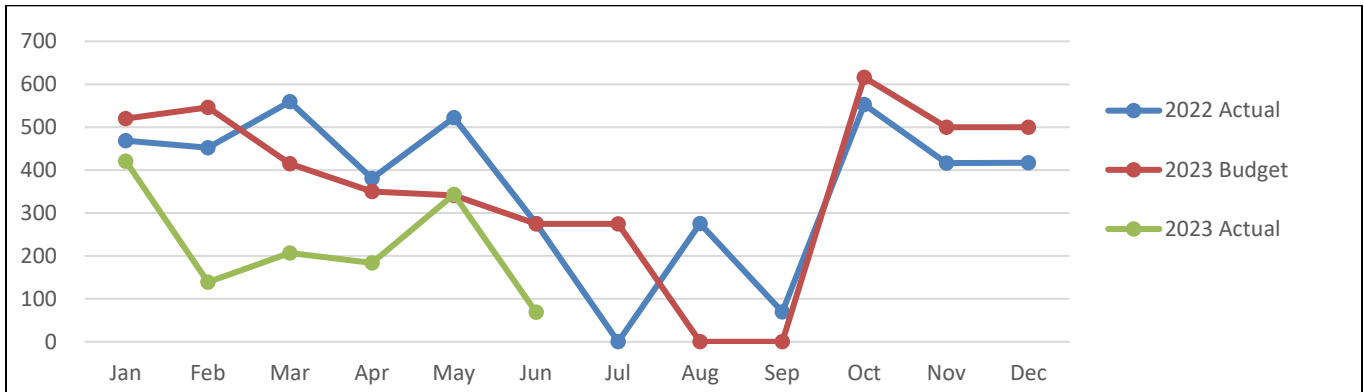
Net Operating Income before Depreciation by Business

	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget		Change from 2022	
	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's							
Ship Canal Fishing & Operations	(1,405)	(1,422)	(2,202)	780	35%	(18)	-1%
Elliott Bay Fishing & Commercial Operations	(673)	(676)	(1,397)	722	52%	(3)	NA
Recreational Boating	166	259	181	78	43%	94	57%
Cruise	5,312	8,349	5,215	3,135	-60%	3,037	-57%
Grain	2,731	868	2,288	(1,420)	-62%	(1,863)	-68%
Maritime Portfolio	(2,193)	(1,683)	(2,750)	1,066	39%	510	23%
All Other	(200)	(550)	73	(624)	849%	(350)	175%
Total Maritime	3,738	5,145	1,408	3,736	-265%	1,407	-38%

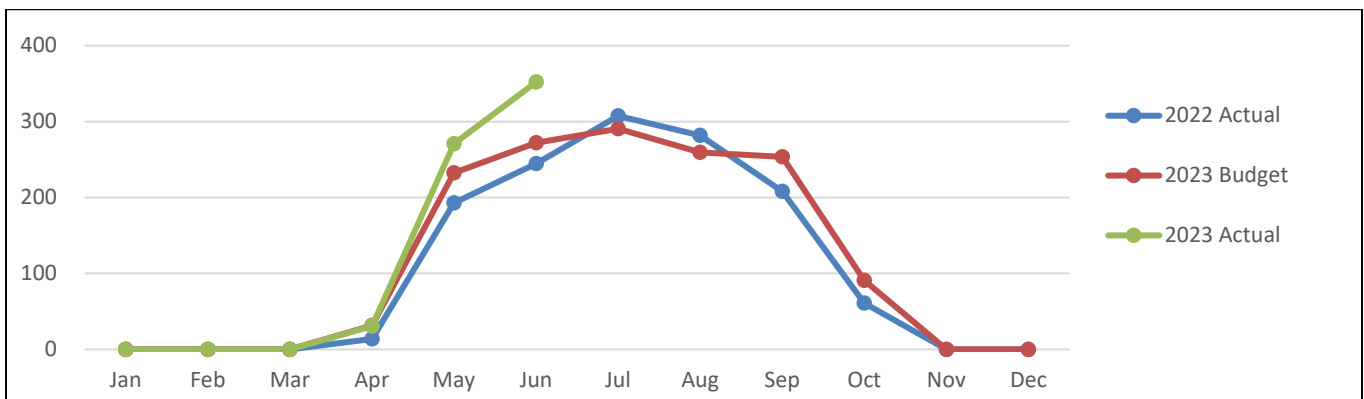
III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/23

A. KEY PERFORMANCE METRICS

Grain Volume – Metric Tons in 000's



Cruise Passengers in 000's



III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/23

B. OPERATING RESULTS

	2021 YTD	2022 YTD	2023 YTD		Actual vs. Budget		Change from 2022	
	Actual	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's								
Ship Canal Fishing & Operations	2,134	2,328	2,651	2,313	338	15%	323	14%
Elliott Bay Fishing & Commercial Operation	2,635	2,638	2,829	2,614	216	8%	191	7%
Recreational Boating	6,330	6,914	7,751	7,776	(24)	0%	837	12%
Cruise	61	11,258	15,437	13,100	2,337	18%	4,179	37%
Grain	3,433	3,405	1,964	3,231	(1,268)	-39%	(1,441)	-42%
Maritime Portfolio Management	4,914	5,237	5,205	4,994	210	4%	(33)	-1%
Other	1	7	18	12	6	NA	11	161%
Total Revenue	19,507	31,788	35,856	34,040	1,816	5%	4,068	13%
Expenses								
Maritime (Excl. Maint)	7,031	9,021	8,399	8,958	559	6%	(622)	-7%
Economic Development	2,135	2,864	2,718	3,253	535	16%	(145)	-5%
Total Direct	9,166	11,884	11,117	12,211	1,093	9%	(767)	-6%
Maintenance Expenses	5,093	6,387	7,148	7,032	(116)	-2%	761	12%
Envir Services & Planning	785	755	1,480	1,629	149	9%	725	96%
Seaport Finance & Cost Recovery	513	473	622	663	41	6%	148	31%
Seaport Project Management	193	445	849	1,241	393	32%	403	91%
Total Support Services	6,584	8,060	10,098	10,565	467	4%	2,038	25%
IT	1,335	1,526	1,794	1,832	38	2%	268	18%
Police Expenses	1,477	1,577	2,244	2,480	236	10%	667	42%
External Relations	571	743	824	1,029	205	20%	81	11%
Other Central Services	3,277	4,080	4,473	4,311	(162)	-4%	392	10%
Aviation Division / Other	170	179	162	205	43	21%	(17)	-10%
Total Central Services / Other	6,830	8,105	9,496	9,856	360	4%	1,391	17%
Total Expense	22,581	28,050	30,711	32,632	1,921	6%	2,662	9%
NOI Before Depreciation	(3,074)	3,738	5,145	1,408	3,736	265%	1,407	38%
Depreciation	8,881	8,952	9,100	8,418	(681)	-8%	148	2%
NOI After Depreciation	(11,955)	(5,214)	(3,955)	(7,010)	3,055	44%	1,259	24%

2023 YTD Actuals vs. 2023 YTD Budget

- Operating Revenues were \$1,816K higher than budget driven by:
 - Ship Canal favorable \$338K from higher occupancy related to the cancellation of Alaskan Crab Season.
 - Elliott Bay Fishing higher by \$216K due to favorable moorage.
 - Recreational Boating \$24K unfavorable.
 - Cruise \$2,337K higher from increased occupancy.
 - Grain \$1,268K unfavorable from lower volumes flowing to China.
 - Maritime Portfolio Management \$210K higher from new tenants at the Maritime Industrial Center.
- Operating Expenses were \$1,921K lower than budget:
 - Direct Expenses were \$1,093K lower than budget
 - Elliot Bay Fishing and Commercial \$170K lower from utility accrual.
 - Cruise \$362K under from timing of outside services & equipment.
 - Maritime Security is \$237K lower than budget from staff shortages at T91.
 - Maritime Marketing \$207K below budget due to timing of spend.
 - Maritime Portfolio Management \$545K below budget due to timing of tenant improvements.
 - Division Administration is under by budget by \$257K from open FTEs and timing of travel.
 - Divisional contingency open headcount vacancy factor created a \$649K unfavorable variance.
 - All other Direct Expenses net to \$36K over budget.
 - Total Support Services were \$467K favorable to budget due to significant open FTEs in both Maintenance and Environmental along with saving from project deferrals.
 - Total Central Services / Other were \$360K favorable to budget.
- Net Operating Income was \$3.7M favorable to budget.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/23

2023 YTD Actuals vs. 2022YTD Actuals

- Operating Revenues were \$6.4M higher than 2022 due large increase in Cruise occupancy and increased rates at marinas, offset by to lower Grain volumes & a change in Cruise P66 lease from expense to contra revenue.
- Operating Expenses were \$2,7M higher than 2022 actual driven primarily by payroll increases and offset by \$1.2M capital to expense in 2022 for Gateway Building in Fishermen's Terminal.
- Net Operating Income was \$1.4M higher than 2022 actual.

	2021	2022	2023	2023	Actual vs. Budget		Change from 2022	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
\$ in 000's								
Ship Canal Fishing & Operations	4,240	4,592	4,855	4,555	330	7%	263	6%
Elliott Bay Fishing & Commercial Operation	5,618	5,975	5,453	5,253	220	4%	(521)	-9%
Recreational Boating	12,851	13,978	15,591	15,591	0	0%	1,613	12%
Cruise	9,517	30,469	37,832	34,832	3,000	9%	7,364	24%
Grain	6,112	5,792	3,814	5,814	(2,000)	-34%	(1,978)	-34%
Maritime Portfolio Management	10,392	10,550	10,392	10,192	200	2%	(158)	-1%
Other	7	10	24	24	0	NA	14	152%
<i>Pension Revenue Adjustment</i>	<i>(408)</i>	<i>170</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>NA</i>	<i>(170)</i>	<i>NA</i>
Total Revenue	48,331	71,534	77,962	76,262	1,700	2%	6,428	9%
Expenses								
Maritime (Excl. Maint)	13,951	17,706	18,051	18,251	200	1%	345	2%
Economic Development	4,559	5,710	6,066	6,366	300	5%	356	6%
Total Direct	18,510	23,416	24,117	24,617	500	2%	701	3%
Maintenance Expenses	11,326	13,213	14,040	14,040	0	0%	827	6%
Envir Services & Planning	2,018	3,120	3,841	3,841	0	0%	721	23%
Seaport Finance & Cost Recovery	1,163	1,087	1,359	1,359	0	0%	272	25%
Seaport Project Management	342	1,007	2,279	2,479	200	8%	1,272	126%
Total Support Services	14,849	18,426	21,519	21,719	200	1%	3,092	17%
IT	2,695	3,223	3,714	3,725	11	0%	491	15%
Police Expenses	3,064	3,662	4,683	4,781	98	2%	1,022	28%
External Relations	1,222	1,552	1,690	2,045	355	17%	138	9%
Other Central Services	7,109	8,908	8,886	8,869	(17)	0%	(23)	0%
Aviation Division / Other	336	368	312	312	0	0%	(56)	-15%
Total Central Services / Other	14,426	17,714	19,286	19,733	447	2%	1,572	9%
Total Expense before Pension Adjustment	47,784	59,556	64,921	66,068	1,147	2%	5,365	9%
<i>Pension Expense Adjustment</i>	<i>(7,070)</i>	<i>(2,396)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>NA</i>	<i>2,396</i>	<i>100%</i>
Total Expense	40,714	57,160	64,921	66,068	1,147	2%	7,761	14%
<i>NOI excluding Pension Adjustments</i>	<i>954</i>	<i>11,808</i>	<i>13,041</i>	<i>10,194</i>	<i>2,847</i>	<i>28%</i>	<i>1,233</i>	<i>10%</i>
NOI Before Depreciation	7,616	14,375	13,041	10,194	2,847	28%	(1,333)	9%
Depreciation	17,718	17,980	17,456	17,456	0	0%	(525)	-3%
NOI After Depreciation	(10,101)	(3,606)	(4,414)	(7,261)	2,847	39%	(809)	-22%

2023 Forecast vs. 2023 Budget

- Operating Revenues are forecasted \$1.7M higher than budget:
 - Cruise \$3.0M lower from higher occupancy than planned.
 - Grain \$2.0M lower based on a 35% reduction in volumes.
 - Fishing, Commercial, and Boating Marinas are \$220K higher from added moorage at T91 and from closure of Alaskan Crabbing season at Fishermen's Terminal.
- Operating Expenses forecasted \$1.1M favorable to budget from payroll savings and some project deferrals.
- Net Operating Income Planned \$2.8M favorable to budget.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/23

2023 Forecast vs. 2022 Actuals (Excludes Pension Adjustment)

- Operating Revenues expected \$6.4M higher than 2022 with higher Cruise occupancy & rates offset by lower grain volumes.
- Operating Expenses forecasted \$7.8M higher than 2022 actual driven primarily by increased represented and non-represented wage rates.
- Net Operating Income forecasted \$1.2M higher than 2022 actual.

C. CAPITAL RESULTS

	2023 YTD Actual	2023 Year- End Forecast	2023 Budget	2023 POF	Budget vs Forecast	
					\$	%
\$ in 000's						
P66 Shore Power	790	8,620	8,817	15,390	197	2%
P66 Fender Overhaul	65	3,048	3,227	3,939	179	6%
MD Reserve	0	2,000	2,000	2,000	0	0%
Maritime Video Camera Pro	109	1,809	1,800	1,800	(9)	-1%
T117 Restoration	295	2,498	1,263	30	(1,235)	-98%
T91 Berth 6 & 8 Redev	512	883	1,193	734	310	26%
FT Maritime Innovation Center	225	1,241	1,103	3,297	(138)	-13%
Cruise Upgrades COVID19	0	0	1,000	0	1,000	100%
MD Fleet	940	5,113	6,555	4,790	1,442	22%
MD Small Projects	468	1,561	3,368	1,443	1,807	54%
All Other Project	1,017	6,304	8,983	20,668	2,679	30%
Subtotal	4,421	33,077	39,309	54,091	6,232	16%
CIP Cashflow Mgmt Reserve	0	(5,110)	(6,996)	(13,286)	(1,886)	27.0%
Total Maritime	4,421	27,967	32,313	40,805	4,346	13.4%

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

Comments on Key Projects with Significant Variances

- **T117**– Funds previously encumbered under consulting contracts added back to forecast.
- **Cruise COVID Upgrades** - Placeholder to mitigate COVID upgrade requirements no longer needed.
- **T91 Berth 6/8 & All Other Projects** - Additional time needed for federal permitting (2 months). LED Upgrade small cap projects moved to Large CIP.

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/23

IV. ECONOMIC DEVELOPMENT DIVISION

FINANCIAL SUMMARY

	2021	2022	2023	2023	Actual vs. Budget		Change from 2022	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
\$ in 000's								
Total Revenues	9,294	17,734	20,901	22,201	(1,300)	-6%	3,167	18%
Total Operating Expenses	20,560	24,200	28,418	30,149	1,731	6%	4,218	17%
Net Operating Income	(11,266)	(6,466)	(7,517)	(7,948)	431	5%	(1,051)	16%
<i>NOI Including Pension Adj</i>	(8,870)	(5,771)	(7,517)	(7,948)	431	5%	(1,746)	30%
Capital Expenditures	9,314	4,311	7,670	8,086	416	5%	3,359	78%

2023 Forecast vs. 2023 Budget

- Operating Revenues forecasted to \$1.3M unfavorable to budget due to lower volumes at the Conference & Event Center.
- Operating Expenses \$1.7M below budget due to variable cost impact of lower Conference Center volumes, delayed hiring, and timing of tourism & grant spending.
- Net Operating Income forecasted at \$.4M above budget.
- Capital Spending forecasted at 95% of \$8.1M budget.

2023 Forecast vs. 2022 Actuals

- Operating Revenues forecasted \$3.2M higher than 2022 with increases in Conference & Event Center along with increased concession revenue at the Bell Street garage.
- Operating Expenses \$4.2M higher than 2022 due to payroll increases and Conference & Event Center volumes and change in the EDD Grants from 1yr to 2yr cycle.
- Net Operating Income forecasted \$1.1M lower than 2022 actual.

Net Operating Income before Depreciation by Business

	2021 YTD	2022 YTD	2022 YTD	Actual vs. Budget		Change from 2022	
	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's							
Portfolio Management	(1,875)	(412)	(1,428)	1,016	71%	1,463	78%
Conference & Event Centers	(1,195)	(1,895)	(1,235)	(661)	-54%	(701)	-59%
Tourism	(312)	(534)	(801)	268	33%	(222)	-71%
EDD Grants	1	(143)	(350)	207	59%	(144)	-12456%
Env Grants/Remed Liab/ERC	(812)	(46)	61	(107)	-176%	766	94%
Total Econ Dev	(4,192)	(3,031)	(3,753)	723	19%	1,162	28%

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/23

A. OPERATING RESULTS

	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget		Change from 2022	
	Actual	Actual	Actual	Budget	Variance \$	Variance %	\$	%
\$ in 000's								
Revenue	3,669	4,142	4,984	4,684	300	6%	842	20%
Conf & Event Centers	420	2,538	3,377	5,439	(2,061)	-38%	839	33%
Total Revenue	4,089	6,680	8,361	10,123	(1,761)	-17%	1,681	25%
Expenses								
Portfolio Management	1,643	1,898	1,534	1,807	273	15%	(364)	-19%
Conf & Event Centers	1,271	2,333	3,509	4,936	1,427	29%	1,176	50%
P69 Facilities Expenses	90	98	103	116	13	11%	5	6%
RE Dev & Planning	94	132	145	139	(7)	-5%	14	11%
EconDev Expenses Other	298	492	503	310	(192)	-62%	11	2%
Maintenance Expenses	1,792	1,718	1,577	1,648	71	4%	(141)	-8%
Maritime Expenses (Excl Maint)	490	535	661	883	221	25%	126	24%
Total EDD & Maritime Expenses	5,678	7,205	8,032	9,839	1,807	18%	828	11%
Diversity in Contracting	48	57	83	145	61	42%	26	47%
Tourism	380	1,099	524	923	400	43%	(576)	-52%
EDD Grants	87	(1)	143	300	157	52%	144	-12456%
Total EDD Initiatives	515	1,155	750	1,368	618	45%	(405)	-35%
Environmental & Sustainability	13	10	21	30	9	31%	11	111%
Police Expenses	99	103	121	134	13	10%	18	17%
Other Central Services	2,093	2,319	2,402	2,435	34	1%	82	4%
Aviation Division	95	80	66	70	4	6%	(14)	-18%
Total Central Services & Aviation	2,300	2,513	2,609	2,669	59	2%	97	4%
Envir Remed Liability	0	0	0	0	0	NA	0	NA
Total Expense	8,493	10,872	11,392	13,876	2,484	18%	520	5%
NOI Before Depreciation	(4,403)	(4,192)	(3,031)	(3,753)	723	19%	1,162	28%
Depreciation	1,919	1,906	2,064	1,914	(150)	-8%	157	8%
NOI After Depreciation	(6,322)	(6,099)	(5,094)	(5,667)	573	10%	1,004	16%

2023 YTD Actuals vs. 2023 YTD Budget

- Operating Revenue were \$1.8M unfavorable to budget due primarily to unexpected cancellations at the Conference and Event Center, partially offset by favorable concession revenue at Bell Street Garage.
- Operating Expenses were \$1,307K favorable to budget:
 - Portfolio Management \$273K lower from bad debt recovery.
 - Conference and Event Center \$1,427K lower from lower activity.
 - Maintenance \$71K lower due to open positions.
 - Maritime \$221K lower from project deferrals.
 - EDD Initiatives \$618K below budget due to timing of Tourism and EDD Grant spending along with \$150K budgeted in EDD Grants but booked in Economic Dev. Other
 - All other expenses net to \$23K under budget.
- Net Operating Income was \$723K favorable to budget.

2023 YTD Actuals vs. 2022 YTD Actuals

- Operating Revenues were \$1,681K higher than 2022 actual from increased conferences, parking revenues, and leases.
- Operating Expenses were \$520K higher than 2022 actual:
 - Portfolio management lower \$364K from bad debt booked in 2022 and recovered in 2023.
 - Conference and Event Centers \$1,176K higher than 2022 due to variable costs associated with higher Conference and Event Center volumes.
 - Tourism \$576K lower than 2022 due to prior year payment for Washington Tourism Alliance program.
 - All other Expenses net to \$284K higher than 2022.

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/23

- Net Operating Income was \$751K higher than 2022 actual.

	2021	2022	2023	2023	Actual vs. Budget		Change from 2022	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
\$ in 000's								
Revenue	7,384	8,886	10,022	9,722	300	3%	1,137	13%
Conf & Event Centers	1,910	8,848	10,879	12,479	(1,600)	-13%	2,030	23%
Total Revenue	9,294	17,734	20,901	22,201	(1,300)	-6%	3,167	18%
Expenses								
Portfolio Management	3,737	3,653	3,680	3,905	225	6%	27	1%
Conf & Event Centers	3,124	6,563	9,537	10,769	1,232	11%	2,975	45%
P69 Facilities Expenses	268	230	221	221	0	0%	(10)	-4%
RE Dev & Planning	231	299	294	294	0	0%	(5)	-2%
EconDev Expenses Other	736	1,058	900	900	0	0%	(158)	-15%
Maintenance Expenses	3,769	3,836	3,253	3,303	50	2%	(583)	-15%
Maritime Expenses (Excl Maint)	862	1,263	1,736	1,811	75	4%	472	37%
Total EDD & Maritime Expenses	12,727	16,902	19,621	21,203	1,582	7%	2,719	16%
Diversity in Contracting	253	186	250	250	0	0%	64	34%
Tourism	1,877	1,737	1,830	1,830	0	0%	93	5%
EDD Grants	889	105	1,450	1,450	0	0%	1,345	1287%
Total EDD Initiatives	3,019	2,028	3,530	3,530	0	0%	1,502	74%
Environmental & Sustainability	24	35	67	83	16	19%	32	92%
Police Expenses	205	240	250	258	8	3%	10	4%
Other Central Services	4,408	4,848	4,813	4,938	125	3%	(36)	-1%
Aviation Division	177	147	138	138	0	0%	(9)	-6%
Total Central Services & Aviation	4,814	5,270	5,268	5,417	149	3%	(2)	0%
				0				
Total Expense before Pension Adjustment	20,560	24,200	28,418	30,149	1,731	6%	4,218	17%
Pension Expense Adjustment	(2,396)	(695)	0	0	0	NA	695	100%
Total Expense	18,164	23,505	28,418	30,149	1,731	6%	4,913	21%
NOI Before Depreciation	(8,870)	(5,771)	(7,517)	(7,948)	431	5%	(1,746)	-30%
Depreciation	3,841	3,954	3,741	3,741	0	0%	(213)	-5%
NOI After Depreciation	(12,711)	(9,725)	(11,258)	(11,689)	431	4%	(1,533)	-16%

2023 Forecast vs. 2023 Budget

- Operating Revenues forecasted to \$1.3M unfavorable to budget due to lower volumes at the Conference & Event Center offset by improving performance at Bell St. Garage.
- Operating Expenses \$1.7M favorable to budget due to variable cost impact of lower Conference Center volumes (\$1.2M), delayed hiring, and timing of tenant improvements.
- Net Operating Income forecasted at \$.4M above budget.

2023 Forecast vs. 2022 Actuals (Excludes Pension Adjustments)

- Operating Revenues forecasted \$3.2M higher than 2022 with increases in Conference & Event Center along with increased concession revenue at the Bell Street garage.
- Operating Expenses \$4.2M higher than 2022 due to payroll increases, Conference & Event Center volumes and change in the EDD Grants from 1yr to 2yr cycle.
- Net Operating Income forecasted \$1.1M lower than 2022 actual excluding pension adjustments.

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/23

B. CAPITAL RESULTS

	2023 YTD Actual	2023 YE Forecast	2023 Budget	2023 POF	Budget vs Forecast	
					\$	%
\$ in 000's						
T91 Uplands Dev Phase I	573	2,190	2,204	1,682	14	1%
WTCW Roof Replacement	1,002	2,032	1,841	1,003	(191)	-10%
P69 Underdock Utility Rpl	555	1,065	999	547	(66)	-7%
CW Bridge Elev Modernizat	224	479	480	7	1	0%
P66 Roof Upgrades	66	286	341	556	55	16%
P66 BHICC Interior Modern	0	0	276	0	276	100%
P69 3rd Floor Terrace Rep	0	25	262	262	237	90%
P69 and P66 Public Video	3	103	250	250	147	59%
Tenant Improvements - Capi	0	202	202	300	0	0%
T91 Ped Path and Bike Bri	9	144	150	300	6	4%
All Other Projects	142	2,792	3,274	3,780	482	15%
Subtotal	2,574	9,318	10,279	8,687	961	9%
CIP Cashflow Mgmt Reserve	0	(1,648)	(2,193)	(1,950)	(545)	25%
Total Economic Development	2,574	7,670	8,086	6,737	416	5%

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

Comments on Key Projects

- **P66 BHICC** - \$276k for pending claim resolution no longer needed.
- **P69 3rd Floor Terrace & Public Video** – Delay due to resource constraints.
- **Other Projects** - Number of small projects related to LED upgrades removed moved to Large Cap CIP.

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/23

V. CENTRAL SERVICES DIVISION

FINANCIAL SUMMARY

	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget		Change from 2022	
	Actual	Actual	Actual	Budget	Variance		Incr (Decr)	
\$ in 000's					\$	%	\$	%
Total Operating Revenues	1,982	271	290	46	243	526.4%	19	7.1%
Core Central Support Services	39,964	44,434	51,528	53,234	1,705	3.2%	7,094	16.0%
Police	13,769	14,211	17,323	18,916	1,593	8.4%	3,112	21.9%
Engineering/PCS	4,575	4,418	6,383	7,993	1,609	20.1%	1,965	44.5%
Total Operating Expenses	58,309	63,064	75,235	80,142	4,907	6.1%	12,171	19.3%

2023 YTD Actuals vs. 2023 YTD Budget

- Operating Revenues favorable by \$243K due primarily to Police forfeiture.
- Operating Expenses \$4.9M favorable to budget mainly due to staffing vacancies, and project spending delays.

2023 YTD Actuals vs. 2022 YTD Actuals

- Operating Revenues \$19K above 2022 mainly due to higher Police forfeiture seizures and recycling revenues in 2023.
- Operating Expenses \$12.2M higher than 2022 mainly due to higher Payroll and Outside Services; offset by lower General Expenses and higher charges to Capital Projects.

A. BUSINESS EVENTS

- Reached an agreement with the Police represented group on the Body Worn Camera (BWC) Policy. This accomplishment will now allow for the implementation of the BWC program with the goal of implementation department wide by 3rd quarter 2023.
- Hosted Green Corridor update webinar.
- Secured final passage of 2:1 Match Bill in State Legislature.
- Secured final passage of SAF Incentivization Bill in State Legislature.
- Hosted celebration officially opening Central Terminal at SEA.
- Convened ceremonial signing ceremony of the Port’s MOA with the Muckleshoot Indian Tribe and inaugural government to government meeting.
- Hosted annual Duwamish Alive! community habitat restoration work party.
- Commissioner Cho and Executive Director Metruck presented the Maritime Industry Breakfast with Mayor Harrell.
- Hosted a multi-cultural Working Waterfront boat tour for 250 community members with Commissioner Mohamed and partners PCAT, DRCC, EPA, and Community Health Advocates.
- Partnered with NWSA on a Bike Truck Safety Fair promoting freight mobility and safe corridors/practices for pedestrians and bicycles.
- Hosted the annual SKCCIF Environment and Jobs Symposium with 150 attendees.
- Hosted 100 students for the annual Raisbeck Aviation High School Environmental Challenge with site tours, presentations and business proposal competitions.
- Hosted the South King County Symposium with 150 attendees in partnership with Community Engagement.
- Completed the Equitable Spending and Accountability Project (ESAP) framework for the equity spending pilot program.
- Received a clean independent Certified Public Accountant (CPA) audit opinion on the Port’s 2022 financial statements.
- Received the GFOA Distinguished Budget Presentation Award for the 2023 Budget Document.

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/23

B. KEY PERFORMANCE METRICS

Century Agenda Strategic Objectives	YTD 2021	YTD 2022	YTD 2023
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	417	660	1,118
B. Number of SEA Airport tenants supported in finding employees	0	82	95
C. Employment Center training completions	0	270	554
D. K-12 Career Connected Learning: WFD engagement with teachers/faculty	450	0	13
E. Community members entering employment in construction, maritime and environmental sustainability	9	37	26
F. Number of Job Openings created	124	187	199
G. Job applications received	5,825	7,662	6,477
H. Number of job interviews conducted	640	1,314	968
I. Number of new employees hired	140	276	284
J. Number of interns	109	48	100
K. Number of Veteran Fellows	2	1	0
L. Number of employees participating in Tuition Reimbursement	36	36	25
Become a Model for Equity, Diversity and Inclusion			
A. Employee participation in OEDI programming (Caucuses, Book Clubs, Town Halls, etc.)	548	850	878
Be a Highly Effective Public Agency			
A. Central Services costs as a % of Total Operating Expenses	29.1%	28.0%	27.7%
B. Investment portfolio earnings versus the benchmark (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index)	1.23%/0.25%	1.17%/2.95%	3.11%/4.98%
C. Comply with Public Disclosure Act and respond in a timely manner	305	418	671
D. Percent of annual audit work plan completed each year	100%	100%	100%
E. Employee Development Class Attendees/Structured Learning	1637	1097	1490
F. Total Recordable Incident Rate (previous Occupational Injury Rate)	5.84	3.32	5.72
G. Lost Work Day Rate (previously Days Away Severity Rate)	57.47	18.41	73.69
H. Customer Survey for Police Service Excellent or Above Average	100%	90%	TBD

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/23

C. OPERATING RESULTS

Financial Summary (Year-End Forecast)

	2021	2022	2023	2023	Fcst vs. Budget		Change from 2022	
	Actual	Actual	Forecast	Budget	Variance \$	%	Incr (Decr) \$	%
\$ in 000's								
Total Revenues	(233)	2,538	399	155	244	157.7%	(2,139)	-84.3%
Executive	2,051	2,029	3,494	3,678	185	5.0%	1,465	72.2%
Commission	1,773	2,206	2,717	2,905	188	6.5%	511	23.2%
Legal	7,054	8,213	6,563	5,079	(1,484)	-29.2%	(1,650)	-20.1%
External Relations	6,827	8,651	10,664	12,333	1,669	13.5%	2,013	23.3%
Equity Diversity and Inclusion	4,937	4,283	6,121	6,953	832	12.0%	1,838	42.9%
Human Resources	8,675	11,087	14,307	16,049	1,743	10.9%	3,220	29.0%
Labor Relations	1,110	1,085	1,452	1,600	147	9.2%	368	33.9%
Internal Audit	1,296	2,406	2,259	2,047	(211)	-10.3%	(147)	-6.1%
Accounting & Financial Reporting Services	6,967	7,914	10,000	10,344	344	3.3%	2,086	26.4%
Information & Communication Technology	19,944	25,693	30,629	30,419	(210)	-0.7%	4,937	19.2%
Information Security	1,328	1,571	2,513	2,794	282	10.1%	941	59.9%
Finance & Budget	1,801	2,279	2,872	2,765	(106)	-3.8%	593	26.0%
Business Intelligence	904	1,395	1,914	2,072	158	7.6%	519	37.2%
Risk Services	4,047	5,078	5,965	5,749	(216)	-3.7%	887	17.5%
Office of Strategic Initiatives	713	893	1,423	1,471	48	3.2%	530	59.4%
Central Procurement Office	3,633	5,816	7,899	8,021	121	1.5%	2,083	35.8%
Contingency	(123)	(268)	(3,314)	(6,579)	(3,264)	49.6%	(3,046)	1136.6%
Core Central Support Services	72,936	90,330	107,476	107,702	225	0.2%	17,146	19.0%
Police	17,194	35,064	35,929	36,673	744	2.0%	865	2.5%
Total Before Cap Dev & Environment	90,130	125,395	143,405	144,375	970	0.7%	18,011	14.4%
Capital Development								
Engineering	1,626	5,053	8,832	9,497	666	7.0%	3,779	74.8%
Port Construction Services	3,321	3,651	5,982	6,980	998	14.3%	2,330	63.8%
Sub-Total	4,948	8,704	14,814	16,478	1,664	10.1%	6,110	70.2%
Environment & Sustainability								
Environment & Sustainability	676	763	1,708	2,050	342	16.7%	946	124.0%
Sub-Total	676	763	1,708	2,050	342	16.7%	946	124.0%
Capital to Expense	-	56	-	-	-	0.0%	(56)	-100.0%
Total Expenses	95,753	134,917	159,928	162,903	2,974	1.8%	25,011	18.5%

2023 Forecast vs. 2023 Budget

Operating Expenses for 2023 are forecasted to be \$3.0M below Budget due primarily to:

- **Executive** – favorable variance of \$185K primarily due to lower Payroll of \$316K; offset by higher Promotional Expenses of (\$134K).
- **Commission** – favorable variance of \$183K primarily due to lower Payroll.
- **Legal** – unfavorable variance of (\$1.5M) due to higher Outside Services (\$1M), Payroll (\$321K), and less charges to Capital Projects (\$150K).
- **External Relations** – favorable variance of \$1.7M primarily due to lower Outside Services of \$1.2M, Payroll \$200K, Travel \$91K, General Expenses \$79K, Equipment \$35K, and Promotional Expenses \$68K.
- **Equity, Diversity, and Inclusion** – favorable variance of \$832K primarily due to lower Outside Services of \$605K, Payroll of \$221K, and General Expenses of \$26K; partially offset by higher Promotional Expenses of (\$31K).
- **Human Resources** – favorable variance of 1.7M primarily due to lower Payroll of \$1.4M, Outside Services \$196K, General Expenses \$87K, and Travel \$37K.
- **Labor Relations** – favorable variance of \$147K primarily due to lower Payroll.
- **Internal Audit** – unfavorable variance of (\$211K) primarily due to higher General Expenses of (\$238K) and lower charges to Capital Projects (\$31K); partially offset by lower Payroll of \$57K.
- **Accounting and Financial Reporting Services** – favorable variance of \$344K primarily due to lower Payroll of \$308K and Travel \$64K; partially offset by higher Outside Services (\$29K).
- **Information & Communication Technology** – unfavorable (\$210K) due to lower charges to Capital Projects (\$752K); offset by lower Payroll \$508K and Travel \$86K.
- **Information Security** – favorable variance of \$282K primarily due to lower Payroll of \$83K, Outside Services of \$168K, and Travel of \$26K.
- **Corporate Finance & Budget** – unfavorable variance of (\$106K) primarily due to higher Payroll of (\$88K) and Travel (\$26K).
- **Business Intelligence** – favorable variance of \$158K primarily due to lower Payroll \$62K, Outside Services of \$80K, and Travel \$15K.
- **Risk Services** – unfavorable variance of (\$216K) due to higher Insurance Expense (\$255K); partially offset by lower Outside Services of \$34K and Travel \$7K.
- **Office of Strategic Initiative** – favorable variance of \$48K primarily due to lower Payroll of \$36K and Outside Services \$38K; partially offset by higher Travel (\$23K).
- **Central Procurement Office** – favorable variance of \$121K primarily due to lower Payroll of \$52K, Supplies \$41K, Travel \$46K, and General Expenses \$38K; partially offset by higher Equipment Expense (\$66K).
- **Police** – favorable variance of \$744K primarily due to lower Payroll of \$1.2M, Travel \$186K, and Worker’s Comp \$148K; partially offset by higher Outside Services (\$569K), Equipment (\$70K) and General Expenses (\$140K).
- **Engineering** – favorable variance of \$666K primarily due to lower Payroll of \$1.7M, Property Rentals \$660K, Travel \$84K, and Equipment Expense \$36K; partially offset by higher General Expenses (\$638K), Outside Services (\$66K), and Lower charges to Capital Projects of (\$1.1M).
- **PCS** – favorable variance of \$998K primarily due to lower Payroll of \$1.2M, Outside Services of \$105K, and Equipment Expense \$118K; partially offset by lower charges to Capital Projects (\$310K) and Supplies (\$187K).
- **Environment & Sustainability Admin** – favorable variance of \$342K primarily due to lower Outside Services \$319K and Payroll \$40K; partially offset by higher General Expenses (\$6K), and Travel (\$12K).
- **Contingency** – unfavorable variance of (\$3.3M) due to Vacancy Factor actuals in departments.

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/23

2023 Forecast vs. 2022 Actuals

- Operating Expenses for 2023 are forecasted to be \$18.2M higher than 2022, after adjusting for \$6.7M state pension credit in 2022 actuals, mainly due to:
 - **Core Central Support Services** – \$11.7M higher than 2022 primarily due to: higher payroll for current employees and new positions as well as full year salaries for mid-year 2022 positions; contractual increases; addition of new initiatives to support growing needs of the organization.
 - **Police** – \$2.4M above 2022 due to: increase in salary and benefits for represented groups based on new contracts, new positions, vacant positions in 2022, and addition of new initiatives to enhance the safety and security of the public.
 - **Capital Development** – \$4.1M higher than 2022 primarily due to higher payroll and addition of new positions as well as contractual increases to support the capital program.

D. CAPITAL RESULTS

\$ in 000's	2023	2023	2023	2023	Budget Variance	
	YTD Actual	Year-End Forecast	Budget	POF	\$	%
Engineering Fleet Replacement	52	1,662	3,065	1,600	1,403	45.8%
Corporate Fleet Replacement	136	1,769	1,836	1,274	67	3.6%
Infrastructure - Small Cap	204	1,500	1,865	1,500	365	19.6%
Services Tech - Small Cap	621	1,864	1,500	1,500	(364)	-24.3%
Enterprise Network Refresh	17	1,472	1,603	2,000	131	8.2%
Office Wi-Fi Refresh	204	964	964	1,077	0	0.0%
Phone System Upgrade	467	862	862	120	0	0.0%
Radio Microwave Redund. Loop	6	526	760	1,000	234	30.8%
Storage Area Network Refresh	480	751	750	750	(1)	-0.1%
Other (note 1)	604	4,045	5,573	6,738	1,528	27.4%
Subtotal	2,791	15,415	18,778	17,559	3,363	17.9%
CIP Cashflow Adjustment	-	(4,400)	(5,600)	(5,600)	(1,200)	21.4%
TOTAL	2,791	11,015	13,178	11,959	2,163	16.4%

Note:

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