



# **PORT OF SEATTLE**

## **2025 FINANCIAL PERFORMANCE REPORT**

**(PRE-AUDITED)**

**AS OF DECEMBER 31, 2025**

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**I. PORTWIDE**

**EXECUTIVE SUMMARY**

Airport passenger volume was 52.7M, 0.1% higher compared to 2024 actual. Domestic passenger volume decreased slightly by 1.0% while international passenger increased by 7.8% compared to 2024. Aeronautical revenues, based on cost recovery formulas, were \$18.5M or 3.3% lower than budget mainly due to increase in operating expenses related to TSA Exit Lane staffing contract and increased environmental remediation liability from SEA Gateway and Concourse. Non-Aeronautical revenues were \$2.1M or 0.6% higher than budget due to strong performance in Flight Kitchens, Rental Cars, and Port-owned Clubs.

The 2025 cruise season, which ran from April through October, ended with 298 sailings across 8 home port cruise brands operating 14 different ships and hosting 1.9 million revenue passengers. The 2025 cruise season set a new record with 65% of ships utilizing shore power at berth as the Port approaches the 2027 date for 100% utilization by homeported ships. Grain revenue was up 28.0% while Fishing & Operations were 7.9% above budget. Cruise revenues were slightly down 2.4% due to shore power electricity at Pier 66 and unbudgeted credit to Carnival for biofuel pilot project.

Overall, the total operating revenues were \$29.8M or 2.7% above budget largely due to higher Northwest Seaport Alliance (NWSA) Distributable Income and higher Non-Aeronautical Revenues, partially offset by lower Aeronautical Revenues. Total operating expenses were \$6.0M or 0.9% below budget mainly due to a \$26.0M DRS Pension Credit and \$21.8M adjustment in legal settlement. Net operating income before depreciation was \$35.8M or 8.1% above budget.

**PORTWIDE FINANCIAL SUMMARY**

	2023	2024	2025	2025	Actual vs. Budget		Change from 2024	
	Actual	Actual	Actual	Budget	Variance		Incr (Decr)	
\$ in 000's					\$	%	\$	%
Aeronautical Revenues	479,697	520,942	545,307	563,836	(18,529)	-3.3%	24,366	4.7%
Airport Non-Aero Revenues	326,592	348,212	374,347	372,280	2,067	0.6%	26,135	7.5%
Seaport Revenues	162,991	174,395	229,756	183,476	46,279	25.2%	55,361	31.7%
<b>Total Operating Revenues</b>	<b>969,281</b>	<b>1,043,549</b>	<b>1,149,410</b>	<b>1,119,593</b>	<b>29,817</b>	<b>2.7%</b>	<b>105,861</b>	<b>10.1%</b>
<b>Total O&amp;M Expenses w/o Pension True-up</b>	<b>579,607</b>	<b>675,431</b>	<b>698,282</b>	<b>678,288</b>	<b>(19,994)</b>	<b>-2.9%</b>	<b>22,850</b>	<b>3.4%</b>
DRS Pension True-up Exp	(28,709)	(22,790)	(25,970)	-	25,970	0.0%	(3,181)	14.0%
<b>Total O&amp;M Expenses with Pension True-up</b>	<b>550,899</b>	<b>652,642</b>	<b>672,311</b>	<b>678,288</b>	<b>5,977</b>	<b>0.9%</b>	<b>19,670</b>	<b>3.0%</b>
Depreciation	256,740	277,917	298,355	267,028	(31,327)	-11.7%	20,437	7.4%
<b>NOI After Depreciation w/o Pension True-up</b>	<b>132,933</b>	<b>90,200</b>	<b>152,774</b>	<b>174,277</b>	<b>(21,503)</b>	<b>-12.3%</b>	<b>62,573</b>	<b>69.4%</b>
<b>NOI After Depreciation with Pension True-up</b>	<b>161,642</b>	<b>112,990</b>	<b>178,744</b>	<b>174,277</b>	<b>4,468</b>	<b>2.6%</b>	<b>65,754</b>	<b>58.2%</b>

**2025 Actuals vs. 2025 Budget:**

- Total Operating Revenues: \$29.8M higher than budget due to higher revenues in International Place, Clubs and Lounges, Rental Car Operations, and NWSA Distributable Revenue.
- Total Operating Expenses: \$6.0M below budget mainly due to a \$26.0M DRS Pension Credit and \$21.8M adjustment in legal settlement.
- NOI after Depreciation: \$4.5M above budget with Pension Credit and \$21.5M under budget w/o Pension Credit

**2025 Actuals vs. 2024 Actuals:**

- Total Operating Revenues were \$105.9M higher compared to 2024 mainly due to higher revenues in all lines of businesses.
- Total Operating Expenses were \$19.7M higher compared to 2024 due to higher expenses in Payroll, Utilities, Supplies and Stock, Outside Services, and Travel and Other Employee Expenses.

# I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 12/31/25

## MAJOR OPERATING REVENUES SUMMARY

	2023	2024	2025	2025	Actual vs. Budget Variance		Change from 2024	
	Actual	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's								
Aeronautical Revenues	479,697	520,942	545,307	563,836	(18,529)	-3.3%	24,366	4.7%
Public Parking	110,990	116,626	116,927	119,634	(2,707)	-2.3%	301	0.3%
Rental Cars - Operations	46,506	45,399	46,042	45,573	469	1.0%	643	1.4%
Rental Cars - Operating CFC	16,954	20,872	23,201	21,624	1,577	7.3%	2,329	11.2%
ADR & Terminal Leased Space	74,246	81,612	83,991	84,360	(369)	-0.4%	2,379	2.9%
Ground Transportation	24,878	23,946	24,376	25,901	(1,525)	-5.9%	430	1.8%
Employee Parking	10,574	10,462	12,532	14,393	(1,862)	-12.9%	2,070	19.8%
Airport Commercial Properties	20,370	21,744	24,086	32,704	(8,618)	-26.4%	2,341	10.8%
Airport Utilities	8,666	9,578	10,837	10,838	(1)	0.0%	1,258	13.1%
International Place	-	-	12,395	-	12,395	0.0%	12,395	0.0%
Clubs and Lounges	11,710	16,709	19,528	16,593	2,935	17.7%	2,819	16.9%
Cruise	41,726	43,145	48,853	50,037	(1,185)	-2.4%	5,708	13.2%
Recreational Boating	15,505	16,555	18,058	18,273	(214)	-1.2%	1,503	9.1%
Fishing & Operations	11,640	11,771	12,524	11,610	914	7.9%	753	6.4%
Grain	3,356	5,920	6,442	5,034	1,408	28.0%	522	8.8%
Maritime Lease Portfolio	20,764	21,921	22,432	24,006	(1,573)	-6.6%	512	2.3%
Conference & Event Centers	6,738	7,490	8,654	9,151	(497)	-5.4%	1,164	15.5%
NWSA Distributable Revenue	57,685	62,399	106,991	58,333	48,658	83.4%	44,592	71.5%
Other	7,275	6,458	18,631	7,693	10,938	142.2%	12,172	188.5%
<b>Total Operating Revenues (w/o Aero)</b>	<b>489,584</b>	<b>522,607</b>	<b>604,103</b>	<b>555,757</b>	<b>48,346</b>	<b>8.7%</b>	<b>81,496</b>	<b>15.6%</b>
<b>TOTAL</b>	<b>969,281</b>	<b>1,043,549</b>	<b>1,149,410</b>	<b>1,119,593</b>	<b>29,817</b>	<b>2.7%</b>	<b>105,861</b>	<b>10.1%</b>

## MAJOR OPERATING EXPENSES SUMMARY

	2023	2024	2025	2025	Actual vs. Budget Variance		Change from 2024	
	Actual	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's								
Salaries & Benefits	187,197	220,932	240,733	235,162	(5,572)	-2.4%	19,802	9.0%
Wages & Benefits	167,928	193,745	204,923	186,592	(18,331)	-9.8%	11,178	5.8%
Payroll to Capital Projects	32,448	33,047	39,024	48,615	9,591	19.7%	5,977	18.1%
Outside Services	139,389	161,476	176,059	189,554	13,494	7.1%	14,583	9.0%
Utilities	31,226	33,786	36,192	35,622	(570)	-1.6%	2,406	7.1%
Equipment Expense	12,624	11,790	11,582	14,078	2,496	17.7%	(207)	-1.8%
Supplies & Stock	12,956	12,983	14,533	10,432	(4,101)	-39.3%	1,550	11.9%
Travel & Other Employee Expenses	5,511	6,068	6,799	8,679	1,880	21.7%	731	12.0%
Third Party Mgmt Op Exp	10,930	12,960	19,949	19,855	(94)	-0.5%	6,990	53.9%
B&O Taxes	6,431	7,216	7,487	7,335	(151)	-2.1%	271	3.7%
Other Expenses	39,824	58,993	23,585	20,314	(3,270)	-16.1%	(35,409)	-60.0%
Charges to Capital Projects/Overhead Alloc	(66,857)	(77,564)	(82,584)	(97,949)	(15,365)	15.7%	(5,020)	6.5%
<b>TOTAL w/o DRS Pension True-up</b>	<b>579,607</b>	<b>675,431</b>	<b>698,282</b>	<b>678,288</b>	<b>(19,994)</b>	<b>-2.9%</b>	<b>22,850</b>	<b>3.4%</b>
DRS Pension True-up Credit	(28,709)	(22,790)	(25,970)	-	25,970	0.0%	(3,181)	14.0%
<b>TOTAL w/ DRS Pension True-up</b>	<b>550,899</b>	<b>652,642</b>	<b>672,311</b>	<b>678,288</b>	<b>5,977</b>	<b>0.9%</b>	<b>19,670</b>	<b>3.0%</b>

# I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 12/31/25

## PORTWIDE COMPREHENSIVE FINANCIAL SUMMARY

(\$ in 000s)	2023	2024	2025	2025	Actual vs. Budget		Explanation
	Actual	Actual	Actual	Budget	Variance \$	%	
<b>Revenues</b>							
1. Operating Revenues	969,281	1,043,549	1,149,410	1,119,593	29,817	2.7%	One-time payment for T-30 and higher Non-Aero Rev.
2. Tax Levy	82,313	85,885	87,841	88,390	(549)	-0.6%	In line with budget
3. Passenger Facilities Charges	95,681	99,364	98,144	100,944	(2,800)	-2.8%	Lower emplacement than budgeted
4. Customer Facilities Charges	24,657	24,896	24,821	25,057	(236)	-0.9%	In line with budget
5. Fuel Hydrant	6,681	6,389	6,561	6,985	(424)	-6.1%	In line with budget
6. Non-Capital Grants and Donations	19,192	3,491	3,052	4,884	(1,832)	-37.5%	Lower non-capital federal grants than budgeted
7. Capital Contributions	36,309	94,282	40,308	53,329	(13,021)	-24.4%	Less capital federal grants than budgeted
8. Interest Income	94,541	81,374	117,805	72,631	45,174	62.2%	Higher fund balance and interest rate than budgeted
<b>Total</b>	<b>1,328,655</b>	<b>1,439,231</b>	<b>1,527,942</b>	<b>1,471,812</b>	<b>56,130</b>	<b>3.8%</b>	
<b>Expenses</b>							
1. Operating Expenses	579,607	675,431	698,282	678,288	(19,994)	-2.9%	Mainly due to higher Payroll and Env. Remediation Exp.
2. DRS Pension True-up Credit	(28,709)	(22,790)	(25,970)	-	25,970	0.0%	Unbudgeted DRS Pension Credit
3. Depreciation	256,740	277,917	298,355	267,028	(31,327)	-11.7%	More new assets came into services
4. Revenue Bond Interest Expense	146,686	150,434	174,153	182,905	8,752	4.8%	Less issues new bonds
5. GO Bond Interest Expense	10,162	14,365	15,184	15,323	139	0.9%	In line with budget
6. Public Expense	20,869	11,150	4,320	7,597	3,277	43.1%	Construction delay in some public work
7. Non-Op Environmental Expense	10,056	3,072	(1,973)	14,800	16,773	113.3%	Mainly due to an adjustment Environment Reserve
8. Other Non-Op Rev/Expenses	944	13,425	(47,140)	(18,295)	28,845	-157.7%	Mainly due to unbudgeted Gain on Sale of Assets
<b>Total</b>	<b>996,356</b>	<b>1,123,005</b>	<b>1,115,210</b>	<b>1,147,646</b>	<b>32,436</b>	<b>2.8%</b>	
Special Item Income/Expense	-	91,107	-	-	-	0.0%	
<b>Change In Net Assets</b>	<b>332,299</b>	<b>225,118</b>	<b>412,732</b>	<b>324,166</b>	<b>88,566</b>	<b>27.3%</b>	

## KEY PERFORMANCE METRICS

	2024	2025	2025	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Budget	Actual vs. Budget Chg.	%	2025 Actual vs. 2024 Actual Chg.	%
Total Passengers (in 000's)	52,641	52,715	53,474	(759)	-1.4%	74	0.1%
Landed Weight (lbs. in millions)	32,806	33,264	32,916	348	1.1%	458	1.4%
Passenger CPE (in \$)	18.26	19.14	19.43	0.29	1.5%	0.88	4.8%
Grain Volume (metric tons in 000's)	4,418	5,157	3,540	1,617	45.7%	740	16.7%
Cruise Passenger (in 000's)	1,752	1,898	1,924	(26)	-1.3%	146	8.3%
Shilshole Bay Marina Occupancy	98.1%	97.6%	97.7%	-0.1%	-0.1%	-0.5%	-0.5%

**KEY BUSINESS EVENTS**

The Port of Seattle Commission approved an updated Welcoming Port Policy Directive, reaffirming its commitment to dignity, fairness, and equitable treatment for all individuals who use Port facilities. This policy was originally adopted in 2018 and was one of the first of its kind in the nation. The updated directive strengthens the Port's stance on civil immigration enforcement, expands language access, and reflects the Port's values of openness, responsible information practices, and community collaboration. This directive also provides direction to Port employees regarding immigration-related activities on Port property, ensures that individuals with limited English proficiency have meaningful access to services, and personal information is protected against unauthorized disclosure.

The Port awarded \$2.7 million to ten community-led organizations in South King County, Beacon Hill, and the Duwamish Valley through its South King and Port Communities Fund (formerly South King County Community Impact Fund) Economic Opportunities for Communities (EOC) Program. Originally created as a COVID-19 recovery initiative, the program now focuses on long-term economic opportunity helping residents gain exposure, training, and certifications needed for high demand careers. Similarly, the Port also launched the South King and Port Communities Fund Environmental Improvements Program (EIP) providing community-based organizations with up to \$20,000 for a single year of funding or up to \$60,000 for multiyear funding (up to three years). This funding enforces the Port's commitment to improving green spaces, restoring forests, and enhancing livability in communities that have experienced environmental harm due to a long history of inequitable land use and economic displacement.

The Port, along with the City of Burien and the City of SeaTac, celebrated the completion of a significant Miller Creek Restoration project. The Port contributed funding of \$800,000, land, and salvaged logs from the Port's 2019 Flight Corridor Management Program. This interlocal project is part of Burien's Northeast Redevelopment Area (NERA) strategy. It replaced two critical fish passage barriers, created 450 feet of new salmon habitat, and added 1.4 acres of new floodplain to provide additional riparian habitat and flood storage near South 144th Street and Des Moines Memorial Drive South, just north of Seattle-Tacoma International Airport (SEA).

The Port of Seattle Police Department (POSPD) was reaccredited by the Commission on Accreditation for Law Enforcement Agencies (CALEA) in November 2025, marking its fifth Law Enforcement Accreditation award, a distinction it first earned in 2011. POSPD remains one of only eight law enforcement agencies in Washington state to hold this distinction. Participation in the CALEA process is voluntary and demonstrates the Port's commitment to ensuring the safety and security of all who travel through all of the Port's gateways.

The Port of Seattle Fire Department (PSFD) at SEA Airport earned a Protection Class 1 (PC1) rating from the Washington Surveying and Rating Bureau (WSRB), placing it among the top 1% of fire departments nationwide. The PSFD was one of more than 130 communities evaluated in 2025. The rating criteria includes fire department staffing, equipment and training capabilities, fire station and fire hydrant locations, water supply, and 911 response times.

SEA welcomed Cathay Pacific's announcement of a new nonstop service between Seattle-Tacoma International Airport (SEA) and Hong Kong beginning in 2026. This will restore a route that last operated in 2019 before the pandemic bringing the airport's global destinations to more than 60 in 2026. This route will be offered 5 times per week on 250-seat Airbus A350-900 aircraft, with connections available through oneworld partner Alaska Airlines.

**CAPITAL SPENDING SUMMARY**

\$ in 000's	2025	2025	2025	Budget Variance	
	Actual	Budget	Plan of Finance	\$	%
Aviation	840,459	816,331	1,036,989	(24,128)	-3.0%
Maritime	93,859	89,827	131,699	(4,032)	-4.5%
Central Services & Other (note 1)	11,558	21,488	34,591	9,930	46.2%
<b>TOTAL</b>	<b>945,876</b>	<b>927,646</b>	<b>1,203,279</b>	<b>(18,230)</b>	<b>-2.0%</b>

**Note:**

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

**PORTWIDE INVESTMENT PORTFOLIO**

During the fourth quarter of 2025, the investment portfolio earned 3.53% versus the benchmark's (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index) of 3.51%. Over the last twelve months, the portfolio and the benchmark have earned 3.60% and 3.72%, respectively. Since the Port became its own Treasurer in 2002, the life-to-date earnings of the Port's portfolio and the benchmark are 2.47% and 2.07%, respectively.

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/25

### FINANCIAL SUMMARY

Financial Summary (\$ in 000's)	2023 Actual	2024 Actual	2025 Actual	2025 Budget	Actual vs. Budget Variance		Change from 2024 Incr (Decr)	
					\$	%	\$	%
<b>Operating Revenue</b>								
Aeronautical Revenues	479,697	520,942	545,307	563,836	(18,529)	-3.3%	24,366	4.7%
Non-Aeronautical Revenues	326,592	348,212	374,347	372,280	2,067	0.6%	26,135	7.5%
<b>Total Operating Revenues</b>	<b>806,289</b>	<b>869,154</b>	<b>919,655</b>	<b>936,117</b>	<b>(16,462)</b>	<b>-1.8%</b>	<b>50,501</b>	<b>5.8%</b>
<b>Total Operating Expenses w/o Pension True-Up</b>	<b>469,263</b>	<b>548,405</b>	<b>558,138</b>	<b>553,222</b>	<b>(4,917)</b>	<b>-0.9%</b>	<b>9,733</b>	<b>1.8%</b>
DRS Pension True-Up Expense	(23,572)	(18,577)	(21,111)		21,111		(2,533)	13.6%
<b>Total Operating Expenses w/ Pension True-Up</b>	<b>445,691</b>	<b>529,828</b>	<b>537,028</b>	<b>553,222</b>	<b>16,194</b>	<b>2.9%</b>	<b>7,200</b>	<b>1.4%</b>
<b>Net Operating Income w/ Pension True-Up</b>	<b>360,598</b>	<b>339,326</b>	<b>382,627</b>	<b>382,895</b>	<b>(268)</b>	<b>-0.1%</b>	<b>43,301</b>	<b>12.8%</b>
<b>Net Operating Income w/o Pension True-Up</b>	<b>337,027</b>	<b>320,749</b>	<b>361,516</b>	<b>382,895</b>	<b>(21,379)</b>	<b>-5.6%</b>	<b>40,767</b>	<b>12.7%</b>
<b>CPE</b>	17.52	18.26	19.06	19.43	(0.37)	-1.9%	0.80	4.4%
<b>Non-Aero NOI (\$ in 000s)</b>	189,063	186,121	195,963	192,232	3,731	1.9%	9,843	5.3%
<b>Enplaned passengers (in 000s)</b>	25,371	26,295	26,317	26,737	(420)	-1.6%	22	0.1%
<b>Capital Expenditures (in 000s)</b>	<b>444,072</b>	<b>684,442</b>	<b>840,459</b>	<b>816,331</b>	<b>24,128</b>	<b>3.0%</b>	<b>156,017</b>	<b>22.8%</b>

### 2025 Actual vs. 2025 Budget

Net Operating Income (NOI), including the Pension True-Up ("Pension Credit"), totaled \$382.6M, (\$268K) below the 2025 Budget. Total Operating Revenues were \$919.7M, which was (\$16.5M) or (-1.8%) below budget. Operating Expenses excluding the Pension True-Up were \$558.1M, (\$4.9M) or (1.8%) above budget, mainly due to higher operations and maintenance materials and wages, the reclassification of certain capital projects to expense, and the TSA Exit Lane staffing contract, partially offset by credits from litigated expenses.

- Aeronautical Revenues were \$545.3M, \$18.5M (-3.3%) below budget. The shortfall reflects:
  - \$8.3M lower salaries and benefits, driven by pension credit impacts, reduced wages and benefits, and lower charges to capital projects.
  - \$6.8M lower outside services due to reduced spending across multiple areas.
    - These decreases were partially offset by unbudgeted TSA Exit Lane staffing costs (\$3.5M).
  - \$1.7M aero portion of insurance reimbursement claims for Emergency Water Break and Cyber event offsetting expenses.
  - \$1.7M decrease in aero Debt Service.
- Non-Aeronautical NOI was \$195.9M, \$3.7M or 1.9% above budget, supported by both lower expenses and higher revenues. Non-Aeronautical Revenues reached \$374.3M, \$2.1M or 0.6% above budget, with strong performance across several business lines including Flight Kitchens, Rental Cars, and Port-owned Clubs.
- Cost per Enplanement (CPE) was \$19.06, \$0.37, 1.9% below the budgeted \$19.43.
- Capital Expenditures totaled \$840.5M, (\$24M) or (3.0%) above budget. SEA Gateway projects were \$24M below budget as some contingency spending shifted into 2026. These savings were offset by accelerated Airline Realignment scope, which resulted in \$20M in additional spending.

### 2025 Actual vs. 2024 Actual

Net Operating Income for 2025 was \$43.3M (12.8%) higher than in 2024, including the impact of the yearend Pension True-Up.

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/25

- Total Operating Revenue was \$50.5M (5.8%) higher compared to 2024, driven by increase in debt services and reduction in grant received for Aeronautical business and slightly higher budgeted for non-Aeronautical Revenue sources.
- Total Operating Expenses were \$7.2M (1.4%) higher than 2024, due to higher costs in Payroll, Outside Services, and Utilities. Additionally, the \$21.1M Pension Credit received at year end was \$2.5M (13.6%) higher than in 2024.

### **BUSINESS EVENTS**

- Total passenger traffic increased by 0.1% compared to 2024 at 52.7M
- Implemented Signatory Lease & Operating Agreement (SLOA) V
- Scandinavian Airlines (SAS) service to Copenhagen, Denmark
- Edelweiss Air launched first ever service to Zurich (ZRH)
- Alaska Airlines launched daily flights to Tokyo (NRT) and Seoul (ICN)
- 12 new businesses opened and two closed within Airport Dining Retail operations

### **KEY PERFORMANCE METRICS**

	2023	2024	2025	% Change from 2024
<b>Total Passengers</b> (000's)				
Domestic	45,090	46,082	45,610	-1.0%
International	5,796	6,589	7,105	7.8%
<b>Total</b>	<b>50,885</b>	<b>52,671</b>	<b>52,715</b>	<b>0.1%</b>
<b>Operations</b>	422,497	434,321	435,896	0.4%
<b>Landed Weight</b> (In Millions of lbs.)				
Cargo	2,748	2,774	2,467	-11.1%
All other	29,317	30,032	30,797	2.5%
<b>Total</b>	<b>32,064</b>	<b>32,806</b>	<b>33,264</b>	<b>1.4%</b>
<b>Cargo - Metric Tons</b>				
Domestic freight	305,141	345,184	301,592	-12.6%
International & Mail freight	111,986	114,882	126,380	10.0%
<b>Total</b>	<b>417,127</b>	<b>460,066</b>	<b>427,972</b>	<b>-7.0%</b>

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/25

### Key Performance Measures

	2023	2024	2025	2025	Actual vs. Budget		Change from 2024	
	Actual	Actual	Actual	Budget	Variance		Incr (Decr)	
					\$	%	\$	%
<b>Key Performance Metrics</b>								
Cost per Enplanement (CPE)	17.52	18.26	19.06	19.43	0.37	1.9%	0.80	4.4%
Non-Aeronautical NOI (in 000's)	189,063	186,121	195,963	192,232	3,731	1.9%	9,843	5.3%
<b>Other Performance Metrics</b>								
O&M Cost per Enplanement	18.60	20.88	21.21	20.69	(0.52)	-2.5%	0.33	1.6%
Non-Aero Revenue per Enplanement	12.87	13.26	14.22	13.92	0.30	2.2%	0.97	7.3%
Debt per Enplanement (in \$)	166	157	182	154	(29)	-18.8%	25	16.0%
Debt Service Coverage	2.02	1.89	1.90	1.84	0.06	3.3%	0.01	0.5%
Days cash on hand (18 months = 545 days)	507	512	563	547	16	2.9%	51	10.0%
<b>Activity (in 000's)</b>								
Enplanements	25,371	26,295	26,317	26,737	(420)	-1.6%	22	0.1%
Total Passengers	50,885	52,641	52,715	53,474	(759)	-1.4%	74	0.1%

### Key Performance Metrics - 2025 Actual vs. 2025 Budget

- Cost per Enplanement (CPE) was \$19.06, or 1.9% below the budgeted CPE of \$19.43.
- Non-Aeronautical NOI was \$3.7M or 1.9% higher than budget, due to strong results in Flight Kitchens, Rental Cars, and Port-owned Clubs, along with additional revenue from the February acquisition of International Place (STOC).
- Total enplanements and passengers were both lower than budgeted by -1.6% and -1.4%, respectively.

### 2025 Actual vs. 2024 Actual

- Cost per Enplanement (CPE) was \$19.06, \$0.80 (4.4%) higher than in 2024.
- Non-Aeronautical NOI increased by \$9.8 (5.3%) to \$195.9M compared to \$186.1M in 2024, due to the same factors as explained above.
- Total enplanements and passengers remained essentially flat year-over-year at 26.3M and 52.7M, respectively.

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/25

### A. OPERATING RESULTS

#### Division Summary – Actuals

Total Airport Expense Summary (\$ in 000's)	2023	2024	2025	2025	Actual vs. Budget Variance		Change from 2024 Incr (Decr)	
	Actual	Actual	Actual	Budget	\$	%	\$	%
<b>Operating Expenses</b>								
Payroll	193,130	223,027	243,179	232,074	(11,106)	-4.8%	20,152	9.0%
Outside Services	87,364	104,086	115,992	125,654	9,662	7.7%	11,906	11.4%
Utilities	23,285	25,543	26,959	26,966	7	0.0%	1,415	5.5%
Other Expenses	17,655	21,596	13,174	9,772	(3,401)	-34.8%	(8,423)	-39.0%
<b>Total Airport Direct Charges</b>	<b>321,434</b>	<b>374,253</b>	<b>399,304</b>	<b>394,465</b>	<b>(4,838)</b>	<b>-1.2%</b>	<b>25,051</b>	<b>6.7%</b>
Environmental Remediation Liability	13,017	2,600	2,693	1,589	(1,104)	-69.5%	93	3.6%
Capital to Expense	480	553	11,783	-	(11,783)		11,230	2030.1%
<b>Total Exceptions</b>	<b>13,497</b>	<b>3,153</b>	<b>14,477</b>	<b>1,589</b>	<b>(12,888)</b>	<b>-811.0%</b>	<b>11,323</b>	<b>359.1%</b>
<b>Total Airport Expenses</b>	<b>334,931</b>	<b>377,406</b>	<b>413,780</b>	<b>396,054</b>	<b>(17,726)</b>	<b>-4.5%</b>	<b>36,374</b>	<b>9.6%</b>
Corporate	94,595	124,058	93,940	110,320	16,380	14.8%	(30,117)	-24.3%
Police	33,750	39,709	42,925	38,624	(4,301)	-11.1%	3,216	8.1%
Maritime/Economic Development/Other	5,986	7,232	7,493	8,223	730	8.9%	261	3.6%
<b>Total Charges from Other Divisions</b>	<b>134,331</b>	<b>170,999</b>	<b>144,358</b>	<b>157,167</b>	<b>12,809</b>	<b>8.1%</b>	<b>(26,641)</b>	<b>-15.6%</b>
<b>Total Operating Expenses (w/o Pension True-Up)</b>	<b>469,263</b>	<b>548,405</b>	<b>558,138</b>	<b>553,222</b>	<b>(4,917)</b>	<b>-0.9%</b>	<b>9,733</b>	<b>1.8%</b>
DRS Pension True-up Exp	(23,572)	(18,577)	(21,111)	-	21,111		(2,533)	13.6%
<b>Total Operating Expenses (with Pension True-Up)</b>	<b>445,691</b>	<b>529,828</b>	<b>537,028</b>	<b>553,222</b>	<b>16,194</b>	<b>2.9%</b>	<b>7,200</b>	<b>1.4%</b>

#### Operating Expenses - 2025 Actual vs. 2025 Budget

Total Operating Expenses with the Pension True-up were \$537M, \$16.2M under budget, primarily driven by the following:

- Total Airport Expenses prior the pension credit was \$413.8M, (\$17.7M) higher than budgeted.
- Payroll overspent by (\$11.1M): Overspent in payroll due to higher wages and due to contractual wage increases, overtime, less charges to capital projects.
- Outside Services underspent by \$9.7M: Overspent in Professional Services by (\$4M) due to (\$10.1M) recoding of previously capital to expense projects; TSA Exit Lane Staffing (\$3.5M). Offset by underspent in professional services \$6M, onsite consultant \$5.7M, contracted janitorial services \$4M, personal services \$1.5M
- Other Expenses overspent by \$3.4M: Due to higher maintenance materials (\$3M), Worker's Compensation (\$2.2M), offset by lower equipment, travel, and other employee expenses.
- Charges from other divisions lower by \$12.8M due to litigation adjustments.

#### 2025 Actual vs. 2024 Actual

Total Operating Expenses in 2025 were \$9.7M or 1.8% higher than in 2024 before the pension adjustment. Including the adjustment, Operating Expenses increased by \$7.2M or 1.4% year over year. Payroll costs rose across both represented and non-represented groups due to the Compensation Project and contractual increases tied to bargaining agreements. Utilities increased by \$1.4M, and Outside Services grew by \$11.9M, primarily due to the reclassification of several capital projects to expense. Other Expenses decreased by \$8.4M driven by increase in Worker's Compensation, International Place management expenses and maintenance materials. \$11.2M increased in capital projects recording to operating expenses between 2024 and 2025. Decreased in cost from other divisions mainly due to legal adjustments and pension credits.

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/25

### Aeronautical Business Unit Summary

Aeronautical NOI (\$ in 000's)	2023 Actual	2024 Actual	2025 Actual	2025 Budget	Actual vs. Budget Variance		Change from 2024 Incr (Decr)	
					\$	%	\$	%
<b>Rate Base Revenues</b>								
Airfield Movement Area	142,797	170,821	164,804	166,149	(1,345)	-0.8%	(6,017)	-3.5%
Airfield Apron Area	26,118	32,270	33,404	35,432	(2,028)	-5.7%	1,134	3.5%
Terminal Rents	251,892	279,722	271,462	286,307	(14,846)	-5.2%	(8,260)	-3.0%
Federal Inspection Services (FIS)	41,214	15,206	48,849	49,811	(961)	-1.9%	33,643	221.3%
<b>Total Rate Base Revenues</b>	<b>462,020</b>	<b>498,019</b>	<b>518,520</b>	<b>537,699</b>	<b>(19,179)</b>	<b>-3.6%</b>	<b>20,500</b>	<b>4.1%</b>
Airfield Commercial Area	17,677	22,922	26,787	26,137	650	2.5%	3,865	16.9%
<b>Total Aeronautical Revenues</b>	<b>479,697</b>	<b>520,942</b>	<b>545,307</b>	<b>563,836</b>	<b>(18,529)</b>	<b>-3.3%</b>	<b>24,366</b>	<b>4.7%</b>
<b>Total Aeronautical Expenses</b>	<b>308,162</b>	<b>367,736</b>	<b>358,644</b>	<b>373,174</b>	<b>14,530</b>	<b>3.9%</b>	<b>(9,092)</b>	<b>-2.5%</b>
<b>Aeronautical NOI</b>	<b>171,535</b>	<b>153,205</b>	<b>186,663</b>	<b>190,663</b>	<b>(3,999)</b>	<b>-2.1%</b>	<b>33,458</b>	<b>21.8%</b>
Debt Service	(144,395)	(157,518)	(176,250)	(179,527)	3,277	-1.8%	(18,733)	11.9%
<b>Net Cash Flow</b>	<b>27,140</b>	<b>(4,312)</b>	<b>10,413</b>	<b>11,135</b>	<b>(722)</b>	<b>-6.5%</b>	<b>14,725</b>	<b>-341.5%</b>

### Aeronautical – 2025 Actual vs. 2025 Budget

Aeronautical Operating Expenses underspent by \$14.5M, 3.9% due to lower spending across operating expenses consistent with overall aviation summary.

Aeronautical Revenues decreased by \$18.5M (-3.3%), driven mainly by reductions in several major cost components, with a few offsetting factors across business areas. The largest factor was lower Operating Expenses, including reduced payroll costs supported in part by pension credit, broad reductions in outside services across multiple operational areas, and a significant litigation credit that lowered overall expenses. Slightly lower Debt Service and Insurance reimbursement claims related to an emergency water repair and the cyber event added additional downward pressure on aeronautical revenues.

The Airfield Movement Area experienced a larger unbudgeted offset due to \$3.5M TSA Exit Lane Staffing. Terminal Rents absorbed the largest share of the major cost drivers, this was partially offset by increased Environmental Remediation Liability (ERL) associated with SEA Gateway and C Concourse.

Aero Net Operating Income was at \$186.7M, \$4M (-2.1%) below budget.

### Aeronautical – 2025 Actual vs. 2024 Actual

Aeronautical Expenses in 2025 were \$9M or 2.5% lower than in 2024, primarily due to Litigation Credit, change in Divisional and Corporate Allocations, and lower expenses across the board. Aeronautical Revenues increased by \$24.4M (4.7%), driven by debt service increase and removal of one-time International Arrivals Facility (IAF) Settlement, partially offset by O&M cost reductions and litigation credit. Aeronautical Net Operating Income was \$186.7M, \$33.5M (21.8%) higher than in 2024.

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/25

### Airline Rate Base Cost Drivers

Impact on Aero Revenues \$ in 000's	2025	2025	Actual vs. Budget	
	Actual	Budget	\$	%
O&M <sup>(1)</sup>	344,121	360,905	(16,784)	-4.7%
Debt Service Before Offsets	235,066	236,757	(1,691)	-0.7%
Debt Service PFC Offset	(93,269)	(93,230)	(39)	0.0%
Net Debt Service	141,797	143,527	(1,730)	-1.2%
Amortization	36,677	36,712	(34)	-0.1%
Space Vacancy	(1,737)	(672)	(1,065)	158.5%
Grants and Other	(2,340)	(2,773)	433	-15.6%
<b>Rate Base Revenues</b>	<b>518,520</b>	<b>537,699</b>	<b>(19,179)</b>	<b>-4%</b>
Commercial area	26,787	26,137	650	2%
<b>Total Aero Revenues</b>	<b>545,307</b>	<b>563,836</b>	<b>(18,529)</b>	<b>-3%</b>

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

### Non-Aero Business Unit Summary – Actuals

Non-Aeronautical NOI (\$ in 000's)	2023	2024	2025	2025	Actual vs. Budget		Change from 2024	
	Actual <sup>1</sup>	Actual	Actual	Budget	\$	%	\$	%
<b>Non-Aeronautical Revenues</b>								
Public Parking	110,990	116,626	116,927	119,634	(2,707)	-2.3%	301	0.3%
Rental Cars	63,460	66,271	69,243	67,197	2,046	3.0%	2,972	4.5%
Ground Transportation	24,878	23,946	24,376	25,901	(1,525)	-5.9%	430	1.8%
Airport Dining & Retail	66,138	73,955	75,388	76,910	(1,523)	-2.0%	1,432	1.9%
Other	61,312	67,666	88,415	82,639	5,776	7.0%	20,748	30.7%
<b>Total Non-Aeronautical Revenues</b>	<b>326,963</b>	<b>348,717</b>	<b>374,347</b>	<b>372,280</b>	<b>2,067</b>	<b>0.6%</b>	<b>25,631</b>	<b>7.4%</b>
<b>Total Non-Aeronautical Expenses</b>	<b>137,529</b>	<b>162,092</b>	<b>178,384</b>	<b>180,048</b>	<b>1,664</b>	<b>0.9%</b>	<b>16,292</b>	<b>10.1%</b>
<b>Non-Aeronautical NOI</b>	<b>189,434</b>	<b>186,625</b>	<b>195,963</b>	<b>192,232</b>	<b>3,731</b>	<b>1.9%</b>	<b>9,339</b>	<b>5.0%</b>
Less: CFC Surplus	(7,686)	(10,174)	(9,385)	(9,209)	(176)	1.9%	789	-7.8%
<b>Adjusted Non-Aeronautical NOI</b>	<b>181,748</b>	<b>176,450</b>	<b>186,578</b>	<b>183,023</b>	<b>3,555</b>	<b>1.9%</b>	<b>10,128</b>	<b>5.7%</b>
Debt Service	(27,096)	(43,887)	(33,957)	(34,633)	676	-2.0%	9,930	-22.6%
<b>Net Cash Flow</b>	<b>154,652</b>	<b>132,563</b>	<b>152,621</b>	<b>148,390</b>	<b>4,231</b>	<b>2.9%</b>	<b>20,058</b>	<b>15.1%</b>

<sup>1</sup> Excludes Federal Relief for Concessions

### Non-Aeronautical Revenue – 2025 Actual vs. 2025 Budget

Non-Aeronautical Revenue was \$374.3M, \$2.1M (0.6%) above budget, primarily due to stronger-than-planned performance in Flight Kitchens, Rental Cars, and Port-owned Clubs. The International Place property (STOC) acquisition, which closed on February 28, also contributed positively by providing one additional month of revenue compared to the conservative Budget assumptions. These favorable results are partially offset by lower Public Parking revenue, delayed tenant openings in Airport Dining & Retail and slower progress on the Employee Parking expansion.

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/25

### 2025 Actual vs. 2024 Actual

Non-Aeronautical Revenue in 2025 was \$25.6M (7.4%) higher than in 2024 primarily due to the International Place property (STOC) acquisition and the same factors explained above in the favorable performance compared to budget.

### B. CAPITAL RESULTS

#### Capital Variance

\$ in 000's	2025	2025	2025	Bud vs. Actual	
	Actual	Budget	POF	\$	%
Post IAF Airline Realignment <sup>(1)</sup>	58,877	38,693	45,075	(20,184)	-52.2%
Checked Bag Recap/Optimization <sup>(2)</sup>	31,923	14,697	74,655	(17,226)	-117.2%
North MT Redevelopment <sup>(3)</sup>	146,746	160,484	156,409	13,738	8.6%
Port Shared-Lounge Conc A <sup>(4)</sup>	-	9,519	19,173	9,519	100.0%
MT Low Voltage Sys Upgrade <sup>(5)</sup>	16,465	23,746	26,600	7,281	30.7%
Airfield Snow Equipment <sup>(6)</sup>	3	5,700	-	5,697	99.9%
Building 161E Renovation <sup>(7)</sup>	541	4,089	6,725	3,548	86.8%
Perimeter Intrusion Detect Sys <sup>(8)</sup>	1,836	5,190	5,337	3,354	64.6%
2022 Eastside Firestation <sup>(9)</sup>	12,148	9,000	14,954	(3,148)	-35.0%
Apartment Sound Insulation <sup>(10)</sup>	9,575	6,502	15,188	(3,073)	-47.3%
All Other	562,345	628,889	839,827	66,535	10.6%
Subtotal	840,459	906,510	1,203,944	66,042	7.3%
CIP Cashflow Mgmt Reserve	-	(90,179)	(166,955)	(90,179)	100.0%
<b>Total Spending</b>	<b>840,459</b>	<b>816,331</b>	<b>1,036,989</b>	<b>(24,128)</b>	<b>-3.0%</b>

1. The bulk of project scope accelerated work in 2025.
2. Due to delay in contracting.
3. 2025 Actuals were 90% of the projection. Some contingency was projected in 2025 that will not be realized until 2026.
4. Project was cancelled and the costs have been expensed.
5. Anticipating approximately \$24M Savings (GCCM/CT Contingency \$15M, Designer \$1.7M, Staff/Consultants/Project Contingency/Other \$7M)
6. The snow equipment delivered did not meet many of the operational requirements. 80% payments for the snow equipment will be processed in 2026.
7. Design/Spending delays due to additional scope coordination with project stakeholders, which subsequently pushed out the permitting processes and Construction.
8. Schedule delay.
9. Project is progressing faster than expected, spending curve is sooner as a result.
10. Annual cashflow for the scope was based on pay as work was completed. However, we have been paying for materials prior to work starting

### III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/25

#### III. MARITIME DIVISION

##### A. FINANCIAL SUMMARY (Excludes Pension Adjustments)

	2023	2024	2025	2025	Actual vs. Budget		Change from 2024	
	Actual	Actual	Actual	Budget	Variance		\$	%
\$ in 000's					\$	%	\$	%
<b>Total Revenues</b>	99,738	106,829	116,973	118,111	(1,138)	-1%	10,145	9%
<b>Total Operating Expenses</b>	93,596	101,207	111,724	103,748	(7,976)	-8%	10,517	10%
<b>Net Operating Income</b>	6,142	5,621	5,250	14,363	(9,113)	63%	(372)	-7%
<i>NOI Including Pension Adj</i>	9,902	8,748	9,065	14,363	(5,298)	-37%	317	4%
<b>Capital Expenditures</b>	26,246	84,842	93,859	89,827	(4,032)	-4%	9,017	11%

##### **2025 Actual vs. 2025 Budget**

- Operating Revenues \$1.1M below budget primarily due to lower unbudgeted environmental credit in Real Estate Portfolio Management.
- Operating Expenses \$8.0M higher than budget primarily from one-time write-offs and ERL expenses.
- Net Operating Income \$9.1M below budget.
- Capital Spending forecasted 104% of \$89.8M budget.

##### **2025 Actual vs. 2024 Actuals**

- Operating Revenues \$10.1M higher than 2024 from higher Cruise & Grain volume, and increased rates across the division.
- Operating Expenses are \$10.5M higher than 2024 driven primarily by increased payroll and one-time expenses.
- Net Operating Income \$.4M is lower than 2024 actual.

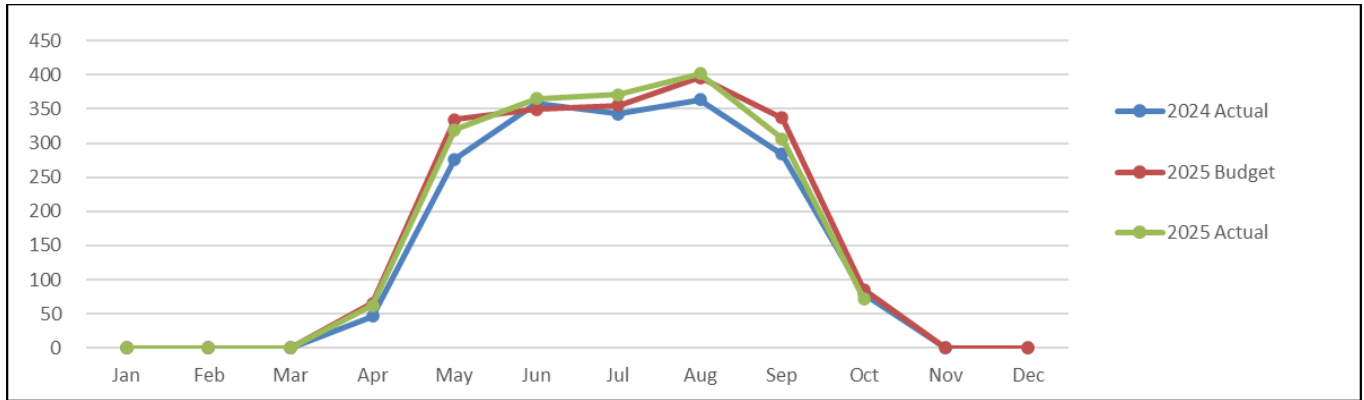
##### **Net Operating Income before Depreciation by Business**

	2024	2025	2025	Actual vs. Budget		Change from 2024	
	Actual	Actual	Budget	Variance		\$	%
\$ in 000's				\$	%	\$	%
Ship Canal Fishing & Operations	(3,768)	(10,174)	(4,390)	(5,784)	-132%	(6,407)	-170%
Elliott Bay Fishing & Commercial Operations	(915)	(1,488)	(1,305)	(183)	-14%	(574)	-63%
Recreational Boating	(521)	(369)	351	(720)	-205%	153	-29%
Cruise	20,657	25,385	25,363	22	0%	4,728	23%
Grain	3,090	4,410	2,892	1,517	52%	1,319	43%
Conference & Event Centers	(3,597)	(4,694)	(4,598)	(96)	2%	(1,097)	-30%
Leasing Portfolio	(7,341)	(4,437)	(3,396)	(1,041)	-31%	2,904	40%
Other	(1,985)	(3,384)	(554)	(2,830)	-511%	(1,399)	-70%
<b>Total Maritime</b>	<b>5,621</b>	<b>5,250</b>	<b>14,363</b>	<b>(9,113)</b>	<b>-63%</b>	<b>(372)</b>	<b>-7%</b>

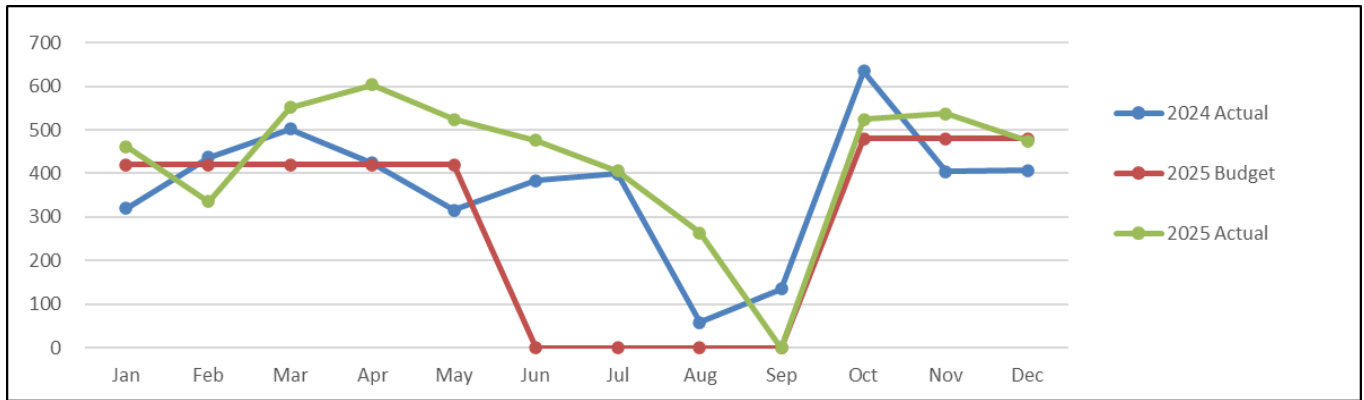
**III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/25**

**B. KEY PERFORMANCE METRICS**

**Cruise Passengers in 000's**



**Grain Volumes in 000's**



### III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/25

#### C. OPERATING RESULTS

	2022	2023	2024	2025	2025	Actual vs. Budget		Change from 2024	
	Actual	Actual	Actual	Actual	Budget	Variance	%	\$	%
\$ in 000's									
Ship Canal Fishing & Operations	4,592	5,076	5,169	5,562	5,600	(38)	-1%	393	8%
Elliott Bay Fishing & Commercial Operations	5,975	6,564	6,602	6,963	6,010	953	16%	360	5%
Recreational Boating	13,978	15,505	16,555	18,058	18,273	(214)	-1%	1,503	9%
Cruise	30,469	41,726	43,145	48,853	50,037	(1,185)	-2%	5,708	13%
Grain	5,792	3,356	5,920	6,442	5,034	1,408	28%	522	9%
Conference & Event Centers	8,914	6,738	7,490	8,654	9,151	(497)	-5%	1,164	16%
Leasing Portfolio	19,367	20,764	21,921	22,432	24,006	(1,573)	-7%	512	2%
Other	10	10	27	10	0	10	NA	(18)	-64%
<i>Pension Revenue Adjustment</i>	170	(90)	(18)	(57)	0	(57)	NA	(39)	NA
<b>Total Revenue</b>	<b>89,265</b>	<b>99,648</b>	<b>106,811</b>	<b>116,917</b>	<b>118,111</b>	<b>(1,194)</b>	<b>-1%</b>	<b>10,106</b>	<b>9%</b>
<b>Expenses</b>									
Maritime Direct	33,680	37,061	35,518	47,708	40,859	(6,849)	-17%	12,190	34%
<b>Total Direct</b>	<b>33,680</b>	<b>37,061</b>	<b>35,518</b>	<b>47,708</b>	<b>40,859</b>	<b>(6,849)</b>	<b>-17%</b>	<b>12,190</b>	<b>34%</b>
Maintenance Expenses	17,021	19,317	20,611	20,434	19,581	(853)	-4%	(178)	-1%
Economic Development	1,830	2,543	2,189	1,911	2,133	222	10%	(278)	-13%
Env & Sustainability	3,356	4,028	4,951	6,743	5,136	(1,607)	-31%	1,792	36%
Seaport Finance & Cost Recovery	1,506	1,738	2,199	2,403	2,083	(320)	-15%	204	9%
Waterfront Project Management/Planning	1,235	2,313	3,822	5,009	4,858	(151)	-3%	1,187	31%
<b>Total Support Services</b>	<b>24,948</b>	<b>29,939</b>	<b>33,772</b>	<b>36,500</b>	<b>33,791</b>	<b>(2,708)</b>	<b>-8%</b>	<b>2,728</b>	<b>8%</b>
IT	4,296	4,731	5,207	5,751	5,235	(516)	-10%	544	10%
Police Expenses	3,902	5,620	5,995	5,552	5,145	(406)	-8%	(444)	-7%
External Relations	2,729	3,005	3,596	4,278	3,664	(614)	-17%	683	19%
Other Central Services	11,530	12,769	16,687	11,591	14,521	2,929	20%	(5,095)	-31%
Aviation Division / Other	514	471	432	343	533	190	36%	(89)	-21%
<b>Total Central Services / Other</b>	<b>22,972</b>	<b>26,596</b>	<b>31,917</b>	<b>27,516</b>	<b>29,098</b>	<b>1,582</b>	<b>5%</b>	<b>(4,401)</b>	<b>-14%</b>
<b>Total Expense before Pension Adjustment</b>	<b>81,600</b>	<b>93,596</b>	<b>101,207</b>	<b>111,724</b>	<b>103,748</b>	<b>(7,976)</b>	<b>-8%</b>	<b>10,517</b>	<b>10%</b>
<i>Pension Expense Adjustment</i>	(2,561)	(3,850)	(3,145)	(3,872)	0	3,872	NA	(728)	
<b>Total Expense</b>	<b>79,039</b>	<b>89,746</b>	<b>98,062</b>	<b>107,852</b>	<b>103,748</b>	<b>(4,104)</b>	<b>-4%</b>	<b>9,789</b>	<b>10%</b>
<i>NOI excluding Pension Adjustments</i>	7,495	6,142	5,621	5,250	14,363	(9,113)	-63%	(372)	-7%
<b>NOI Before Depreciation</b>	<b>10,226</b>	<b>9,902</b>	<b>8,748</b>	<b>9,065</b>	<b>14,363</b>	<b>(5,298)</b>	<b>-37%</b>	<b>317</b>	<b>4%</b>
Depreciation	21,974	22,421	23,850	25,010	21,433	(3,577)	-17%	1,160	5%
<b>NOI After Depreciation</b>	<b>(11,748)</b>	<b>(12,519)</b>	<b>(15,102)</b>	<b>(15,945)</b>	<b>(7,070)</b>	<b>(8,875)</b>	<b>-126%</b>	<b>(843)</b>	<b>-6%</b>

#### 2025 Actuals vs. 2025 Budget

- Operating Revenues were \$1,194 lower than budget:
  - Ship Canal \$38K lower due to SaBM closure.
  - Elliott Bay Fishing greater by \$953K due to a delayed start in the Hake fishery and increased use by OTB and AML.
  - Recreational Boating \$214K lower than budget from less LAB revenue at SBM related to occupancies decreasing with market conditions.
  - Cruise \$1.2M lower due to shore power electricity revenue at Pier 66 and unbudgeted credit to Carnival for biofuel pilot project.
  - Grain \$1.4M higher due to growth in unplanned corn volumes.
  - Marina Office and Retail \$71K higher due to new tenants and annual rate escalation.
  - Maritime Industrial \$1,1M lower due to \$1.25M Environmental cost credits to Trammel Crow at T106.
  - Conference and Event Centers \$497K lower due to loss of several expected repeat events and lower business activity from companies' budget constraints.
  - Central Harbor \$529K lower due to lower parking revenue driven by fewer monthly parkers at Bell Garage, parking operator's lost contract at Pier 91, and competitor discount pricing.
- Operating Expenses were \$7,976K above budget:
  - Direct Expenses were \$6,847K higher than budget
    - Elliott Bay Fishing and Commercial \$245K over from bad debt and utilities.

### III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/25

- Recreational Boating is over budget \$65K over from Shilshole Bay Marina FireLine Connections.
- Ship Canal Fishing \$5,058K over due to \$4.6M impairment loss at Salmon Bay Marina Dock A-C.
- Cruise \$725K under from Pier 66 shore power utilities and less allocated for a favorable legal settlement.
- Maritime Security is \$386K higher than the budget due to new security contract and additional security services requested by Shilshole Bay Marina.
- Maritime Marketing \$194K below budget due to less spending in outside services, promotional expenses, and advertising.
- Marina Office and Retail \$375K below budget from unspent TI/Broker fees.
- Maritime Industrial \$349K over budget from general expenses due to the T91 Demolition project and utilities.
- Conference Event Centers \$323K below budget from unspent capital reserve expenses.
- Central Harbor \$184K below budget from unspent TI/Broker fees, and lower occupancy at WTC West led to lower operating costs.
- Division Administration is over budget by \$621K over budget due primarily to FTE vacancy factor.
- Capital to Expense creating a \$1.092K unfavorable variance.
- Unbudgeted Environmental Liability primarily at T91 berth \$6&8 and MINC for \$1,206K.
- All other Direct Expenses net to \$372K under budget.
- Total Support Services were \$2,708K higher than budget due primarily to comp plan impact, fewer charges to capital, and Clean Ports Grant expenses charged with corresponding income in non-ops.
- Total Central Services / Other were \$1,582K below budget.
- Net Operating Income excluding pension was \$9.1M unfavorable to budget.

#### **2025 Actuals vs. 2024 Actuals**

- Operating Revenues were \$10.1M higher than 2024 due to higher Cruise passengers, more Grain volumes and rate adjustments.
- Operating Expenses were \$10.5M higher than 2024 actual driven primarily by payroll increases and one-time charges.
- Net Operating Income was \$.4M lower than 2024 actual from increased revenue.

### III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/25

#### D. CAPITAL RESULTS

	2025 Actual	2025 Budget	2025 POF	Budget vs Actual	
				\$	%
\$ in 000's					
T91 Berth 6 & 8 Redev	45,565	45,903	59,766	(338)	-1%
FT Maritime Innovation Center	15,182	16,832	22,675	(1,650)	-10%
MIC Electrical Replacements	2,545	3,678	9,640	(1,133)	-31%
T91 New Cruise Gangway	4,124	3,220	6,402	904	28%
Bell St Parking Garage Imrov	2,961	2,115	2,658	846	40%
P90/P91 E Term Emerg Repair	2,028	1,899	0	129	7%
FT Site Improvements	998	1,860	1,432	(862)	-46%
Elliott Bay Connections (EBC)	101	1,145	1,145	(1,044)	-91%
P66 Fender Replacement	1,665	1,055	3,070	610	58%
Waterfront LED Lighting	282	1,021	650	(739)	-72%
Fleet	2,708	3,660	3,800	(952)	-26%
All Other Projects	15,700	23,251	52,636	(7,551)	-32%
Subtotal	93,859	105,639	163,874	(11,780)	-11%
CIP CashFlow Mgt	0	(15,812)	(32,175)	15,812	-100.0%
<b>Total Maritime</b>	<b>93,859</b>	<b>89,827</b>	<b>131,699</b>	<b>4,032</b>	<b>4%</b>
<b>% of Capital Budget</b>	<b>104%</b>				

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

#### Comments on Key Projects with Significant Variances

- **Bell St Parking Garage**– Low temps, high moisture complicated painting. Additional costs absorbed by project with no overall increase.
- **P66 Fender Replacement** – Project is on schedule and budget. Additional costs reflect the inclusion of a barge impact assessment.
- **Waterfront LED Lighting** – Common space projects underway, but tenant space projects delayed for additional development.
- **Other Projects**– \$4M MD Video, T91 Upland Phase 1 Design (+\$1M Bud, -\$2M POF), \$2M Small Cap, \$1M Fleet.

## IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/25

### IV. ECONOMIC DEVELOPMENT DIVISION

#### FINANCIAL SUMMARY

	2023	2024	2025	2025	Actual vs. Budget		Change from 2024	
	Actual	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's								
<b>Total Revenues</b>	(24)	8	1	3	(2)	-77%	(7)	-91%
<b>Total Operating Expenses</b>	3,351	2,951	2,512	3,890	1,377	35%	(439)	-15%
<b>Net Operating Income</b>	(3,375)	(2,943)	(2,512)	(3,887)	1,375	35%	431	15%
<b>NOI Including Pension Adj</b>	(2,408)	(2,121)	(1,722)	(3,887)	2,752	71%	399	-19%

#### OPERATING RESULTS

	2022	2023	2024	2025	2025	Actual vs. Budget		Change from 2024	
	Actual	Actual	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's									
Misc Revenue	4	17	16	21	3	18	NA	5	33%
<i>Pension Revenue Adjustment</i>	65	(40)	(8)	(20)	0	(20)	NA	(12)	NA
<b>Total Revenue</b>	<b>69</b>	<b>(24)</b>	<b>8</b>	<b>1</b>	<b>3</b>	<b>(2)</b>	<b>-77%</b>	<b>(7)</b>	<b>-91%</b>
<b>Expenses</b>									
Division Admin	169	1,602	1,023	293	1,629	1,336	82%	(729)	-71%
Re Dev & Planning	37	42	33	31	0	(31)		(3)	-8%
Diversity in Contracting	74	110	94	120	50	(70)	-139%	25	27%
Tourism	1,737	1,540	1,743	1,958	2,154	196	9%	214	12%
<b>Total EDD</b>	<b>2,017</b>	<b>3,294</b>	<b>2,894</b>	<b>2,401</b>	<b>3,833</b>	<b>1,432</b>	<b>37%</b>	<b>(493)</b>	<b>-17%</b>
Maritime / Maintenance	35	27	27	50	24	(26)	-107%	23	86%
Central Services / IT	50	30	31	62	33	(29)	-87%	31	102%
<b>Total Support Services</b>	<b>85</b>	<b>58</b>	<b>57</b>	<b>111</b>	<b>57</b>	<b>(54)</b>	<b>-95%</b>	<b>54</b>	<b>94%</b>
<b>Total Expense before Pension Adjustment</b>	<b>2,102</b>	<b>3,351</b>	<b>2,951</b>	<b>2,512</b>	<b>3,890</b>	<b>1,377</b>	<b>35%</b>	<b>(439)</b>	<b>-15%</b>
<i>Pension Expense Adjustment</i>	(464)	(967)	(822)	(790)	0	790	NA	32	
<b>Total Expense</b>	<b>1,638</b>	<b>2,385</b>	<b>2,129</b>	<b>1,723</b>	<b>3,890</b>	<b>2,167</b>	<b>56%</b>	<b>(407)</b>	<b>-19%</b>
<i>NOI excluding Pension Adjustments</i>	(2,033)	(3,335)	(2,935)			0		2,935	-100%
<b>NOI Before Depreciation</b>	<b>(1,569)</b>	<b>(2,408)</b>	<b>(2,121)</b>	<b>(1,722)</b>	<b>(3,887)</b>	<b>2,165</b>	<b>-56%</b>	<b>399</b>	<b>-19%</b>
Depreciation	11	12	14	16	11	(5)	-46%	1	9%
<b>NOI After Depreciation</b>	<b>(1,580)</b>	<b>(2,420)</b>	<b>(2,136)</b>	<b>(1,738)</b>	<b>(3,898)</b>	<b>2,160</b>	<b>55%</b>	<b>398</b>	<b>19%</b>

#### 2025 Actuals vs. 2025 Budget

- Operating Revenues were \$18K higher than expected rental income at the Duwamish Hub, offset by L2 pension credit.
- Operating Expenses were \$1,377K below budget due vacancies and timing Economic Development and Tourism Grant spending.
- For prior year, please note there was a major re-organization so financials are not apple to apple.

## V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/25

### V. CENTRAL SERVICES DIVISION

#### FINANCIAL SUMMARY

	2023	2024	2025	2025	Actual vs. Budget		Change from 2024	
	Actual	Actual	Actual	Budget	Variance	%	Incr (Decr)	%
\$ in 000's					\$		\$	
Operating Revenues	560	553	483	183	300	163.7%	(71)	-12.8%
Pension Contra Revenue	(775)	(150)	(469)	-	(469)	0.0%	(319)	211.8%
<b>Total Operating Revenues</b>	<b>(216)</b>	<b>403</b>	<b>14</b>	<b>183</b>	<b>(169)</b>	<b>-92.5%</b>	<b>(389)</b>	<b>-96.6%</b>
Core Central Support Services	111,368	153,093	109,720	127,143	17,422	13.7%	(43,372)	-28.3%
Police	41,023	47,068	50,431	45,860	(4,571)	-10.0%	3,363	7.1%
Engineering/PCS	14,241	17,703	20,589	22,907	2,318	10.1%	2,885	16.3%
<b>Total O&amp;M Expenses w/o Pension True-up</b>	<b>166,632</b>	<b>217,864</b>	<b>180,740</b>	<b>195,910</b>	<b>15,170</b>	<b>7.7%</b>	<b>(37,124)</b>	<b>-17.0%</b>
DRS Pension True-up Exp	(14,479)	(11,743)	(13,158)	-	13,158	0.0%	(1,414)	12.0%
Core Central Support Services	103,824	146,886	103,000	127,143	24,143	19.0%	(43,886)	-29.9%
Police	36,422	43,591	46,327	45,860	(467)	-1.0%	2,736	6.3%
Engineering/PCS	11,907	15,644	18,256	22,907	4,651	20.3%	2,612	16.7%
<b>Total O&amp;M Expenses with Pension True-up</b>	<b>152,153</b>	<b>206,121</b>	<b>167,583</b>	<b>195,910</b>	<b>28,327</b>	<b>14.5%</b>	<b>(38,538)</b>	<b>-18.7%</b>

#### 2025 Actuals vs. 2025 Budget

- Operating Revenues unfavorable by \$169K due primarily to lower Police forfeiture revenue.
- Operating Expenses favorable by \$15.2M due primarily to a credit adjustment for legal settlement and lower Outside Services, Travel, and Equipment Expenses; partially offset by lower charges to Capital Projects, higher Payroll, and Supplies & Stock.

#### 2025 Actuals vs. 2024 Actuals

- Operating Revenues were \$389K lower than 2024 primarily due to lower Police forfeiture revenue.
- Operating Expenses \$37.1M lower than 2024 primarily due to a credit adjustment for legal settlement, lower Other Expenses and more charges to Capital Projects in 2025; partially by higher Payroll, Outside Services, Travel & Other Employee Expenses, and Supplies & Stock.

#### A. BUSINESS EVENTS

- Workforce Development staff attended the Muckleshoot Tribal College Carpentry Pre-Apprenticeship graduation, shared Port and contractor opportunities, and heard strong interest from college leaders in expanding partnership and continuing collaboration.
- Labor Relations completed the stakeholder review and union communications related to revisions of the Aviation Maintenance Work Rules. The updated materials will support clearer expectations and more consistent application of work rules.
- ICT team migrated Office 365 managed service backups and related on-premise data backups to a cloud-based solution. This shift enhances overall resiliency and strengthens security protections for critical systems. The new approach also streamlines long-term data management.
- AFR developed and released new reports covering grant accounting, capital services, and general ledger dashboards. The team also improved AR aging reporting for the credit team and T91 customers through optimized Alteryx workflows paired with Tableau visualizations.
- The Office of Strategic Initiatives designed and developed the new Lean White Belt training. The course serves as an accessible introduction to Lean principles and continuous improvement of culture.
- The Central Procurement Office's Professional Services team launched Lean improvement efforts to identify waste and reduce overprocessing in key workflows. They also developed new KPI targets to strengthen performance measurements for service directives, modifications, and amendment processes.

**V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/25**

**B. KEY PERFORMANCE METRICS**

<b>Century Agenda Strategic Objectives</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Responsibly Invest in the Economic Growth of the Region and all its Communities</b>			
A. Job seekers placed in jobs at SEA Airport through the Employment Center	1,594	1,202	1,455
B. Number of SEA Airport tenants supported in finding employees	93	111	154
C. Employment Center training completions	1,012	867	844
D. K-12 Career Connected Learning: WFD engagement with teachers/faculty	12	21	17
E. Community members entering employment in construction, maritime and environmental sustainability	70	96	74
F. Number of Job Openings Posted	336	285	318
G. Job applications received	18,830	17,753	21,762
H. Number of job interviews conducted	2,333	1,893	2,420
I. Number of new employees hired	495	405	368
J. Number of interns	133	123	120
K. Number of Veteran Fellows	5	3	7
L. Number of employees participating in Tuition Reimbursement	15	22	20
<b>Become a Model for Equity, Diversity and Inclusion</b>			
A. Employee participation in OEDI programming (Caucuses, Book Clubs, Town Halls, etc.)	2,907	3,368	3,138
<b>Be a Highly Effective Public Agency</b>			
A. Central Services costs as a % of Total Operating Expenses	27.0%	30.9%	24.4%
B. Investment portfolio earnings versus the benchmark (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index)	3.70%/4.34%	3.82%/4.26%	3.53%/3.51%
C. Comply with Public Disclosure Act and respond in a timely manner	1,204	1,339	1,518
D. Employee Development Class Attendees/Structured Learning	3,289	2,286	10,606
E. Total Recordable Incident Rate (previous Occupational Injury Rate)	4.16	3.11	2.85
F. Lost Work Day Rate (previously Days Away Severity Rate)	72.41	57.45	109.60
G. Customer Survey for Police Service Excellent or Above Average	90%	TBD	TBD

## V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/25

### C. OPERATING RESULTS

#### Financial Summary

\$ in 000's	2023	2024	2025	2025	Actual vs. Budget		Change from 2024	
	Actual	Actual	Actual	Budget	Variance		Incr (Decr)	
	\$	\$	\$	\$	\$	%	\$	%
<b>Total Revenues</b>	<b>(216)</b>	<b>403</b>	<b>14</b>	<b>183</b>	<b>(170)</b>	<b>-92.6%</b>	<b>(389)</b>	<b>-96.6%</b>
Port of Seattle General	-	6	(1)	-	1	0.0%	(6)	-109.4%
Executive	3,307	6,150	2,926	2,779	(147)	-5.3%	(3,224)	-52.4%
Commission	2,623	3,191	3,287	3,589	302	8.4%	96	3.0%
Legal	10,674	10,616	8,754	6,255	(2,499)	-40.0%	(1,861)	-17.5%
External Relations	10,781	14,884	14,938	14,211	(727)	-5.1%	55	0.4%
Equity, Diversity and Inclusion	5,641	6,595	6,713	7,435	722	9.7%	118	1.8%
Human Resources	14,580	16,982	17,506	17,817	311	1.7%	524	3.1%
Labor Relations	1,417	1,654	1,711	1,933	222	11.5%	57	3.5%
Internal Audit	2,120	2,064	2,222	2,267	44	2.0%	158	7.7%
Accounting & Financial Reporting	9,846	10,680	11,878	12,059	181	1.5%	1,197	11.2%
Information & Comm. Technology	28,091	32,142	33,278	31,482	(1,797)	-5.7%	1,136	3.5%
Information Security	2,193	2,759	3,800	2,968	(833)	-28.1%	1,042	37.8%
Finance & Budget	2,868	3,285	3,297	3,179	(119)	-3.7%	12	0.4%
Business Intelligence	1,740	1,998	2,359	2,543	184	7.2%	361	18.1%
Risk Services	5,845	7,462	7,223	8,016	793	9.9%	(239)	-3.2%
Office of Strategic Initiatives	1,396	1,211	1,433	1,557	124	8.0%	222	18.3%
Central Procurement Office	7,306	7,838	8,366	9,165	800	8.7%	527	6.7%
Contingency	(251)	21,534	(22,019)	(2,655)	19,364	-729.4%	(43,552)	-202.3%
<b>Core Central Support Services</b>	<b>110,178</b>	<b>151,050</b>	<b>107,673</b>	<b>124,599</b>	<b>16,926</b>	<b>13.6%</b>	<b>(43,377)</b>	<b>-28.7%</b>
Police	41,023	47,068	50,431	45,860	(4,571)	-10.0%	3,363	7.1%
<b>Total Before Cap Dev &amp; Environment</b>	<b>151,201</b>	<b>198,118</b>	<b>158,104</b>	<b>170,459</b>	<b>12,355</b>	<b>7.2%</b>	<b>(40,014)</b>	<b>-20.2%</b>
Capital Development								
Engineering	8,254	10,322	11,363	15,131	3,768	24.9%	1,040	10.1%
Port Construction Services	5,987	7,381	9,226	7,777	(1,450)	-18.6%	1,845	25.0%
Sub-Total	14,241	17,703	20,589	22,907	2,318	10.1%	2,885	16.3%
Environment & Sustainability								
Environment & Sustainability	1,189	1,544	2,046	2,544	497	19.6%	502	32.5%
Sub-Total	1,189	1,544	2,046	2,544	497	19.6%	502	32.5%
Industrial Development Corporation	1	-	1	-	(1)	0.0%	1	0.0%
Capital to Expense	-	499	-	-	-	0.0%	(499)	-100.0%
<b>TOTAL w/o DRS Pension True-up</b>	<b>166,632</b>	<b>217,864</b>	<b>180,740</b>	<b>195,910</b>	<b>15,170</b>	<b>7.7%</b>	<b>(37,124)</b>	<b>-17.0%</b>
DRS Pension True-up Credit	(14,479)	(11,743)	(13,158)		13,158	0.0%	(1,414)	12.0%
<b>TOTAL w/ DRS Pension True-up</b>	<b>152,153</b>	<b>206,121</b>	<b>167,583</b>	<b>195,910</b>	<b>28,327</b>	<b>14.5%</b>	<b>(38,538)</b>	<b>-18.7%</b>

**2025 Actual vs. 2025 Budget**

Excluding the non-cash expense credit related to the Port's public pension plans, Operating Expenses for 2025 were \$15.2M below Budget due primarily to:

- **Executive** – unfavorable variance of (\$147K) due to higher Outside Services (\$145K) and Payroll (\$120K); partially offset by lower Travel & Other Employee Expenses of \$76K and Property Rentals \$20K.
- **Commission** – favorable variance of \$302K primarily due to lower Payroll \$252K and Outside Services \$167K; partially offset by higher Travel & Other Employee Expenses (\$102K).
- **Legal** – unfavorable variance of (\$2.5M) due to higher Outside Services (\$2.2M), Payroll (\$348K) and less charges to Capital Projects (\$110K); partially offset by lower General Expenses \$105K and Travel & Other Employee Expenses \$23K.
- **External Relations** – unfavorable variance of (\$727K) primarily due to higher Promotional Expenses (\$500K) and Payroll (\$448K); partially offset by lower Outside Services of \$298K.
- **Equity, Diversity, and Inclusion** – favorable variance of \$722K primarily due to lower Outside Services \$551K, Payroll \$123K and Promotional Expenses \$30K.
- **Human Resources** – favorable variance of \$311K primarily due to lower Outside Services \$292K, Travel & Other Employee Expenses \$210K, and higher charges to Capital Projects \$109K; partially offset by higher Payroll (\$356K).
- **Labor Relations** – favorable variance of \$222K primarily due to lower Payroll \$189K.
- **Internal Audit** – favorable variance of \$44K primarily due to lower General Expenses \$99K; partially offset by higher Payroll (\$52K).
- **Accounting and Financial Reporting Services** – favorable variance of \$181K primarily due to lower Payroll \$202K, Travel & Other Employee Expenses \$49K; partially offset by higher Outside Services (\$87K).
- **Information & Communication Technology** – unfavorable (\$1.8M) due to lower charges to Capital Projects (\$2.2M), higher Payroll (\$460K), and Supplies & Stock (\$84K); partially offset by lower Outside Services \$509K and General Expenses \$266K.
- **Information Security** – unfavorable variance of (\$833K) primarily due to higher Outside Services (\$528K), General Expenses (\$250K), and Payroll (\$80K).
- **Corporate Finance & Budget** – unfavorable variance of (\$119K) primarily due to higher Payroll (\$65K) and Outside Services (\$62K); partially offset by lower Travel & Other Employee Expenses \$30K.
- **Business Intelligence** – favorable variance of \$184K primarily due to lower Outside Services \$191K and Travel & Other Employee Expenses \$66K; partially offset by higher Payroll (\$77K).
- **Risk Services** – favorable variance of \$793K due to lower General Expenses \$808K; partially offset by higher Outside Services (\$17K).
- **Office of Strategic Initiative** – favorable variance of \$124K primarily due to lower Travel & Other Employee Expenses \$78K and Payroll \$60K; partially offset by higher Outside Services (\$20K).
- **Central Procurement Office** – favorable variance of \$800K primarily due to lower Payroll of \$1.1M and Travel & Other Employee Expenses \$70K; partially offset by less charges to Capital Projects (\$361K).
- **Environment & Sustainability Admin** – favorable variance of \$497K primarily due to lower Outside Services \$644K; partially offset by higher Payroll (\$98K) and Travel & Other Employee Expenses (\$48K).
- **Police** – unfavorable variance of (\$4.6M) primarily due to higher General Expenses (\$3.6M), Payroll (\$817K), Supplies & Stock (\$481K), and Outside Services (\$63K); partially offset by lower Equipment Expense \$200K, Worker's Compensation Expenses \$102K, and Travel & Other Employee Expenses \$101K.
- **Engineering** – favorable variance of \$3.8M primarily due to lower Outside Services \$3.8M, Equipment Expenses \$122K, General Expenses \$48K, and Payroll \$45K; partially offset by lower Overhead Allocations (\$205K), and Property Rentals (\$65K).
- **Port Construction Services** – unfavorable variance of (\$1.4M) primarily due to higher Outside Services (\$617), General Expenses (\$339K), Worker's Compensation Expenses (\$336K), Payroll (\$256K),

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Equipment Expense (\$227K), and Supplies & Stock (\$105K); partially offset by higher Overhead Allocations \$418K.

- **Contingency** – favorable variance of \$19.4M, primarily due to \$21.8M credit adjustment for legal settlement, partially offset by higher Payroll (\$2.6M) from the vacancy factor and comp project actuals in departments.

### 2025 Actuals vs. 2024 Actuals

2025 Operating Expenses (excluding the non-cash expense credit related to the Port's public pension plans) were \$37.14M lower than 2024 actuals, primarily due to the following:

- **Core Central Support Services** – \$43.0M lower than 2024: Driven mainly by lower General Expenses from a credit adjustment for legal settlement.
- **Police** – \$3.4M higher than 2024: Reflecting increased wages and benefits, the addition of new positions, the filling of vacant positions in 2025, and new initiatives to enhance public safety and security.
- **Engineering/PCS** – \$2.9M higher than 2024: Largely due to new positions added to support the capital program and contractual cost increases.

## D. CAPITAL RESULTS

\$ in 000's	2025	2025	2025	Budget Variance	
	Actual	Budget	Plan of Finance	\$	%
Engineering Fleet Replacement	1,080	2,284	980	1,204	52.7%
Corporate Fleet Replacement	594	3,950	3,030	3,356	85.0%
Services Tech - Small Cap	1,182	1,345	1,500	163	12.1%
Infrastructure - Small Cap	409	1,564	1,500	1,155	73.8%
ID Badge System Upgrade	2,442	3,903	2,899	1,461	37.4%
Radio Microwave Redund. Loop	617	1,967	1,931	1,350	68.6%
Public Safety Dispatch	308	1,474	0	1,166	79.1%
Physical Access Control System Refresh	518	885	1,095	367	41.5%
Maximo Software System Upgrade	0	1,000	1,600	1,000	100.0%
Police Axon Contract 2025	0	1,324	12,000	1,324	100.0%
Other (note 1)	680	4,751	12,950	4,071	85.7%
Subtotal	7,830	24,447	39,485	16,617	68.0%
CIP Cashflow Adjustment	-	(6,700)	(8,200)	(6,700)	100.0%
<b>TOTAL</b>	<b>7,830</b>	<b>17,747</b>	<b>31,285</b>	<b>9,917</b>	<b>55.9%</b>

#### Note:

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