



PORT OF SEATTLE

Q2 2024 FINANCIAL PERFORMANCE REPORT

AS OF JUNE 30, 2024

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I. PORTWIDE

EXECUTIVE SUMMARY

The financial performance results were strong in the first six months of the year. SEA passenger volume was 2.8% higher compared to same period last year and is expected to exceed the 2019 pre-pandemic volumes. Non-Aeronautical revenues are anticipated to exceed budget by \$14.5M or 4.4% mainly due to higher revenues in Public Parking, Rental Cars, Clubs and Lounges, and Airport Dining, and Retail.

The 2024 cruise season, representing the 25th year of cruises between Seattle and Alaska, runs from April 6 through October 28 with a projected 276 sailings and 1.7 million revenue passengers. Cruise, Grain, Ship Canal Fishing and Operations, and Maritime Portfolio Management are expected to exceed revenue targets while Conference and Event Center revenues are estimated to be under budget due to lower volumes.

Operating revenues were \$9.1M or 1.9% above budget while operating expenses were \$10.9M or 3.6% below budget in the second quarter of 2024. Net operating income before depreciation is \$20.1M or 11.0% above budget.

For the full year, we are projecting operating revenues to be \$1,023.1M, \$24.4M above budget mainly due to higher-than-expected Airport Non-Aero Revenues and Aeronautical Revenues; partially offset by lower Conference & Event Centers revenues. Operating expenses are expected to be \$623.7M, \$6.3M above budget due to higher Payroll, Outside Services, and a \$2.5M payment to Seattle Aquarium. The net operating income before depreciation is expected to be \$405.7M, \$18.9M above budget for the year.

PORTWIDE FINANCIAL SUMMARY

\$ in 000's	2022 YTD	2023 YTD	2024 YTD	2024 YTD	Actual vs. Budget		Change from 2023	
	Actual	Actual	Actual	Budget	Variance		Incr (Decr)	
					\$	%	\$	%
Aeronautical Revenues	181,846	240,218	252,437	253,399	(961)	-0.4%	12,219	5.1%
Airport Non-Aero Revenues	114,802	145,446	158,483	152,359	6,125	4.0%	13,037	9.0%
Non-Airport Revenues	65,638	76,356	82,984	79,027	3,956	5.0%	6,628	8.7%
Total Operating Revenues	362,286	462,020	493,904	484,784	9,120	1.9%	31,884	6.9%
Total Operating Expenses	220,822	264,713	291,409	302,353	10,944	3.6%	26,696	10.1%
NOI before Depreciation	141,464	197,307	202,495	182,431	20,064	11.0%	5,188	2.6%
Depreciation	104,114	123,656	127,401	125,519	(1,882)	-1.5%	3,745	3.0%
NOI after Depreciation	37,350	73,651	75,094	56,912	18,182	31.9%	1,443	2.0%

2024 YTD Actuals vs. 2024 YTD Budget:

- Airport Non-Aero Revenues were up \$6.1M compared to budget mainly due to higher revenues from Public Parking and Clubs and Lounges.
- Non-Airport Revenues were \$4.0M above budget mainly due to higher Cruise Revenue, NWSA Distributable Revenue, and Central Harbor Management, partially offset by lower revenues from Conference & Event Centers.
- Total Operating Expenses are \$10.9M lower than budget due to spending delay in Outside Services.

2024 YTD Actuals vs. 2023 YTD Actuals:

- Total Operating Revenues were up \$31.9M compared to 2023 mainly due to higher revenues in all Non-Aeronautical lines of businesses (with exception of Rental Cars-Operations and Employee Parking), Cruise, Grain, Conference & Event Center, Maritime Portfolio Management and NWSA Distributable Revenue.
- Total Operating Expenses was \$26.7M higher compared to 2023 due to higher Payroll, Outside Services, and a \$2.5M payment to Seattle Aquarium.

NON-AIRPORT FINANCIAL SUMMARY

	2022 YTD	2023 YTD	2024 YTD	2024 YTD	Actual vs. Budget		Change from 2023	
	Actual	Actual	Actual	Budget	Variance		Incr (Decr)	
\$ in 000's					\$	%	\$	%
NWSA Distributable Revenue	24,527	28,949	29,664	28,577	1,087	3.8%	715	2.5%
Maritime Revenues	31,788	35,856	42,092	38,039	4,053	10.7%	6,236	17.4%
EDD Revenues	6,680	8,361	8,832	10,025	(1,193)	-11.9%	470	5.6%
SWU & Other	2,643	3,189	2,396	2,386	10	0.4%	(794)	-24.9%
Total Operating Revenues	65,638	76,356	82,984	79,027	3,956	5.0%	6,628	8.7%
Total Operating Expenses	43,508	49,171	55,585	59,207	3,622	6.1%	6,415	13.0%
NOI before Depreciation	22,129	27,185	27,399	19,820	7,579	38.2%	213	0.8%
Depreciation	18,918	19,138	18,988	18,582	(406)	-2.2%	(150)	-0.8%
NOI after Depreciation	3,211	8,047	8,411	1,238	7,173	579.4%	363	4.5%

2024 YTD Actuals vs. 2024 YTD Budget

- Non-Airport Operating Revenues were up \$4.0M compared to budget mainly due to higher Cruise, NWSA Distributable revenue, Central Harbor Management, and Grain; partially offset by lower revenue from Conference & Event Centers.
- Non-Airport Operating Expenses were \$3.6M lower than budget because of project spending delays and timing of tenant improvements and maintenance.

2024 YTD Actuals vs. 2023 YTD Actuals

- Non-Airport Operating Revenues were \$6.6M higher compared to 2023 because of higher revenues from Cruise, Grain, NWSA Distributable Revenue, and Maritime Portfolio Management.
- Non-Airport Operating Expenses were \$6.4M higher than 2023 due to higher Payroll and Outside Services.

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 06/30/24

MAJOR OPERATING REVENUES SUMMARY

	2022 YTD	2023 YTD	2024 YTD	2024 YTD	Actual vs. Budget		Change from 2023	
	Actual	Actual	Actual	Budget	Variance \$	%	Incr (Decr) \$	%
\$ in 000's								
Aeronautical Revenues	181,846	240,218	252,437	253,399	(961)	-0.4%	12,219	5.1%
Public Parking	41,842	52,391	59,047	53,543	5,505	10.3%	6,656	12.7%
Rental Cars - Operations	16,803	18,021	16,759	17,737	(977)	-5.5%	(1,262)	-7.0%
Rental Cars - Operating CFC	-	5,495	6,916	6,724	191	2.8%	1,421	25.9%
ADR & Terminal Leased Space	26,131	31,985	36,364	35,551	813	2.3%	4,379	13.7%
Ground Transportation	9,226	11,750	11,853	11,610	243	2.1%	103	0.9%
Employee Parking	5,062	5,460	5,223	5,828	(605)	-10.4%	(237)	-4.3%
Airport Commercial Properties	7,520	9,618	9,930	9,565	365	3.8%	312	3.2%
Airport Utilities	3,845	4,194	4,513	5,045	(532)	-10.5%	319	7.6%
Clubs and Lounges	3,048	5,436	6,753	5,617	1,136	20.2%	1,318	24.2%
Cruise	11,258	15,437	19,027	15,713	3,313	21.1%	3,589	23.3%
Recreational Boating	6,914	7,751	8,321	8,230	91	1.1%	570	7.4%
Fishing & Operations	4,967	5,481	5,523	5,389	133	2.5%	42	0.8%
Grain	3,405	1,964	3,079	2,773	306	11.1%	1,116	56.8%
Maritime Portfolio Management	5,237	5,205	6,136	5,931	205	3.5%	931	17.9%
Central Harbor Management	4,131	4,960	5,126	5,049	77	1.5%	165	3.3%
Conference & Event Centers	2,538	3,377	3,687	4,965	(1,278)	-25.7%	310	9.2%
NWSA Distributable Revenue	24,527	28,949	29,664	28,577	1,087	3.8%	715	2.5%
Other	3,986	4,329	3,545	3,538	7	0.2%	(784)	-18.1%
Total Operating Revenues (w/o Aero)	180,440	221,802	241,467	231,386	10,081	4.4%	19,665	8.9%
TOTAL	362,286	462,020	493,904	484,784	9,120	1.9%	31,884	6.9%

MAJOR OPERATING EXPENSES SUMMARY

	2022 YTD	2023 YTD	2024 YTD	2024 YTD	Actual vs. Budget		Change from 2023	
	Actual	Actual	Actual	Budget	Variance \$	%	Incr (Decr) \$	%
\$ in 000's								
Salaries & Benefits	76,063	90,131	103,497	103,635	138	0.1%	13,365	14.8%
Wages & Benefits	67,884	79,333	88,341	85,200	(3,141)	-3.7%	9,008	11.4%
Payroll to Capital Projects	12,936	15,420	18,260	22,447	4,187	18.7%	2,840	18.4%
Outside Services	48,370	57,354	65,851	87,424	21,574	24.7%	8,496	14.8%
Utilities	16,626	15,541	17,162	16,365	(797)	-4.9%	1,621	10.4%
Equipment Expense	4,532	5,683	5,063	6,301	1,238	19.6%	(621)	-10.9%
Supplies & Stock	4,227	5,617	5,686	4,803	(882)	-18.4%	69	1.2%
Travel & Other Employee Expenses	1,675	2,208	2,827	4,869	2,042	41.9%	620	28.1%
Third Party Mgmt Op Exp	3,498	5,485	6,110	6,933	823	11.9%	624	11.4%
B&O Taxes	2,246	2,895	3,027	3,123	97	3.1%	132	4.6%
Other Expenses	7,578	14,991	13,313	10,249	(3,063)	-29.9%	(1,678)	-11.2%
Charges to Capital Projects/Overhead Alloc	(24,814)	(29,947)	(37,726)	(48,999)	(11,272)	23.0%	(7,780)	26.0%
TOTAL	220,822	264,713	291,409	302,353	10,944	3.6%	26,696	10.1%

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 06/30/24

PORTWIDE FINANCIAL YEAR-END FORECAST SUMMARY

	2022	2023	2024	2024	Fest vs. Budget Variance		Change from 2023 Incr (Decr)	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
\$ in 000's								
Aeronautical Revenues	402,540	479,697	530,408	520,600	9,808	1.9%	50,711	10.6%
Airport Non-Aero Revenues	256,613	326,592	347,243	332,713	14,530	4.4%	20,650	6.3%
Non-Airport Revenues	150,977	162,991	169,796	169,758	38	0.0%	6,805	4.2%
Total Operating Revenues	810,130	969,281	1,047,447	1,023,071	24,376	2.4%	78,166	8.1%
Total Operating Expenses	475,739	557,149	623,689	617,406	(6,283)	-1.0%	66,539	11.9%
NOI before Depreciation	334,390	412,131	423,758	405,665	18,093	4.5%	11,627	2.8%
Depreciation	232,236	250,644	250,025	250,025	-	0.0%	(619)	-0.2%
NOI after Depreciation	102,155	161,487	173,733	155,640	18,093	11.6%	12,246	7.6%

Year-End Forecast

- Total Operating Revenues are expected to be \$24.4M higher than budget and \$78.2M higher than 2023.
- Total Operating Expenses are expected to be \$6.3M unfavorable to budget and \$66.5M higher than 2023. It would have only been \$37.8M higher than 2023 after adjusting for \$28.7M state pension credit in 2023.
- NOI before depreciation forecast to be \$18.1M favorable to budget and \$11.6M higher than 2023.

KEY PERFORMANCE METRICS

	2023	2024	2023	2024	2024	Fav (UnFav) Act vs. Budget Variance		Incr (Decr) Change from 2023	
	YTD Actual	YTD Actual	Actual	Forecast	Budget	Chg.	%	Chg.	%
Total Passengers (in 000's)	23,740	24,465	50,885	52,310	52,914	(605)	-1.1%	1,424	2.8%
Landed Weight (lbs. in millions)	15,103	15,520	32,064	31,647	32,726	(1,079)	-3.3%	(417)	-1.3%
Passenger CPE (in \$)	N/A	N/A	17.52	18.98	18.31	(0)	-3.6%	1.46	8.3%
Grain Volume (metric tons in 000's)	1,362	2,380	2,679	4,096	3,730	366	9.8%	1,417	52.9%
Cruise Passenger (in 000's)	653	682	1,778	1,708	1,661	46	2.8%	(70)	-3.9%
Shilshole Bay Marina Occupancy	97.8%	98.3%	98.1%	98.0%	96.4%	1.6%	1.7%	0.0%	0.0%

KEY BUSINESS EVENTS

The Port welcomed the Norwegian Bliss on April 6th to kick off the start of the 2024 Cruise Season which will run through October 28th. This year marks the 25th year of Sailing from Seattle to Alaska with an estimated 1.7 million revenue passengers. The Norwegian Sky was the first ship to set sail from the Port of Seattle in May 2000. Since then, the number of ship calls has increased from 36 in 2000 to a projected 276 sailings in 2024. Similarly, Commission approved an order that would require all cruise vessels homeported in Seattle be shore power capable and utilize shore power. This order will take effect for the 2027 cruise season, three years before the Port's previous goal of 2030. This order made the Port of Seattle the first port to require shore power usage independent of State regulations.

The Port launched the fourth cycle of the South King County Community Impact Fund (SKCCIF) Environmental Grants Program. A total funding of \$226,631 will be awarded to six community-led organizations. Funded projects will include training in gardening, landscaping, and environmental education for students; annual beach clean-up events; garden expansion at Foster High School; bicycle skills improvement project area in Burien; and planting tree events.

Additionally, the Port awarded thirty-eight organizations across the state with a total of \$600,000 in matched marketing funds under the 2024-25 Tourism Marketing Support Program (TMSP). The grants will fund several projects ranging from use of digital advertising, targeted marketing campaigns or collaborating with influencers to build travel demand to advertising programs to attract out-of-state and local visitors during shoulder seasons. Funding for the two-to-one match fund program was doubled this year and the duration for the organizations to spend the funds has been extended to up to eighteen months.

The Port recently celebrated the groundbreaking at Fishermen's terminal that will transform the Port's oldest asset into a modern, Living Building Challenge (LBC) – certified Maritime Innovation Center (MInC). For this project, the Port will partner with Miller Hull in the construction of this new facility which will feature unique architectural design. The Port is investing over \$100M in new investments as part of a long-term strategic redevelopment plan to maintain docks for commercial fishers, enhance uplands facilities, and accent Fishermen's Terminal's history and legacy.

Commission adopted two land stewardship strategies: SEA Land Stewardship Plan and the SEA Tree Replacement Standards. Both build upon the Port's robust work in environmental leadership and support that Port's Century agenda goal to be the greenest and most energy-efficient port in North America. Additionally, the practices outlined in the plans will provide clear guidance to Port staff on future airport-related work.

SEA was once again named as Top U.S. Airport by Skytrax for the third straight year. Skytrax uses over 13 million air passenger satisfaction surveys to come up with their ratings. Travelers have highlighted several of SEA's recently completed improvement projects including the N Concourse Modernization, International Arrivals Facility, Automated Parking Guidance System, and Central Terminal Renovation.

The Port announced the 2024 annual Sustainable Century and Fly Quiet award winners. The awardees are selected annually for supporting the Port's environmental goals and exhibiting outstanding leadership and sustainability efforts. The awards are geared to celebrate the dedication of local Port business partners to invest in enhanced energy efficiency and environmental improvements as well as increase airline and pilot awareness of aircraft noise impacts on local communities.

The Port signed a memorandum of understanding (MOU) with Korea SMEs and Startups Agency (KOSME). This MOU is intended to facilitate business connections and drive growth of SMEs across Port properties and throughout King County. Additionally, through this agreement, the Port will cohost events with KOSME in tech innovation and other topics as well as share strategies on how to pursue business development here and in Korea.

CAPITAL SPENDING SUMMARY

\$ in 000's	2024	2024	2024	2024	Budget Variance	
	YTD Actual	Forecast	Budget	Plan of Finance	\$	%
Aviation	302,940	684,442	682,384	717,598	(2,058)	-0.3%
Maritime	31,537	78,701	72,976	84,825	(5,725)	-7.8%
Economic Development	2,249	4,404	5,137	20,501	733	14.3%
Central Services & Other (note 1)	5,293	16,069	20,716	19,742	4,647	22.4%
TOTAL	342,019	783,616	781,213	842,666	(2,403)	-0.3%

Note:

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

Total capital spending is forecast to be \$793.6M for 2024, 100.3% of the budget due to timing changes in projects: SEA Gateway, MT Low Voltage Sys Upgrade, C Concourse Expansion, International Arrivals Fac-IAF, Checked Bag Recap/Optimization, and Sustainable Eval Framework Res.

PORTWIDE INVESTMENT PORTFOLIO

During the second quarter of 2024, the investment portfolio earned 3.7% versus the benchmark's (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index) of 4.79%. Over the last twelve months, the portfolio and the benchmark have earned 3.65% and 4.74%, respectively. Since the Port became its own Treasurer in 2002, the life-to-date earnings of the Port's portfolio and the benchmark are 2.38% and 1.96%, respectively.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/24

II. AVIATION DIVISION

FINANCIAL SUMMARY

Financial Summary (\$ in 000's)	2022	2023	2024		Forecast vs. Budget Variance		Incr/(Decr) Change from 2023	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Operating Revenue								
Aeronautical Revenues	402,540	479,697	530,408	520,600	9,808	1.9%	50,711	10.6%
Non-Aeronautical Revenues	256,613	326,592	347,243	332,713	14,530	4.4%	20,650	6.3%
Total Operating Revenues	659,153	806,289	877,651	853,313	24,338	2.9%	71,361	8.9%
Total Operating Expenses w/o Pension True-up	394,990	471,946	503,003	495,724	(7,279)	-1.5%	31,058	6.6%
Net Operating Income	276,449	357,916	374,648	357,589	17,059	4.8%	16,732	4.7%
CPE	16.09	17.52	18.98	18.31	(0.67)	-3.6%	1.46	8.3%
Non-Aero NOI (\$ in 000s)	135,483	188,669	193,780	179,075	(14,706)	-8.2%	5,111	2.7%
Enplaned passengers (in 000s)	22,966	25,371	26,032	26,457	426	1.6%	660	2.6%
Capital Expenditures (in 000s)	311,631	444,072	684,442	682,384	(2,057)	-0.3%	240,370	54.1%

2024 Forecast vs. 2024 Budget

- Net Operating Income (NOI) for 2024, excluding Pension True-up impact, is forecasted to be \$17.1M (4.8%) higher than the budget. This increase is primarily driven by:
 - Non-Aeronautical revenue, forecasted at \$14.5M (4.4%) higher than budget. Landside revenue growth continues, especially in Parking and Rental Car. Port owned Clubs & Lounges are all performing above budget.
 - Total Operating Expenses are projected to exceed the budget by \$7.3M (1.5%), primarily due to higher charges in Environmental Remediation Liabilities and charges from other divisions including increased Legal Outside Services and higher Police costs for airport services.

2024 Forecasts vs. 2023 Actuals

- Net Operating Income for 2024 is projected to be \$16.7M (4.7%) higher than prior year before the impact of the year-end Pension True-up.
 - Higher Operating Revenue of \$71.4M (8.9%) compared to prior year is due to higher revenue from both Aero and Non-Aero sources.
 - Higher forecasted Operating Expenses of \$31.1M (6.6%) compared to prior year is primarily driven by higher Payroll, Outside Services, and Charges from Other Divisions compared to 2023.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/24

A. BUSINESS EVENTS

- Passenger levels are expected to exceed pre-pandemic volume for the first time since 2019.
- New international airlines services at SEA:
 - Delta Air Line’s service to Taipei, China
 - Lufthansa’s service to Munich, Germany
 - Hainan Airlines’ service to Chongqing, China and Taipei
 - Alaska Airlines’ service to Toronto, Canada
- Reserved Parking launched at SEA

B. KEY PERFORMANCE METRICS

	YTD 2022	YTD 2023	YTD 2024	% Change from 2023
Total Passengers (000's)				
Domestic	19,075	21,046	21,440	1.9%
International	1,814	2,694	3,025	12.3%
Total	20,889	23,740	24,465	3.1%
Operations	154,951	199,644	205,871	3.1%
Landed Weight (In Millions of lbs.)				
Cargo	1,357	1,319	1,395	5.8%
All other	12,260	13,784	14,124	2.5%
Total	13,617	15,103	15,520	2.8%
Cargo - Metric Tons				
Domestic freight	165,169	147,136	174,319	18.5%
International & Mail freight	61,487	52,588	49,917	-5.1%
Total	226,656	199,724	224,236	12.3%

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/24

Key Performance Measures

	2022	2023	2024	2024	Forecast vs. Budget Variance		Incr/(Decr) Change from 2023	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Key Performance Metrics								
Cost per Enplanement (CPE)	16.09	17.52	18.98	18.31	(0.67)	-3.6%	1.46	8.3%
Non-Aeronautical NOI (in 000's)	135,483	188,669	193,780	179,075	14,706	8.2%	5,111	2.7%
Other Performance Metrics								
O&M Cost per Enplanement	17.20	18.60	19.32	18.74	(0.59)	-3.1%	0.72	3.9%
Non-Aero Revenue per Enplanement	11.17	12.87	13.34	12.58	0.76	6.1%	0.47	3.6%
Debt per Enplanement (in \$)	193	166	158	155	(3)	-1.6%	(8)	-5.1%
Debt Service Coverage	2.64	2.02	1.93	1.88	0.05	2.7%	(0.09)	-4.5%
Days cash on hand (10 months = 304 days)	457	507	518	517	1	0.2%	11	2.2%
Activity (in 000's)								
Enplanements	22,966	25,371	26,032	26,457	(426)	-1.6%	660	2.6%
Total Passengers	45,964	50,885	52,310	52,914	(605)	-1.1%	1,424	2.8%

Key Performance Metrics - 2024 Forecast vs. 2024 Budget

- Non-Aero Revenue shows strong performance in Parking and Rental Car, as well as significant growth in Port-owned Clubs.
- All other key metrics tracking closely with the budget as of Q2 Reporting

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/24

C. OPERATING RESULTS

Division Summary – YTD Actuals

Total Airport Expense Summary (\$ in 000's)	2022 YTD	2023 YTD	2024 YTD		Actual vs. Budget		Incr/(Decr)	
	(Q2)	(Q2)	(Q2)	(Q2)	Variance		Change from 2023	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Operating Expenses								
Payroll	79,627	92,502	102,225	103,087	862	0.8%	9,723	10.5%
Outside Services	32,518	38,888	43,531	60,355	16,824	27.9%	4,643	11.9%
Utilities	12,207	11,437	13,220	12,291	(930)	-7.6%	1,783	15.6%
Other Expenses	5,128	7,102	5,337	(3,594)	(8,931)	248.5%	(1,764)	-24.8%
Total Airport Direct Charges	129,480	149,929	164,314	172,139	7,825	4.5%	14,385	9.6%
Total Airport Expenses	127,193	156,665	165,880	172,296	6,416	3.7%	9,214	5.9%
Corporate	36,831	42,814	48,969	50,351	1,382	2.7%	6,155	14.4%
Police	11,677	14,123	18,735	17,411	(1,324)	-7.6%	4,612	32.7%
Maritime/Economic Development/Other	1,613	1,940	2,240	3,088	848	27.4%	300	15.5%
Total Charges from Other Divisions	50,121	58,877	69,944	70,850	906	1.3%	11,068	18.8%
Total Operating Expenses w/o Pension True-Up	177,314	215,542	235,824	243,146	7,322	3.0%	20,282	9.4%

Expenses – 2024 YTD Actuals vs. 2024 YTD Budget

Operating Expenses were \$7.3M (3.0%) lower than budget YTD, primarily due to slower spending in Outside Services of \$16M. This includes an \$8.7M delay in spending on on-site consultants charged to capital programs, which is offset by a corresponding reduction in charges to capital (neutral Operating Expense impact). Additionally, there is a delay of \$2.7M in professional and personal services, \$7.2M in contracted services due to janitorial and window cleaning delayed due to contracts issues, offset by higher spending in legal expenses and small works construction services.

Division Summary – YE Forecast

Total Airport Expense Summary (\$ in 000's)	2022	2023	2024		Forecast vs. Budget		Incr/(Decr)	
	Actual	Actual	Forecast	Budget	Variance		Change from 2023	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Operating Expenses								
Payroll	168,389	193,130	208,384	210,530	2,146	1.0%	15,254	7.9%
Outside Services	75,700	89,551	120,858	126,888	6,030	4.8%	31,307	35.0%
Utilities	22,880	23,285	23,957	23,938	(20)	-0.1%	672	2.9%
Other Expenses	15,141	17,679	649	(9,402)	(10,050)	106.9%	(17,030)	-96.3%
Total Airport Direct Charges	282,110	323,645	353,848	351,954	(1,894)	-0.5%	30,203	9.3%
Total Airport Expenses	283,191	337,142	355,664	352,111	(3,553)	-1.0%	18,522	5.5%
Corporate	80,452	96,213	105,142	103,294	(1,848)	-1.8%	8,929	9.3%
Police	27,660	33,750	35,884	34,019	(1,866)	-5.5%	2,134	6.3%
Maritime/Economic Development/Other	3,687	4,840	6,313	6,301	(12)	-0.2%	1,472	30.4%
Total Charges from Other Divisions	111,799	134,804	147,339	143,614	(3,725)	-2.6%	12,535	9.3%
Total Operating Expenses w/o Pension True-Up	394,990	471,946	503,003	495,724	(7,279)	-1.5%	31,058	6.6%

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/24

Operating Expenses – 2024 YE Forecast compared to 2024 YE Budget

Total Operating Expense is forecasted to be \$7.3M (1.5%) higher than Budget primarily due to increased spending for Legal Outside Services supporting airport matters, Environmental remediation liabilities and Police costs.

Aeronautical Business Unit Summary – YTD Actuals

Aeronautical NOI (\$ in 000's)	2022 YTD	2023 YTD	2024 YTD		Actual vs. Budget Variance		Incr/(Decr) Change from 2023	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Rate Base Revenues								
Airfield Movement Area	47,737	66,779	74,894	74,404	490	0.7%	8,115	12.2%
Airfield Apron Area	8,290	14,321	13,414	15,462	(2,049)	-13.2%	(907)	-6.3%
Terminal Rents	105,972	133,174	134,447	134,598	(151)	-0.1%	1,273	1.0%
Federal Inspection Services (FIS)	11,527	17,345	19,948	19,947	1	0.0%	2,603	15.0%
Total Rate Base Revenues	173,527	231,618	242,702	244,411	(1,709)	-0.7%	11,085	4.8%
Airfield Commercial Area	8,320	8,600	9,735	8,987	748	8.3%	1,135	13.2%
Total Aeronautical Revenues	181,846	240,218	252,437	253,399	(961)	-0.4%	12,219	5.1%
Total Aeronautical Expenses	120,393	151,356	163,789	167,703	3,913	2.3%	12,433	8.2%
Aeronautical NOI	61,453	88,862	88,648	85,696	2,952	3.4%	(214)	-0.2%

Aeronautical – 2024 YTD Actuals vs. 2024 YTD Budget

Aeronautical Net Operating Income was \$3.0M (3.4%) higher than budget driven by lower operating expenses in Outside Services and Charges from Other Divisions.

Aeronautical Business Unit Summary - YE Forecast

Aeronautical NOI (\$ in 000's)	2022	2023	2024		Forecast vs. Budget Variance		Incr/(Decr) Change from 2023	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Rate Base Revenues								
Airfield Movement Area	88,061	142,797	157,464	153,782	3,682	2.4%	14,667	10.3%
Airfield Apron Area	17,146	26,118	33,433	31,816	1,617	5.1%	7,315	28.0%
Terminal Rents	184,625	251,892	274,911	274,654	257	0.1%	23,020	9.1%
Federal Inspection Services (FIS)	10,978	41,214	45,578	41,326	4,252	10.3%	4,364	10.6%
Total Rate Base Revenues	300,810	462,020	511,386	501,578	9,808	2.0%	49,366	10.7%
Airfield Commercial Area	17,343	17,677	19,022	19,022	-	0.0%	1,345	7.6%
Total Aeronautical Revenues	318,154	479,697	530,408	520,600	9,808	1.9%	50,711	10.6%
Total Aeronautical Expenses	261,574	310,451	349,540	342,086	(7,455)	-2.2%	39,090	12.6%
Aeronautical NOI	56,580	169,246	180,868	178,514	2,353	1.3%	11,621	6.9%

Aeronautical – 2024 Forecast vs. 2024 Budget

Aeronautical Net Operating Income is expected to be \$2.4M (1.3%) driven by higher operating expenses in Charges from Other Divisions.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/24

Airline Rate Base Cost Drivers

\$ in 000's	2024 Budget	2024 Forecast	Impact on Aero Revenues Budget vs Forecast	
			\$	%
O&M ⁽¹⁾	331,860	340,143	8,283	2.5%
Debt Service Before Offsets	225,815	228,759	2,944	1.3%
Debt Service PFC Offset	(91,493)	(91,624)	(131)	0.1%
Net Debt Service	134,322	137,135	2,812	2.1%
Amortization	36,873	36,927	54	0.1%
Space Vacancy	(719)	(2,060)	(1,341)	186.5%
TSA Operating Grant and Other	(758)	(758)	0	0.0%
Rate Base Revenues	501,578	511,386	9,808	2%
Commercial area	19,022	19,022	-	0%
Total Aero Revenues	520,600	530,408	9,808	2%
<i>(1) O&M, Debt Service Gross, and Amortization do not include commercial area costs or the international incentive expenses</i>				

2024 Forecast to 2024 Budget

Aeronautical Revenue is expected to be higher by \$9.8M (2%) based on cost recovery and reflected of increases in our expenses forecast.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/24

Non-Aero Business Unit Summary – YTD Actuals

Non-Aeronautical NOI (\$ in 000's)	2022 YTD	2023 YTD	2024 YTD	2024 YTD	Actual vs. Budget Variance		Incr/(Decr) Change from 2023	
	Actual	Actual	Actual	Budget	\$	%	\$	%
	Non-Aeronautical Revenues							
Public Parking	41,842	52,391	59,047	53,543	5,505	10.3%	6,656	12.7%
Rental Cars	16,803	23,516	23,675	24,461	(786)	-3.2%	159	0.7%
Ground Transportation	9,226	11,750	11,853	11,610	243	2.1%	103	0.9%
Airport Dining & Retail	22,835	27,200	32,670	32,289	381	1.2%	5,470	20.1%
Other	24,096	30,589	31,238	30,456	783	2.6%	649	2.1%
Total Non-Aeronautical Revenue	114,802	145,446	158,483	152,359	6,125	4.0%	13,037	9.0%
Total Non-Aeronautical Expense	35,475	64,186	72,035	75,443	3,408	4.5%	7,849	12.2%
Non-Aeronautical NOI	79,327	81,260	86,448	76,916	9,533	12.4%	5,188	6.4%

Non-Aeronautical Revenue – 2024 YTD Actuals vs. 2024 YTD Budget

- Non-Aero Revenue was \$6.1M (4.0%) favorable to budget YTD driven by continued strong performance in Parking and Rental Car, as well as significant growth in Port-owned Clubs.

Non-Aero Business Unit Summary - YE Forecast

Non-Aeronautical NOI (\$ in 000's)	2022	2023	2024	2024	Forecast vs. Budget Variance		Incr/(Decr) Change from 2023	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
	Non-Aeronautical Revenues							
Public Parking	88,899	110,990	118,410	111,036	7,374	6.6%	7,421	6.7%
Rental Cars	56,473	63,460	65,468	61,599	3,869	6.3%	2,008	3.2%
Ground Transportation	20,804	24,878	25,222	25,333	(111)	-0.4%	343	1.4%
Airport Dining & Retail	36,581	65,952	72,928	71,332	1,597	2.2%	6,976	10.6%
Other	53,856	61,312	65,214	63,413	1,801	2.8%	3,902	6.4%
Total Non-Aeronautical Revenues	256,613	326,592	347,243	332,713	14,530	4.4%	20,650	6.3%
Total Non-Aeronautical Expenses	121,130	137,923	153,463	153,639	176	0.1%	15,540	11.3%
Non-Aeronautical NOI¹	135,483	188,669	193,780	179,075	14,706	8.2%	5,111	2.7%
Less: CFC Surplus	(6,834)	-	-	-	-	-	-	-
Adjusted Non-Aeronautical NOI	128,649	188,669	193,780	179,075	14,706	8.2%	5,111	2.7%
Debt Service	(33,065)	(27,096)	(44,482)	(44,482)	-	0.0%	(17,386)	64.2%
Net Cash Flow	95,584	161,573	149,298	134,592	14,706	10.9%	(12,275)	-7.6%

(1) Includes Federal Relief for Concessions

Non-Aeronautical Revenue – 2024 Forecast vs. 2024 Budget

- Non-Aero Revenue is forecasted to be \$14.7M (8.2%) favorable to budget YTD by continued strong performance in Parking and Rental Car, as well as significant growth in Port-owned Clubs.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/24

D. CAPITAL RESULTS

Capital Variance

\$ in 000's	2024	2024	2024	2024	Bud vs. Fcst	
	YTD Actual	Year-End Forecast	Budget	POF	\$	%
SEA Gateway ⁽¹⁾	81,688	159,612	136,612	106,366	(23,000)	-16.8%
C Concourse Expansion ⁽²⁾	20,923	62,238	85,192	109,662	22,954	26.9%
MT Low Voltage Sys Upgrade ⁽³⁾	19,984	40,714	25,860	26,000	(14,854)	-57.4%
International Arrivals Fac-IAF ⁽⁴⁾	14,408	21,589	7,281	4,809	(14,308)	-196.5%
Checked Bag Recap/Optimization ⁽⁵⁾	27,442	58,942	69,654	111,869	10,712	15.4%
Widen Arrivals Roadway ⁽⁶⁾	14,753	23,732	17,233	15,539	(6,499)	-37.7%
ASL Conversions ⁽⁷⁾	1,973	6,076	11,397	-	5,321	46.7%
S Concourse Evolution ⁽⁸⁾	2,708	25,407	21,968	29,419	(3,439)	-15.7%
Parking Garage Elevators Moder ⁽⁹⁾	742	3,325	6,596	4,775	3,271	49.6%
Surface Area Management System ⁽¹⁰⁾	1,309	2,337	5,017	7,291	2,680	53.4%
All Other	117,010	280,470	295,575	443,788	15,105	5.1%
Subtotal	302,940	684,442	682,384	859,518	(2,057)	-0.3%
CIP Cashflow Mgmt Reserve	-	-	-	(141,920)	0	
Total Spending	302,940	684,442	682,384	717,598	(2,057)	-0.3%

1. Phase A costs adjusted as majority of scope is going to be finished in 2024. Contractors submitted 2 construction invoices per reimbursement request resulting in a greater than anticipated costs, approx. \$14M.
2. Q2 2024 actual costs were lower than projected. Structural Demolition and Utility Relocation work production was slower than planned. Structural Steel erection re-sequencing is expected to mitigate some of the delay.
3. Contractor resequenced work and increased crew sizes accelerating the 2024 cashflow basis to \$2.8M/Mo.
4. Variance is due to Settlement payment to Clark for \$11.3M, Balance of settlement payments of \$2.5M to Q3/Q4, Legal and Support Staff extended to 2025.
5. \$12.5M Savings to Construction Contract Contingency that wasn't assumed in baseline.
6. Updated per Contractors construction schedule of values. Incurred costs earlier than the forecasted baseline.
7. Due to uncertainties at the start of this hot status project, high margin was included in the ROM estimate.
8. Added facilitating projects for Cargo 7, Cargo 3, Cargo 6 and Gate D6 Conversion.
9. Project is progressing slower than expected, working to accelerate and rearrange the work. Next quarter will have a clearer perspective if the work and cashflow will catchup to projections.
10. Overall SAMS 2024 cashflow variance due to DBB bid. Project went back to Commission in June 2024 for add'l \$2.614K budget to award DBB, thus 2024 DBB Award delay of 7-8 months impacting schedule and 2024 cashflow.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/24

III. MARITIME DIVISION

FINANCIAL SUMMARY (Excludes Pension Adjustments)

\$ in 000's	2022	2023	2024	2024	Actual vs. Budget		Change from 2023	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Total Revenues	71,365	82,499	88,832	86,132	2,700	3%	6,332	8%
Total Operating Expenses	59,556	70,395	74,073	72,589	(1,484)	-2%	3,678	5%
Net Operating Income	11,808	12,105	14,759	13,543	1,216	-9%	2,654	-22%
<i>NOI Including Pension Adj</i>	14,375	15,664	14,759	13,543	(268)	2%	(905)	-6%
Capital Expenditures	21,949	21,935	78,701	72,976	(5,725)	-8%	56,766	259%

2024 Forecast vs. 2024 Budget

- Operating Revenues are forecasted \$2.7M higher than budget primarily from an improved outlook for Grain volumes and higher Cruise occupancy.
- Operating Expenses forecasted \$1.5M higher than budget from unplanned legal expenses, police, and payroll.
- Net Operating Income Planned \$1.2M above budget.
- Capital Spending forecasted at 108% of \$73M budget.

2024 Forecast vs. 2023 Actuals

- Operating Revenues expected \$6.3M higher than 2023 with from higher grain volumes and first full year impact of T106 ground lease.
- Operating Expenses forecasted \$3.7M higher than 2023 actual driven primarily by increased represented and non-represented wage rates.
- Net Operating Income forecasted \$2.7M higher than 2023 actual.

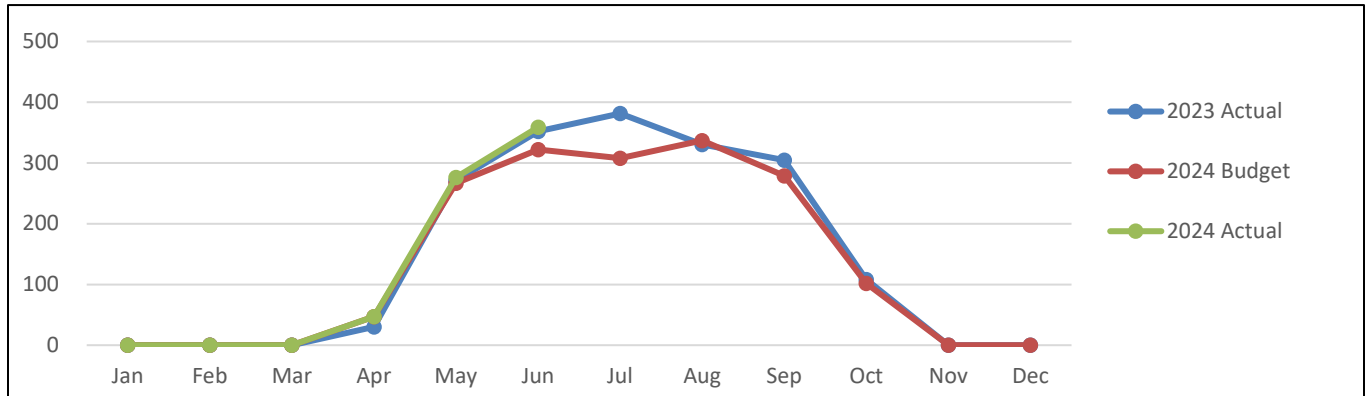
Net Operating Income before Depreciation by Business

\$ in 000's	2023 YTD	2024 YTD	2024 YTD	Actual vs. Budget		Change from 2023	
	Actual	Actual	Budget	\$	%	\$	%
Ship Canal Fishing & Operations	(1,422)	(1,507)	(2,120)	613	29%	(84)	-6%
Elliott Bay Fishing & Commercial Operations	(676)	(843)	(754)	(89)	-12%	(167)	NA
Recreational Boating	259	576	257	318	124%	316	122%
Cruise	8,349	9,428	4,938	4,490	-91%	1,079	-13%
Grain	868	2,068	1,785	283	16%	1,200	138%
Maritime Portfolio	(1,683)	(903)	(1,723)	821	48%	781	46%
All Other	(550)	(475)	(118)	(357)	301%	75	-14%
Total Maritime	5,145	8,344	2,264	6,080	-269%	3,200	-62%

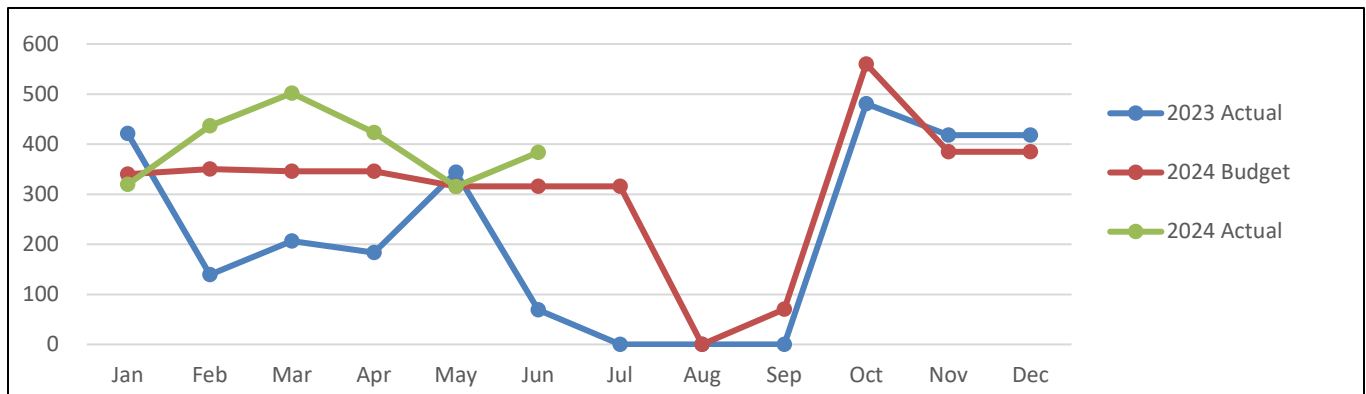
III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/24

A. KEY PERFORMANCE METRICS

Cruise Passengers in 000's



Grain Volumes in 000's



III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/24

B. OPERATING RESULTS

	2022 YTD	2023 YTD	2024 YTD	2024 YTD	Actual vs. Budget		Change from 2023	
	Actual	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's								
Ship Canal Fishing & Operations	2,328	2,651	2,650	2,531	119	5%	(1)	0%
Elliott Bay Fishing & Commercial Operation	2,638	2,829	2,872	2,858	14	0%	43	2%
Recreational Boating	6,914	7,751	8,321	8,230	91	1%	570	7%
Cruise	11,258	15,437	19,027	15,713	3,313	21%	3,589	23%
Grain	3,405	1,964	3,079	2,773	306	11%	1,116	57%
Maritime Portfolio Management	5,237	5,205	6,136	5,931	205	3%	931	18%
Other	7	18	6	2	4		(13)	-68%
Total Revenue	31,788	35,856	42,092	38,039	4,053	11%	6,236	17%
Expenses								
Maritime (Excl. Maint)	9,021	8,477	8,985	9,599	614	6%	508	6%
Economic Development	2,864	2,718	2,789	3,070	281	9%	71	3%
Total Direct	11,884	11,196	11,774	12,669	895	7%	579	5%
Maintenance Expenses	6,387	7,148	7,818	7,710	(108)	-1%	670	9%
Envir Services & Planning	755	1,401	2,195	2,111	(84)	-4%	794	57%
Seaport Finance & Cost Recovery	473	622	714	839	125	15%	92	15%
Seaport Project Management	445	849	656	1,552	896	58%	(193)	-23%
Total Support Services	8,060	10,020	11,382	12,212	829	7%	1,363	14%
IT	1,526	1,794	2,026	2,048	22	1%	232	13%
Police Expenses	1,577	2,244	2,732	2,525	(208)	-8%	489	22%
External Relations	743	824	978	1,097	119	11%	154	19%
Other Central Services	4,080	4,472	4,685	5,012	327	7%	213	5%
Aviation Division / Other	179	162	170	212	42	20%	8	5%
Total Central Services / Other	8,105	9,496	10,591	10,894	302	3%	1,095	12%
Total Expense	28,050	30,711	33,748	35,775	2,027	6%	3,036	10%
NOI Before Depreciation	3,738	5,145	8,344	2,264	6,080	-269%	3,200	-62%
Depreciation	8,952	9,100	8,987	8,811	(177)	-2%	(112)	-1%
NOI After Depreciation	(5,214)	(3,955)	(643)	(6,547)	5,903	90%	3,312	84%

2024 YTD Actuals vs. 2024 YTD Budget

- Operating Revenues were \$4,053K higher than budget driven by:
 - Ship Canal over \$119K from higher occupancy and Utility Sales.
 - Elliott Bay Fishing above by \$14K.
 - Recreational Boating \$91K higher from higher occupancies at Bell Harbor and Shilshole Bay Marinas, offset from construction at Harbor Island Marina.
 - Cruise \$3,316K higher from higher occupancy and about \$1M in overbilled revenue which will reverse in Q3.
 - Grain \$306K higher from higher corn volumes.
 - Maritime Portfolio Management \$205K higher due to market rate reset and a higher proportion of lease continuation than budgeted.
- Operating Expenses were \$2,027 lower than budget:
 - Direct Expenses were \$895K lower than budget
 - Elliot Bay Fishing and Commercial \$115K lower from bad debt recovery.
 - Recreational Boating is over budget \$68K from an injury claim in late 2023 applied in 2024.
 - Cruise \$430K under from timing of outside services and lower utility spend.
 - Maritime Security is \$33K lower than budget as no security was needed at T102.
 - Maritime Marketing \$196K below budget due to timing of marketing and advertising spend.
 - Maritime Portfolio Management \$248K below budget from lower TI/Broker Fees.
 - Unbudgeted Capital to expense of \$42K.
 - Division Administration & Planning under budget by \$263K from open FTEs.
 - Divisional contingency open headcount vacancy factor created a \$425K unfavorable variance.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/24

- All other Direct Expenses net to \$145K under budget.
- Total Support Services were \$829K lower than budget due primarily to timing of small works expense projects.
- Total Central Services / Other were \$302K favorable to budget.
- Net Operating Income was \$6.5M favorable to budget.

2024 YTD Actuals vs. 2023 YTD Actuals

- Operating Revenues were \$6,236K higher than 2023 due to increase in Grain volumes & cruise and moorage rate increases.
- Operating Expenses were \$3,036M higher than 2023 actual driven primarily by payroll increases.
- Net Operating Income was \$3.2M higher than 2023 actual.

	2022	2023	2024	2024	Actual vs. Budget Variance		Change from 2023	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
\$ in 000's								
Ship Canal Fishing & Operations	4,592	5,076	5,084	4,984	100	2%	8	0%
Elliott Bay Fishing & Commercial Operation	5,975	6,564	5,731	5,731	0	0%	(832)	-13%
Recreational Boating	13,978	15,505	16,568	16,468	100	1%	1,063	7%
Cruise	30,469	41,726	43,057	41,057	2,000	5%	1,331	3%
Grain	5,792	3,356	5,491	5,191	300	6%	2,135	64%
Maritime Portfolio Management	10,550	10,263	12,897	12,697	200	2%	2,634	26%
Other	10	9	4	4	0	NA	(6)	-60%
<i>Pension Revenue Adjustment</i>	<i>170</i>	<i>(90)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>NA</i>	<i>90</i>	<i>NA</i>
Total Revenue	71,534	82,410	88,832	86,132	2,700	3%	6,422	8%
Expenses								
Maritime (Excl. Maint)	17,706	21,675	20,087	19,787	(300)	-2%	(1,588)	-7%
Economic Development	5,710	4,973	6,326	6,326	0	0%	1,353	27%
Total Direct	23,416	26,648	26,413	26,113	(300)	-1%	(235)	-1%
Maintenance Expenses	13,213	15,839	15,283	14,983	(300)	-2%	(556)	-4%
Envir Services & Planning	3,120	3,814	5,002	4,802	(200)	-4%	1,189	31%
Seaport Finance & Cost Recovery	1,087	1,291	1,753	1,653	(100)	-6%	462	36%
Seaport Project Management	1,007	1,819	2,917	3,117	200	6%	1,098	60%
Total Support Services	18,426	22,762	24,955	24,555	(400)	-2%	2,193	10%
IT	3,223	3,706	4,128	4,128	0	0%	422	11%
Police Expenses	3,662	5,333	5,200	4,929	(271)	-5%	(132)	-2%
External Relations	1,552	1,736	2,039	2,158	119	6%	303	17%
Other Central Services	8,908	9,882	10,983	10,351	(632)	-6%	1,102	11%
Aviation Division / Other	368	328	354	354	0	0%	26	8%
Total Central Services / Other	17,714	20,985	22,705	21,921	(784)	-4%	1,720	8%
Total Expense before Pension Adjustment	59,556	70,395	74,073	72,589	(1,484)	-2%	3,678	5%
<i>Pension Expense Adjustment</i>	<i>(2,396)</i>	<i>(3,649)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>NA</i>	<i>3,649</i>	
Total Expense	57,160	66,745	74,073	72,589	(1,484)	-2%	7,328	11%
<i>NOI excluding Pension Adjustments</i>	<i>11,808</i>	<i>12,105</i>	<i>14,759</i>	<i>13,543</i>	<i>1,216</i>	<i>9%</i>	<i>2,654</i>	<i>22%</i>
NOI Before Depreciation	14,375	15,664	14,759	13,543	1,216	9%	(905)	-6%
Depreciation	17,980	18,193	17,531	17,531	0	0%	(662)	-4%
NOI After Depreciation	(3,606)	(2,529)	(2,772)	(3,988)	1,216	30%	(244)	-10%

2024 Forecast vs. 2024 Budget

- Operating Revenues are forecasted \$2.7M higher than budget:
 - Cruise \$2M up on increased occupancy rates.
 - Grain \$300K up from volumes.
 - Maritime portfolio management up \$200K from higher rates and unplanned continuation of leases.
- Operating Expenses forecasted \$1,484K above budget from payroll (lower vacancies and possible equity increases) and unplanned police and legal expenses.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/24

- Net Operating Income Planned \$1,216K above budget.

2024 Forecast vs. 2023 Actuals (Excludes Pension Adjustment)

- Operating Revenues expected \$6.4M higher than 2023 with higher grain volumes and the full year impact of the T106 ground lease with Trammel Crowe.
- Operating Expenses forecasted \$3.7M higher than 2023 actual driven primarily by increased represented and non-represented wage rates.
- Net Operating Income absent pension costs is forecasted \$2.7M higher than 2023 actual.

C. CAPITAL RESULTS

	2024 YTD Actual	2024 YE Forecast	2024 Budget	2024 POF	Budget vs Forecast	
					\$	%
\$ in 000's						
P66 Shore Power	17,640	25,529	25,085	27,752	444	2%
T91 Berth 6 & 8 Redev	285	23,420	21,931	19,223	1,489	7%
FT Maritime Innovation Center	2,537	7,499	7,384	14,789	115	2%
P66 Fender Replacement	1,871	2,621	2,800	2,382	(179)	-6%
MIC Electrical Replacements	956	2,152	2,203	411	(51)	-2%
T91 New Cruise Gangway	64	2,414	2,090	3,040	324	16%
Sustainable Eval Framework Res	0	0	2,000	2,000	(2,000)	-100%
HIM Dock-E Improvements	1,970	2,080	1,920	2,350	160	8%
MD Small Projects	882	1,849	2,340	2,234	(491)	-21%
MD Fleet	1,672	4,977	3,912	4,252	1,065	27%
All Other Projects	3,660	14,131	15,575	30,592	(1,444)	-9%
Subtotal	31,537	86,672	87,240	109,025	(568)	-1%
CIP Cashflow Mgt - MD	0	(7,971)	(14,264)	(24,200)	6,293	-44.1%
Total Maritime	31,537	78,701	72,976	84,825	5,725	8%
% of Capital Budget	43%	108%	100%			

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

Comments on Key Projects with Significant Variances

- **Shore Power** – Accelerated civil duct work and mobilization have shifted cash flows from 2024 into current year. Overall project cost has not increased.
- **T91 Berth 6&8** – Firmer payment schedules after replanning for Stormwater treatment and ERL soil removal.

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/24

IV. ECONOMIC DEVELOPMENT DIVISION

FINANCIAL SUMMARY

	2022	2023	2024	2024	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2023	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
\$ in 000's								
Total Revenues	17,799	17,215	17,542	21,542	(4,000)	-19%	327	2%
Total Operating Expenses	24,213	26,661	27,810	30,669	2,859	9%	1,149	4%
Net Operating Income	(6,414)	(9,446)	(10,268)	(9,127)	(1,141)	-13%	(821)	-9%
<i>NOI Including Pension Adj</i>	(5,784)	(8,279)	(10,268)	(9,127)	1,718	19%	(1,989)	-24%
Capital Expenditures	4,311	6,136	4,404	5,137	733	14%	(1,732)	-28%

2024 Forecast vs. 2024 Budget

- Operating Revenues forecasted to \$4M unfavorable to budget due to lower volumes at the Conference & Event Center.
- Operating Expenses \$2.9M below budget due to variable cost impact of lower Conference Center volumes.
- Net Operating Income forecasted at \$1.1M below budget.
- Capital Spending forecasted at 86% of \$5.1M budget.

2024 Forecast vs. 2023 Actuals

- Operating Revenues forecasted \$0.3M higher than 2023 with increases in Conference & Event Center along with increased concession revenue at the Bell Street garage.
- Operating Expenses \$1.1M higher than 2023 due to payroll increases and Conference & Event Center volumes and change in the EDD Grants from 1yr to 2yr cycle.
- Net Operating Income forecasted \$0.8M lower than 2023 actual.

Net Operating Income before Depreciation by Business

	2023 YTD	2024 YTD	2024 YTD	Actual vs. Budget Variance		Change from 2023	
	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's							
Portfolio Management	(412)	(1,421)	(1,731)	310	18%	(1,010)	-245%
Conference & Event Centers	(1,895)	(1,742)	(1,476)	(266)	-18%	153	8%
Tourism	(534)	(456)	(760)	304	40%	78	15%
EDD Grants	(143)	(66)	(277)	212	76%	77	54%
Env Grants/Remed Liab/ERC	(46)	(118)	173	(291)	-168%	(71)	155%
Total Econ Dev	(3,031)	(3,803)	(4,072)	269	7%	(773)	-25%

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/24

A. OPERATING RESULTS

	2022 YTD	2023 YTD	2024 YTD	2024 YTD	Actual vs. Budget Variance		Change from 2023	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
Revenue	4,142	4,984	5,145	5,060	84	2%	161	3%
Conf & Event Centers	2,538	3,377	3,687	4,965	(1,278)	-26%	310	9%
Total Revenue	6,680	8,361	8,832	10,025	(1,193)	-12%	470	6%
Expenses								
Portfolio Management	1,898	1,534	2,025	1,916	(108)	-6%	491	32%
Conf & Event Centers	2,333	3,509	3,591	4,477	886	20%	82	2%
P69 Facilities Expenses	98	103	100	119	19	16%	(3)	-3%
RE Dev & Planning	132	145	115	122	6	5%	(30)	-21%
EconDev Expenses Other	492	503	778	323	(456)	-141%	276	55%
Maintenance Expenses	1,718	1,577	1,630	2,058	429	21%	53	3%
Maritime Expenses (Excl Maint)	535	661	651	929	277	30%	(10)	-2%
Total EDD & Maritime Expenses	7,205	8,032	8,890	9,944	1,053	11%	858	11%
Diversity in Contracting	57	83	79	122	44	36%	(5)	-6%
Tourism	1,099	524	558	745	187	25%	34	6%
EDD Grants	(1)	143	66	277	212	76%	(77)	-54%
Total EDD Initiatives	1,155	750	702	1,144	442	39%	(48)	-6%
Environmental & Sustainability	10	21	31	49	17	36%	11	53%
Police Expenses	103	121	160	148	(12)	-8%	39	32%
Other Central Services	2,319	2,402	2,782	2,735	(47)	-2%	380	16%
Aviation Division	80	66	69	77	8	11%	3	4%
Total Central Services & Aviation	2,513	2,609	3,043	3,009	(33)	-1%	433	17%
Envir Remed Liability	0	0	0	0	0	NA	0	NA
Total Expense	10,872	11,392	12,635	14,097	1,462	10%	1,243	11%
NOI Before Depreciation	(4,192)	(3,031)	(3,803)	(4,072)	269	7%	(773)	-25%
Depreciation	1,906	2,064	2,096	2,026	(70)	-3%	32	2%
NOI After Depreciation	(6,099)	(5,094)	(5,899)	(6,098)	199	3%	(805)	-16%

2024 YTD Actuals vs. 2024 YTD Budget

- Operating Revenues were \$1,193K below budget primarily due to lower volumes than budgeted at Conference & Event Center.
- Operating Expenses were \$1,462K below budget:
 - Portfolio Management \$108K over with from unplanned expenses.
 - Conference and Event Center \$886K lower from lower activity.
 - Economic Dev. Other over budget \$456K primarily due to \$250K Greater Seattle Partners invoice being budgeted for Q3 but paid in Q1 and Maritime Blue budgeted in EDD Grants.
 - Marine Maintenance \$429K lower primarily due to timing of Maintenance Materials and Outside Services (Other Contracted Services) spending.
 - Maritime Expenses (Excl Maintenance) \$277K lower due to timing of project spend primarily Small Works Construction Services and Contract Watchmen/Dispatchers.
 - EDD Initiatives \$442K below budget due to State of Washington Tourism invoice still being in process, timing of EDD Grant spending, open FTE's and Maritime Blue budgeted in EDD Grants but actuals in EconDev other.
 - All other expenses net to \$8K over budget.
- Net Operating Income was \$269K favorable to budget.

2024 YTD Actuals vs. 2023 YTD Actuals

- Operating Revenues were \$470K higher than 2023 actual from fewer Conference & Event Centers event cancellations, parking revenues, and leases.
- Operating Expenses were \$1,243K higher than 2023 actual:
 - Portfolio management \$491K higher due to higher Outside Services and bad debt recovery in 2023.

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/24

- Conference and Event Centers \$82K higher than 2023 due to variable costs associated with higher Conference and Event Center volumes.
- Econ Division other up \$276K due to \$250K Greater Seattle Partners invoice being budgeted for Q3 but paid in Q1.
- Central services up \$443K from increased payroll
- All other Expenses net to \$49K lower than 2023.
- Net Operating Income was \$773K lower than 2023 actual.

	2022	2023	2024	2024	Actual vs. Budget Variance		Change from 2023	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
\$ in 000's								
Revenue	8,886	10,477	10,386	10,386	0	0%	(91)	-1%
Conf & Event Centers	8,914	6,738	7,156	11,156	(4,000)	-36%	418	6%
Total Revenue	17,799	17,215	17,542	21,542	(4,000)	-19%	327	2%
Expenses								
Portfolio Management	3,653	3,713	3,917	3,917	0	0%	205	6%
Conf & Event Centers	6,563	6,632	6,602	9,602	3,000	31%	(30)	0%
P69 Facilities Expenses	230	254	225	225	0	0%	(29)	-11%
RE Dev & Planning	299	340	249	249	0	0%	(91)	-27%
EconDev Expenses Other	1,058	1,736	1,433	1,058	(375)	-35%	(303)	-17%
Maintenance Expenses	3,836	3,498	4,024	4,024	0	0%	526	15%
Maritime Expenses (Excl Maint)	1,223	1,501	1,894	1,894	0	0%	393	26%
Total EDD & Maritime Expenses	16,862	17,674	18,346	20,971	2,625	13%	672	4%
Diversity in Contracting	186	268	250	250	0	0%	(18)	-7%
Tourism	1,737	1,540	1,875	1,875	0	0%	335	22%
EDD Grants	105	1,491	1,005	1,505	500	33%	(486)	-33%
Total EDD Initiatives	2,028	3,300	3,130	3,630	500	14%	(169)	-5%
Environmental & Sustainability	30	53	94	108	14	13%	41	77%
Police Expenses	240	288	305	289	(16)	-6%	17	6%
Other Central Services	4,906	5,206	5,803	5,539	(264)	-5%	597	11%
Aviation Division	147	141	132	132	0	0%	(9)	-7%
Total Central Services & Aviation	5,323	5,688	6,334	6,068	(266)	-4%	646	11%
Total Expense before Pension Adjustment	24,213	26,661	27,810	30,669	2,859	9%	1,149	4%
Pension Expense Adjustment	(629)	(1,168)	0	0	0	NA	1,168	100%
Total Expense	23,584	25,494	27,810	30,669	2,859	9%	2,316	9%
NOI Before Depreciation	(5,784)	(8,279)	(10,268)	(9,127)	(1,141)	-13%	(1,989)	-24%
Depreciation	3,954	4,132	4,028	4,028	0	0%	(105)	-3%
NOI After Depreciation	(9,738)	(12,411)	(14,295)	(13,154)	(1,141)	-9%	(1,884)	-15%

2024 Forecast vs. 2024 Budget

- Operating Revenues forecasted to \$4M below budget due to lower volumes at the Conference & Event Center.
- Operating Expenses \$2.9M below budget due to variable cost impact of lower Conference Center volumes.
- Net Operating Income forecasted at \$1.1M below budget.

2024 Forecast vs. 2023 Actuals (Excludes Pension Adjustments)

- Operating Revenues forecasted \$0.3M higher than 2023 with modest increases in Conference & Event Center along with increased concession revenue at the Bell Street garage.
- Operating Expenses \$1.1M higher than 2023 due to payroll increases, Conference & Event Center volumes and change in the EDD Grants from 1yr to 2yr cycle.
- Net Operating Income forecasted \$0.8M lower than 2023 actual excluding pension adjustments.

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/24

B. CAPITAL RESULTS

	2024 YTD Actual	2024 YE Forecast	2024 Budget	2024 POF	Budget vs Forecast	
					\$	%
\$ in 000's						
T91 Uplands Dev Phase I	801	1,751	2,650	18,409	(899)	-34%
P69 Underdock Utility Rplc	730	850	1,050	600	(200)	-19%
P69 Public Video Wall	41	291	575	725	(284)	-49%
WTCW Roof Replacement	187	452	461	83	(9)	-2%
P69 Computer Room CRAC Repl	44	386	386	529	0	0%
T91 Ped Path and Bike Bridge	156	267	346	1,350	(79)	-23%
EDD Tenant Improvements	0	300	300	300	0	0%
EDD Technology Projects	0	250	250	250	0	0%
CW Bridge Elev Modernizations	117	117	220	0	(103)	-47%
P69 3rd Floor Terrace Repair	0	10	130	775	(120)	-92%
All Other Projects	173	692	579	6,204	113	20%
Subtotal	2,249	5,366	6,947	29,225	(1,581)	-23%
CIP Cashflow Mgmt Reserve	0	(962)	(1,810)	(8,724)	848	-47%
Total Economic Development	2,249	4,404	5,137	20,501	(733)	-14%
% of Capital Budget	44%	86%	100%			

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

Comments on Key Projects

- **T91 Uplands** – Cash flows pushed out to 2024 due to design contract delays.
- **P69 Under dock** – Project nearly complete.
- **P69 Public Video Wall** – Delayed while final design modifications are pending executive review/approval.

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/24

V. CENTRAL SERVICES DIVISION

FINANCIAL SUMMARY

\$ in 000's	2022 YTD	2023 YTD	2024 YTD	2024 YTD	Actual vs. Budget		Change from 2023	
	Actual	Actual	Actual	Budget	Variance		Incr (Decr)	
					\$	%	\$	%
Total Operating Revenues	271	290	145	48	96	199.6%	(145)	-50.0%
Core Central Support Services	44,434	51,528	60,287	59,243	(1,044)	-1.8%	8,758	17.0%
Police	14,211	17,323	22,345	20,754	(1,591)	-7.7%	5,022	29.0%
Engineering/PCS	4,418	6,383	6,607	9,571	2,964	31.0%	224	3.5%
Total Operating Expenses	63,064	75,235	89,239	89,568	330	0.4%	14,004	18.6%

2024 YTD Actuals vs. 2024 YTD Budget

- Operating Revenues favorable by \$96K due primarily to Police forfeiture Revenues and other Reimbursable Revenue.
- Operating Expenses \$330K favorable to budget mainly due to lower Outside Services, Travel, Equipment, and higher charges to Capital Projects; offset by higher Payroll, Promotional Expenses, and General Expenses.

2024 YTD Actuals vs. 2023 YTD Actuals

- Operating Revenues \$145K below 2023 mainly due to lower Police forfeiture.
- Operating Expenses \$14.0M higher than 2023 mainly due to higher Payroll, Outside Services, Promotional Expenses, and General Expenses; partially offset by higher charges to Capital Projects and lower Equipment.

A. BUSINESS EVENTS

- Hosted media events to welcome new service announcements for Philippine Airlines, Hainan Airlines, Alaska Airlines, Delta and Lufthansa.
- Celebrated inaugural call of the Celebrity Edge cruise ship.
- Announced South King County Fund Environmental Grants.
- Hosted media for Maritime Innovation Center Groundbreaking event.
- Signed MOA with Suquamish Indian Tribe.
- Participated in the Green Infrastructure Leadership Exchange panel discussion alongside members from the Port’s Stormwater Utility Team, King County’s Department of Natural Resources and Parks and Dirt Corps.
- Received ultra-clean audit results on FY 2023 external audits.
- Submitted \$500 million joint grant application with NWSA and Port of Tacoma for the EPA’s Clean Ports Program for a variety of zero emissions technologies.
- Hired 85 positions in Q2 and 185 total hires year to date; of the 185 total hires, 141 were external and 44 were internal. Additionally, over 40 high school interns were hired for the summer program.
- 95% of Port employees completed the required EEO Compliance trainings as of Q2.
- Sponsored Seattle Sport’s Commission Region Ready Event.
- Hosted America is All-In Roundtable, Tour & Press Conference with Gov. Inslee & Gina McCarthy; facilitated All In videotaping with Duwamish Valley partners.
- Hosted three Part 150 Community Workshops in Burien, Des Moines, and SeaTac.
- Sponsored strategic partner business and community events including: Propeller Club Gala, Khmer Annual New Years, Kirkland State of the City, Kirkland Chamber Gala, Duwamish Alive, BikeWorks Gala, Visit Bellevue Annual Meeting, Seattle Southside Chamber Education and Workforce Summit, Maritime Industry Breakfast, Woodinville Chamber Economic Development, Bike Everywhere Day, West Seattle Chamber Business Awards, Redmond State of the City, Woodinville Wine Co FAM, Highline Heritage Museum Gala, Visit Seattle Data Symposium Bellevue Chamber Gala, East King Co Leg Coalition Wrap Up, SnoValley Leg Review.

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/24

B. KEY PERFORMANCE METRICS

Century Agenda Strategic Objectives	YTD 2022	YTD 2023	YTD 2024
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	660	1118	864
B. Number of SEA Airport tenants supported in finding employees	82	95	103
C. Employment Center training completions	270	554	477
D. K-12 Career Connected Learning: WFD engagement with teachers/faculty	0	13	7
E. Community members entering employment in construction, maritime and environmental sustainability	37	26	13
F. Number of Job Openings Posted	187	199	111
G. Job applications received	7,662	6,477	5,937
H. Number of job interviews conducted	1,314	968	659
I. Number of new employees hired	276	284	157
J. Number of interns	48	284	157
K. Number of Veteran Fellows	1	0	1
L. Number of employees participating in Tuition Reimbursement	36	25	17
Become a Model for Equity, Diversity and Inclusion			
A. Employee participation in OEDI programming (Caucuses, Book Clubs, Town Halls, etc.)	850	878	1357
Be a Highly Effective Public Agency			
A. Central Services costs as a % of Total Operating Expenses	28.0%	27.7%	30.0%
B. Investment portfolio earnings versus the benchmark (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index)	1.17%/2.95%	3.11%/4.98%	3.70%/4.79%
C. Comply with Public Disclosure Act and respond in a timely manner	418	671	381
D. Percent of annual audit work plan completed each year	100%	100%	100%
E. Employee Development Class Attendees/Structured Learning	1,097	1,490	1,655
F. Total Recordable Incident Rate (previous Occupational Injury Rate)	3.32	5.72	4.09
G. Lost Work Day Rate (previously Days Away Severity Rate)	18.41	73.69	16.73

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/24

C. OPERATING RESULTS

Financial Summary (Year-End Forecast)

	2022 YTD	2023 YTD	2024 YTD	2024 YTD	Actual vs. Budget		Change from 2023	
	Actual	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's								
Total Revenues	271	290	145	48	96	199.6%	(145)	-50.0%
Executive	1,187	2,157	3,749	2,317	(1,432)	-61.8%	1,592	73.8%
Commission	1,167	1,225	1,579	1,752	173	9.9%	354	28.9%
Legal	3,288	3,425	5,220	2,994	(2,226)	-74.3%	1,795	52.4%
External Relations	4,166	4,732	5,612	6,484	872	13.5%	880	18.6%
Equity Diversity and Inclusion	1,291	1,561	2,131	3,071	940	30.6%	570	36.5%
Human Resources	5,068	6,036	7,036	8,253	1,217	14.7%	999	16.6%
Labor Relations	571	668	824	807	(17)	-2.1%	156	23.3%
Internal Audit	1,609	1,189	967	1,124	157	14.0%	(222)	-18.7%
Accounting & Financial Reporting Services	4,255	4,742	5,163	5,827	663	11.4%	421	8.9%
Information & Communication Technology	13,166	14,876	15,927	15,819	(108)	-0.7%	1,051	7.1%
Information Security	810	1,117	1,352	1,445	93	6.4%	234	21.0%
Finance & Budget	1,165	1,419	1,569	1,645	76	4.6%	150	10.5%
Business Intelligence	684	810	937	1,116	180	16.1%	127	15.7%
Risk Services	2,392	2,724	3,163	3,172	9	0.3%	439	16.1%
Office of Strategic Initiatives	435	698	613	787	174	22.1%	(86)	-12.3%
Central Procurement Office	2,964	3,694	3,867	4,353	486	11.2%	174	4.7%
Contingency	(63)	(43)	(48)	(2,712)	(2,664)	98.2%	(4)	9.9%
Core Central Support Services	44,156	51,031	59,660	58,254	(1,406)	-2.4%	8,629	16.9%
Police	14,211	17,323	22,345	20,754	(1,591)	-7.7%	5,022	29.0%
Total Before Cap Dev & Environment	58,367	68,354	82,005	79,008	(2,996)	-3.8%	13,651	20.0%
Capital Development								
Engineering	2,865	3,928	4,336	5,627	1,291	22.9%	409	10.4%
Port Construction Services	1,553	2,455	2,270	3,944	1,673	42.4%	(185)	-7.5%
Sub-Total	4,418	6,383	6,607	9,571	2,964	31.0%	224	3.5%
Environment & Sustainability								
Environment & Sustainability	273	497	627	989	362	36.6%	130	26.2%
Sub-Total	273	497	627	989	362	36.6%	130	26.2%
Industrial Development Corporation	-	1	-	-				
Capital to Expense	6	-	-	-				
Total Expenses	63,064	75,235	89,239	89,568	330	0.4%	14,004	18.6%

2024 Forecast vs. 2024 Budget

Operating Expenses for 2024 are forecasted to be \$5.0M over Budget due primarily to:

- **Executive** – unfavorable variance of (\$2.5M) primarily due to higher Promotional Expenses (\$2.5M).
- **Commission** – favorable variance of \$139K primarily due to lower Payroll of \$117K and Outside Services of \$42K; offset by higher General Expenses of (\$20K).
- **Legal** – unfavorable variance of (\$4.8M) due to higher Outside Services (\$4.6M), Payroll (\$122K), and less charges to Capital Projects (\$75K); offset by lower General Expenses of \$50K.
- **External Relations** – favorable variance of \$551K primarily due to lower Outside Services of \$356K, Payroll \$166K, and Travel \$29K.
- **Equity, Diversity, and Inclusion** – favorable variance of \$498K primarily due to lower Outside Services of \$383K and Payroll of \$81K.
- **Human Resources** – favorable variance of \$1.3M primarily due to lower Payroll of \$1.1MK, General Expenses \$156K, and Travel \$50K.
- **Labor Relations** – unfavorable variance of (\$17K) primarily due to higher Payroll (\$34K); offset by lower Travel \$17K.
- **Internal Audit** – favorable variance of \$125K primarily due to lower Payroll of \$128K.
- **Accounting and Financial Reporting Services** – favorable variance of \$590K primarily due to lower Payroll of \$431K, Outside Services \$83K, and Travel \$59K.
- **Information & Communication Technology** – expects to be on target.
- **Information Security** – favorable variance of \$48K primarily due to lower Outside Services of \$81K; offset by higher Payroll (\$20K) and Travel (\$10K).
- **Corporate Finance & Budget** – favorable variance of \$99K primarily due to lower Outside Services \$156K and Travel \$6K; offset by higher Payroll of (\$66K).
- **Business Intelligence** – favorable variance of \$115K primarily due to lower Outside Services of \$120K and Travel \$29K; offset by higher Payroll (\$23K) and Promotional Expenses (\$7K).
- **Risk Services** – favorable variance of \$195K due to lower Outside Services of \$54K and Insurance Expense of \$146K.
- **Office of Strategic Initiative** – favorable variance of \$144K primarily due to lower Payroll of \$145K.
- **Central Procurement Office** – favorable variance of \$607K primarily due to lower Payroll of \$626K.
- **Police** – unfavorable variance of (\$2.2M) primarily due to higher Payroll (\$2.4M), General Expenses (\$560K), and Supplies (\$39K); partially offset by lower Outside Services \$551K and Travel \$231K.
- **Engineering** – favorable variance of \$1.7M primarily due to lower Payroll \$682K, Outside Services \$271K, Equipment \$126K, and Overhead Allocations of \$374K.
- **PCS** – favorable variance of \$1.8M primarily due to lower Payroll of \$840K and higher charges to Capital Projects \$1.0M.
- **Environment & Sustainability Admin** – favorable variance of \$271K primarily due to lower Payroll of \$70K and lower Outside Services of \$242K; offset by higher Travel of (\$39K).
- **Contingency** – unfavorable variance of (\$3.6M) due to vacancy factor actuals in departments and Compensation Study.

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/24

2024 Forecast vs. 2023 Actuals

- Operating Expenses for 2024 are forecasted to be \$15.4M higher than 2023, after adjusting for \$14.5M state pension credit in 2023 actuals, mainly due to:
 - **Core Central Support Services** – \$11.3M higher than 2023 primarily due to: higher payroll for current employees and new positions as well as full year salaries for mid-year 2023 positions; contractual increases; addition of new initiatives to support growing needs of the organization.
 - **Police** – \$1.6 above 2023 due to: increase in salary and benefits for represented groups based on new contracts, new positions, vacant positions in 2023, and addition of new initiatives to enhance the safety and security of the public.
 - **Capital Development** – \$1.8M higher than 2023 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	2024	2024	2024	2024	Budget Variance	
	YTD Actual	Year-End Forecast	Budget	Plan of Finance	\$	%
Engineering Fleet Replacement	276	3,817	3,716	1,890	(101)	-2.7%
Corporate Fleet Replacement	251	1,072	1,189	920	117	9.8%
Services Tech - Small Cap	688	2,046	1,623	1,500	(423)	-26.1%
Infrastructure - Small Cap	437	958	1,500	1,500	542	36.1%
Enterprise Network Refresh	1,645	2,045	2,600	2,600	555	21.3%
ID Badge System Upgrade	72	2,072	2,551	2,550	479	18.8%
Radio Microwave Redundancy Loop	11	341	2,272	1,973	1,931	85.0%
Public Safety Dispatch & Police RMS	220	220	950	1,720	730	76.8%
Enterprise Firewall Refresh	11	510	1,550	1,460	1,040	67.1%
Physical Access Control System Refresh	5	905	1,250	1,100	345	27.6%
Office Wi-Fi Refresh	607	612	1,565	1,000	953	60.9%
Other (note 1)	657	3,413	5,052	5,916	1,639	32.4%
Subtotal	4,880	18,011	25,818	24,129	7,807	30.2%
CIP Cashflow Adjustment	-	(4,600)	(6,800)	(6,200)	(2,200)	32.4%
TOTAL	4,880	13,411	19,018	17,929	5,607	29.5%

Note:

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