



Item No. [11c attach](#)  
Meeting Date: [March 9, 2021](#)

# **PORT OF SEATTLE**

## **2020 FINANCIAL PERFORMANCE REPORT**

**AS OF DECEMBER 31, 2020**

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# I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 12/31/20

## I. PORTWIDE

### EXECUTIVE SUMMARY

The COVID-19 pandemic caused disruptions across the nation and the Port. At the airport, there was a decline of 61% in passenger activity compared to 2019. The 2020 Alaska cruise season was cancelled. Operating revenues were lower than 2020 budget across the board, except Employee Parking, Fishing and Operations, and Grain. The Port reacted proactively and responsibly by cutting \$30M in operating expenses through hiring freeze and other cost saving measures, in addition to deferring about \$40M in capital spending.

In order to reduce operating expenses to preserve cash in the short term, the Port is taking a strategic long-term view of capital and other community investments. Capital projects have been reviewed and re-prioritized while some have been accelerated (i.e. North Satellite, Baggage Optimization, T117 Restoration). As a result, the 2020 capital spending exceeded the revised budget by \$4.5M for the first time in many years. To support the community through these challenging times, the Port Commission approved the addition of \$1.5M for Tourism Recovery Initiative and \$1.5M to support Youth Opportunity Initiative that provided nearly 200 jobs to youth in underserved communities.

The Port received \$192M in CARES Act funding; \$147M was used for Airport debt service and operating costs in 2020 and the remaining \$45M would be retained for 2021. The Port also secured a \$150M letter of credit to ensure adequate cash to meet business needs in early 2020. Additionally, the Port is applying for FEMA Reimbursement for all eligible costs related to COVID-19 response. Finally, the 2020 financial performance was enhanced by an expense offset of \$17.2M state pension credit.

### PORTWIDE FINANCIAL SUMMARY

	2018	2019	2020	2020	2020	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Revised Budget	Approved Budget	Actual vs. Revised Budget	Variance	Change from 2019	
\$ in 000's						\$	%	\$	%
Aeronautical Revenues	291,268	357,598	297,909	401,342	401,342	(103,433)	-25.8%	(59,689)	-16.7%
Airport Non-Aero Revenues	257,707	269,037	116,473	135,074	283,167	(18,601)	-13.8%	(152,564)	-56.7%
Non-Airport Revenues	140,415	137,538	96,446	103,302	127,106	(6,856)	-6.6%	(41,093)	-29.9%
<b>Total Operating Revenues</b>	<b>689,390</b>	<b>764,174</b>	<b>510,828</b>	<b>639,717</b>	<b>811,616</b>	<b>(128,890)</b>	<b>-20.1%</b>	<b>(253,346)</b>	<b>-33.2%</b>
Total Operating Expenses	397,638	443,089	411,954	438,081	469,769	26,127	6.0%	(31,136)	-7.0%
<b>NOI before Depreciation</b>	<b>291,752</b>	<b>321,085</b>	<b>98,874</b>	<b>201,637</b>	<b>341,847</b>	<b>(102,763)</b>	<b>-51.0%</b>	<b>(222,211)</b>	<b>-69.2%</b>
Depreciation	164,362	174,971	179,807	179,056	179,056	(751)	-0.4%	4,836	2.8%
<b>NOI after Depreciation</b>	<b>127,390</b>	<b>146,114</b>	<b>(80,933)</b>	<b>22,581</b>	<b>162,791</b>	<b>(103,514)</b>	<b>-458.4%</b>	<b>(227,047)</b>	<b>-155.4%</b>

#### 2020 Actuals vs. 2020 Revised Budget:

Total Operating Revenues were \$128.9M lower than the revised budget due to reduced operations and lower airline passenger traffic. To mitigate the financial impacts of COVID-19, the Port instituted Portwide cost reduction measures which included cutting initiatives and discretionary spending and implementing a hiring freeze. The combination of delay in project/initiative spending, DRS Pension Plan True-ups, and cost savings resulted in a lower total operating expense of \$26.1M compared to the revised budget.

#### 2020 Actuals vs. 2019 Actuals:

Compared to 2019, the Port's Total Operating Revenues for 2020 were down \$253.3M primarily due to lower revenues in Public Parking, ADR & Terminal Leased Space, Ground Transportation, Rental Cars, Airport Clubs and Lounges, Cruise, Conference & Event Centers, and NWSA Distributable Revenues. Total operating expenses for 2020 was \$31.1M lower due to cost reduction measures implemented in response to the COVID-19 pandemic.

# I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 12/31/20

## NON-AIRPORT FINANCIAL SUMMARY

\$ in 000's	2018	2019	2020	2020	2020	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Revised	Approved	Actual vs. Revised		Change from 2019	
				Budget	Budget	Budget	Variance		
						\$	%	\$	%
NWSA Distributable Revenue	55,992	47,979	38,782	41,935	41,935	(3,153)	-7.5%	(9,197)	-19.2%
Maritime Revenues	57,575	59,289	42,111	42,585	62,938	(474)	-1.1%	(17,178)	-29.0%
EDD Revenues	20,705	21,151	9,470	15,658	19,110	(6,188)	-39.5%	(11,681)	-55.2%
SWU & Other	6,143	9,119	6,083	3,123	3,123	2,960	94.8%	(3,036)	-33.3%
<b>Total Operating Revenues</b>	<b>140,415</b>	<b>137,538</b>	<b>96,446</b>	<b>103,302</b>	<b>127,106</b>	<b>(6,856)</b>	<b>-6.6%</b>	<b>(41,093)</b>	<b>-29.9%</b>
Total Operating Expenses	78,789	86,455	82,274	89,254	92,463	6,981	7.8%	(4,181)	-4.8%
<b>NOI before Depreciation</b>	<b>61,626</b>	<b>51,084</b>	<b>14,172</b>	<b>14,047</b>	<b>34,643</b>	<b>125</b>	<b>0.9%</b>	<b>(36,912)</b>	<b>-72.3%</b>
Depreciation	40,159	38,737	37,674	37,062	37,095	(613)	-1.7%	(1,063)	-2.7%
<b>NOI after Depreciation</b>	<b>21,467</b>	<b>12,347</b>	<b>(23,502)</b>	<b>(23,014)</b>	<b>(2,451)</b>	<b>(488)</b>	<b>2.1%</b>	<b>(35,849)</b>	<b>-290.4%</b>

### 2020 Actuals vs. 2020 Revised Budget:

Non-Airport Operating Revenues were below the revised budget by \$6.9M mainly due to lower revenues from Cruise, Conference & Event Centers, and NWSA Distributable Income; partially offset by unbudgeted Forfeitures Revenue from Police. Total operating expenses were \$7.0M lower than the revised budget because of pension adjustment, program spending delays, and COVID-19 cost reduction measures.

### 2020 Actuals vs. 2019 Actuals:

Non-Airport Operating Revenues were \$41.1M less compared to 2019 due to cancellation of the cruise season, lower Conference and Event Center revenue, and NWSA Distributable revenue. The decline in NWSA Distributable Revenue was driven by lower container volumes as a result of tariff issues and COVID-19 disruptions. Total operating expenses were \$4.2M lower than 2019 because of delays in implementing programs, and COVID-19 cost reduction initiatives.

## MAJOR OPERATING REVENUES SUMMARY

\$ in 000's	2018	2019	2020	2020	2020	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Revised	Approved	Actual vs. Revised		Change from 2019	
				Budget	Budget	Budget	Variance		
						\$	%	\$	%
Aeronautical Revenues	291,268	357,598	297,909	401,342	401,342	(103,433)	-25.8%	(59,689)	-16.7%
Public Parking	80,212	82,125	34,502	40,813	89,485	(6,311)	-15.5%	(47,623)	-58.0%
Rental Cars - Operations	37,306	36,793	16,637	19,209	37,363	(2,572)	-13.4%	(20,157)	-54.8%
Rental Cars - Operating CFC	16,263	15,773	-	-	13,786	-	0.0%	(15,773)	-100.0%
ADR & Terminal Leased Space	64,323	68,013	31,234	32,905	71,845	(1,670)	-5.1%	(36,778)	-54.1%
Ground Transportation	18,772	20,765	6,557	11,092	22,299	(4,535)	-40.9%	(14,208)	-68.4%
Employee Parking	10,269	10,438	8,848	5,100	10,137	3,748	73.5%	(1,590)	-15.2%
Airport Commercial Properties	15,434	15,773	10,766	11,854	16,660	(1,089)	-9.2%	(5,007)	-31.7%
Airport Utilities	7,206	7,431	5,672	8,831	8,831	(3,159)	-35.8%	(1,759)	-23.7%
Clubs and Lounges	6,802	10,274	2,043	4,441	10,536	(2,398)	-54.0%	(8,230)	-80.1%
Cruise	18,880	22,410	3,824	5,909	26,261	(2,085)	-35.3%	(18,586)	-82.9%
Recreational Boating	12,035	12,484	12,611	13,361	13,361	(750)	-5.6%	127	1.0%
Fishing & Operations	10,257	10,024	10,456	9,386	9,386	1,069	11.4%	432	4.3%
Grain	5,167	4,266	5,142	3,490	3,490	1,652	47.3%	876	20.5%
Maritime Portfolio Management	11,305	10,108	10,074	10,428	10,428	(355)	-3.4%	(34)	-0.3%
Central Harbor Management	9,018	8,899	7,791	8,793	9,093	(1,001)	-11.4%	(1,108)	-12.4%
Conference & Event Centers	11,703	12,239	1,662	6,833	9,985	(5,171)	-75.7%	(10,577)	-86.4%
NWSA Distributable Revenue	55,992	47,979	38,782	41,935	41,935	(3,153)	-7.5%	(9,197)	-19.2%
Other	7,177	10,783	6,318	3,995	5,390	2,323	58.2%	(4,466)	-41.4%
<b>Total Operating Revenues (w/o Aero)</b>	<b>398,122</b>	<b>406,576</b>	<b>212,919</b>	<b>238,375</b>	<b>410,274</b>	<b>(25,457)</b>	<b>-10.7%</b>	<b>(193,657)</b>	<b>-47.6%</b>
<b>TOTAL</b>	<b>689,390</b>	<b>764,174</b>	<b>510,828</b>	<b>639,717</b>	<b>811,616</b>	<b>(128,890)</b>	<b>-20.1%</b>	<b>(253,346)</b>	<b>-33.2%</b>

# I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 12/31/20

## MAJOR OPERATING EXPENSES SUMMARY

\$ in 000's	2018	2019	2020	2020	2020	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Revised	Approved	Actual vs. Revised		Change from 2019	
				Budget	Budget	Budget	Variance	\$	%
Salaries & Benefits	127,056	137,052	147,623	148,368	152,358	744	0.5%	10,572	7.7%
Wages & Benefits	108,379	119,942	119,831	134,877	134,819	15,047	11.2%	(112)	-0.1%
Payroll to Capital Projects	28,329	27,844	29,759	34,529	37,330	4,770	13.8%	1,915	6.9%
Outside Services	99,673	107,188	103,637	114,501	126,169	10,864	9.5%	(3,551)	-3.3%
Utilities	25,552	25,838	22,017	28,491	29,036	6,473	22.7%	(3,821)	-14.8%
Equipment Expense	10,621	11,869	10,331	7,944	9,970	(2,387)	-30.1%	(1,537)	-13.0%
Supplies & Stock	10,780	11,200	9,894	9,990	9,082	95	1.0%	(1,306)	-11.7%
Travel & Other Employee Expenses	4,837	5,461	2,764	3,752	7,029	988	26.3%	(2,697)	-49.4%
Third Party Mgmt Op Exp	11,660	13,329	5,201	8,494	12,699	3,293	38.8%	(8,128)	-61.0%
B&O Taxes	4,488	4,859	3,332	3,949	5,007	616	15.6%	(1,527)	-31.4%
Other Expenses	19,391	33,154	15,078	11,959	17,105	(3,119)	-26.1%	(18,076)	-54.5%
Charges to Capital Projects/Overhead Alloc	(53,130)	(54,647)	(57,515)	(68,772)	(70,835)	(11,257)	16.4%	(2,867)	5.2%
<b>TOTAL</b>	<b>397,638</b>	<b>443,089</b>	<b>411,954</b>	<b>438,081</b>	<b>469,769</b>	<b>26,127</b>	<b>6.0%</b>	<b>(31,136)</b>	<b>-7.0%</b>

## TOTAL OPERATING AND NON-OPERATING REVENUES AND EXPENSES

(\$ in 000's)	2018	2019	2020	2020	2020	Fav (UnFav)	
	Actual	Actual	Actual	Rvsd Bud	Appr. Bud	Act/Rvsd	Bud Var
						\$	%
<b>Revenues</b>							
1. Operating Revenues	689,390	764,174	510,828	639,717	811,616	(128,890)	-20.1%
2. Tax Levy	71,771	73,801	76,196	76,385	76,385	(189)	-0.2%
3. PFCs	94,070	100,004	34,637	99,505	99,505	(64,868)	-65.2%
4. CFCs	21,802	22,355	15,429	17,630	23,914	(2,201)	-12.5%
5. Fuel Hydrant	6,942	6,742	6,886	7,022	7,022	(136)	-1.9%
6. Non-Capital Grants & Donations	1,573	2,880	150,143	2,551	2,551	147,592	5785.7%
7. Capital Contributions	43,650	17,736	20,909	48,010	48,010	(27,101)	-56.4%
8. Interest Income	26,287	54,078	41,406	27,669	27,669	13,737	49.6%
<b>Total</b>	<b>955,484</b>	<b>1,041,771</b>	<b>856,433</b>	<b>918,490</b>	<b>1,096,672</b>	<b>(62,057)</b>	<b>-6.8%</b>
<b>Expenses</b>							
1. O&M Expense	397,638	443,089	411,954	438,081	469,769	26,127	6.0%
2. Depreciation	164,362	174,971	179,807	179,056	179,056	(751)	-0.4%
3. Revenue Bond Interest Expense	100,432	105,601	133,149	157,231	157,231	24,082	15.3%
4. GO Bond Interest Expense	13,414	12,493	11,850	12,003	12,003	153	1.3%
5. PFC Bond Interest Expense	4,368	3,547	2,670	2,740	2,740	70	2.6%
6. Public Expense	5,269	12,986	6,658	19,233	19,233	12,575	65.4%
7. Non-Op Environmental Expense	10,600	118	5,971	5,000	5,000	(971)	-19.4%
8. Other Non-Op Rev/Expense	3,217	21,959	22,033	2,905	2,905	(19,128)	-658.4%
<b>Total</b>	<b>699,299</b>	<b>774,765</b>	<b>774,091</b>	<b>816,249</b>	<b>847,937</b>	<b>42,158</b>	<b>5.2%</b>
Special Item	34,923	-	-	-	-	-	0.0%
Retro Adjustment to Net Position	2,721	-	-	-	-	-	0.0%
<b>Change In Net Assets</b>	<b>218,541</b>	<b>267,007</b>	<b>82,342</b>	<b>102,241</b>	<b>248,735</b>	<b>(19,899)</b>	<b>-19.5%</b>

### Major Non-Op Budget Variance Explanations:

- Passenger Facility Charges (PFCs): \$64.9M lower due to less enplanement than budgeted.
- Non-Capital Grants & Donations: Due to \$147M unbudgeted CARES grant for 2020.
- Capital Contributions: \$27.1M lower due to less TSA OTA and FAA grants.
- Interest Income: Primarily due to unrealized gain on investments.
- Revenue Bond Interest Expense: \$24.1M favorable mainly due to lower interest rates than budgeted.
- Public Expense: \$12.6M lower due to less spending on Safe & Swift and Heavy Haul.
- Other Non-Op Expense: Mainly due to assets retirements.
- Special Item Expense: \$34.9M higher than budget due to T25 NRD restoration project.

**KEY BUSINESS EVENTS**

The Port received the 2020 Environmental Stewardship Award from the Washington Public Ports Association for its effort on reducing the adverse effects of underwater noise to Southern Resident Orcas and other whale species. Through this Quiet Sound program, small and large vessel operators can receive information of whale sightings so they can take necessary steps to reduce vessel noise or chart a different course.

The Port became the first airport in the country to purchase thermal renewable natural gas (RNG) produced from a landfill to heat the airport terminal. The transition to RNG allows the Port to reduce carbon emissions by 50 percent in 2021, a goal that was initially targeted for 2030. In addition, the Port, in collaboration with Washington State University, released a key finding that there is enough available forest residuals and municipal solid waste to produce up to 220-290 million gallons of sustainable aviation fuel (SAF) annually in the Pacific Northwest. This will allow the Port to exceed the goal to offer a 10 percent SAF jet fuel blend at Seattle-Tacoma International Airport (SEA) by 2028.

The Port completed the Northwest Ports Clean Air Strategy to address greenhouse gas (GHG) and air quality and broke ground on construction at Terminal 117 to create a 13-acre habitat restoration and public access site. The Port also implemented the new Sustainable Evaluation Framework to assess environmental features as part of capital project delivery. The Port also became the first port in the US to join the International Ocean Acidification Alliance.

The Port provided relief to both the Non-Aero tenants at the Airport and waterfront tenants impacted by pandemic. To promote safety and protect the health of the public, the Port partnered with Discovery Health MD to launch the COVID-19 Testing Pilot program for travelers at SEA. In addition, SEA celebrated the one-year anniversary of the Sunflower Lanyard program. This program helps the airport meet its goal of improving overall airport experience for travelers with hidden disabilities.

To help jumpstart an equitable economic recovery, the Port expanded the focus of the South King County fund adding economic development to mitigate the impacts of COVID-19 for the communities disproportionately impacted by the pandemic. The Commission recently authorized the disbursement of economic recovery grants to ten nonprofit organizations in South King County. This marks the first funding cycle through this fund and will support projects centered on education and job search assistance, skills-based learning, pre-apprenticeship programs as well as habitat restoration and green jobs programs at Port habitat sites.

The Port advanced design work on T91 Uplands and Fishermen's Terminal buildings and formalized funding partnership with WA Department of Commerce to support Maritime Innovation Center development. The Port once again partnered with Washington Maritime Blue to launch the second cohort of the Maritime Blue Innovation Accelerator. This is a four-month long program that provides access to a global network of mentors, advisors from the maritime industry and ocean economy leaders as well as provide opportunities to secure funding. The first cohort comprised of eleven startups that completed the program earlier this year. They pitched their innovative ideas and solutions to maritime stakeholders and investors during a virtual demo day.

The Commission approved to rename six Port-owned parks and shoreline habitat areas along the Duwamish River after a series of outreach. The Port received over 4,000 public comments recommending the inclusion of indigenous place names and Lushootseed words for local wildlife and natural features.

The Commission also approved the Equity Motion to Combat Racial Bias in the workplace and operations. This motion directs the organization to examine practices and policies for sources of racial bias and discrimination as well as advance directives that eradicate inequity in all levels of the organization. Moreover, the Port implemented the Gender Identity Policy to ensure equitable and respectful treatment of transgender or gender non-conforming employees and customers who use Port and SEA facilities. The Port also adopted Juneteenth as a paid holiday for non-represented employees. This is another way the Port is celebrating diversity and promoting equity in the workplace. Additionally, the Port began the process of Police Assessment in the following categories: Use of Force, Oversight, Accountability, Racial Equity, Civil Rights, and Mutual Aid.

# I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 12/31/20

## KEY PERFORMANCE METRICS

	2019	2020	2020	2020	Fav (UnFav) Fcst vs. Revised		Incr (Decr) Change from 2019	
	Actual	Actual	Revised Budget	Approved Budget	Budget Variance Chg.	%	Chg.	%
Total Passengers (in 000's)	51,748	20,087	25,554	53,334	(5,466)	-21.4%	(31,660)	-61.2%
Landed Weight (lbs. in 000's)	31,562	20,262	23,630	31,413	(3,368)	-14.3%	(11,300)	-35.8%
Passenger CPE (in \$)	12.86	26.47	13.92	13.92	12.56	90.2%	13.61	105.7%
Grain Volume (metric tons in 000's)	3,404	4,240	3,004	3,004	1,236	41.1%	836,143	24.6%
Cruise Passenger (in 000's)	1,211	-	264	1,309	(264)	-100.0%	(1,211)	-100.0%
Shilshole Bay Marina Occupancy	94.7%	94.1%	95.8%	95.8%	-1.7%	-1.7%	-0.6%	-0.6%

## CAPITAL SPENDING SUMMARY

	2020	2020	Budget Variance	
	YTD Actual	Revised Budget	\$	%
\$ in 000's				
Aviation	504,073	489,182	(14,891)	-3.0%
Maritime	19,698	19,712	14	0.1%
Economic Development	9,314	10,699	1,385	12.9%
Central Services & Other (note 1)	6,984	15,991	9,007	56.3%
<b>TOTAL</b>	<b>540,069</b>	<b>535,584</b>	<b>(4,485)</b>	<b>-0.8%</b>

### Note:

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

Total capital spending for 2020 is \$540.1M, \$4.5M above the revised budget mainly due to the acceleration of North Satellite projects and Baggage Optimization projects and the T117 Restoration project.

## PORTWIDE INVESTMENT PORTFOLIO

During the fourth quarter of 2020, the investment portfolio earned 1.44% versus the benchmark's (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index) of 0.13%. Over the last twelve months, the portfolio and the benchmark have earned 1.9% and 0.17%, respectively. Since the Port became its own Treasurer in 2002, the life-to-date earnings of the Port's portfolio and the benchmark are 2.41% and 1.74%, respectively.

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/20

### II. AVIATION DIVISION

#### FINANCIAL SUMMARY

Financial Summary (S in 000's)	2018	2019	2020	2020	2020	Fav(UnFav) Actual vs. Revised Budget Variance		Incr/(Decr) Change from 2019	
	Actual	Actual	Actual	Revised Budget	Approved Budget	\$	%	\$	%
<b>Operating Revenue</b>									
Aeronautical Revenues	291,268	357,598	297,909	401,342	401,342	(103,433)	-25.8%	(59,689)	-16.7%
Non-Aeronautical Revenues	257,707	269,037	116,473	135,074	283,167	(18,601)	-13.8%	(152,564)	-56.7%
<b>Total Operating Revenues</b>	<b>548,975</b>	<b>626,636</b>	<b>414,382</b>	<b>536,416</b>	<b>684,510</b>	<b>(122,034)</b>	<b>-22.7%</b>	<b>(212,254)</b>	<b>-33.9%</b>
<b>Total Operating Expenses</b>	<b>318,849</b>	<b>356,635</b>	<b>329,680</b>	<b>348,826</b>	<b>377,306</b>	<b>19,146</b>	<b>5.5%</b>	<b>(26,955)</b>	<b>-7.6%</b>
<b>Net Operating Income</b>	<b>230,126</b>	<b>270,001</b>	<b>84,702</b>	<b>187,589</b>	<b>307,203</b>	<b>(102,887)</b>	<b>-54.8%</b>	<b>(185,299)</b>	<b>-68.6%</b>
CPE	10.79	12.85	26.50	13.92	13.92	(12.58)	(0.90)	13.65	106.2%
Non-Aero NOI (\$ in 000s)	149,959	150,752	6,671	21,443	154,660	(14,772)	-68.9%	(144,081)	-95.6%
Enplaned passengers (in 000s)	24,894	25,874	10,044	26,667	26,667	(16,623)	-62.3%	(15,830)	-61.2%
<b>Capital Expenditures (in 000s)</b>	<b>579,135</b>	<b>573,598</b>	<b>504,073</b>	<b>489,182</b>	<b>513,131</b>	<b>(14,891)</b>	<b>-3.0%</b>	<b>(69,525)</b>	<b>-12.1%</b>

#### 2020 Actuals vs. 2020 Revised Budget

- Net Operating Income (NOI) for 2020 was (-\$103M or -54.8%) unfavorable to the revised budget, driven by:
  - Aeronautical revenue (-\$103M or -25.8%) unfavorable. Due to timing issues, there was not an official revised budget for Aeronautical revenue to compare against. Therefore, the variance is against the original Approved Budget which did not account for revisions to the budget to account for cost recovery with COVID-19 impact based on -61% decline in passengers. Nevertheless, Aeronautical revenues are down due to cost reductions across all the Aeronautical business units in response to the COVID-19 impact. See the Aeronautical tables for more details.
  - Non-Aeronautical revenue (-\$18.6M or -13.8%) unfavorable due to the COVID-19 impact affecting all Non-Aeronautical business lines. Revenues from concession fees or transaction volume (Parking, Rental Car, Ground Transportation, Airport Dining & Retail, Clubs & Lounges, In-flight Kitchens) are closely aligned with the 61% decline in passenger volume. Commercial Properties and other Non-Aeronautical line of business with revenue from space rent for real estate leases were relatively unaffected by the COVID-19 decline in enplanements. See the Non-Aeronautical tables for more details.
  - Total Operating Expenses (\$19.1M or 5.5%) favorable to revised budget driven primarily by the pension credit of \$14M and underspending of \$3.2M in Environmental Remediation Liability (ERL), and net savings in other expenses of \$1.9M.

#### 2020 Actuals vs. 2019 Actuals

- Net Operating Income for 2020 was (-\$185M or -68.6%) lower than prior year – primarily driven by:
  - Lower Operating Revenue (-\$212M or -33.9%) compared to prior year due to:
    - Lower Aeronautical revenue (-\$59.6M lower) due to decreased rate-based costs associated with COVID-19 and the elimination of revenue sharing for the remainder of SLOA IV.
    - Drastically lower projection of Non-Aeronautical revenue performance (\$152.5M lower) for all non-airline business such as Port Clubs and Lounges, Ground Transportation, Non-Airline Terminal Lease Spaces, Public Parking, Commercial Properties, and Airport Dining & Retail.
  - Lower Operating Expenses (\$-27M or -7.6%) compared to prior year were primarily driven by \$18.3M in lower Environmental Remediation Liability costs in 2020, \$16M lower Airport Direct Charges associated with less spending due to COVID-19.



## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/20

### A. BUSINESS EVENTS

- Covid-19 pandemic has dramatically reduced operations and passenger traffic, impacting all businesses at the airport.
- 61% reduction in passengers in 2020 compared to 2019.
- Receipt of \$192 million in CARES grant (non-operating).
- CPE and Non-aeronautical NOI goals for 2020 have not been met.

### B. KEY PERFORMANCE METRICS

	2018 YE	2019 YE	2020 YE	% Change from 2019
<b>Total Passengers (000's)</b>				
Domestic	44,422	46,101	18,690	-59.5%
International	5,428	5,728	1,371	-76.1%
Total	49,850	51,829	20,062	-61.3%
<b>Operations</b>	438,391	450,487	296,048	-34.3%
<b>Landed Weight (In Millions of lbs.)</b>				
Cargo	2,471	2,485	2,713	9.2%
All other	27,879	29,078	17,549	-39.6%
Total	30,350	31,562	20,262	-35.8%
<b>Cargo - Metric Tons</b>				
Domestic freight	241,397	252,671	351,352	39.1%
International & Mail freight	190,918	200,878	103,232	-48.6%
Total	432,315	453,549	454,584	0.2%

\*Mail weight for 2020 forward is incorporated in freight

### Key Performance Measures

	2018	2019	2020	2020	2020	Fav(UnFav) Actual vs. Revised Budget Variance		Incr/(Decr) Change from 2019	
	Actual	Actual	Actual	Revised Budget	Approved Budget	\$	%	\$	%
<b>Key Performance Metrics</b>									
Cost per Enplanement (CPE)	10.79	12.86	26.50	13.92	13.92	(12.58)	-90.4%	13.64	106.1%
Non-Aeronautical NOI (in 000's)	149,959	150,752	6,671	21,443	154,660	(14,772)	-68.9%	(144,081)	-95.6%
<b>Other Performance Metrics</b>									
O&M Cost per Enplanement	12.81	13.78	16.41	13.08	14.15	(3.33)	-25.5%	2.63	19.1%
Non-Aero Revenue per Enplanement	10.35	10.40	5.80	5.07	10.62	0.73	14.5%	(4.60)	-44.2%
Debt per Enplanement (in \$)	133	133	163	123	123	(40)	-32.8%	30	22.7%
Debt Service Coverage	1.66	1.68	1.40	1.80	1.80	(0.40)	-22.1%	(0.28)	-16.6%
Days cash on hand (10 months = 304 days)	235	314	327	332	332	-5	-1.6%	12	3.9%
Aeronautical Revenue Sharing (\$ in 000's)	(36,863)	(17,146)	1	-	-	1	0.0%	17,147	100.0%
<b>Activity (in 000's)</b>									
Enplanements	24,894	25,874	10,044	26,667	26,667	(16,623)	-62.3%	(15,830)	-61.2%
Total Passengers	49,789	51,748	20,087	53,334	53,334	(33,246)	-62.3%	(31,660)	-61.2%

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/20

### Key Performance Metrics

#### 2020 Actuals vs. 2020 Budget:

- Cost per Enplanement (CPE):
  - CPE is (\$-12.58, or -90.4%) unfavorable driven primarily by lower airline activity that started in March impacted by COVID-19, and -61% lower passenger activity for the year.
  - Non-Aero NOI was unfavorable (\$-148M or -96%) to original approved budget due to lower revenues across all Non-Aeronautical business lines based on enplanement of -61% decline in passenger volumes compared to prior year. See the Non-Aeronautical tables for more details.

#### 2020 Actuals vs. 2019 Actuals:

- CPE was \$13.64 higher compared to prior year due to impact of COVID-19 on airline activity.
- Non-Aero NOI was \$144M lower than prior year due to drastically lower non-airline revenues as a result of the COVID-19 impact.

### C. OPERATING RESULTS

#### Division Summary – YE Actuals

Total Airport Expense Summary (\$ in 000's)	2018	2019	2020	2020	2020	Fav(UnFav) Actual vs. Revised Budget Variance		Incr/(Decr) Change from 2019	
	Actual	Actual	Actual	Revised Budget	Approved Budget	\$	%	\$	%
<b>Operating Expenses</b>									
Payroll	133,999	147,076	152,895	156,826	160,340	3,930	2.5%	5,820	4.0%
Outside Services	65,475	68,801	63,922	70,401	79,889	6,479	9.2%	(4,878)	-7.1%
Utilities	18,306	18,180	15,695	20,642	21,180	4,947	24.0%	(2,485)	-13.7%
Other Expenses	3,966	12,272	3,341	(1,682)	5,224	(5,023)	298.7%	(8,931)	-72.8%
<b>Total Airport Direct Charges</b>	<b>221,746</b>	<b>246,329</b>	<b>235,854</b>	<b>246,187</b>	<b>266,634</b>	<b>10,333</b>	<b>4.2%</b>	<b>(10,475)</b>	<b>-4.3%</b>
Environmental Remediation Liability	6,233	15,900	(2,361)	878	2,648	3,239	368.9%	(18,261)	-114.8%
Capital to Expense	6,891	2,089	2,588	-	-	(2,588)		498	23.8%
<b>Total Exceptions</b>	<b>13,124</b>	<b>17,989</b>	<b>227</b>	<b>878</b>	<b>2,648</b>	<b>651</b>	<b>74.2%</b>	<b>(17,763)</b>	<b>-98.7%</b>
<b>Total Airport Expenses</b>	<b>234,870</b>	<b>264,318</b>	<b>236,081</b>	<b>247,065</b>	<b>269,282</b>	<b>10,984</b>	<b>4.4%</b>	<b>(28,237)</b>	<b>-10.7%</b>
Corporate	60,659	65,671	68,316	71,646	77,460	3,330	4.6%	2,644	4.0%
Police	19,231	22,290	22,150	26,122	26,233	3,972	15.2%	(140)	-0.6%
Maritime/Economic Development/Other	4,088	4,355	3,134	3,994	4,332	860	21.5%	(1,221)	-28.0%
<b>Total Charges from Other Divisions</b>	<b>83,979</b>	<b>92,316</b>	<b>93,599</b>	<b>101,761</b>	<b>108,025</b>	<b>8,162</b>	<b>8.0%</b>	<b>1,283</b>	<b>1.4%</b>
<b>Total Operating Expenses</b>	<b>318,849</b>	<b>356,635</b>	<b>329,680</b>	<b>348,826</b>	<b>377,306</b>	<b>19,146</b>	<b>5.5%</b>	<b>(26,955)</b>	<b>-7.6%</b>

#### Operating Expenses – 2020 Actuals vs. 2020 Revised Budget:

- Operating Expenses were (\$19.1M or 5.5%) favorable driven primarily by the pension credit of \$14M, underspending of \$3.2M in Environmental Remediation Liability (ERL), and net savings in other expenses of \$1.9M.

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/20

### Aeronautical Business Unit Summary – YE Actuals

Aeronautical NOI (S in 000's)	2018	2019	2020	2020	2020	Fav(UnFav) Actual vs. Revised Budget Variance		Incr/(Decr) Change from 2019	
	Actual	Actual	Actual	Revised Budget	Approved Budget	\$	%	\$	%
<b>Rate Base Revenues</b>									
Airfield Movement Area	116,703	123,436	84,906	132,128	132,128	(47,223)	-35.7%	(38,530)	-31.2%
Airfield Apron Area	15,627	22,016	15,146	22,011	22,011	(6,865)	-31.2%	(6,870)	-31.2%
Terminal Rents	169,318	205,283	171,607	212,943	212,943	(41,336)	-19.4%	(33,676)	-16.4%
Federal Inspection Services (FIS)	16,226	12,321	8,616	18,162	18,162	(9,546)	-52.6%	(3,706)	-30.1%
<b>Total Rate Base Revenues</b>	<b>317,874</b>	<b>363,057</b>	<b>280,275</b>	<b>385,245</b>	<b>385,245</b>	<b>(104,970)</b>	<b>-27.2%</b>	<b>(82,782)</b>	<b>-22.8%</b>
Airfield Commercial Area	10,257	11,687	17,633	16,097	16,097	1,536	9.5%	5,945	50.9%
<b>Subtotal before Revenue Sharing</b>	<b>328,131</b>	<b>374,744</b>	<b>297,908</b>	<b>401,342</b>	<b>401,342</b>	<b>(103,434)</b>	<b>-25.8%</b>	<b>(76,836)</b>	<b>-20.5%</b>
Revenue Sharing	(36,863)	(17,146)	1	-	-	1		17,147	-100.0%
<b>Total Aeronautical Revenues</b>	<b>291,268</b>	<b>357,598</b>	<b>297,909</b>	<b>401,342</b>	<b>401,342</b>	<b>(103,433)</b>	<b>-25.8%</b>	<b>(59,689)</b>	<b>-16.7%</b>
<b>Total Aeronautical Expenses</b>	<b>236,630</b>	<b>238,349</b>	<b>219,878</b>	<b>235,196</b>	<b>248,799</b>	<b>15,318</b>	<b>6.5%</b>	<b>(18,471)</b>	<b>-7.7%</b>
<b>Aeronautical NOI</b>	<b>54,638</b>	<b>119,249</b>	<b>78,031</b>	<b>166,147</b>	<b>152,544</b>	<b>(88,115)</b>	<b>-53.0%</b>	<b>(41,218)</b>	<b>-34.6%</b>
Debt Service	(91,673)	(110,945)	(62,607)	(121,410)	(121,410)	58,802	-48.4%	48,337	-43.6%
<b>Net Cash Flow</b>	<b>(37,035)</b>	<b>8,305</b>	<b>15,424</b>	<b>44,737</b>	<b>31,134</b>	<b>(29,313)</b>	<b>-65.5%</b>	<b>7,119</b>	<b>85.7%</b>

### Aeronautical – 2020 Actuals vs. 2020 Budget

- Net Operating Income was (-\$88.1M or -53%) unfavorable to budget due to \$105M in lower aeronautical revenues driven by a large drop in airline activity starting in March due to the COVID-19 impact. Aeronautical expenses incurred savings of \$15M driven by the pension credit, environmental remediation liability reductions, and contract services. However, the impact of the large decline in revenues far outweighed savings in expenses.

### Aeronautical – 2020 Actuals vs. 2019 Actuals

- Net Operating Income was (\$41.2M or 34.6%) lower than 2019 due to lower aeronautical costs to recover driven by cost reductions in response to the COVID-19 impact.

### Airline Rate Base Cost Drivers

S in 000's	2020	2020	Impact on Aero Revenues Budget vs Actuals	
	Budget	Actual	\$	%
O&M <sup>(1)</sup>	242,981	213,775	(29,205)	-13.7%
CARES Grant O&M	-	(22,507)	(22,507)	100.0%
<b>Net O&amp;M</b>	<b>242,981</b>	<b>191,268</b>	<b>(51,712)</b>	<b>-27.0%</b>
Debt Service Gross	174,455	166,848	(7,607)	-4.6%
Debt Service PFC Offset	(62,998)	(36,390)	26,608	-73.1%
CARES Grant Debt Service	-	(71,763)	(71,763)	100.0%
<b>Net Debt Service</b>	<b>111,457</b>	<b>58,694</b>	<b>(52,762)</b>	<b>-89.9%</b>
Amortization	32,326	32,359	33	0.1%
Space Vacancy	(490)	(1,083)	(593)	54.8%
TSA Operating Grant and Other	(1,028)	(960)	68	-7.1%
<b>Rate Base Revenues</b>	<b>385,246</b>	<b>280,279</b>	<b>(104,967)</b>	<b>-37.5%</b>
Commercial area	16,097	17,633	1,536	8.7%
<b>Total Aero Revenues</b>	<b>401,343</b>	<b>297,912</b>	<b>(103,431)</b>	<b>-34.7%</b>

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

\*O&M Lower due to \$14M COVID Budget Cost Reductions, Pension credit, and additional savings from vacancies, contract savings, and ERL.  
 \*2020 actual debt service lower due to deferring 2008 variable rate bond principal payment, lower variable rate interest, and more capitalized interest applied.  
 \*PFC Offset lower due to lower collections  
 \*CARES Grant Aero Portion:  
 - Payroll - \$22.5M  
 - DS - \$71.7M

Note - \$4K Difference in 2020 Actuals in Aero Summary above is known difference due to prior year reconciliation adjustment

### Non-Aero Business Unit Summary – YE

### Actuals

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/20

Non-Aeronautical NOI (\$ in 000's)	2018 Actual	2019 Actual	2020 Actual	2020 Revised Budget	2020 Approved Budget	Fav(UnFav) Actual vs. Revised Budget Variance		Incr/(Decr) Change from 2019	
						\$	%	\$	%
<b>Non-Aeronautical Revenues</b>									
Public Parking	80,212	82,125	34,502	40,813	89,485	(5,085)	-12.5%	(46,397)	-56.5%
Rental Cars	53,569	52,567	16,637	19,209	51,149	(3,846)	-20.0%	(37,204)	-70.8%
Ground Transportation	18,772	20,765	6,557	11,092	22,299	(3,391)	-30.6%	(13,064)	-62.9%
Airport Dining & Retail	59,021	61,615	25,418	27,753	66,145	(2,208)	-8.0%	(36,070)	-58.5%
Other	46,132	51,966	33,359	36,207	54,089	(2,485)	-6.9%	(18,244)	-35.1%
<b>Total Non-Aeronautical Revenues</b>	<b>257,707</b>	<b>269,037</b>	<b>116,473</b>	<b>135,074</b>	<b>283,167</b>	<b>(17,014)</b>	<b>-12.6%</b>	<b>(150,978)</b>	<b>-56.1%</b>
<b>Total Non-Aeronautical Expenses</b>	<b>82,219</b>	<b>118,286</b>	<b>109,802</b>	<b>113,631</b>	<b>128,508</b>	<b>4,229</b>	<b>3.7%</b>	<b>(8,884)</b>	<b>-7.5%</b>
<b>Non-Aeronautical NOI</b>	<b>175,488</b>	<b>150,752</b>	<b>6,671</b>	<b>21,443</b>	<b>154,660</b>	<b>(12,785)</b>	<b>-59.6%</b>	<b>(142,093)</b>	<b>-94.3%</b>
Less: CFC Surplus	(7,724)	(6,834)	-	-	-	-	-	6,834	-100.0%
<b>Adjusted Non-Aeronautical NOI</b>	<b>167,764</b>	<b>143,917</b>	<b>6,671</b>	<b>21,443</b>	<b>154,660</b>	<b>(12,785)</b>	<b>-59.6%</b>	<b>(135,259)</b>	<b>-94.0%</b>
Debt Service	(44,545)	(49,299)	(33,065)	(50,064)	(50,064)	16,999	-34.0%	16,234	-32.9%
<b>Net Cash Flow</b>	<b>123,219</b>	<b>94,619</b>	<b>(26,394)</b>	<b>(28,621)</b>	<b>104,596</b>	<b>4,214</b>	<b>-14.7%</b>	<b>(119,026)</b>	<b>-125.8%</b>

### Non-Aeronautical – 2020 Actuals vs. 2020 Revised Budget

- Net Operating Income was (\$12.7M or 59.6%) unfavorable to revised budget driven by:
  - COVID-19 impact to Non-Aero Revenue which affected all non-aeronautical businesses. Revenues from concession fees or transaction volume (Parking, Rental Car, Ground Transportation, Airport Dining & Retail, Clubs & Lounges, In-flight Kitchens) are closely aligned with the 61% decline in passenger volume. Commercial Properties and other Non-Aeronautical line of business with revenue from space rent for real estate leases were relatively unaffected by the COVID-19 decline in enplanements.
  - Non-Aeronautical operating expenses were (\$4.2M or 3.7%) favorable due primarily to the pension credit and overall underspending in Outside Services on consultants and other contracted services, utilities, and charges from other divisions.

### Non-Aeronautical – 2020 Actuals vs. 2019 Actuals

- Net Operating Income was (-\$142M or -94.3%) lower than 2019 driven by:
  - A dramatic impact to Non-Aero Revenue from COVID-19 evident starting in March and continuing through September with a 61% decline in enplanements for the remainder of the year compared to the same time in the prior year. Many Non-Aero tenants have closed operations until passenger volume begins to recover. Although ADR and Parking businesses have started to open back up in May and June on a limited basis, tenants continue to report drastic decline in activity compared to last year.

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/20

### D. CAPITAL RESULTS

#### Capital Variance

\$ in 000's	2020	2020	Budget Variance	
	YTD Actual	Revised Budget	\$	%
International Arrivals Facility <sup>(1)</sup>	171,414	215,000	43,586	20.3%
NS NSAT Renov NSTS Lobbies <sup>(2)</sup>	160,268	134,528	(25,740)	-19.1%
Checked Bag Recap/Optimization <sup>(3)</sup>	38,437	14,500	(23,937)	-165.1%
Remote Aircraft Deicing <sup>(4)</sup>	6,517	15,058	8,541	56.7%
Terminal Security Enhancements Ph 2 <sup>(5)</sup>	(611)	6,916	7,527	108.8%
AFLD Pvmnt Program 2016-2020 <sup>(6)</sup>	18,390	13,133	(5,257)	-40.0%
Restroom Upgrades Conc B, C, D <sup>(7)</sup>	8,977	5,400	(3,577)	-66.2%
PLB Renew & Replace Phase 2 <sup>(8)</sup>	2,356	5,654	3,298	58.3%
ARC Flash Hazard Mitgation <sup>(9)</sup>	172	3,405	3,233	94.9%
RCF Pavement Remediation <sup>(10)</sup>	3,538	6,198	2,660	42.9%
Main Terminal Low Voltage Upgrade <sup>(11)</sup>	1,278	3,961	2,683	67.7%
Central Terminal Infrastructure & HVAC <sup>(12)</sup>	4,565	7,250	2,685	37.0%
Service Tunnel Renewal/Replace <sup>(13)</sup>	3,329	5,529	2,200	39.8%
Sound Insulation Projects <sup>(14)</sup>	1,287	16,764	15,477	92.3%
All Other	84,156	107,888	23,732	22.0%
Subtotal	504,073	561,182	57,109	10.2%
CIP Cashflow Mgmt Reserve	-	(72,000)	(72,000)	100.0%
<b>Total Spending</b>	<b>504,073</b>	<b>489,182</b>	<b>(14,891)</b>	<b>-3.0%</b>

1. The construction of the IAF has been delayed by a year from what had been planned at the beginning of 2020. Substantial completion was June 2020. Now the pedestrian walkway is scheduled for completion in May 2021.
2. \$25.7M Increase due to added construction costs associated with work pulled forward (Operation Silver Cloud) that would have been performed in 2021.
3. MII Rejection at the beginning of the year led to uncertainty whether the project would be rebid, so the spending was pushed out of the baseline. The contract has been executed and spending was accelerated.
4. New estimate has significant reduction as a result of value engineering and bid came in lower than engineering estimate.
5. Cancellation of bollard purchase and major works contract have deferred work. And, \$1M of project costs have been moved from capital to expenses given changes in procurement approach.
6. Construction was expedited to take advantage of downturn in air traffic operation, and transfer of scope from 2025 Pavement Improvement program.
7. Bid overage for Phase 3 construction, increased construction costs for phase 2 with impacts from COVID-19 as a factor contributed to higher than anticipated costs for 2020.
8. Delayed work. 2 bridge installations have been moved to 2021.
9. Constructability reviews caused design delays, which pushed construction into 2022.
10. Construction suspended and delayed one year due to Covid-19.
11. 1 year behind schedule due to delays in getting designer and general contractor onboard.
12. Project came under budget.
13. Project is in close-out and savings on soft costs due to efficient construction, and contingency budget was not spent.
14. Commission directed acceleration of the sound insulation projects in Q1 2020. However, they are projected to start in 2021. Highline insulation is funded by 67% AIP grants, 16% tax levy, and 17% airport funds.

## II. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/20

### III. MARITIME DIVISION

#### FINANCIAL SUMMARY

	2018	2019	2020	2020	2020	Fav (UnFav) Fct vs. Revised Budget Variance		Incr (Decr) Change from 2019	
	Actual	Actual	Actual	Revised Budget	Approved Budget	\$	%	\$	%
\$ in 000's									
Total Revenues	57,575	59,289	42,111	42,581	62,938	(470)	-1%	(17,178)	-29%
Total Operating Expenses	43,252	48,644	53,500	52,191	54,396	(1,309)	-3%	4,856	10%
Net Operating Income	14,323	10,644	(11,389)	(9,610)	8,541	(1,779)	-19%	(22,034)	-207%
Capital Expenditures	20,489	7,887	19,698	19,712		14	0%	11,811	150%

#### 2020 Actuals vs. 2020 Revised Budget

- Operating Revenues \$.5M lower than revised budget driven by Cruise moving from delay to cancellation for the 2020 season.
- Operating Expenses were \$1.3M higher than budget with pension adjustment and savings initiatives offset by litigation reserve and capital to expense.
- Net Operating Income \$1.8M under budget.
- Capital Spending finished at 100% of \$19.7M revised budget driven by expedited schedule of T117 habitat restoration project.

#### 2020 Actuals vs. 2019 Actuals

- Operating Revenues \$17.2M lower than 2019 due to COVID-19 impacts in Cruise.
- Operating Expenses \$4.8M higher than 2019 actual driven primarily by \$1.9M ILA payment to NWSA, \$4M in 2020 Capital to Expense projects, \$3.5M in lease payment reserve, offset by port wide COVID-19 related cost cutting initiatives.
- Net Operating Income \$22M below 2019 actual.

#### Net Operating Income before Depreciation by Business

	2019	2020	2020	2020	Fav (UnFav) Actual vs. Revised Budget Variance		Incr (Decr) Change from 2019	
	Actual	Actual	Revised Budget	Approved Budget	\$	%	\$	%
\$ in 000's								
Ship Canal Fishing & Operations	(2,512)	(1,886)	(2,340)	(2,616)	454	19%	626	25%
Elliott Bay Fishing & Commercial Operations	629	(47)	(1,653)	(1,931)	1,606	97%	(676)	NA
Recreational Boating	1,325	1,458	2,240	1,690	(782)	35%	133	10%
Cruise	10,514	(13,847)	(7,688)	11,575	(6,160)	-80%	(24,361)	-232%
Grain	2,566	3,700	1,684	1,614	2,016	-120%	1,134	44%
Maritime Portfolio	(1,338)	(1,294)	(1,289)	(1,746)	(6)	0%	44	-3%
All Other	(540)	526	(566)	(44)	1,092	193%	1,066	197%
<b>Total Maritime</b>	<b>10,644</b>	<b>(11,389)</b>	<b>(9,610)</b>	<b>8,541</b>	<b>(1,779)</b>	<b>-19%</b>	<b>(22,034)</b>	<b>-207%</b>

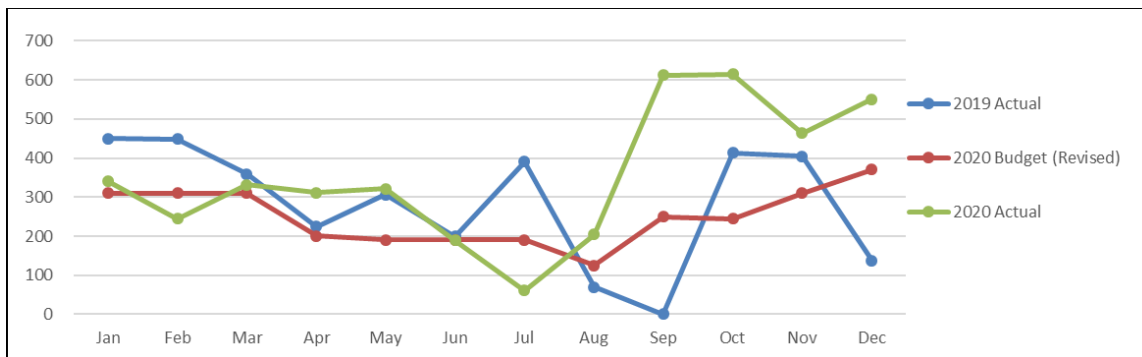
## II. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/20

### A. BUSINESS EVENTS

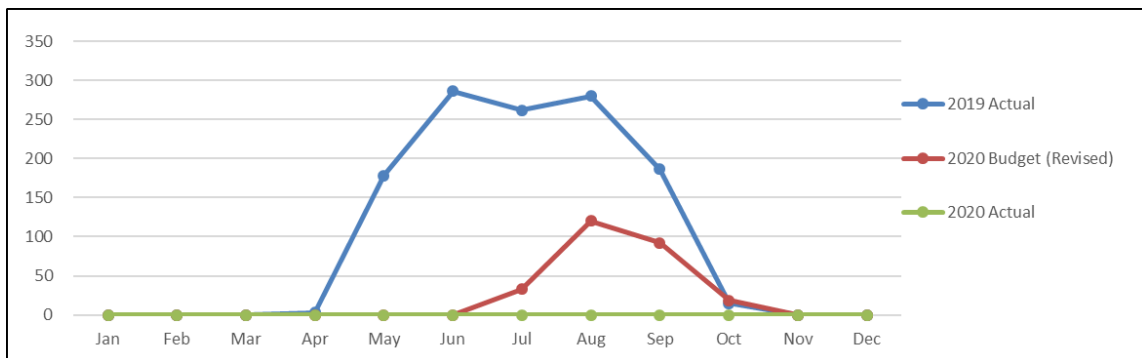
- **Recreational Boating**– Completed customer service facilities at SBM. Established Customer Moorage Deferral program for financially distressed customers. Updated COVID processes with Q4 occupancy exceeding pre-pandemic levels.
- **Elliott Bay Fishing and Commercial Operations** - Design work underway for P91 NW Fender.
- **Ship Canal Fishing & Operations** – Summer Recreational Boating exceeded expectations. Due to COVID-19 many key events at Fishermen’s Terminal were cancelled including ant 92nd annual Blessing of the Fleet and the Fishermen’s Fall Festival.
- **Cruise** – The Cruise team is working with cruise lines, CLIA, AAPA, CDC, and other stakeholders to plan for and implement new health protocols at T91 and P66, as well as developing a strategy and community communication plan in preparation of recommencing cruise operations for the 2021 cruise season..

### B. KEY PERFORMANCE METRICS

**Grain Volume – Metric Tons in 000’s**



**Cruise Passengers in 000’s**



## II. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/20

### C. OPERATING RESULTS

	2018	2019	2020	2020	2020	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Revised Budget	Approved Budget	Actual vs. Revised Budget Variance		Change from 2019	
\$ in 000's						\$	%	\$	%
Ship Canal Fishing & Operations	3,502	3,929	4,704	4,264	4,264	440	10%	775	20%
Elliott Bay Fishing & Commercial Operations	6,755	6,095	5,752	5,119	5,123	633	12%	(344)	-6%
Recreational Boating	12,035	12,484	12,611	13,361	13,361	(750)	-6%	127	1%
Cruise	18,880	22,410	3,824	5,909	26,261	(2,085)	-35%	(18,586)	-83%
Grain	5,167	4,266	5,142	3,490	3,490	1,652	47%	876	21%
Maritime Portfolio Management	11,305	10,108	10,074	10,428	10,428	(355)	-3%	(34)	0%
Other	(69)	(3)	4	11	11	(6)	-59%	7	-247%
<b>Total Revenue</b>	<b>57,575</b>	<b>59,289</b>	<b>42,111</b>	<b>42,581</b>	<b>62,938</b>	<b>(470)</b>	<b>-1%</b>	<b>(17,178)</b>	<b>-29%</b>
<b>Expenses</b>									
Maritime (Excl. Maint)	11,326	13,789	19,529	16,408	16,881	(3,120)	-19%	5,740	42%
Economic Development	4,347	4,987	4,511	5,626	5,756	1,115	20%	(476)	-10%
<b>Total Direct</b>	<b>15,673</b>	<b>18,776</b>	<b>24,039</b>	<b>22,035</b>	<b>22,637</b>	<b>(2,005)</b>	<b>-9%</b>	<b>5,264</b>	<b>28%</b>
Maintenance Expenses	11,416	12,186	12,029	12,426	13,073	397	3%	(157)	-1%
Envir Services & Planning	1,553	2,250	2,739	2,295	2,681	(444)	-19%	489	22%
Seaport Project Management	295	175	1,061	330	356	(731)	-221%	886	507%
<b>Total Support Services</b>	<b>13,265</b>	<b>14,611</b>	<b>15,828</b>	<b>15,051</b>	<b>16,110</b>	<b>(777)</b>	<b>-5%</b>	<b>1,217</b>	<b>8%</b>
IT	2,558	2,685	2,719	2,895	2,906	176	6%	33	1%
Police Expenses	4,041	4,086	2,865	3,368	3,382	503	15%	(1,220)	-30%
External Relations	1,379	1,564	1,200	1,501	1,635	300	20%	(363)	-23%
Other Central Services	6,117	6,645	6,534	6,974	7,481	441	6%	(111)	-2%
Aviation Division / Other	220	278	315	368	245	53	14%	37	13%
<b>Total Central Services / Other</b>	<b>14,315</b>	<b>15,258</b>	<b>13,633</b>	<b>15,106</b>	<b>15,650</b>	<b>1,473</b>	<b>10%</b>	<b>(1,625)</b>	<b>-11%</b>
<b>Total Expense</b>	<b>43,252</b>	<b>48,644</b>	<b>53,500</b>	<b>52,191</b>	<b>54,396</b>	<b>(1,309)</b>	<b>-3%</b>	<b>4,856</b>	<b>10%</b>
<b>NOI Before Depreciation</b>	<b>14,323</b>	<b>10,644</b>	<b>(11,389)</b>	<b>(9,610)</b>	<b>8,541</b>	<b>(1,779)</b>	<b>-19%</b>	<b>(22,034)</b>	<b>-207%</b>
Depreciation	18,022	17,627	17,624	17,249	17,244	(376)	-2%	(3)	0%
<b>NOI After Depreciation</b>	<b>(3,699)</b>	<b>(6,982)</b>	<b>(29,013)</b>	<b>(26,859)</b>	<b>(8,703)</b>	<b>(2,154)</b>	<b>-8%</b>	<b>(22,031)</b>	<b>-316%</b>

#### 2020 Actuals vs. 2020 Revised Budget

- Operating Revenues were \$470K lower than budget:
  - 1) Ship Canal Fishing & Operations were \$440K favorable due to higher summer recreational moorage at Fishermen's terminal.
  - 2) Elliott Bay Fishing & Commercial Operations \$633K above budget benefits of the closure to the Ballard Locks and increased utilization of mooring dolphins by Olympic Tug and Barge.
  - 3) Recreational Boating lower \$750K due to COVID-19 guest moorage transition delays and event cancellations.
  - 4) Cruise \$2,085K unfavorable due to full cancellation of cruise season instead of late July start.
  - 5) Grain \$1,652K higher driven by increased volumes in the second half of the year.
  - 6) Maritime Portfolio Management \$355K lower due to vacancy at Maritime Industrial Center.
- Operating Expenses were \$1,309K higher than budget:
  - 1) Direct Expenses were \$1,542K higher than budget
    - Recreational Marinas and Commercial Operations \$1,031K under from pension adjustment, lower utilities, and outside security services.
    - Maritime Marketing \$652K below budget from event cancellations.
    - Cruise Operations \$2,166K above from reserve tied to lease payments.
    - Portfolio Management \$1,177K favorable from salaries, open headcount, tenant improvements.
    - Capital to expense unbudgeted \$2,478K related to Fishermen's Terminal and Cruise T46 development charges in prior years.
    - Received \$250K benefit in Environmental Remediation liability
    - All other Direct Expenses net to \$8K over budget.



## **II. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/20**

- 2) Total Support Services were \$777K unfavorable to budget.
  - Maintenance \$397K favorable due to project spend.
  - Environmental Services and Planning were \$444K higher than budget due to unplanned derelict vessel cleanup and capital to expense costs occurring in 2020.
  - Seaport Project management \$731K unfavorable to budget due to capital to expense in 2020.
- 3) Total Central Services / Other were \$1,473K favorable to budget.
- Net Operating Income was \$1,779K unfavorable to budget.

### **2020 Actuals vs. 2019 Actuals**

- Operating Revenues were \$17.2M lower than 2019 due to cancellation of the Cruise season.
- Operating Expenses were up \$4.9M to 2019:
  - 1) First year of ILA Payments to NWSA at T46, \$1.9M higher.
  - 2) Capital to Expense up \$4M.
  - 3) Lease Payment Reserve up \$3.5M.
  - 4) Pension adjustment and cost cutting initiatives from COVID-19 created a \$4.5M reduction.
- Net Operating Income was \$22M below 2019 actual.

## II. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/20

### D. CAPITAL RESULTS

\$ in 000's	2020 Actual	2020 Revised Budget	Budget Variance	
			\$	%
SBM Restrms/Service Bldgs Rep	8,867	9,400	533	6%
T117 Restoration	5,885	5,000	(885)	-18%
MD Small Projects	964	3,099	2,135	69%
SBM Paving	1,636	1,810	174	10%
MD Fleet	949	1,957	1,008	52%
New Cruise Terminal	(1,107)	1,259	2,366	188%
T91 Northwest Fender	98	785	687	88%
FT Gateway Building	17	700	683	98%
FT Maritime Innovation Center	663	700	37	5%
FT Docs 3,4,5 Fixed Pier	528	510	(18)	-4%
All Other Projects	1,198	(5,508)	(6,706)	122%
Total Maritime	19,698	19,712	14	0%

#### Comments on Key Projects:

- **T117 Restoration**– costs moved forward with expedited schedule from contractor.
- **SBM Restrooms/Buildings**– Foundation work completed, reducing amount of project contingency.
- **T91 Northwest Fender** – construction spending delayed to Q3 2021 based on operational concerns.
- **T91 Berth 6&8** – Design contract execution in Q4 2020 resulted in design start later than planned last year.
- **New Cruise Terminal** – project placed on hold. Will be evaluating post-COVID-19 effects on cruise.

## IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/20

### IV. ECONOMIC DEVELOPMENT DIVISION

#### FINANCIAL SUMMARY

	2018	2019	2020	2020	2020	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Revised Budget	Approved Budget	Fcst vs. Revised Budget Variance		Change from 2019	
\$ in 000's						\$	%	\$	%
<b>Total Revenues</b>	20,705	21,151	9,470	15,658	19,110	(6,188)	-40%	(11,681)	-55%
<b>Total Operating Expenses</b>	27,028	27,155	20,611	27,222	29,368	6,611	24%	(6,544)	-24%
<b>Net Operating Income</b>	(6,323)	(6,004)	(11,141)	(11,564)	(10,258)	423	4%	(5,138)	-86%
<b>Capital Expenditures</b>	2,066	3,121	9,314	10,699		1,385	13%	6,193	198%

#### 2020 Actuals vs. 2020 Revised Budget

- Operating Revenues \$6.2M unfavorable to revised budget due to deeper cuts in volumes at the Conference & Event Center related to COVID-19 cancellations and variable revenue at restaurants and parking facilities.
- Operating Expenses \$6.6M favorable to budget due to cost impact of conference cancellations and port-wide cost cutting initiatives.
- Net Operating Income \$423K above budget.
- Capital spending finished at 87% of \$10.7M revised budget.

#### 2020 Actuals vs. 2019 Actuals

- Operating Revenues \$11.7M below 2019 due to lower volumes at the Conference & Event Center related to both Bell Harbor Modernization construction and COVID-19 cancellations.
- Operating Expenses \$6.5M lower than 2019 from lower variable conference and event center costs and the port-wide cost cutting initiatives offset.
- Net Operating Income \$5.1M below 2019 actual.

#### Net Operating Income before Depreciation by Business

	2019	2020	2020	2020	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Revised Budget	Approved Budget	Actual vs. Revised Budget Variance		Change from 2019	
\$ in 000's					\$	%	\$	%
Portfolio Management	(2,530)	(3,212)	(3,384)	(3,802)	172	5%	(681)	-27%
Conference & Event Centers	(612)	(5,497)	(3,021)	(2,422)	(2,475)	-82%	(4,884)	-797%
Tourism	(1,183)	(873)	(1,164)	(1,359)	291	25%	309	26%
EDD Grants	(785)	(788)	(1,130)	(1,160)	342	30%	(3)	NA
Env Grants/Remed Liab/ERC	(894)	(772)	(2,865)	(1,515)	2,093	73%	122	-14%
<b>Total Econ Dev</b>	<b>(6,004)</b>	<b>(11,141)</b>	<b>(11,564)</b>	<b>(10,258)</b>	<b>423</b>	<b>4%</b>	<b>(5,137)</b>	<b>-86%</b>

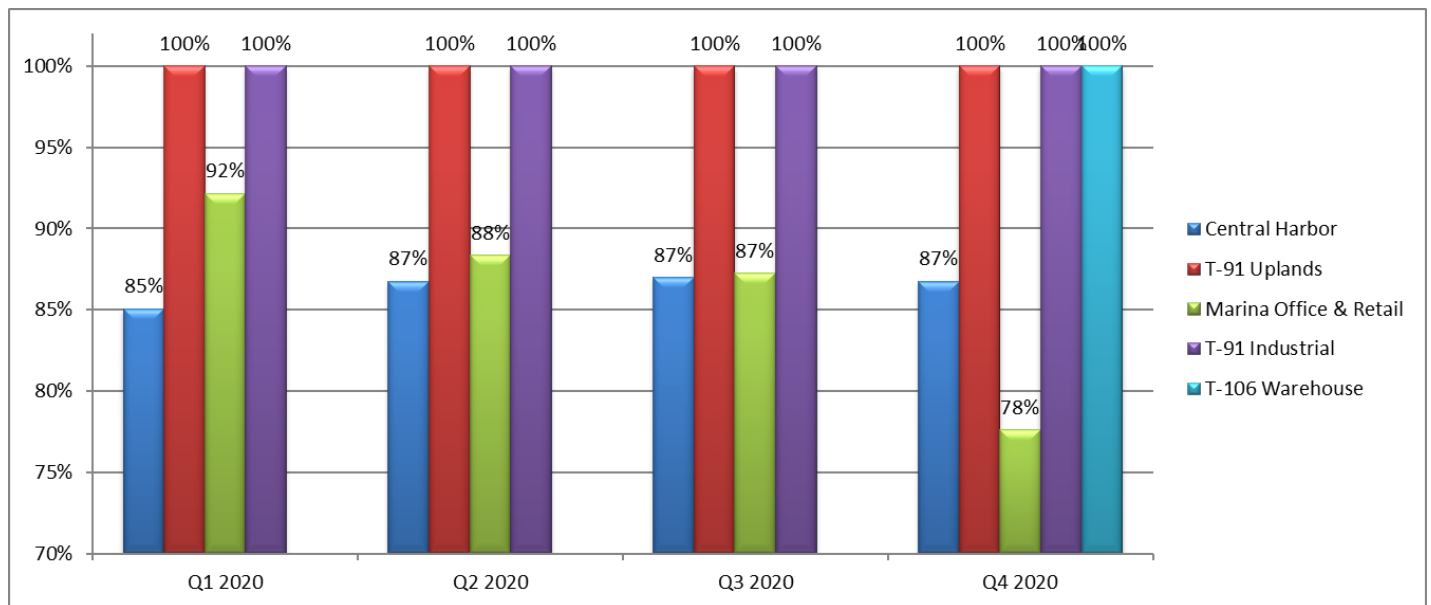
**IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/20**

**A. BUSINESS EVENTS**

- Provided relief to 40+ waterfront tenants impacted by pandemic related operating restrictions.
- Maintained 94% occupancy across real estate portfolio despite COVID pandemic challenges.
- Advanced design work on T91 Uplands and Fishermen’s Terminal buildings and formalized funding partnership with WA Department of Commerce to support Maritime Innovation Center development.
- Surpassing 2020 Port WMBE utilization (non-construction) goal through Q3 (16.92% actual v 14% goal).
- Worked with Maritime Blue to launch successful inaugural Maritime innovation accelerator program that included cohort of 11 emerging maritime companies.

**B. KEY PERFORMANCE METRICS**

**Building Occupancy by Location:**



## IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/20

### C. OPERATING RESULTS

	2018	2019	2020	2020	2020	Fav(UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Revised Budget	Approved Budget	Actual vs. Revised Budget Variance		Change from 2019	
\$ in 000's						\$	%	\$	%
Revenue	9,002	8,912	7,808	8,824	9,124	(1,017)	-12%	(1,105)	-12%
Conf & Event Centers	11,703	12,239	1,662	6,833	9,985	(5,171)	-76%	(10,577)	-86%
<b>Total Revenue</b>	<b>20,705</b>	<b>21,151</b>	<b>9,470</b>	<b>15,658</b>	<b>19,110</b>	<b>(6,188)</b>	<b>-40%</b>	<b>(11,681)</b>	<b>-55%</b>
<b>Expenses</b>									
Portfolio Management	3,571	3,732	3,073	3,988	4,008	915	23%	(659)	-18%
Conf & Event Centers	9,889	10,218	4,440	6,703	8,902	2,264	34%	(5,779)	-57%
P69 Facilities Expenses	235	215	232	226	230	(6)	-3%	17	8%
RE Dev & Planning	149	136	209	145	208	(64)	-44%	73	53%
EconDev Expenses Other	785	930	938	632	932	(306)	-48%	8	1%
Maintenance Expenses	3,914	3,145	3,042	3,476	3,819	434	12%	(104)	-3%
Maritime Expenses (Excl Maint)	281	253	442	512	524	70	14%	189	75%
<b>Total EDD &amp; Maritime Expenses</b>	<b>18,824</b>	<b>18,630</b>	<b>12,376</b>	<b>15,682</b>	<b>18,624</b>	<b>3,306</b>	<b>21%</b>	<b>(6,254)</b>	<b>-34%</b>
Diversity in Contracting	132	152	103	151	197	48	32%	(49)	-32%
Tourism	1,408	1,337	954	2,842	1,536	1,888	66%	(384)	-29%
EDD Grants	838	785	778	1,110	1,110	332	30%	(7)	-1%
<b>Total EDD Initiatives</b>	<b>2,378</b>	<b>2,274</b>	<b>1,834</b>	<b>4,103</b>	<b>2,843</b>	<b>2,269</b>	<b>55%</b>	<b>(440)</b>	<b>-19%</b>
Environmental & Sustainability	281	344	211	260	323	49	19%	(133)	-39%
Police Expenses	(76)	61	64	232	233	168	73%	3	5%
Other Central Services	5,466	5,731	5,965	6,752	7,223	787	12%	234	4%
Aviation Division	155	114	161	193	123	32	16%	47	41%
<b>Total Central Services &amp; Aviation</b>	<b>5,825</b>	<b>6,251</b>	<b>6,401</b>	<b>7,437</b>	<b>7,901</b>	<b>1,036</b>	<b>14%</b>	<b>150</b>	<b>2%</b>
Envir Remed Liability	0	0	0	0	0	0	NA	0	NA
<b>Total Expense</b>	<b>27,028</b>	<b>27,155</b>	<b>20,611</b>	<b>27,222</b>	<b>29,368</b>	<b>6,611</b>	<b>24%</b>	<b>(6,544)</b>	<b>-24%</b>
<b>NOI Before Depreciation</b>	<b>(6,323)</b>	<b>(6,004)</b>	<b>(11,141)</b>	<b>(11,564)</b>	<b>(10,258)</b>	<b>423</b>	<b>4%</b>	<b>(5,138)</b>	<b>-86%</b>
Depreciation	3,948	3,647	3,611	3,392	3,389	(220)	-6%	(35)	-1%
<b>NOI After Depreciation</b>	<b>(10,271)</b>	<b>(9,651)</b>	<b>(14,753)</b>	<b>(14,956)</b>	<b>(13,647)</b>	<b>203</b>	<b>1%</b>	<b>(5,102)</b>	<b>-53%</b>

#### 2020 Actuals vs. 2020 Revised Budget

- Operating revenue were \$6,188K unfavorable to budget due primarily to additional event cancellations at the Conference and Event Centers as a result of government mandates caused by COVID-19 pandemic.
- Operating Expenses were \$6,611K favorable to budget:
  - 1) Portfolio Management \$915K favorable from open FTE, timing of TI spending, and deferral of fire, electrical, and signage upgrades and enhancements.
  - 2) Conference and Event Center \$2,264K favorable from lower activity related to cancelled events.
  - 3) Maintenance Expenses \$434K favorable due to either cancelled or delayed expense projects.
  - 4) EDD Initiatives \$2,269K favorable due to timing of spending related to COVID-19.
  - 5) Central Services \$1,036K below budget.
  - 6) All other expenses net to \$307K above budget.
- Net Operating Income was \$423K above budget.

#### 2020 Actuals vs. 2019 Actuals

- Operating Revenues were \$11,681K lower than 2019 actual due to reduced volumes at the Conference and Event Centers as well as Bell Street Garage
- Operating Expenses were \$6,544K lower than 2019 actual:
  - 1) Portfolio Management \$659K lower due to hiring freeze on open headcounts and lower TI spending.
  - 2) Conference and Event Centers \$5,779K lower than 2019 due to variable costs associated with lower Conference and Event Center volumes as a result of government mandates caused by COVID-19 pandemic.
  - 3) Maintenance Expenses \$104K lower than 2019.
  - 4) All other Expenses net to \$2K lower than 2019.
- Net Operating Income was \$5,138K below 2019 actual.

**IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/20**

**D. CAPITAL RESULTS**

\$ in 000's	2020 Actual	2020 Revised Budget	Budget Variance	
			\$	%
BHICC Interior Modernization	7,483	8,358	875	10%
Tenant Improvements -Capital	0	1,150	1,150	100%
EDD Small Projects	467	541	74	14%
T91 Uplands Dev Phase 1	325	1,000	675	68%
EDD Reserve	0	54	54	100%
P66 HVAC Systems Upgrade	380	912	532	58%
CW Bridge Elev Modernization	185	350	165	47%
WTC HVAC Replacement	277	260	(17)	-7%
EDD Technology Projects	0	0	0	NA
P69 Underdock Utility Rpl	109	0	(109)	NA
All Other Projects	88	(1,926)	(2,014)	105%
<b>Total Economic Development</b>	<b>9,314</b>	<b>10,699</b>	<b>1,385</b>	<b>13%</b>

**Comments on Key Projects:**

- T-91 Upland Industrial – Unanticipated delays in the finalization of the design contract.
- BHICC Modernization – Completed initial scope. Project has encountered unforeseen site conditions, additional effort required to execute change orders.
- P66 HVAC– Cost in 2020 delayed due to building engineering system method of procurement which requires an RFP to be developed.

## V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/20

### V. CENTRAL SERVICES DIVISION

#### FINANCIAL SUMMARY

	2018	2019	2020	2020	2020	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Revised Budget	Approved Budget	Actual vs. Revised Budget	Variance	Change from 2019	
\$ in 000's						\$	%	\$	%
<b>Total Operating Revenues</b>	<b>(500)</b>	<b>1,282</b>	<b>2,927</b>	<b>40</b>	<b>40</b>	<b>2,887</b>	<b>7218.3%</b>	<b>1,645</b>	<b>128.3%</b>
Core Central Support Services	74,419	79,276	84,705	91,594	93,604	6,889	7.5%	5,429	6.8%
Police	23,908	27,793	27,538	31,312	31,444	3,774	12.1%	(255)	-0.9%
Capital Development	8,999	10,038	9,096	8,611	12,513	(485)	-5.6%	(942)	-9.4%
Environment & Sustainability	8,770	10,748	10,433	10,399	12,866	(33)	-0.3%	(315)	-2.9%
<b>Total Operating Expenses</b>	<b>116,097</b>	<b>127,855</b>	<b>131,772</b>	<b>141,916</b>	<b>150,427</b>	<b>10,144</b>	<b>7.1%</b>	<b>3,917</b>	<b>3.1%</b>

#### 2020 Actuals vs. 2020 Revised Budget

- Operating Revenues favorable by \$2.9M due primarily to Police forfeiture seizures of \$2.4M and Derelict Vessel Reimbursements of \$416K for Maritime Environmental & Planning.
- Operating Expenses \$10.1M favorable to budget mainly due to \$9.4M from DRS Pension Plan True-up, implementing hiring freeze for all new and backfill vacant positions as part of the COVID-19 cost reduction measures saving \$\$4.6M which were offset by lower Charges to Capital Projects of (\$2.9M), higher than anticipated General Expense of (\$667K), and increases to Worker's Compensation of (\$486K).

#### 2020 Actuals vs. 2019 Actuals

- Operating Revenues \$1.6M above 2019 mainly due to higher Police forfeiture seizures in 2020 of \$813K and Derelict Vessel Reimbursements of \$416K.
- Operating Expenses \$3.9M higher than 2019 mainly due to higher payroll and increases to Outside Services.

#### A. BUSINESS EVENTS

- Placed a total of 30 interns with private maritime employers and nonprofits in 2020 under the Youth Maritime Collaborative.
- Partnered with four non-profits to provide paid internships and professional training opportunities in Port-related industries to nearly 200 low-income youth and youth of color under the Opportunity Youth Initiative.
- Hosted three Career Awareness events with Highline School District: Boeing Academy for STEM Learning, POS Fire Department, and ICT.
- Began the process of Police Assessment in the following categories: Use of Force, Oversight, Accountability, Racial Equity, Civil Rights, and Mutual Aid.
- Announced the first round of the South King County Fund economic recovery grants.
- Continued to work with City of Seattle in support of West Seattle Bridge, traffic detours, and low bridge access.
- Held 6-part Caucusing for Change series in Oct and Nov, included guest speakers from King County, JustLead WA, and Port employees sharing their personal experiences with race and racism.
- Held virtual events for 2020 Community Giving Campaign with 11 speakers from 11 different non-profits/communities.
- Added new features and functionality to the flySEA (formerly SeaTac) Mobile App.
- Implemented HR-33 Gender Identity Policy in November 2020.
- Completed migration and dynamic sign installation to support tracking buses between the airport terminal and the rental car facility (RCF).
- Completed migration of all legacy SharePoint collab sites, workflows and related content across the Port to a supportable modern platform.

**V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/20**

**B. KEY PERFORMANCE METRICS**

Century Agenda Strategic Objectives	2018	2019	2020
<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	2049	2239	857
B. Number of SEA Airport tenants supported in finding employees	100	102	79
C. Employment Center training completions	418	441	211
D. K-12 Career Connected Learning: WFD engagement with teachers/faculty	N/A	450	9,070
E. Community members entering employment in construction, maritime and environmental sustainability	N/A	190	72
F. Number of Job Openings created	535	578	360
G. Number of new employees hired	470	498	202
H. Job applications received	10,899	12,959	7,024
I. Number of job interviews conducted	1,571	1,718	813
J. Number of interns	142	155	84
K. Number of Veteran Fellows	6	6	0
L. Number of employees participating in Tuition Reimbursement	29	34	27
M. Prepare and negotiate agreements for the Port's 22 bargaining units	293	411	266
N. Oversee Implementation/Administration of CBAs agreements	122	122	264
<b>Become a Model for Equity, Diversity and Inclusion</b>			
A. Employee participation in Caucusing (Black Lives Matter and Caucusing for Change)	N/A	N/A	495
B. Employee participation in EDI Port Reads book club	N/A	N/A	141
C. Employee participation in Podcast club	N/A	N/A	48
D. EDI Change Team core members	N/A	N/A	74
E. EDI Change Team departments represented	N/A	N/A	44
<b>Be a Highly Effective Public Agency</b>			
A. Corporate costs as a % of Total Operating Expenses	28.6%	28.3%	31.2%
B. Timely process disbursement payment requests	4 days	3 days	3 days
C. Keep receivables collections current (within 30 days)	87%	78%	27%
D. Litigation and Claim Reserves	\$1.4M	\$2.9M	\$1.3M
E. Claims/Injury Damages Reserves	\$707K	\$494K	\$304K
F. Percent of annual audit work plan completed each year	100%	100%	100%
G. Employee Development Class Attendees/Structured Learning	1,765	2,201	7,457
H. Total Recordable Incident Rate (previous Occupational Injury Rate)	4.87	5.01	4.04
I. Lost Work Day Rate (previously Days Away Severity Rate)	61.44	28.81	66.81
J. Respond to Public Disclosure Requests	657	608	503
K. Customer Survey for Police Service Excellent or Above Average	90%	83%	92%



**V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/20**

**C. OPERATING RESULTS**

**Financial Summary (YE Actuals)**

	Notes	2018	2019	2020	2020	2020	Fav (UnFav)		Incr (Decr)	
		Actual	Actual	Actual	Revised Budget	Approved Budget	Actual vs. Revised Budget Variance	%	Change from 2019	%
\$ in 000's							\$	%	\$	%
<b>Total Revenues</b>		<b>(500)</b>	<b>1,282</b>	<b>2,927</b>	<b>40</b>	<b>40</b>	<b>2,887</b>	<b>7218.3%</b>	<b>1,645</b>	<b>128.4%</b>
Executive		2,136	2,018	2,259	2,253	2,355	(6)	-0.3%	241	11.9%
Commission		1,848	2,022	1,748	2,014	2,292	266	13.2%	(274)	-13.5%
Legal		3,948	4,987	6,282	3,948	4,001	(2,333)	-59.1%	1,295	26.0%
External Relations		7,362	7,760	7,465	10,274	11,070	2,809	27.3%	(295)	-3.8%
Equity Diversity and Inclusion		1,561	2,337	4,674	5,328	4,465	655	12.3%	2,337	100.0%
Human Resources		8,430	9,187	8,356	10,191	11,690	1,834	18.0%	(831)	-9.0%
Labor Relations		1,079	1,230	1,283	1,336	1,386	53	4.0%	53	4.3%
Internal Audit		1,521	1,450	1,534	1,589	1,749	55	3.5%	84	5.8%
Accounting & Financial Reporting Services		6,842	7,341	8,138	8,810	9,024	672	7.6%	797	10.9%
Information & Communication Technology		21,961	23,014	24,668	25,695	26,013	1,027	4.0%	1,654	7.2%
Information Security		934	1,203	1,652	1,915	1,968	262	13.7%	449	37.3%
Finance & Budget		5,593	6,230	6,719	6,959	7,039	239	3.4%	490	7.9%
Maritime Finance		1,445	1,605	1,664	1,870	1,942	206	11.0%	59	3.7%
Finance & Budget		1,843	2,037	2,171	2,211	2,219	40	1.8%	134	6.6%
Aviation Finance & Budget		2,305	2,587	2,885	2,878	2,878	(7)	-0.2%	298	11.5%
Business Intelligence		1,323	1,302	1,177	1,516	2,209	338	22.3%	(125)	-9.6%
Risk Services		3,095	3,137	3,347	3,380	3,438	33	1.0%	210	6.7%
Office of Strategic Initiatives		1,596	1,448	931	1,197	1,619	266	22.2%	(517)	-35.7%
Central Procurement Office		4,630	4,453	4,258	5,289	5,988	1,031	19.5%	(195)	-4.4%
Contingency		185	39	(190)	(100)	(2,702)	90	-90.0%	(229)	-583.9%
<b>Core Central Support Services</b>		<b>74,419</b>	<b>79,159</b>	<b>84,302</b>	<b>91,594</b>	<b>93,604</b>	<b>7,292</b>	<b>8.0%</b>	<b>5,144</b>	<b>6.5%</b>
Police		23,908	27,793	27,535	31,312	31,444	3,777	12.1%	(258)	-0.9%
<b>Total Before Cap Dev &amp; Environment</b>		<b>98,327</b>	<b>106,952</b>	<b>111,838</b>	<b>122,906</b>	<b>125,048</b>	<b>11,069</b>	<b>9.0%</b>	<b>4,886</b>	<b>4.6%</b>
Capital Development										
Engineering		5,478	5,696	4,897	5,143	8,765	245	4.8%	(799)	-14.0%
Port Construction Services		3,522	4,341	4,126	3,468	3,748	(658)	-19.0%	(215)	-4.9%
Sub-Total		8,999	10,038	9,024	8,611	12,513	(413)	-4.8%	(1,014)	-10.1%
Environment & Sustainability										
Aviation Environmental		5,006	5,680	5,603	5,465	6,895	(138)	-2.5%	(76)	-1.3%
Maritime Environmental & Planning		2,418	3,275	3,394	2,908	3,420	(486)	-16.7%	119	3.6%
Noise Programs		722	817	660	813	1,012	153	18.8%	(157)	-19.2%
Environment & Sustainability		624	976	691	1,214	1,538	522	43.0%	(285)	-29.2%
Sub-Total		8,770	10,748	10,348	10,399	12,866	51	0.5%	(400)	-3.7%
Industrial Development Corporation		-	1	-	-	-	-	0.0%	(1)	-100.0%
Capital to Expense		-	117	193	-	-	(193)	0.0%	76	65.2%
<b>Total Expenses</b>		<b>116,097</b>	<b>127,855</b>	<b>131,403</b>	<b>141,916</b>	<b>150,427</b>	<b>10,514</b>	<b>7.4%</b>	<b>3,548</b>	<b>2.8%</b>

**2020 Actuals vs. 2020 Revised Budget by Department**

Operating Expenses were \$10.5M below the revised budget due primarily to:

- **Executive** – unfavorable variance of (\$6K) mainly due to extension of Outside Services contracts of (\$159K) and higher Payroll of (\$34K) offset by Pension Credit of \$141K and lower Travel of \$28K.
- **Commission** – favorable variance of \$266K mainly due to \$133K from Payroll savings from vacant positions, Pension Credit of \$96K, lower Travel of \$36K, and Promotional Expenses of \$16K.
- **Legal** – unfavorable variance of (\$2.3M) primarily due to higher than planned Legal Expenses of \$2.6M offset by \$232K in Pension Credit.
- **External Relations** – favorable variance of \$2.8M due to reduced Outside Services of \$2M, lower Payroll from vacant positions of \$331K, Pension Credit of \$400K, Promotional Expenses of \$43K, Travel of \$67K, and General Expenses of \$138K offset by unplanned Property Rentals of (\$16K), Equipment of (\$34K), and lower charges to Capital Projects of (\$104K).
- **Equity, Diversity and Inclusion** – favorable variance of \$655K primarily due to lower Outside Services of \$389K, lower Payroll of \$223K due to delayed hiring and Pension Credit of \$64K offset by higher Property Rentals of (\$25K) and General Expenses of (\$16K).
- **Human Resources** – favorable variance of \$1.4M primarily due to vacancies, lower High School interns and Veteran Fellows of \$751K, Pension Credit of \$537K, lower Outside Services of \$130K, Travel of \$58K, and General Expenses of \$338K from reduced Advertising and credits from King County Metro.
- **Labor Relations** – favorable variance of \$53K due to Pension Credit of \$93K offset by higher Payroll from unplanned job refresh and retroactive pay adjustment of (\$56K).
- **Internal Audit** – favorable variance of \$55K primarily due to Pension Credit of \$112K offset by higher Payroll of (\$59K) due to job refresh.
- **Accounting and Financial Reporting Services** – favorable variance of \$672K due to Pension Credit of \$532K and lower Outside Services of \$145K.
- **Information & Communication Technology** – favorable variance of \$1M primarily due to Pension Credit of \$1.4M offset by higher Outside Services of (\$479K).
- **Information Security** favorable variance of \$262K due to lower Outside Services of \$218K, Pension Credit of \$88K, charges to Capital Projects of \$19K and lower Travel of \$14K offset by higher Payroll from job refresh and retroactive pay of (\$73K) and unplanned spending in General Expenses of (\$11K).
- **Finance & Budget** – favorable variance of \$239K mainly due to Pension Credit of \$468K and Charges to Capital of \$35K offset by higher Payroll of (\$102K) and higher Outside Services of (\$175K).
- **Business Intelligence** – favorable variance of \$338K primarily due to lower Outside Services of \$204K, Payroll of \$23K, Pension Credit of \$83K, Travel of \$11K, and Equipment of \$16K.
- **Risk Services** – favorable variance of \$33K due to Payroll savings from vacancies of \$240K and Pension Credit of \$45K offset by (\$279K) increase on Property Insurance.
- **Office of Strategic Initiative** – favorable variance of \$266K due to delay in hiring two vacant positions of \$116K, Pension Credit of \$67K, reductions in Outside services of \$61K, and lower Travel of \$15K.
- **Central Procurement Office** – favorable variance of \$1M due to Pension Credit of \$427K, lower Payroll of \$288K, Supplies and Stock of \$117K, Charges to Capital Projects of \$98K, General Expenses of \$54K, and Equipment of \$17K.
- **Police** – \$3.8M favorable variance primarily due to lower Payroll of \$2.6M, Pension Credit of \$2.5M, and Travel of \$104K offset by unbudgeted higher Worker’s Compensation of (\$388K) and higher costs for General Expenses of (\$1.1M).
- **Engineering** – favorable variance of \$245K due to Pension Credit of \$1.3M, lower Equipment of \$135K, Supplies & Stock of \$76K, Travel of \$43K, and Outside Services of \$281K offset by (\$1.5M) lower than planned charges to Capital Projects and lower Intra-department Allocations of (\$83K).
- **PCS** – unfavorable variance of (\$658K) primarily due to lower than planned charges to Capital Projects of (\$1.5M), higher Equipment of (\$132K) for unbudgeted AV Capital to Expense project, and higher Workers Compensation Claims of (\$88K) which were offset by overall cuts to Payroll of \$582K, Pension Credit of \$231K, Supplies and Stock of \$60K, Outside Services of \$113K, and General Expenses of \$58K.
- **Environment & Sustainability** – favorable variance of \$50K:
  - AV Environmental: Increase of Outside Services of (\$283K) mainly due to acceleration of the SAMP EA, unplanned Permitting, Ultrafine Particles Study, NPDES and Living Wall.

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- Maritime Environmental: Unplanned Outside Services of (\$699K) due to salvage costs at Fisherman's Terminal and higher Payroll of (\$116K).
- Noise: Outside Services lower by \$91K due to reduced operations.
- Environment & Sustainability: Outside Services lower by \$608K due to project/program delays.
- **Contingency** – favorable variance of \$90K due to lower General Expenses.
- **Capital to Expense** –unfavorable variance of (\$193K) due to Surface Hubs Expansion project being changed to an expense project.

### 2020 Actuals vs. 2019 Actuals

- Operating Expenses were \$3.5M higher than 2019 actuals mainly due to:
  - **Core Central Support Services** – \$5.1M higher than 2019 primarily due to higher payroll due to 2020 new hires, annual pay increases, full year salaries of people hired in 2019, higher than expected Legal Outside Services of \$2.5M, and lower Charges to Capital Projects.
  - **Police** – \$258K below 2019 due to most expense categories lower than prior year, but almost offset by higher Worker's Compensation and General Expenses.
  - **Capital Development** – \$1M lower than 2019 primarily due to planned reductions in hiring in 2020 and multiple delays to Capital projects.
  - **Environment & Sustainability** – \$400K below 2019 due to planned reductions in hiring in 2020 and multiple delays in projects in Outside Services.

### D. CAPITAL RESULTS

\$ in 000's	2020	2020	Actual/Rvsd Budget	
	Actual	Revised Budget	\$	%
Infrastructure - Small Cap	1,179	2,100	921	56.1%
Services Tech - Small Cap	1,721	1,350	(371)	127.5%
Radio System Upgrade	532	3,687	3,155	14.4%
New Budget System	302	583	281	51.8%
Regional Workforce Tracking	-	500	500	0.0%
Learning Management System	-	400	400	0.0%
Maximo Upgrade	289	462	173	62.6%
Phone System Upgrade	60	900	840	6.7%
Customer Relationship Mgmt	1,015	1,400	385	72.5%
CDD Fleet Replacement	502	1,644	1,142	30.5%
Corporate Fleet Replacement	243	1,065	822	22.8%
CIP Cashflow Adjustment	-	(3,000)	(3,000)	0.0%
Other (note 1)	504	1,600	1,096	31.5%
<b>TOTAL</b>	<b>6,347</b>	<b>12,691</b>	<b>6,344</b>	<b>50.0%</b>

Note:

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