



Item No. 11c_attach
Meeting Date: May 11, 2021

PORT OF SEATTLE

Q1 2021 FINANCIAL PERFORMANCE REPORT

AS OF MARCH 31, 2021

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I. PORTWIDE

EXECUTIVE SUMMARY

The COVID-19 pandemic continues to affect many of the Port's lines of business; however, prudent budgeting and careful cost management has positioned the Port well for 2021. Passenger volume is expected to rebound in the next few months and is predicted to be 29% lower than 2019. Federal relief funds will allow the airport to extend relief to concession tenants and improve the financial outlook for the Aviation division.

Current restrictions on gatherings has affected conference center revenue which has been partially offset by the increase in grain volumes and higher NWSA Distributable Revenues. The CDC has recently revised its guidance on cruises from U.S. ports setting the potential start date in mid-July but banning of cruises in Canada remains an obstacle to reopening of Alaskan cruises from Seattle. The Port is collaborating with cruise partners and local health officials for possible resumption of the Alaska cruise season while taking into consideration the health and safety of the crew, passengers, and the community.

Despite the disruption presented by COVID-19, the Port continues to implement planned initiatives and programs to spur regional economic recovery and provide much needed support to communities hardest hit by the pandemic. While we are currently projecting to be closely on track with budget on a full-year basis, staff continues to closely monitor very dynamic business conditions.

PORTWIDE FINANCIAL SUMMARY

	2019 YTD	2020 YTD	2021 YTD	2021 YTD	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Budget	Actual vs. Budget Variance		Change from 2020	
\$ in 000's					\$	%	\$	%
Aeronautical Revenues	83,674	86,284	61,313	80,938	(19,625)	-24.2%	(24,971)	-28.9%
Airport Non-Aero Revenues	55,996	49,956	26,930	35,085	(8,154)	-23.2%	(23,025)	-46.1%
Non-Airport Revenues	28,382	25,313	24,658	24,311	348	1.4%	(655)	-2.6%
Total Operating Revenues	168,052	161,553	112,901	140,333	(27,432)	-19.5%	(48,652)	-30.1%
Total Operating Expenses	96,729	103,591	94,866	101,431	6,566	6.5%	(8,726)	-8.4%
NOI before Depreciation	71,323	57,962	18,036	38,901	(20,866)	-53.6%	(39,926)	-68.9%
Depreciation	41,038	43,728	44,829	40,209	(4,621)	-11.5%	1,101	2.5%
NOI after Depreciation	30,286	14,233	(26,794)	(1,307)	(25,486)	1949.7%	(41,027)	-288.2%

2021 YTD Actuals vs. 2021 YTD Budget:

- Total operating revenues were down \$27.4M compared to budget due to lower revenues in Aeronautical and Non-Aeronautical lines of businesses (ADR & Terminal Leased Space, Public Parking, Rental Cars, Ground Transportation, Clubs and Lounges), Cruise, and Conference & Event Centers.
- Total operating expenses are 6.6M lower than budget due to delays in hiring and implementing projects/initiatives due to the pandemic.

2021 YTD Actuals vs. 2020 YTD Actuals:

- Total operating revenues for Q1 2021 were down \$48.7M due to lower revenues in Aeronautical and Non-Aeronautical lines of businesses (Public Parking, ADR & Terminal Leased Space, Rental Cars, Ground Transportation, Clubs & Lounges, Airport Commercial Properties) and Conference & Event Centers. The Q1 2021 results reflect the full quarter effect of the pandemic as opposed to partial effect in Q1 2020.
- Total operating expenses for Q1 2021 were \$8.7M lower compared to 2020 because of lower payroll, equipment and travel expenses, and less contract spending.

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 03/31/21

NON-AIRPORT FINANCIAL SUMMARY

	2019 YTD	2020 YTD	2021 YTD	2021 YTD	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Budget	Actual vs. Budget Variance		Change from 2020	
\$ in 000's					\$	%	\$	%
NWSA Distributable Revenue	12,986	10,730	11,343	10,568	775	7.3%	613	5.7%
Maritime Revenues	9,442	9,340	9,539	10,370	(831)	-8.0%	199	2.1%
EDD Revenues	4,674	3,277	2,002	2,436	(434)	-17.8%	(1,275)	-38.9%
SWU & Other	1,280	1,966	1,774	936	838	89.5%	(192)	-9.7%
Total Operating Revenues	28,382	25,313	24,658	24,311	348	1.4%	(655)	-2.6%
Total Operating Expenses	17,513	18,425	16,778	20,155	3,377	16.8%	(1,648)	-8.9%
NOI before Depreciation	10,869	6,888	7,881	4,156	3,725	89.6%	993	14.4%
Depreciation	9,852	9,423	9,510	8,814	(696)	-7.9%	87	0.9%
NOI after Depreciation	1,017	(2,535)	(1,630)	(4,658)	3,029	-65.0%	906	-35.7%

2021 YTD Actuals vs. 2021 YTD Budget

- Total non-airport operating revenues were up \$348K compared to budget due to higher than anticipated revenues from Grain, NWSA Distributable revenues, and unbudgeted police forfeiture revenue. Assumptions regarding the timing of Norwegian Cruise Lines' lease payment (\$1M) affected Maritime Revenues.
- Total non-airport operating expenses were \$3.4M lower than budget because of delays in hiring, project spending delays, timing of tenant improvements, and lower utility expenses.

2021 YTD Actuals vs. 2020 YTD Actuals

- Non-airport operating revenues were \$655K less compared to 2020 because of lower revenues from Conference and Event Centers, Fishing & Operations, and Central Harbor Management. The Conference and Event Centers and parking were affected by rescheduling/cancelling of events due to COVID-19; Q1 2021 revenues reflect the full quarter effect of the pandemic as opposed to partial effect for Q1 2020.
- Non-airport expenses were 1.6M less than 2020 due to lower Conference & Event Center expenses, lower payroll, utilities, travel, and contract expenses.

MAJOR OPERATING REVENUES SUMMARY

	2019 YTD	2020 YTD	2021 YTD	2021 YTD	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Budget	Act/Bud Var		Change from 2020	
\$ in 000's					\$	%	\$	%
Aeronautical Revenues	83,674	86,284	61,313	80,938	(19,625)	-24.2%	(24,971)	-28.9%
Public Parking	19,956	16,720	9,330	10,595	(1,264)	-11.9%	(7,390)	-44.2%
Rental Cars - Operations	6,234	6,928	3,484	4,577	(1,092)	-23.9%	(3,444)	-49.7%
Rental Cars - Operating CFC	994	-	-	-	-	0.0%	-	0.0%
ADR & Terminal Leased Space	14,336	12,376	6,297	9,119	(2,822)	-30.9%	(6,079)	-49.1%
Ground Transportation	4,523	3,931	1,459	2,441	(982)	-40.2%	(2,471)	-62.9%
Employee Parking	2,677	2,623	2,144	2,422	(278)	-11.5%	(479)	-18.3%
Airport Commercial Properties	3,212	3,641	2,557	2,911	(354)	-12.2%	(1,083)	-29.8%
Airport Utilities	1,719	1,606	1,297	1,892	(595)	-31.4%	(309)	-19.3%
Clubs and Lounges	1,902	1,714	175	936	(762)	-81.3%	(1,540)	-89.8%
Cruise	43	114	48	1,092	(1,044)	-95.6%	(66)	-58.1%
Recreational Boating	3,119	3,134	3,125	3,152	(27)	-0.8%	(9)	-0.3%
Fishing & Operations	2,291	2,501	2,203	2,187	16	0.7%	(297)	-11.9%
Grain	1,434	1,048	1,719	1,421	298	21.0%	671	64.0%
Maritime Portfolio Management	2,550	2,541	2,443	2,518	(75)	-3.0%	(98)	-3.8%
Central Harbor Management	2,150	2,158	1,870	1,964	(94)	-4.8%	(288)	-13.3%
Conference & Event Centers	2,519	1,115	127	468	(341)	-72.9%	(988)	-88.6%
NWSA Distributable Revenue	12,986	10,730	11,343	10,568	775	7.3%	613	5.7%
Other	1,732	2,391	1,967	1,133	834	73.6%	(424)	-17.7%
Total Operating Revenues (w/o Aero)	84,378	75,269	51,589	59,395	(7,807)	-13.1%	(23,680)	-31.5%
TOTAL	168,052	161,553	112,901	140,333	(27,432)	-19.5%	(48,652)	-30.1%

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 03/31/21

MAJOR OPERATING EXPENSES SUMMARY

\$ in 000's	2019 YTD	2020 YTD	2021 YTD	2021 YTD	Fav (UnFav)		Incr (DeCr)	
	Actual	Actual	Actual	Budget	Act/Bud	%	Change from 2020	%
					\$	%	\$	%
Salaries & Benefits	31,973	35,987	35,317	35,790	474	1.3%	(670)	-1.9%
Wages & Benefits	31,457	34,133	31,551	32,623	1,072	3.3%	(2,582)	-7.6%
Payroll to Capital Projects	5,673	6,497	6,398	7,949	1,551	19.5%	(99)	-1.5%
Outside Services	17,698	20,420	19,135	23,660	4,525	19.1%	(1,285)	-6.3%
Utilities	6,555	6,871	6,658	6,559	(99)	-1.5%	(213)	-3.1%
Equipment Expense	2,014	2,160	1,248	1,713	465	27.2%	(913)	-42.2%
Supplies & Stock	2,898	2,503	2,127	2,368	241	10.2%	(376)	-15.0%
Travel & Other Employee Expenses	905	1,101	445	744	299	40.1%	(656)	-59.6%
Third Party Mgmt Op Exp	3,042	2,445	886	1,386	500	36.1%	(1,559)	-63.8%
B&O Taxes	1,068	1,086	764	854	90	10.5%	(322)	-29.7%
Other Expenses	4,666	3,989	2,270	2,605	335	12.9%	(1,719)	-43.1%
Charges to Capital Projects/Overhead Alloc	(11,221)	(13,602)	(11,933)	(14,819)	(2,886)	19.5%	1,669	-12.3%
TOTAL	96,729	103,591	94,866	101,431	6,566	6.5%	(8,726)	-8.4%

PORTWIDE FINANCIAL YEAR-END FORECAST SUMMARY

\$ in 000's	2019	2020	2021	2021	Fav (UnFav)		Incr (DeCr)	
	Actual	Actual	Forecast	Budget	Fcst vs. Budget	Variance	Change from 2020	%
					\$	%	\$	%
Aeronautical Revenues	357,598	297,909	314,476	386,668	(72,192)	-18.7%	16,567	5.6%
Airport Non-Aero Revenues	269,037	116,473	171,312	189,548	(18,236)	-9.6%	54,839	47.1%
Non-Airport Revenues	137,538	96,446	104,968	104,645	323	0.3%	8,523	8.8%
Total Operating Revenues	764,174	510,828	590,756	680,861	(90,104)	-13.2%	79,928	15.6%
Total Operating Expenses	441,700	408,681	425,177	423,412	(1,765)	-0.4%	16,496	4.0%
NOI before Depreciation	322,474	102,147	165,579	257,448	(91,869)	-35.7%	63,432	62.1%
Depreciation	174,903	180,086	176,509	176,509	-	0.0%	(3,577)	-2.0%
NOI after Depreciation	147,571	(77,939)	(10,930)	80,939	(91,869)	-113.5%	67,009	-86.0%

1) 2021 Airport Non-Aero Revenues Forecast does not include the projected Federal Relief for Concessions of \$26.8M.

Year-End Forecast

- Operating Revenues are forecasted to be \$90.1M lower than budget mainly due to the application of unplanned federal relief funds that will reduce Aeronautical revenues, which are based on cost recovery, and Non-Aeronautical revenues when used for tenant rent relief.
- Operating Expenses are expected to be \$1.8M higher than budget due to a number of unbudgeted items. While expenses increased by \$16.4 million compared to 2020, they would have been \$700K lower than 2020 after adjusting for the \$17.2M State pension credit in 2020.
- NOI before depreciation is forecasted to be \$91.9M below budget primarily due to significantly lower operating revenues reflecting the impact of airport federal relief funds on Aeronautical and Non-Aeronautical revenues compared to budget. The federal relief funds will be booked as Non-Operating Revenues.

KEY PERFORMANCE METRICS

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 03/31/21

	2020 YTD 2021 YTD		2020	2021	2021	Fav (UnFav) Fest vs. Budget Variance		Incr (Decr) Change from 2020	
	Actual	Actual	Actual	Forecast	Budget	Chg.	%	Chg.	%
Total Passengers (in 000's)	9,209	4,868	20,087	36,903	36,432	471	1.3%	16,815	83.7%
Landed Weight (lbs. in millions)	6,889	5,266	20,262	24,461	26,233	(1,772)	-6.8%	4,199	20.7%
Passenger CPE (in \$)	N/A	N/A	26.50	15.26	19.62	4.35	22.2%	(11.24)	-42.4%
Grain Volume (metric tons in 000's)	915	1,393	4,240	4,366	4,219	147	3.5%	126	3.0%
Cruise Passenger (in 000's)	-	-	-	N/A	N/A	-	0.0%	-	0.0%
Shilshole Bay Marina Occupancy	91.9%	93.1%	94.1%	95.0%	96.1%	-1.1%	-1.2%	0.9%	1.0%

Note: Due to CDC COVID-19 Cruise restrictions, we are unable to Budget or Forecast Cruise Passengers at this time.

KEY BUSINESS EVENTS

As a critical driver of economic growth in the region, the Port has been leading efforts to an equitable recovery by helping stabilize businesses and increasing investments in communities. The Port awarded fourteen organizations in the six Highline cities with an environmental grant that will support projects for park restoration, garden expansion, environmental justice education and service learning, community engagement, and soil and water stewardship training. The Commission also approved the lease for a job and economic resource center as part of the Duwamish Valley Community Equity Program.

The Port, with assistance from the US Department of Transportation Small Business Transportation Resource Center (SBTRC), conducted workshop series to small, disadvantaged minority, women-owned, 8A certified, and HUB Zone certified businesses. The Port has also joined the City of Seattle and Sound Transit in a regional effort to reduce equity gap in workforce development and Priority Hire programs. The joint partnership invests a total of 1.75M to support workers, especially women and people of color through outreach and training, recruitment, placement and referral, and retention and career advancement support services.

The Port announced the 23 recipients of the sixth annual Tourism Marketing Support Program. The program will provide \$200,000 in matching dollars to help revive the tourism and hospitality industry which is one of the hardest hit economic sectors in WA state with job losses estimated at over 100,000. The Port is also working with WA Tourism Alliance to implement statewide tourism recovery initiative.

The Port, in partnership with Washington Maritime Blue and the state Department of Commerce, announced the second cohort of the Maritime Blue Innovation Accelerator. Eleven start-up companies were chosen based on how they could help advance the state's strategy to create a sustainable economy. The cohort will work closely with global network of mentors and advisors with unique backgrounds, experiences, and expertise to help guide and inspire them as they work toward innovative solutions to help the maritime industry thrive in the future. In addition to working with mentors, the cohort will have opportunities to secure funding for their ideas.

The Commission authorized the procurement of a 14-acre surplus WSDOT (Washington State Department of Transportation) parcel that will be combined with a similar sized POS parcel to create the 28-acre Des Moines Creek-West development. This project will create local jobs and spur local business activity.

To further support the community through this pandemic, the Port has partnered with the Department of Health, FEMA, and Safeway/Albertsons to host the On-site COVID-19 vaccination clinic at the airport for transportation workers. Port employees and badged SEA stakeholders have completed 426 hours of volunteer shifts during the first 5 weeks of the vaccine clinic. Moreover, the Port coordinated with Discovery Health MD, to offer COVID testing and vaccines at Terminal 91 for Maritime Professionals.

The Port has also received approval from the FAA to distribute masks (received from FEMA) to community groups and small businesses outside of the aviation industry. Organizations that have received the mask donations include Communities in Schools of Seattle (CISS), El Centro de la Raza, Duwamish River Clean Up Coalition, Urban League of Metropolitan Seattle, and Community International Health Services.

The Port adopted the NW Ports Clean Air Strategy and made progress on the Maritime Climate and Air Action Plan, and T117 construction. Fishermen's Terminal, Salmon Bay Marina and Maritime Industrial Center earned Clean Marina Certification from Puget Soundkeeper. The Northwest Mountain Minority Supplier Development Council also named the Port of Seattle as its Public Agency of the Year.

CAPITAL SPENDING SUMMARY

\$ in 000's	2021	2021	2021	Budget Variance	
	YTD Actual	Forecast	Budget	\$	%
Aviation	92,329	468,094	491,202	23,108	4.7%
Maritime	2,094	21,279	26,195	4,916	18.8%
Economic Development	325	4,604	5,647	1,043	18.5%
Central Services & Other (note 1)	4,047	12,892	13,605	713	5.2%
TOTAL	98,795	506,869	536,649	29,781	5.5%

Note:

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

Total capital spending is forecast to be \$506.9M for 2021, \$29.8M lower than the approved budget mainly due to spending delays in International Arrival Facility and North Satellite projects.

PORTWIDE INVESTMENT PORTFOLIO

During the first quarter of 2021, the investment portfolio earned 1.33% versus the benchmark's (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index) of 0.19%. Over the last twelve months, the portfolio and the benchmark have earned 1.67% and 0.16%, respectively. Since the Port became its own Treasurer in 2002, the life-to-date earnings of the Port's portfolio and the benchmark are 2.40% and 1.72%, respectively.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

II. AVIATION DIVISION

FINANCIAL SUMMARY

Financial Summary (\$ in 000's)	2019	2020	2021	2021	Fav(UnFav) Fest. vs. Budget Variance		Incr/(Decr) Change from 2020	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Operating Revenue								
Aeronautical Revenues	357,598	297,909	314,476	386,668	(72,192)	-18.7%	16,567	5.6%
Non-Aeronautical Revenues	269,037	116,473	171,312	189,548	(18,236)	-9.6%	54,839	47.1%
Total Operating Revenues	626,636	414,382	485,788	576,215	(90,428)	-15.7%	71,406	17.2%
Total Operating Expenses	355,245	329,680	342,282	339,908	(2,374)	-0.7%	12,602	3.8%
Net Operating Income	271,390	84,702	143,506	236,308	(92,802)	-39.3%	58,804	69.4%
Federal Relief		147,148	161,601	37,899	123,702	326.4%	14,453	9.8%
Federal Relief (Concessions)			26,755		26,755		26,755	
NOI (After Federal Relief)	271,390	231,850	331,862	274,207	57,655	21.0%	100,012	43.1%
CPE	12.86	26.50	15.26	19.62	4.35	0.22	(11.24)	-42.4%
Non-Aero NOI (\$ in 000s)	6,671	4,426	90,892	82,742	8,150	9.9%	86,466	1953.6%
Enplaned passengers (in 000s)	25,874	10,044	18,451	18,216	236	1.3%	8,408	83.7%
Capital Expenditures (in 000s)	573,598	573,598	468,094	491,202	23,108	4.7%	(105,504)	-18.4%

2021 Forecast vs. 2021 Budget

- Net Operating Income (NOI) for 2021 is forecasted to be (-\$92.8M or -39.3%) unfavorable to the budget before Federal Relief applied, driven by:
 - Lower Aeronautical revenue (-\$72.2M or -18.7%) due to grants of approximately \$119M projected to offset Aeronautical costs in 2021. See the Airline Rate Base Cost Drivers table for more details.
 - Non-Aeronautical revenue (-18.2M or -9.6%) unfavorable. Although improvement is seen in Landside operations due to the improvement in the forecasted passenger volume recovery, Concessions will be requiring Federal Relief. Federal Relief for the concessions area is projected for \$26.7M.
 - Total Operating Expenses (\$-2.4M or -0.7%) unfavorable driven partially by the Snow Removal (\$2.2M) in the Airfield and Maintenance cost centers and emergency watermain repair (\$570K) in Q1, and projection for increased expenses in PMG Consultant Support for ADR and Tenants (\$634K).

2021 Forecasts vs. 2020 Actuals

- Net Operating Income for 2021 is projected to be (\$59M or 69.4%) higher than prior year before Federal Relief – primarily driven by:
 - Higher Operating Revenue (\$71.4M or 17.2%) compared to prior year is due to passenger levels improving with a forecast of being down 29% compared to 2019 vs. 61% down in 2020 compared to 2019.
 - Higher Operating Expenses (\$12.6M or 3.8%) compared to prior year were primarily driven by higher Environmental Remediation Liability, Outside Services, Utilities, and Police spending in 2021 vs. 2020. Spending in 2020 was lower than normal due to directives to spend less due to the business environment related to the pandemic.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

A. BUSINESS EVENTS

- Higher than expected passenger levels, new forecast now 29% lower than 2019.
- Increased federal relief improves bottom line, helps customers:
 - \$37 million for CRRSAA
 - \$154 million for ARPA
 - \$27 million for tenant concessions relief (CRRSAA and ARPA)
 - Planning to reserve \$75 million for 2022
- Planning for mid-year airline rate adjustment effective July 1.

B. KEY PERFORMANCE METRICS

	YTD 2019	YTD 2020	YTD 2021	% YTD Change from 2020
Total Passengers (000's)				
Domestic	9,658	8,205	4,662	-43.2%
International	1,207	1,004	205	-79.5%
Total	10,865	9,209	4,868	-47.1%
Operations	100,740	99,983	75,878	-24.1%
Landed Weight (In Millions of lbs.)				
Cargo	565	606	709	17.0%
All other	6,300	6,283	4,557	-27.5%
Total	6,865	6,889	5,266	-23.6%
Cargo - Metric Tons				
Domestic freight	69,054	75,866	84,502	11.4%
International & Mail freight	29,423	25,795	25,223	-2.2%
Total	98,477	101,661	109,725	7.9%

*Mail weight for 2021 forward is incorporated in freight

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

Key Performance Measures

	2019	2020	2021	2021	Fav(UnFav) Fest. vs. Budget Variance		Incr/(Decr) Change from 2020	
	Actual	Actual	Forecast	Approved Budget	\$	%	\$	%
Key Performance Metrics								
Cost per Enplanement (CPE)	12.86	26.50	15.26	19.62	4.35	22.2%	(11.24)	-42.4%
Non-Aeronautical NOI (in 000's) ¹	143,917	6,671	90,892	82,742	8,150	9.9%	84,221	1262.6%
Other Performance Metrics								
O&M Cost per Enplanement	6.86	16.41	9.28	9.33	0.05	0.6%	(7.14)	-43.5%
Non-Aero Revenue per Enplanement	5.20	5.80	5.37	5.20	0.16	3.2%	(0.43)	-7.4%
Debt per Enplanement (in \$)	66	163	84	85	1	1.3%	(79)	-48.4%
Debt Service Coverage	1.68	1.40	2.35	1.36	0.99	73.4%	0.95	67.9%
Days cash on hand (10 months = 304 days)	314	327	363	369	-6	-1.6%	36	11.2%
Aeronautical Revenue Sharing (\$ in 000's)	(17,146)	1	-	-	-	0.0%	(1)	100.0%
Activity (in 000's)								
Enplanements	25,874	10,044	18,451	18,216	236	1.3%	8,408	83.7%
Total Passengers	51,748	20,087	36,903	36,432	471	1.3%	16,815	83.7%

(1) Assumes Federal Relief for Concessions applied in the 2021 Forecast

Key Performance Metrics

2021 Forecast vs. 2021 Budget

- Cost per Enplanement (CPE):
 - CPE is (\$4.35, or 22.2%) favorable driven primarily by the Federal Relief to help lower the Aeronautical costs to recover.
 - Non-Aero NOI is (\$8.2M or 9.9%) favorable to original approved budget due to projection of improved revenues in the Landside operations and due to Federal Relief.

2021 Forecast vs. 2020 Actuals

- CPE is \$11.24 lower compared to prior year due to lower costs expected to recover due to the Federal Relief offsetting the costs compared to prior year.
- Non-Aero NOI is \$84.2M higher than prior year due to projection of improved revenues in the Landside operations and due to Federal Relief.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

C. OPERATING RESULTS

Division Summary – YTD Actuals

Total Airport Expense Summary (\$ in 000's)	2019 YTD	2020 YTD	2021 YTD		Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2020	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Operating Expenses								
Payroll	35,372	39,071	37,305	37,513	208	0.6%	(1,766)	-4.5%
Outside Services	12,737	14,011	13,477	15,498	2,022	13.0%	(534)	-3.8%
Utilities	4,656	4,884	5,060	4,312	(748)	-17.3%	175	3.6%
Other Expenses	5,406	3,061	24	74	51	68.2%	(3,037)	-99.2%
Total Airport Direct Charges	58,171	61,027	55,865	57,397	1,532	2.7%	(5,162)	-8.5%
Environmental Remediation Liability	-	-	-	-	-		-	
Capital to Expense	72	-	75	-	(75)		75	
Total Exceptions	72	-	75	-	(75)		75	
Total Airport Expenses	58,243	61,027	55,940	57,397	1,457	2.5%	(5,087)	-8.3%
Corporate	15,030	16,791	15,891	16,625	734	4.4%	(900)	-5.4%
Police	5,182	6,509	5,537	6,389	852	13.3%	(972)	-14.9%
Maritime/Economic Development/Other	761	838	720	865	146	16.8%	(119)	-14.2%
Total Charges from Other Divisions	20,973	24,139	22,148	23,880	1,731	7.3%	(1,991)	-8.2%
Total Operating Expenses	79,216	85,166	78,088	81,277	3,189	3.9%	(7,078)	-8.3%

Expenses – 2021 YTD Actuals vs. 2021 YTD Budget

- Operating Expenses were (\$3.2M or 3.9%) favorable driven primarily by the underspend in Charges from other Divisions of \$1.7M, and in Outside Services of \$2M across multiple business areas - Commercial Management (208k), F&I and Capital Program (716k), PMG (629k), and Maintenance (933k).

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

Division Summary – YE Forecast

Total Airport Expense Summary (\$ in 000's)	2019	2020	2021	2021	Fav(UnFav) Fcst. vs. Budget Variance		Incr/(Decr) Change from 2020	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Operating Expenses								
Payroll	144,051	152,895	153,293	153,293	-	0.0%	398	0.3%
Outside Services	68,162	63,922	69,015	65,174	(3,841)	-5.9%	5,093	8.0%
Utilities	18,180	15,695	20,244	20,244	-	0.0%	4,549	29.0%
Other Expenses	14,721	3,341	814	1,359	545	40.1%	(2,527)	-75.6%
Total Airport Direct Charges	245,114	235,854	243,366	240,071	(3,295)	-1.4%	7,512	3.2%
Environmental Remediation Liability	15,900	(2,361)	2,162	2,001	(161)	-8.0%	4,523	-191.6%
Capital to Expense	2,089	2,588	283	-	(283)		(2,305)	-89.1%
Total Exceptions	17,989	227	2,445	2,001	(444)	-22.2%	2,218	978.2%
Total Airport Expenses	263,104	236,081	245,811	242,072	(3,739)	-1.5%	9,730	4.1%
Corporate	65,729	68,316	68,402	69,767	1,365	2.0%	87	0.1%
Police	22,290	22,150	23,964	23,964	-	0.0%	1,814	8.2%
Maritime/Economic Development/Other	4,123	3,134	4,105	4,105	-	0.0%	971	31.0%
Total Charges from Other Divisions	92,141	93,599	96,471	97,836	1,365	1.4%	2,872	3.1%
Total Operating Expenses	355,245	329,680	342,282	339,908	(2,374)	-0.7%	12,602	3.8%

Operating Expenses – 2021 YE Forecast compared to 2021 YE Budget (-\$2.4M or -0.7% unfavorable)

- Total Operating Expenses is forecasted to over-run Budget by \$2.4M driven partially by the Snow Removal (\$2.2M) in the Airfield and Maintenance cost centers and emergency watermain repair (\$570K) in Q1, and projection for increased expenses in PMG Consultant Support for ADR and Tenants (\$634K).

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

Aeronautical Business Unit Summary – YTD Actuals

Aeronautical NOI (S in 000's)	2019 YTD	2020 YTD	2021 YTD	2021 YTD	Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2020	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Rate Base Revenues								
Airfield Movement Area	28,300	25,223	15,396	20,399	(5,003)	-24.5%	(9,827)	-39.0%
Airfield Apron Area	4,706	5,360	4,302	4,225	77	1.8%	(1,057)	-19.7%
Terminal Rents	48,570	47,756	35,605	48,679	(13,074)	-26.9%	(12,151)	-25.4%
Federal Inspection Services (FIS)	3,267	4,019	1,869	3,769	(1,901)	-50.4%	(2,150)	-53.5%
Total Rate Base Revenues	84,843	82,357	57,172	77,073	(19,901)	-25.8%	(25,185)	-30.6%
Airfield Commercial Area	2,793	3,927	4,139	3,865	274	7.1%	212	5.4%
Subtotal before Revenue Sharing	87,635	86,284	61,311	80,938	(19,627)	-24.2%	(24,973)	-28.9%
Revenue Sharing	(3,961)	-	-	-	-	-	-	-
Total Aeronautical Revenues	83,674	86,284	61,311	80,938	(19,627)	-24.2%	(24,973)	-28.9%
Total Aeronautical Expenses	53,251	50,268	54,141	56,473	2,332	4.1%	3,873	7.7%
Aeronautical NOI	30,423	36,016	7,169	24,464	(17,295)	-70.7%	(28,846)	-80.1%

Aeronautical – 2021 YTD Actuals vs. 2021 YTD Budget

- Net Operating Income was (-\$17.3M or -70.7%) unfavorable to budget due to \$19.6M in lower aeronautical revenues driven by lower costs to recover driven by lower operating expenses in Outside Services and Charges from Other Divisions.

Aeronautical – 2021 YTD Actuals vs. 2020 YTD Actuals

- Net Operating Income was (-\$28.8M or -80.1%) lower than 2020 due to the lower aeronautical costs to recover driven by lower activity when compared to the 1st quarter in 2020 where the COVID-19 impact didn't start until March 2020. The first two months in 2020 (January and February) were at normal levels.

Aeronautical Business Unit Summary - YE Forecast

Aeronautical NOI (S in 000's)	2019	2020	2021	2021	Fav(UnFav) Fcst. vs. Budget Variance		Incr/(Decr) Change from 2020	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Rate Base Revenues								
Airfield Movement Area	123,436	84,906	87,718	115,037	(27,319)	-23.7%	2,812	3.3%
Airfield Apron Area	22,016	15,146	14,974	21,418	(6,444)	-30.1%	(172)	-1.1%
Terminal Rents	205,283	171,607	177,661	213,147	(35,485)	-16.6%	6,054	3.5%
Federal Inspection Services (FIS)	12,321	8,616	17,679	21,454	(3,775)	-17.6%	9,063	105.2%
Total Rate Base Revenues	363,057	280,275	298,032	371,056	(73,023)	-19.7%	17,757	6.3%
Airfield Commercial Area	11,687	17,633	16,444	15,612	832	5.3%	(1,189)	-6.7%
Subtotal before Revenue Sharing	374,744	297,908	314,476	386,668	(72,192)	-18.7%	16,568	5.6%
Revenue Sharing	(17,146)	1	-	-	-	-	(1)	-100.0%
Total Aeronautical Revenues	357,598	297,909	314,476	386,668	(72,192)	-18.7%	16,567	5.6%
Total Aeronautical Expenses	236,959	219,878	235,107	233,102	(2,005)	-0.9%	15,230	6.9%
Aeronautical NOI	120,639	78,031	79,369	153,566	(74,197)	-48.3%	1,338	1.7%
Debt Service	(110,945)	(62,607)	(57,903)	(125,747)	67,844	-54.0%	4,704	-7.5%
Net Cash Flow	9,694	15,424	21,466	27,819	(6,353)	-22.8%	6,042	39.2%

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

Airline Rate Base Cost Drivers

\$ in 000's	2020 Actual	2021 Budget	2021 Forecast	Impact on Aero Revenues Budget vs Forecast	
				\$	%
O&M ⁽¹⁾	213,775	227,420	229,450	2,029	0.9%
Federal Relief Grants O&M	(22,507)	(3,500)	(18,492)	(14,992)	428.3%
Net O&M	191,268	223,920	210,958	(12,962)	-5.8%
Debt Service Before Offsets	166,848	193,302	195,975	2,672	1.4%
Debt Service PFC Offset	(36,390)	(47,549)	(38,614)	8,935	-18.8%
Federal Relief Grants Debt Service	(71,763)	(29,399)	(101,211)	(71,812)	244.3%
Net Debt Service	58,694	116,354	56,149	(60,204)	-51.7%
Amortization	32,359	32,681	32,681	-	0.0%
Space Vacancy	(1,083)	(1,141)	(998)	143	-12.5%
TSA Operating Grant and Other	(960)	(758)	(758)	-	0.0%
Rate Base Revenues	280,279	371,056	298,032	(73,023)	-20%
Commercial area	17,633	15,612	16,444	832	5%
Total Aero Revenues	297,912	386,668	314,476	(72,192)	-19%

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

2021 Forecast to 2021 Budget

- O&M – \$2.0M higher mostly in Apron, FIS, and Queue Management:
 - Apron – Large Snow Expenses
 - FIS – Increased Interpretation Services, Increased VIP Hospitality, Furniture Capital to Expense, Contingencies [IAF Oversize Baggage Relocate, IAF Wall Protections]
 - Queue Management – VIP Divesting
- Debt Service before Offsets: Forecast is \$2.6M higher primarily because the Budget assumed a reduction of \$5.8M of Debt Service exclusion for assets not in use which were partially offset by an increase in Capital Interest.
- PFC Offset \$8.9M lower due to lower anticipated collections
- Federal Relief Grants Aero Portion:
 - Payroll Impact (O&M) – Removing \$18.5M from Rate Base
 - Debt Service Impact - Removing \$101.2M from Rate Base

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

Non-Aero Business Unit Summary – YTD Actuals

Non-Aeronautical NOI (S in 000's)	2019 YTD	2020 YTD	2021 YTD	2021 YTD	Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2020	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Non-Aeronautical Revenues								
Public Parking	19,956	16,720	9,330	10,595	(1,264)	-11.9%	(7,390)	-44.2%
Rental Cars	7,229	6,928	3,484	4,577	(1,092)	-23.9%	(3,444)	-49.7%
Ground Transportation	4,523	3,931	1,459	2,441	(982)	-40.2%	(2,471)	-62.9%
Employee Parking	2,677	2,623	2,144	2,422	(278)	-11.5%	(479)	-18.3%
Landside Total	34,384	30,202	16,418	20,035	(3,617)	-18.1%	(13,784)	-45.6%
Airport Dining & Retail	12,815	10,680	4,865	7,896	(3,031)	-38.4%	(5,815)	-54.4%
Tenant Marketing	262	227	2	167	(164)	-98.6%	(225)	-99.0%
Commercial Properties	3,212	3,641	2,557	2,911	(354)	-12.2%	(1,083)	-29.8%
Clubs and Lounges	1,902	1,714	175	936	(762)	-81.3%	(1,540)	-89.8%
Non-Airline Terminal Leased Space	1,522	1,696	1,432	1,223	209	17.1%	(264)	-15.6%
AOB Conference Center	91	57	1	-	1		(56)	-98.3%
Commercial Management Total	19,804	18,014	9,032	13,133	(4,101)	-31.2%	(8,982)	-49.9%
Utilities	1,719	1,606	1,297	1,892	(595)	-31.4%	(309)	-19.3%
Other	89	133	183	25	158	636.2%	50	37.4%
Total Non-Aeronautical Revenues	55,996	49,956	26,930	35,085	(8,154)	-23.2%	(23,025)	-46.1%
Total Non-Aeronautical Expenses	17,206	34,898	23,947	24,804	857	3.5%	(10,951)	-31.4%
Non-Aeronautical NOI	38,790	15,058	2,984	10,281	(7,297)	-71.0%	(12,074)	-80.2%
Less: CFC Surplus	-	-	-	-	-		-	
Adjusted Non-Aeronautical NOI	38,790	15,058	2,984	10,281	(7,297)	-71.0%	(12,074)	-80.2%

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

- Net Operating Income was (-\$7.3M or -71.0%) unfavorable to revised budget driven by:
 - Continued impact of COVID-19 driving passenger levels impacting 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 decline in passenger volume.
 - Non-Aeronautical operating expenses were (\$857K or 3.5%) favorable.

Non-Aeronautical – 2021 YTD Actuals vs. 2020 YTD Actuals

- Net Operating Income was (-\$12.1M or -80.2%) lower than 2020 driven by:
 - Lower passenger levels and activity when compared to the 1st quarter in 2020 where the COVID-19 impact didn't start until March 2020. The first two months in 2020 (January and February) were at normal levels.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

Non-Aero Business Unit Summary - YE Forecast

Non-Aeronautical NOI (\$ in 000's)	2019	2020	2021	2021	Fav(UnFav) Fcst. vs. Budget Variance		Incr/(Decr) Change from 2020	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Non-Aeronautical Revenues								
Public Parking	82,125	34,502	64,699	59,597	5,102	8.6%	30,197	87.5%
Rental Cars	52,567	16,637	33,160	26,880	6,280	23.4%	16,523	99.3%
Ground Transportation	20,765	6,557	14,321	13,628	693	5.1%	7,764	118.4%
Airport Dining & Retail	61,615	25,418	44,567	45,936	(1,369)	-3.0%	19,149	75.3%
Other	51,966	33,359	41,319	43,506	(2,187)	-5.0%	7,961	23.9%
Total Non-Aeronautical Revenues	269,037	116,473	198,067	189,548	8,519	4.5%	81,594	70.1%
Total Non-Aeronautical Expenses	118,286	109,802	107,175	106,806	(369)	-0.3%	(2,627)	-2.4%
Non-Aeronautical NOI¹	150,752	6,671	90,892	82,742	8,150	9.9%	84,221	1262.6%
Less: CFC Surplus	(6,834)	-	-	-	-		-	
Adjusted Non-Aeronautical NOI	143,917	6,671	90,892	82,742	8,150	9.9%	84,221	1262.6%
Debt Service	(49,299)	(33,065)	(23,358)	(53,025)	29,666	-55.9%	9,707	-29.4%
Net Cash Flow	94,619	(26,394)	67,533	29,717	37,816	127.3%	93,928	-355.9%

(1) Assumes Federal Relief for Concessions applied in the 2021 Forecast

Non-Aeronautical – 2021 Forecast vs. 2021 Budget

- Non-Aeronautical net operating income is forecasted to be (\$8.2M or 9.9%) favorable to budget based on improvement in revenues on the Landside operations due to the improvement in the forecasted passenger volume recovery. The Non-Aeronautical Revenues assumes Federal Relief for the concessions area of \$26.7M.

Non-Aeronautical – 2021 Forecast vs. 2020 Actuals

- Net Operating Income for 2021 is forecasted to be (\$84.2M or 1262.6%) compared to prior year due to passenger levels improving with a forecast of being down 29% compared to 2019 vs. 61% down in 2020 compared to 2019.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

D. CAPITAL RESULTS

Capital Variance

\$ in 000's	2021	2021	2021	Budget Variance	
	YTD Actual	Year-End Forecast	Budget	\$	%
NS NSAT Renov NSTS Lobbies ⁽¹⁾	32,459	90,814	96,408	5,594	5.8%
2021-25 AFLD Pvmnt& Spprt Infr ⁽²⁾	718	25,047	29,560	4,513	15.3%
Concourse A Expansion ⁽³⁾	31	9,613	5,215	(4,398)	-84.3%
International Arrivals Facility ⁽⁴⁾	22,947	82,447	86,500	4,053	4.7%
NEPL Improvements ⁽⁵⁾	18	3,616	496	(3,121)	-629.6%
Concourse C New Power Center ⁽⁶⁾	1,181	5,253	2,961	(2,292)	-77.4%
Terminal Security Enhancements ⁽⁷⁾	63	1,721	3,479	1,758	50.5%
A12A Jet Bridge ⁽⁸⁾	-	509	2,227	1,718	77.2%
SAMP Near Term Planning ⁽⁹⁾	171	3,672	5,025	1,354	26.9%
C1 Building Floor Expansion ⁽¹⁰⁾	108	7,487	8,763	1,277	14.6%
Checkpoint 1 Relocation ⁽¹¹⁾	63	3,111	1,954	(1,158)	-59.3%
N. Terminals Utilities Upgrade ⁽¹²⁾	4,200	7,273	8,399	1,126	13.4%
Parking Garage Elevators Moder ⁽¹³⁾	870	2,932	3,942	1,011	25.6%
Checked Bag Recap/Optimization	15,089	86,289	86,100	(189)	-0.2%
All Other	14,411	176,475	192,151	15,676	8.2%
Subtotal	92,329	506,258	533,180	26,922	5.0%
CIP Cashflow Mgmt Reserve	-	(38,164)	(41,978)	(3,814)	9.1%
Total Spending	92,329	468,094	491,202	23,108	4.7%

- \$1M less Overhead; \$1.5M less Construction (contract/OFCI & sales tax); \$1.3M under Permit costs that are delayed; PM/CM/AD/ART invoice slip & underrun.
- Bid result lower than Engineer's Estimate by \$4.7M
- 2021 baseline was set previous to Notebook approval (03/05/21), whereas the project budget went from \$60M to 71.4M
- The pedestrian walkway continues to slide to the right and is likely going to complete late August 2021. Additionally, issues with control systems and smoke control have caused delays to the IAF building. Potential COVID impact payment settlement.
- Increased scope via approved DCD's
- Construction accelerated by 6 months.
- Previous procurement cancelled, cashflow per anticipated DB schedule.
- Still in Planning Mode have not drilled on the Schedule.
- Continued scoping and analysis extended to gain better information deferring spending.
- Commission Authorization delays, due to re-evaluating financial impacts with COVID-19.
- 2020 'Plan' based on a 'Hot' project, but then requested to be 'slowed', due to COVID-19.
- Phase 1 is coming in under budget; Savings will be used to fund Phase 2
- A protracted delay in AE contract negotiations resulted in slower than anticipated design costs.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

III. MARITIME DIVISION

FINANCIAL SUMMARY

	2019	2020	2021	2021	Fav (UnFav) Fest vs. Budget Variance		Incr (Decr) Change from 2020	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
\$ in 000's								
Total Revenues	59,289	42,111	45,355	45,280	75	0%	3,244	8%
Total Operating Expenses	48,644	50,228	49,716	50,243	527	1%	(512)	-1%
Net Operating Income	10,644	(8,117)	(4,361)	(4,963)	602	12%	3,755	-46%
Capital Expenditures	7,887	19,698	21,279	26,195	4,916	19%	1,581	8%

Note: Assumes partial year of the Alaskan Cruises.

2021 Forecast vs. 2021 Budget

- Operating Revenues are \$75K higher than budget driven by higher volumes at the Grain Terminal.
- Operating Expenses forecasted \$527K lower than budget from a change in maintenance allocation.
- Net Operating Income Planned \$602K favorable to budget.
- Capital Spending forecasted at 81% of \$26.2M budget.

2021 Forecast vs. 2020 Actuals

- Operating Revenues expected \$3.2M higher than 2020 due to higher grain volumes and resumption of cruise business.
- Operating Expenses forecasted \$512K lower than 2020 actual driven by lower support service costs, partially offset by increased central services from allocation changes and a favorable pension adjustment in 2020.
- Net Operating Income forecasted \$3.8M above 2020 actual.

Net Operating Income before Depreciation by Business

	2020 YTD	2021 YTD	2021 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2020	
	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's							
Ship Canal Fishing & Operations	(399)	(372)	(596)	224	38%	27	7%
Elliott Bay Fishing & Commercial Operations	(135)	(261)	(512)	251	49%	(125)	NA
Recreational Boating	501	304	(15)	319	2104%	(197)	-39%
Cruise	(2,889)	(2,517)	(1,736)	(782)	-45%	372	-13%
Grain	744	1,431	994	437	-44%	688	92%
Maritime Portfolio	(65)	88	(714)	802	112%	153	-236%
All Other	(77)	(71)	(132)	61	46%	6	7%
Total Maritime	(2,321)	(1,398)	(2,710)	1,312	48%	923	40%

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

A. BUSINESS EVENTS

Recreational Boating– Conducted satisfaction survey in response to COVID-19 business disruptions with 26% of the customers responding. Team received overwhelmingly favorable results. Customers noted the challenges and appreciation for quick transitions & excellent customer service.

Elliott Bay Fishing and Commercial Operations - Coordinated with Discovery Health MD to ensure COVID testing and administering of vaccinations could take place at Terminal 91 for Maritime Professionals.

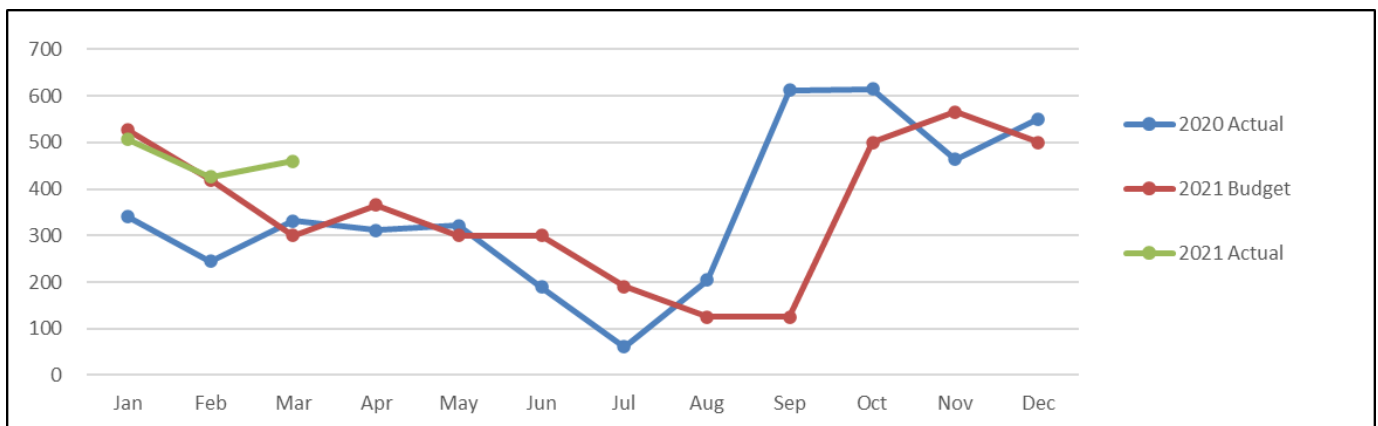
Ship Canal Fishing & Operations – Fishermen’s Terminal, Salmon Bay Marina and Maritime Industrial Center earned Clean Marina Certification from Puget Soundkeeper.

Maritime Portfolio Management – Entered into negotiations for new tenant at Maritime Industrial Center.

Stormwater Utility – The strategic plan draft was reviewed by stakeholders and is close to being finalized.

B. KEY PERFORMANCE METRICS

Grain Volume – Metric Tons in 000’s



III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

C. OPERATING RESULTS

	2019 YTD	2020 YTD	2021 YTD	2021 YTD	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Budget	Actual vs. Budget Variance		Change from 2020	
\$ in 000's					\$	%	\$	%
Ship Canal Fishing & Operations	1,014	1,082	1,067	1,056	11	1%	(15)	-1%
Elliott Bay Fishing & Commercial Operations	1,277	1,418	1,136	1,131	5	0%	(283)	-20%
Recreational Boating	3,119	3,134	3,125	3,152	(27)	-1%	(9)	0%
Cruise	43	114	48	1,092	(1,044)	-96%	(66)	-58%
Grain	1,434	1,048	1,719	1,421	298	21%	671	64%
Maritime Portfolio Management	2,550	2,541	2,443	2,518	(75)	-3%	(98)	-4%
Other	5	3	1	0	1	NA	(2)	-67%
Total Revenue	9,442	9,340	9,539	10,370	(831)	-8%	199	2%
Expenses								
Maritime (Excl. Maint)	3,304	3,724	3,576	3,837	261	7%	(148)	-4%
Economic Development	1,215	1,314	1,059	1,769	709	40%	(254)	-19%
Total Direct	4,520	5,038	4,635	5,606	970	17%	(403)	-8%
Maintenance Expenses	2,229	2,671	2,357	3,091	734	24%	(314)	-12%
Envir Services & Planning	402	447	359	533	175	33%	(89)	-20%
Seaport Finance & Cost Recovery	267	227	237	238	1	0%	11	5%
Seaport Project Management	69	43	76	81	4	6%	34	79%
Total Support Services	2,967	3,387	3,029	3,943	914	23%	(358)	-11%
IT	652	689	651	700	50	7%	(39)	-6%
Police Expenses	881	842	722	831	110	13%	(120)	-14%
External Relations	353	305	281	335	54	16%	(24)	-8%
Other Central Services	849	1,340	1,549	1,609	60	4%	209	16%
Aviation Division / Other	64	59	71	56	(15)	-26%	11	19%
Total Central Services / Other	2,799	3,236	3,273	3,532	259	7%	37	1%
Total Expense	10,286	11,661	10,937	13,080	2,143	16%	(724)	-6%
NOI Before Depreciation	(844)	(2,321)	(1,398)	(2,710)	1,312	48%	923	40%
Depreciation	4,509	4,395	4,464	4,043	(421)	-10%	69	2%
NOI After Depreciation	(5,353)	(6,715)	(5,862)	(6,753)	891	13%	853	13%

2021 YTD Actuals vs. 2021 YTD Budget

- Operating Revenues were \$831K lower than budget driven by:
 - 1) Cruise \$1,044K lower due to timing of lease invoice to NCL.
 - 2) Grain \$298K higher from 52% increase in annual volumes.
 - 3) Maritime Portfolio Management \$75K lower from vacancy at Maritime Industrial Center.
 - 4) All other variances add up to \$10K lower.
- Operating Expenses were \$2,143K lower than budget:
 - 1) Direct Expenses were \$970K lower than budget
 - Rec Boating \$49K higher than budget due to COVID-19 expenses.
 - Ship Canal Fishing and Operations \$70K lower from reversal of bad debt expense.
 - Elliot Bay Fishing and Commercial \$177K below due to lower utilities expenses.
 - Cruise \$60K under from lower outside services and promotional hosting.
 - Maritime Security \$13K over budget.
 - Maritime Marketing \$66K below budget from event cancellations.
 - Portfolio Management \$702K favorable from salaries and open headcount, lower utility expense and timing of tenant improvements.
 - Divisional contingency open headcount vacancy factor created a \$54K unfavorable variance
 - All other Direct Expenses net to \$11K under budget.
 - 2) Total Support Services were \$914K favorable to budget.
 - Maintenance \$734K favorable due to reduced wage expenses and favorable allocation change.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

- Environmental Services and Planning were \$175K lower than budget due to open position and outside services timing.
- 3) Total Central Services / Other were \$259K favorable to budget.
- Net Operating Income was \$1,312 favorable to budget.

2021 YTD Actuals vs. 2020 YTD Actuals

- Operating Revenues were \$199K higher than 2020 due to increased volumes at the Grain terminal.
- Operating Expenses were \$724K lower than 2020 actual driven by:
 1. Lower Utility costs across most business lines.
 2. Change in Maintenance Allocation
- Net Operating Income was \$923K better than 2020 actual.

	2019	2020	2021	2021	Fav (UnFav) Fest vs. Budget Variance		Incr (Decr) Change from 2020	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
\$ in 000's								
Ship Canal Fishing & Operations	3,929	4,704	4,135	4,135	0	0%	(569)	-12%
Elliott Bay Fishing & Commercial Operations	6,095	5,752	4,509	4,509	0	0%	(1,243)	-22%
Recreational Boating	12,484	12,611	12,915	12,915	0	0%	304	2%
Cruise	22,410	3,824	8,558	8,558	0	0%	4,734	124%
Grain	4,266	5,142	5,203	4,903	300	6%	61	1%
Maritime Portfolio Management	10,108	10,074	10,034	10,259	(225)	-2%	(40)	0%
Other	(3)	4	0	0	0	NA	(4)	-100%
Total Revenue	59,289	42,111	45,355	45,280	75	0%	3,244	8%
Expenses								
Maritime (Excl. Maint)	13,789	16,256	15,539	15,539	0	0%	(717)	-4%
Economic Development	4,987	4,511	5,365	5,365	0	0%	854	19%
Total Direct	18,776	20,767	20,904	20,904	0	0%	137	1%
Maintenance Expenses	12,186	12,029	11,295	11,595	300	3%	(734)	-6%
Envir Services & Planning	2,250	2,739	2,140	2,140	0	0%	(598)	-22%
Seaport Finance & Cost Recovery	835	937	977	977	0	0%	40	4%
Seaport Project Management	175	1,061	416	316	(100)	-32%	(644)	-61%
Total Support Services	15,446	16,765	14,828	15,028	200	1%	(1,937)	-12%
IT	2,685	2,719	2,838	2,853	15	1%	120	4%
Police Expenses	4,086	2,865	3,079	3,118	39	1%	213	7%
External Relations	1,564	1,200	1,050	1,347	297	22%	(150)	-13%
Other Central Services	5,810	5,596	6,773	6,749	(24)	0%	1,177	21%
Aviation Division / Other	278	315	243	243	0	0%	(72)	-23%
Total Central Services / Other	14,423	12,695	13,984	14,311	327	2%	1,288	10%
Total Expense	48,644	50,228	49,716	50,243	527	1%	(512)	-1%
NOI Before Depreciation	10,644	(8,117)	(4,361)	(4,963)	602	12%	3,755	46%
Depreciation	17,627	17,624	16,899	16,899	0	0%	(725)	-4%
NOI After Depreciation	(6,982)	(25,741)	(21,260)	(21,862)	602	3%	4,480	17%

2021 Forecast vs. 2021 Budget

- Operating Revenues are \$75K higher than budget with improved grain volumes offset by increased vacancy time at Maritime Industrial Center.
- Operating Expenses forecasted \$527K favorable to budget from change in maintenance allocations and reduced external relations expenses.
- Net Operating Income Planned \$602K favorable to budget.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

2021 Forecast vs. 2020 Actuals

- Operating Revenues expected \$3.2M higher than 2020 with partial resumption of Cruise offset by 2020 revenue benefitting from the lengthy closure of the Ballard Locks.
- Operating Expenses forecasted \$0.5M lower than 2020 actual driven primarily by favorable Maintenance, Seaport Project Management, and Environmental allocations, offset by unfavorable changes to central services allocations.
- Net Operating Income forecasted \$3.8M better than 2020 actual.

D. CAPITAL RESULTS

\$ in 000's	2021 YTD	2021	2021	Budget Variance	
	Actual	Forecast	Budget	\$	%
T117 Restoration	729	8,359	8,809	450	5%
T91 Northwest Fender	51	6,131	7,761	1,630	21%
MD Small Projects	295	3,816	5,548	1,732	31%
MD Fleet	0	260	1,036	776	75%
FT Maritime Innovation Center	90	768	1,475	707	48%
T91 Berth 6&8 Redev	131	839	1,025	186	18%
P91 Pass Term Upgrade COV	1	230	1,000	770	77%
P66 Shore Power	74	714	765	51	7%
SBM Restrms/Service Bldgs Rep	178	378	665	287	43%
FT Gateway Building	175	446	600	154	26%
All Other Projects	370	(662)	(2,489)	(1,827)	73%
Total Maritime	2,094	21,279	26,195	4,916	19%

Comments on Key Projects

- **T91 Northwest Fender** – Construction bid well under Engineer's Estimate. Have reduced forecast accordingly.
- **FT Maritime Innovation Center** – Total project cost updated on 2/1 based on 60% Construction.
- **MD Fleet**– Delays in microprocessors and raw materials are causing worldwide delays in producing new fleet assets. This trend is expected to continue into 2022 as production of vital components catches up.
- **MD Small Projects** - P66 Cruise Wall Protection was deferred out to 2022. T91 Upland Lighting Improvements and HIM Operational Facility Cameras have a larger amount of spending pushed out to 2022. T91 Cruise Wayfinding Signage was moved out of the small CIP and into Cruise Upgrades COVID-19.

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

IV. ECONOMIC DEVELOPMENT DIVISION

FINANCIAL SUMMARY

	2019	2020	2021	2021	Fav (UnFav) Fest vs. Budget Variance		Incr (Decr) Change from 2020	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
\$ in 000's								
Total Revenues	21,151	9,470	12,648	13,348	(700)	-5%	3,178	34%
Total Operating Expenses	27,155	20,611	20,966	21,413	447	2%	355	2%
Net Operating Income	(6,004)	(11,141)	(8,318)	(8,065)	(253)	-3%	2,823	-25%
Capital Expenditures	3,121	9,314	4,604	5,647	1,043	18%	(4,710)	-51%

2021 Forecast vs. 2021 Budget

- Operating Revenues forecasted to \$700K unfavorable to budget due to lower volumes at the Conference & Event Center related COVID-19 cancellations and variable revenue at parking facilities.
- Operating Expenses \$447K favorable to budget due to variable cost impact of conference cancellations, delayed hiring, and reductions in external relations, offset by change in Maintenance allocation.
- Net Operating Income forecasted at \$253K below budget.
- Capital spending forecasted to 82% of \$5.6M budget.

2021 Forecast vs. 2020 Actuals

- Operating Revenues forecasted to \$3.2M above 2020 due to favorable 2nd half outlook at the Conference & Event Center.
- Operating Expenses \$355K higher than 2020 with higher Washington Tourism Alliance expenses, offset by favorable Central Services costs.
- Net Operating Income forecasted \$2.8M better than 2020 actual.

Net Operating Income before Depreciation by Business

	2020 YTD	2021 YTD	2021 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2020	
	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's							
Portfolio Management	(556)	(845)	(558)	(288)	-52%	(290)	-52%
Conference & Event Centers	(1,118)	(1,030)	(1,029)	(1)	0%	88	8%
Tourism	(212)	(169)	(243)	74	30%	43	20%
EDD Grants	57	21	(38)	58	156%	(36)	-64%
Env Grants/Remed Liab/ERC	(130)	(23)	27	(50)	-187%	107	82%
Total Econ Dev	(1,959)	(2,047)	(1,840)	(207)	-11%	(88)	-4%

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

A. BUSINESS EVENTS

Diversity in Contracting – The Northwest Mountain Minority Supplier Development Council named the Port of Seattle as its Public Agency of the Year. Q1 PortGens have already seen more than 120 businesses participate.

Economic Development and Innovation – Staff is working to execute 25 contracts with City’s participating in the Port’s economic development grant program. Staff is also supporting Greater Seattle Partners’ Economic Recovery plan development and WA Maritime Blue’s 2nd Maritime innovation accelerator.

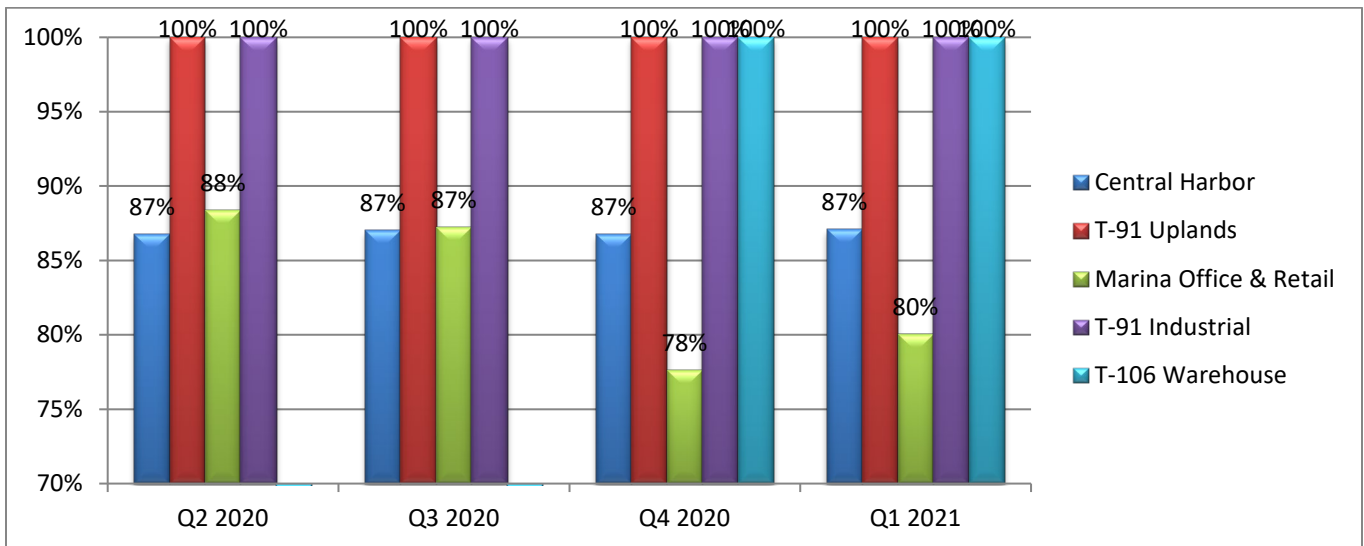
Portfolio Management – Maintained 95% occupancy across real estate portfolio despite ongoing COVID-19 pandemic challenges. As a reference, vacancy rate downtown Seattle reached 17% (83% occupancy) in March.

Real Estate Development – Finished a new strategic plan to guide Port development projects and initiatives. Staff is also advancing development work on the Maritime Innovation Center, and T91 Uplands light industrial facilities.

Tourism – Awarded 23 Tourism Marketing grants. Working with WA Tourism Alliance to implement statewide tourism recovery initiative.

B. KEY PERFORMANCE METRICS

Building Occupancy by Location:



IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

C. OPERATING RESULTS

	2019 YTD	2020 YTD	2021 YTD		Fav(UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2020	
	Actual	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's								
Revenue	2,155	2,163	1,875	1,969	(94)	-5%	(288)	-13%
Conf & Event Centers	2,519	1,115	127	468	(341)	-73%	(988)	-89%
Total Revenue	4,674	3,277	2,002	2,436	(434)	-18%	(1,275)	-39%
Expenses								
Portfolio Management	932	899	839	779	(60)	-8%	(60)	-7%
Conf & Event Centers	2,276	1,557	545	850	305	36%	(1,012)	-65%
P69 Facilities Expenses	51	55	47	57	10	18%	(9)	-15%
RE Dev & Planning	25	41	48	38	(10)	-27%	7	18%
EconDev Expenses Other	157	291	187	258	71	28%	(104)	-36%
Maintenance Expenses	716	635	847	600	(247)	-41%	213	33%
Maritime Expenses (Excl Maint)	276	244	235	264	29	11%	(9)	-4%
Total EDD & Maritime Expenses	4,434	3,722	2,748	2,847	99	3%	(974)	-26%
Diversity in Contracting	47	25	26	30	4	13%	1	4%
Tourism	194	207	167	235	68	29%	(40)	-19%
EDD Grants	(54)	(57)	(21)	38	58	156%	36	-63%
Total EDD Initiatives	187	175	172	302	130	43%	(3)	-2%
Environmental & Sustainability	10	8	5	6	2	27%	(3)	-41%
Police Expenses	45	58	48	56	7	13%	(9)	-16%
Other Central Services	1,160	1,244	1,041	1,034	(7)	-1%	(203)	-16%
Aviation Division	27	29	35	30	(5)	-16%	5	18%
Total Central Services & Aviation	1,241	1,339	1,129	1,127	(2)	0%	(210)	-16%
Envir Remed Liability	0	0	0	0	0	NA	0	NA
Total Expense	5,862	5,236	4,049	4,277	228	5%	(1,187)	-23%
NOI Before Depreciation	(1,187)	(1,959)	(2,047)	(1,840)	(207)	-11%	(88)	-4%
Depreciation	918	909	958	758	(200)	-26%	49	5%
NOI After Depreciation	(2,105)	(2,867)	(3,005)	(2,598)	(407)	-16%	(137)	-5%

2021 YTD Actuals vs. 2021 YTD Budget

- Operating revenue were \$434K unfavorable to budget due primarily to lower than anticipated Conference and Event Center volumes as a result of the on-going COVID-19 restrictions on meetings and events.
- Operating Expenses were \$228K favorable to budget:
 - 1) Conference and Event Center \$305K favorable from lower activity as a result of the on-going COVID-19 restrictions on meetings and events.
 - 2) Maintenance Expenses \$247K unfavorable due to change in Maintenance allocation methodology.
 - 3) EDD Initiatives \$130K favorable due to timing of spending related to COVID-19.
 - 4) All other expenses net to \$40K below budget.
- Net Operating Income was \$207K below budget.

2021 YTD Actuals vs. 2020 YTD Actuals

- Operating Revenues were \$1,275K lower than 2020 actual
- Operating Expenses were \$1,187K lower than 2020 actual:
 - 1) Conference and Event Centers \$1,012K lower than 2020 due to variable costs associated with lower Conference and Event Center volumes as a result of the on-going COVID-19 restrictions on meetings and events.
 - 2) Maintenance Expenses \$213K higher than 2020 due to change in Maintenance allocation methodology.
 - 3) Central Services \$210K lower than 2020.
 - 4) All other Expenses net to \$178K lower than 2020.
- Net Operating Income was \$88K below 2020 actual.

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

	2019	2020	2021	2021	Fav (UnFav) Fest vs. Budget		Incr (Decr) Change from 2020	
	Actual	Actual	Forecast	Budget	Variance			
\$ in 000's					\$	%	\$	%
Revenue	8,912	7,808	8,213	8,313	(100)	-1%	405	5%
Conf & Event Centers	12,239	1,662	4,435	5,035	(600)	-12%	2,773	167%
Total Revenue	21,151	9,470	12,648	13,348	(700)	-5%	3,178	34%
Expenses								
Portfolio Management	3,732	3,073	3,401	3,401	0	0%	327	11%
Conf & Event Centers	10,218	4,440	4,420	4,920	500	10%	(19)	0%
P69 Facilities Expenses	215	232	222	222	0	0%	(11)	-5%
RE Dev & Planning	136	209	154	154	0	0%	(55)	-26%
EconDev Expenses Other	930	938	635	835	200	24%	(303)	-32%
Maintenance Expenses	3,145	3,042	3,027	2,537	(490)	-19%	(15)	0%
Maritime Expenses (Excl Maint)	1,070	1,035	1,060	1,060	0	0%	24	2%
Total EDD & Maritime Expenses	19,448	12,969	12,918	13,128	210	2%	(52)	0%
Diversity in Contracting	152	103	142	142	0	0%	39	38%
Tourism	1,337	954	2,481	2,481	0	0%	1,527	160%
EDD Grants	785	778	1,060	1,060	0	0%	282	36%
Total EDD Initiatives	2,274	1,834	3,683	3,683	0	0%	1,848	101%
Environmental & Sustainability	24	44	27	31	4	13%	(17)	-39%
Police Expenses	61	64	206	209	3	1%	143	225%
Other Central Services	5,234	5,539	4,012	4,242	230	5%	(1,527)	-28%
Aviation Division	114	161	120	120	0	0%	(41)	-25%
Total Central Services & Aviation	5,433	5,808	4,366	4,603	237	5%	(1,442)	-25%
Envir Remed Liability	0	0	0	0	0	NA	0	NA
Total Expense	27,155	20,611	20,966	21,413	447	2%	355	2%
NOI Before Depreciation	(6,004)	(11,141)	(8,318)	(8,065)	(253)	-3%	2,823	25%
Depreciation	3,647	3,611	3,216	3,216	0	0%	(395)	-11%
NOI After Depreciation	(9,651)	(14,753)	(11,534)	(11,281)	(253)	-2%	3,219	22%

2021 Forecast vs. 2021 Budget

- Operating Revenues forecasted to \$700K unfavorable to budget due to lower volumes at the Conference & Event Center related COVID-19 cancellations and variable revenue at Bell Street Garage.
- Operating Expenses \$447K favorable to budget due to variable cost impact of conference cancellations, deferred positions, reduced External Affairs spend, offset by unfavorable Maintenance allocation.
- Net Operating Income forecasted at \$253K below budget.

2021 Forecast vs. 2020 Actuals

- Operating Revenues forecasted to \$3.2M above 2020 due to favorable 2nd half outlook at the Conference & Event Center.
- Operating Expenses \$355K higher than 2020 with higher Washington Tourism Alliance expenses, offset by favorable Central Services costs.
- Net Operating Income forecasted \$2.8M better than 2020 actual.

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

D. CAPITAL RESULTS

	2021 YTD Actual	2021 Fore cast	2021 Budget	Budget Variance	
				\$	%
\$ in 000's					
BHICC Interior Modernization	104	1,139	1,990	851	43%
P69 Underdock Utility Rpl	54	414	1,028	614	60%
CW Bridge Elev Modernization	29	943	943	0	0%
WTC HVAC Replacement	23	848	848	0	0%
T91 Uplands Dev Phase 1	69	658	800	142	18%
P66 Roof Upgrades	35	544	544	0	0%
EDD Small Projects	9	554	522	(32)	-6%
Tenant Improvements -Capital	0	58	289	231	80%
EDD Technology Projects	0	250	250	0	0%
P66 HVAC Systems Upgrade	0	170	185	15	8%
All Other Projects	2	(974)	(1,752)	(778)	44%
Total Economic Development	325	4,604	5,647	1,043	18%

Comments on Key Projects

- **BHICC Modernization** – Project has encountered unforeseen site conditions, additional effort required to execute change orders
- **P69 Under Dock Utility Replacement** – Design delayed due to the need for a two steps design and construction authorization approvals rather than the one step construction authorization that was previously assumed.
- **T -91 Upland Development** – Decrease in projected spending for 2021 due to the need to procure new Service Agreement for Professional Design Services, after terminating contract with former design consultant. Design can resume after the new contract is executed, in Q4 2021.

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

V. CENTRAL SERVICES DIVISION

FINANCIAL SUMMARY

	2019 YTD	2020 YTD	2021 YTD		Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2020	
	Actual	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's								
Total Operating Revenues	182	907	956	45	910	2013.0%	49	5.4%
Core Central Support Services	17,445	19,359	18,743	20,382	1,639	8.0%	(616)	-3.2%
Police	6,506	7,908	6,748	7,547	799	10.6%	(1,160)	-14.7%
Engineering/PCS	2,083	2,158	1,965	2,175	210	9.7%	(193)	-9.0%
Total Operating Expenses	26,034	29,425	27,455	30,104	2,649	8.8%	(1,970)	-6.7%

2021 YTD Actuals vs. 2021 YTD Budget

- Operating Revenues favorable due primarily to Police forfeiture seizures of \$947K.
- Operating Expenses \$2.6M favorable to budget mainly due to staffing vacancies, projects spending delays, and delayed Outside Services costs.

2021 YTD Actuals vs. 2020 YTD Actuals

- Operating Revenues \$49K above 2020 mainly due to higher Police forfeiture seizures in 2021.
- Operating Expenses \$2.0M higher than 2020 mainly due to lower payroll and Outside Services offset by lower charges to Capital Projects.

A. BUSINESS EVENTS

- Port Commission approved a building lease for a job and economic resource center as part of the Duwamish Valley Community Equity Program, supporting the Green Jobs Initiative, the Duwamish River People's Park (T117) habitat restoration, the PCAT and Maritime High School.
- Fourteen South King County Fund Environmental Grants were awarded as part of the newly expanded program to community-based organizations within the six Highline cities.
- The Port, City of Seattle and Sound Transit will jointly fund \$1.7M to support construction worker training, placement and other services for residents of economic distressed communities, people of color and women.
- OEDI hosted a 4-part caucusing series, *From Internalized Racism to Allyship*, between the months of March-April, and hosted a book club featuring, Ijeoma Oluo's *So You Want to Talk About Race* and Isabel Wilkerson's *Caste*. OEDI also hosted its first town hall that featured updates about the Port's Racial Bias & Equity Motion, Port-wide Change Team, and OEDI's plans for 2021.
- The Port's chapter of Blacks in Government and OEDI sponsored an event to celebrate the Black History Month featuring a panel of Black women leaders - State Represented Debra Entenman, Michelle Merriweather (President of the Urban League of Metropolitan Seattle), and Michele Storms (Executive Director of ACLU-WA). The event was open to employees and external partners with nearly 300 in attendance.
- Engineering Department hosted an Engineering Career Workshop for Highline School District high school students in March.
- Information Security Department conducted a Cyber Disruption Summit focusing on employee awareness on the emerging threats that can potentially disrupt Port operations.
- Maritime Core Plus Curriculum and Framework is now available for adoption by school districts state-wide. The Port invested the initial funding for the Manufacturing Industrial Council to create the curriculum in 2016.
- The Port hosted the on-site COVID-19 vaccination clinic at SEA in partnership with the Department of Health, FEMA and Safeway/Albertson's. The clinic opened in March and is open for badged employees only who meet the state's eligibility requirements.

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

B. KEY PERFORMANCE METRICS

Century Agenda Strategic Objectives	2019	2020	2021
Responsibly Invest in the Economic Growth of the Region and all its Communities			
A. Job seekers placed in jobs at SEA Airport through the Employment Center	417	366	166
B. Number of SEA Airport tenants supported in finding employees	91	56	66
C. Employment Center training completions	320	230	75
D. K-12 Career Connected Learning: WFD engagement with teachers/faculty	450	1800	0
E. Community members entering employment in construction, maritime and environmental sustainability	38	0	9
F. Residents engaged from near-port communities to create awareness and access to family-wage careers in port-related industries	N/A	N/A	150
G. Number of Job Openings created	238	201	66
H. Job applications received	3,940	2,855	2,276
I. Number of job interviews conducted	454	351	171
J. Number of new employees hired	97	95	24
K. Number of interns	30	25	1
L. Number of Veteran Fellows	1	0	0
M. Number of employees participating in Tuition Reimbursement	23	27	11
Become a Model for Equity, Diversity and Inclusion			
A. Employee participation in Caucusing (Black Lives Matter and Caucusing for Change)	N/A	N/A	41
B. Employee participation in EDI Port Reads book club	N/A	N/A	109
C. Port employees and supervisors completing required racial equity orientations/trainings.	N/A	N/A	178
Be a Highly Effective Public Agency			
A. Corporate costs as a % of Total Operating Expenses	26.3%	27.8%	28.3%
B. Investment portfolio earnings versus the benchmark (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index)	2.17%/2.32%	2.15%/0.21%	1.33%/0.19%
C. Comply with Public Disclosure Act and respond in a timely manner	149	135	153
D. Litigation and Claim Reserves	\$1.8M	\$3.0M	\$1.4M
E. Claims/Injury Damages Reserves	\$1.3M	\$260K	\$256K
F. Percent of annual audit work plan completed each year	100%	100%	100%
G. Employee Development Class Attendees/Structured Learning	437	1100	492
H. Total Recordable Incident Rate (previous Occupational Injury Rate)	5.51	4.28	5.49
I. Lost Work Day Rate (previously Days Away Severity Rate)	2.12	35.38	32.69
J. Respond to Public Disclosure Requests	149	135	153
K. Customer Survey for Police Service Excellent or Above Average	83%	92%	100%

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

C. OPERATING RESULTS

Financial Summary (Year-End Forecast)

\$ in 000's	Notes	2019	2020	2021	2021	Fav (UnFav)		Incr (Decr)	
		Actual	Actual	Forecast	Budget	Budget	Variance	Change from 2020	
						\$	%	\$	%
Total Revenues		1,282	2,512	1,129	181	948	524.1%	(1,383)	-55.1%
Executive		2,018	2,263	2,386	2,285	(101)	-4.4%	123	5.4%
Commission		2,022	1,755	2,203	2,169	(33)	-1.5%	448	25.5%
Legal		4,987	6,290	4,116	3,919	(197)	-5.0%	(2,174)	-34.6%
External Relations		7,760	7,481	8,263	9,878	1,615	16.3%	782	10.4%
Equity Diversity and Inclusion		2,337	4,676	3,647	3,743	97	2.6%	(1,030)	-22.0%
Human Resources		9,187	8,380	11,275	11,385	111	1.0%	2,895	34.5%
Labor Relations		1,230	1,286	1,361	1,346	(15)	-1.1%	75	5.8%
Internal Audit		1,450	1,540	1,655	1,637	(19)	-1.1%	116	7.5%
Accounting & Financial Reporting Services		7,341	8,165	8,723	8,724	1	0.0%	557	6.8%
Information & Communication Technology		23,014	24,732	24,427	24,427	()	0.0%	(304)	-1.2%
Information Security		1,203	1,656	1,782	1,913	131	6.9%	126	7.6%
Finance & Budget		2,037	2,177	2,292	2,292	()	0.0%	115	5.3%
Business Intelligence		1,302	1,181	1,442	1,523	81	5.3%	260	22.0%
Risk Services		3,137	3,349	3,937	3,939	2	0.1%	588	17.5%
Office of Strategic Initiatives		1,448	934	923	1,059	136	12.9%	(11)	-1.1%
Central Procurement Office		4,452	4,280	5,723	5,532	(191)	-3.5%	1,443	33.7%
Contingency		39	(190)	(1,502)	(1,502)	()	0.0%	(1,312)	690.3%
Core Central Support Services		74,966	79,956	82,653	84,270	1,617	1.9%	2,697	3.4%
Police		27,793	27,538	27,968	28,317	349	1.2%	430	1.6%
Total Before Cap Dev & Environment		102,759	107,494	110,621	112,587	1,966	1.7%	3,127	2.9%
Capital Development									
Engineering		5,696	4,959	5,600	5,580	(20)	-0.4%	641	12.9%
Port Construction Services		4,341	4,138	4,080	3,619	(461)	-12.7%	(58)	-1.4%
Sub-Total		10,038	9,096	9,680	9,199	(481)	-5.2%	584	6.4%
Environment & Sustainability									
Environment & Sustainability		976	692	1,329	1,408	80	5.7%	637	92.0%
Sub-Total		976	692	1,329	1,408	80	5.7%	637	92.0%
Industrial Development Corporation		1	-	-	-	-	0.0%	-	0.0%
Capital to Expense		117	193	-	-	-	0.0%	(193)	-100.0%
Total Expenses		113,891	117,476	121,629	123,194	1,565	1.3%	4,154	3.5%

2021 Forecast vs. 2021 Budget

- Operating Expenses for 2021 are \$1.6M under budget due primarily to:
 - **Executive** – unfavorable variance of (\$101K) due to higher Outside Services.
 - **Commission** – unfavorable variance of (\$33K) due to increased Payroll of 1 FTE (\$46K) offset by planned lower Travel of \$10K.
 - **Legal** – unfavorable variance of (\$197K) is due to higher than budgeted Outside Services.
 - **External Relations** – favorable variance of \$1.6M primarily due to reduced Outside Services of \$1.5M and lower Payroll from vacant positions of \$81K, and Travel of \$42K.
 - **Equity, Diversity and Inclusion** – favorable variance of \$97K primarily due to lower Payroll of \$26K and Property Rentals of \$79K offset by higher Outside Services of \$7K.
 - **Human Resources** – favorable variance of \$111K primarily due to lower Payroll of \$150K offset by higher planned Outside Services of (\$39K).
 - **Labor Relations** – unfavorable variance of (\$15K) due to higher Payroll of (\$25K) offset by lower Travel of \$5K, Equipment of \$2K, and Outside Services of \$2K.
 - **Internal Audit** – unfavorable variance of (\$19K) due to higher Payroll from job refresh.
 - **Accounting and Financial Reporting Services** – favorable variance of \$1K from savings in Supplies and Stock.
 - **Information & Communication Technology** – plans to be on target.
 - **Information Security** – favorable variance of \$131K primarily due to lower Outside Services of \$125K.
 - **Corporate Finance & Budget** – plans to be on target.
 - **Business Intelligence** – favorable variance of \$81K due to lower Payroll.
 - **Risk Services** – favorable variance of \$2K due to lower Payroll.
 - **Office of Strategic Initiative** – favorable variance of \$136K is primarily due to lower Payroll.
 - **Central Procurement Office** – unfavorable variance of (\$191K) due to higher Payroll from increased FTEs.
 - **Police** – \$349K favorable variance primarily due to lower Payroll of \$420K offset by higher costs for General Expenses of (\$106K).
 - **Engineering** – unfavorable variance of (\$20K) is primarily due to lower Payroll of \$1.7M, Outside Services of \$184K, and Property Rentals of \$142K offset by lower than planned charges to Capital Projects of (\$2M).
 - **PCS** – unfavorable variance of (\$461K) primarily due to lower charges to Capital Projects of (\$632K) and unplanned Worker’s Compensation of (\$95K) which were offset by lower Payroll of \$45K, Equipment of \$84K, Supplies of \$50K, and Outside Services of \$38K.
 - **Environment & Sustainability Admin** – favorable variance of \$80K due to delayed Outside Services.
 - **Contingency** – plans to be on target.

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

2021 Forecast vs. 2020 Actuals

- Operating Expenses for 2021 are forecasted to be \$4.2M higher than 2020 actuals mainly due to:
 - **Core Central Support Services** – \$2.7M higher than 2020 primarily due to higher payroll in 2021 due to planned new hires, and full year salaries of people hired in 2020.
 - **Police** – \$430K above 2020 due to the following:
 - There were several vacancies in 2020 that are planned to be filled in 2021 and 2020 had much lower overtime due to cancellation of Cruise season.
 - **Capital Development** – \$584K higher than 2020 primarily due to higher payroll due to 2021 new hires, annual pay increases, full year salaries of people hired in 2020, and higher planned Outside Services.
 - **Environment & Sustainability** – \$637K higher than 2020 due to planned increases to Outside Services to support key initiatives.

D. CAPITAL RESULTS

\$ in 000's	2021	2021	2021	Budget Variance	
	YTD Actual	Year-End Forecast	Budget	\$	%
Infrastructure - Small Cap	272	1,911	1,911	0	0.0%
Services Tech - Small Cap	173	1,166	1,226	60	4.9%
Radio System Upgrade	1,844	2,455	2,955	500	16.9%
Office Wi-Fi Refresh	0	1,350	1,350	0	0.0%
Phone System Upgrade	21	840	840	0	0.0%
Environmental MIS projects	0	600	600	0	0.0%
CDD Fleet Replacement	170	803	1,123	320	28.5%
Corporate Fleet Replacement	0	685	685	0	0.0%
Other (note 1)	185	1,904	1,968	64	3.3%
Subtotal	2,665	11,714	12,658	944	7.5%
CIP Cashflow Adjustment	0	(3,000)	(3,000)	0	0.0%
TOTAL	2,665	8,714	9,658	944	9.8%

Note:

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