



Item No. 11a attach
Meeting Date: August 10, 2021

PORT OF SEATTLE

Q2 2021 FINANCIAL PERFORMANCE REPORT

AS OF JUNE 30, 2021

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I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 06/30/21

I. PORTWIDE

EXECUTIVE SUMMARY

The Port's second quarter results still reflect the effects of Covid-19 with lines of businesses showing different rates of recovery. Airport passenger volume is rebounding and is predicted to be 26% lower than 2019. Federal relief funds allow the airport to extend relief to concession tenants and improve the financial outlook for the Aviation division.

The first revenue cruise for 2021 departed at Smith Cove Cruise Terminal in mid-July. This is the first of the 83 sailings scheduled this season. Cruise occupancy is expected at 50% on all calls with an estimated passenger volume of 227K compared to 1.2M in 2019. Cruise revenue is expected to be above budget. Grain volumes increased 55% year-over-year and is expected to exceed budget. On the other hand, conference center and parking revenues are down due to event cancellations and lower parking volume.

The Port continues to implement planned initiatives and programs to lead an equitable recovery. The Port commission recently authorized another \$2M for the Opportunity Youth Initiative. The 2021 initiative will be more expansive compared to last year's inaugural program and is expected to provide training to nearly 300 youth.

Overall, prudent budgeting and careful cost management has positioned the Port well for 2021 despite the major disruption caused by the pandemic. However, there is still uncertainty due to emerging COVID variants. Staff will continue to closely monitor changes in business conditions.

PORTWIDE 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								
Aeronautical Revenues	175,927	163,722	143,188	178,518	(35,330)	-19.8%	(20,534)	-12.5%
Airport Non-Aero Revenues	124,604	64,225	73,219	82,351	(9,131)	-11.1%	8,995	14.0%
Non-Airport Revenues	67,632	48,298	49,475	51,255	(1,779)	-3.5%	1,178	2.4%
Total Operating Revenues	368,164	276,244	265,883	312,124	(46,241)	-14.8%	(10,361)	-3.8%
Total Operating Expenses	215,765	197,820	195,776	209,132	13,356	6.4%	(2,044)	-1.0%
NOI before Depreciation	152,399	78,424	70,107	102,992	(32,885)	-31.9%	(8,317)	-10.6%
Depreciation	82,447	87,855	91,246	82,470	(8,776)	-10.6%	3,391	3.9%
NOI after Depreciation	69,952	(9,431)	(21,139)	20,523	(41,662)	-203.0%	(11,708)	124.1%

2021 YTD Actuals vs. 2021 YTD Budget:

- Total operating revenues were down \$46.2M 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 \$13.4M 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 Q2 2021 were down \$10.4M due to lower revenues in Aeronautical lines of businesses.
- Total operating expenses for Q2 2021 was \$2.0M lower compared to 2020 because of lower Payroll, Equipment, Travel, and less contract spending.

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 06/30/21

NON-AIRPORT FINANCIAL SUMMARY

	2019 YTD	2020 YTD	2021 YTD		Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Budget	Actual vs. Budget Variance		Change from 2020	
\$ in 000's					\$	%	\$	%
NWSA Distributable Revenue	24,941	21,218	22,166	21,137	1,030	4.9%	949	4.5%
Maritime Revenues	27,368	18,338	19,507	22,875	(3,368)	-14.7%	1,169	6.4%
EDD Revenues	10,384	5,359	4,089	5,371	(1,282)	-23.9%	(1,270)	-23.7%
SWU & Other	4,939	3,383	3,713	1,872	1,841	98.4%	330	9.8%
Total Operating Revenues	67,632	48,298	49,475	51,255	(1,779)	-3.5%	1,178	2.4%
Total Operating Expenses	40,522	34,441	35,658	40,774	5,116	12.5%	1,218	3.5%
NOI before Depreciation	27,110	13,857	13,817	10,481	3,337	31.8%	(40)	-0.3%
Depreciation	19,623	18,794	18,949	17,632	(1,317)	-7.5%	155	0.8%
NOI after Depreciation	7,487	(4,936)	(5,132)	(7,152)	2,020	-28.2%	(195)	4.0%

2021 YTD Actuals vs. 2021 YTD Budget

- Total non-airport operating revenues were down \$1.8M compared to budget due to the delay of Cruise season, lower than anticipated revenues from Central Harbor Operations and the Conference and Event Center which were offset by higher Grain, NWSA Distributable revenues, and unbudgeted police forfeitures.
- Total non-airport operating expenses were \$5.1M 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 \$1.2M higher compared to 2020 because of higher revenues from Grain, NWSA Distributable revenues, and unbudgeted police forfeitures offset by lower 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.
- Non-airport expenses were 1.2M higher than 2020 due to lower charges to Capital Projects offset by less contract spending.

MAJOR OPERATING REVENUES SUMMARY

	2019 YTD	2020 YTD	2021 YTD		Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Budget	Act/Rvsd Bud Var		Change from 2020	
\$ in 000's					\$	%	\$	%
Aeronautical Revenues	175,927	163,722	143,188	178,518	(35,330)	-19.8%	(20,534)	-12.5%
Public Parking	40,401	20,002	25,537	25,729	(192)	-0.7%	5,536	27.7%
Rental Cars - Operations	15,560	7,591	11,497	10,740	757	7.0%	3,906	51.5%
Rental Cars - Operating CFC	4,505	-	-	-	-	0.0%	-	0.0%
ADR & Terminal Leased Space	32,689	16,918	17,764	22,012	(4,248)	-19.3%	845	5.0%
Ground Transportation	9,979	4,374	4,208	5,961	(1,753)	-29.4%	(166)	-3.8%
Employee Parking	5,193	4,678	4,457	4,844	(386)	-8.0%	(221)	-4.7%
Airport Commercial Properties	7,072	5,777	5,541	6,367	(827)	-13.0%	(236)	-4.1%
Airport Utilities	3,665	2,758	3,010	3,784	(774)	-20.4%	252	9.1%
Clubs and Lounges	4,456	1,714	709	2,453	(1,744)	-71.1%	(1,005)	-58.6%
Cruise	8,473	133	61	4,466	(4,405)	-98.6%	(72)	-54.3%
Recreational Boating	6,228	6,211	6,330	6,406	(77)	-1.2%	119	1.9%
Fishing & Operations	5,071	5,091	4,768	4,407	361	8.2%	(322)	-6.3%
Grain	2,567	2,005	3,433	2,556	876	34.3%	1,427	71.2%
Maritime Portfolio Management	5,019	4,884	4,914	5,039	(125)	-2.5%	30	0.6%
Central Harbor Management	4,406	4,104	3,654	4,027	(373)	-9.3%	(450)	-11.0%
Conference & Event Centers	5,963	1,240	420	1,329	(909)	-68.4%	(819)	-66.1%
NWSA Distributable Revenue	24,941	21,218	22,166	21,137	1,030	4.9%	949	4.5%
Other	6,049	3,824	4,225	2,347	1,877	80.0%	400	10.5%
Total Operating Revenues (w/o Aero)	192,237	112,523	122,695	133,606	(10,911)	-8.2%	10,172	9.0%
TOTAL	368,164	276,244	265,883	312,124	(46,241)	-14.8%	(10,361)	-3.8%

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 06/30/21

MAJOR OPERATING EXPENSES SUMMARY

\$ in 000's	2019 YTD	2020 YTD	2021 YTD	2021 YTD	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Budget	Act/Rvsd	Bud	Change from 2020	
					\$	%	\$	%
Salaries & Benefits	65,172	71,427	71,476	72,315	839	1.2%	50	0.1%
Wages & Benefits	64,028	67,147	64,484	65,276	792	1.2%	(2,663)	-4.0%
Payroll to Capital Projects	12,648	14,460	14,733	16,280	1,547	9.5%	273	1.9%
Outside Services	43,613	45,545	40,724	49,861	9,136	18.3%	(4,821)	-10.6%
Utilities	13,103	12,104	12,860	14,620	1,760	12.0%	756	6.2%
Equipment Expense	4,478	4,211	2,960	3,426	466	13.6%	(1,250)	-29.7%
Supplies & Stock	5,286	4,653	4,030	4,519	489	10.8%	(623)	-13.4%
Travel & Other Employee Expenses	2,476	1,603	864	1,375	511	37.2%	(740)	-46.1%
Third Party Mgmt Op Exp	6,494	3,228	2,010	3,141	1,131	36.0%	(1,218)	-37.7%
B&O Taxes	2,226	1,716	1,682	1,983	301	15.2%	(34)	-2.0%
Other Expenses	20,272	2,188	6,392	7,031	639	9.1%	4,204	192.2%
Charges to Capital Projects/Overhead Alloc	(24,033)	(30,462)	(26,440)	(30,694)	(4,254)	13.9%	4,022	-13.2%
TOTAL	215,765	197,820	195,776	209,132	13,356	6.4%	(2,044)	-1.0%

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	300,332	386,668	(86,336)	-22.3%	2,423	0.8%
Airport Non-Aero Revenues	269,037	116,473	166,133	189,548	(23,414)	-12.4%	49,660	42.6%
Non-Airport Revenues	137,538	96,446	106,658	104,645	2,013	1.9%	10,212	10.6%
Total Operating Revenues	764,174	510,828	573,123	680,861	(107,737)	-15.8%	62,296	12.2%
Total Operating Expenses	441,700	408,681	425,322	423,412	(1,910)	-0.5%	16,641	4.1%
NOI before Depreciation	322,474	102,147	147,801	257,448	(109,647)	-42.6%	45,655	44.7%
Depreciation	174,903	180,086	176,509	176,509	-	0.0%	(3,577)	-2.0%
NOI after Depreciation	147,571	(77,939)	(28,708)	80,939	(109,647)	-135.5%	49,231	-63.2%

Year-End Forecast

- Operating Revenues forecast to be \$107.7M lower than budget mainly due to increased federal reliefs that lower the rates and charges for Aeronautical revenues.
- Operating Expenses are expected to be \$1.9M higher than budget due to some unbudgeted items and would have been \$559K lower than 2020 after adjusting the \$17.2M state pension credit for 2020.
- NOI before depreciation forecast to be \$109.7M below budget due to significant lower revenues and slightly higher operating costs.

KEY PERFORMANCE METRICS

	2020 YTD	2021 YTD	2020	2021	2021	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Forecast	Budget	Fcst vs. Budget	Variance	Change from 2020	
						Chg.	%	Chg.	%
Total Passengers (in 000's)	11,128	14,298	20,087	38,264	36,432	1,832	5.0%	18,177	90.5%
Landed Weight (lbs. in millions)	9,791	11,993	20,071	26,922	26,233	689	2.6%	6,851	34.1%
Passenger CPE (in \$)	N/A	N/A	26.50	13.97	19.62	5.65	28.8%	(12.53)	-47.3%
Grain Volume (metric tons in 000's)	1,735	2,691	4,240	4,698	4,219	479	11.4%	458	10.8%
Cruise Passenger (in 000's)	-	-	-	227	N/A	-	0.0%	-	0.0%
Shilshole Bay Marina Occupancy	93.3%	93.7%	94.1%	94.5%	96.1%	-1.6%	-1.7%	0.4%	0.4%

Note: Due to CDC COVID-19 Cruise restrictions, we were unable to Budget for Cruise Passengers.

KEY BUSINESS EVENTS

The Port continues to invest in initiatives that support equitable recovery with the launch of the first-ever PortGen Accelerator, an intensive two-month business development program, that will provide women and minority-owned small businesses access to mentorship and help them acquire future business opportunities. The Port commission also approved to invest another \$2M for the Opportunity Youth Initiative. The program was launched last year with \$1.5M funding to restore youth jobs and training to those deeply affected by the pandemic. The Port will once again partner with local nonprofits: Partner in Employment, Seattle Goodwill, Seattle Parks Foundation, and Urban League of Metropolitan Seattle.

The Port hosted a Sustainable Aviation Fuels (SAF) Study Session to review progress in implementing the SAF strategic plan and significant investments of the private sector in SAF production and use in Washington. Several Port commissioners also joined Governor Jay Inslee, State Senator Reuven Carlyle, and other Washington state leaders for the Climate Bill Signing which includes the Clean Fuel Standard, the Port's longtime top legislative priority. Moreover, the Port, along with other NW Ports (Tacoma and Vancouver, B.C.) and the Northwest Seaport Alliance committed to a new vision to phase out emissions from seaport-related activities by 2050. Each Port will develop its own implementation plans and will continue to report its progress annually.

The Port will partner with Expedia and Washington Department of Fish and Wildlife for a Cost and Feasibility study. The study will help determine the technical requirements and potential costs of rebuilding the public fishing pier at Pier 86 with a "ferry float" to support commuter service. The Port will also continue to partner with the City of Seattle, King County, and The Boeing Company for further clean-up action on the middle third of the Lower Duwamish Waterway Superfund site.

Seattle-Tacoma International Airport (SEA) launched two pilot programs, SEA Spot Saver and Happyhover. SEA Spot Saver is a free reservation-based system for TSA general screening security checkpoints. Happyhover is a technology deployed to airline check-in kiosks for travelers to check in and drop off luggage without touching the electronic screens. SEA also added two unique customer amenities to better serve the airport's diverse community of travelers. The Sensory Room is a quiet area for travelers with neurological or developmental disabilities such as sensory processing disorders or autism spectrum disorders. The Interfaith Prayer and Meditation Room welcomes all faiths and beliefs as an inclusive and peaceful place for meditation, worship, and reflection.

SEA reached another milestone in the North Satellite Modernization project with the early opening of remodeled gates and a new airport destination – the Marketplace at N with a stage for live performances and open seating with airfield views. The new North Satellite feature museum-quality art pieces that reflect the diversity in the Pacific Northwest. The building was designed and constructed with sustainability features such as the use of nearly 21 million recycled materials, energy-efficient LED lighting, and renewable natural gas (RNG) to heat the facility.

The Port collaborated with Visit Seattle and cruise lines on a cruise webinar to inform hospitality/tourism partners on 2021 operations, health and safety protocols and environmental stewardship. The Port also completed cruise terminal upgrades which include touchless restroom facilities, COVID signage, health barriers, water bottle filling stations, and air filtration improvements to keep guests and workers healthy during the Alaska cruise season.

The Port commission authorized a long-term ground lease for a portion of Terminal 106 to Trammell Crow Company (TCC). This will facilitate the development of a 700,000-square-foot, two-story light industrial warehouse. The building's location can potentially limit the number of trucks hauling cargo on I-5 which will help in managing traffic, noise, and air pollution in the region. The project, expected to be completed in 2024, is estimated to provide 140 prevailing wage construction jobs during the build out of the property and will support approximately 650 to 1,200 full-time employees.

CAPITAL SPENDING SUMMARY

\$ in 000's	2021	2021	2021	Budget Variance	
	YTD Actual	Forecast	Budget	\$	%
Aviation	200,138	456,620	491,202	34,582	7.0%
Maritime	5,059	21,701	26,195	4,494	17.2%
Economic Development	973	4,001	5,647	1,646	29.1%
Central Services & Other (note 1)	5,804	12,704	13,605	901	6.6%
TOTAL	211,974	495,026	536,649	41,623	7.8%

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 \$495M for 2021, \$41.6M lower than the approved budget mainly due to spending delays in International Arrival Facility and North Satellite projects.

PORTWIDE INVESTMENT PORTFOLIO

During the second quarter of 2021, the investment portfolio earned 1.23% versus the benchmark's (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index) of 0.25%. Over the last twelve months, the portfolio and the benchmark have earned 1.48% and 0.18%, respectively. Since the Port became its own Treasurer in 2002, the life-to-date earnings of the Port's portfolio and the benchmark are 2.38% and 1.71%, respectively.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

II. AVIATION DIVISION

FINANCIAL SUMMARY

Financial Summary (S in 000's)	2019	2020	2021	2021	Fav(UnFav) Fctst. vs. Budget Variance		Incr/(Decr) Change from 2020	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Operating Revenue								
Aeronautical Revenues	357,598	297,909	300,332	386,668	(86,336)	-22.3%	2,423	0.8%
Non-Aeronautical Revenues	269,037	116,473	166,133	189,548	(23,414)	-12.4%	49,660	42.6%
Total Operating Revenues	626,636	414,382	466,465	576,215	(109,750)	-19.0%	52,083	12.6%
Total Operating Expenses	355,245	329,680	341,260	339,908	(1,353)	-0.4%	11,581	3.5%
Net Operating Income	271,390	84,702	125,205	236,308	(111,103)	-47.0%	40,503	47.8%
Federal Relief		147,148	161,601	37,899	123,702	326.4%	14,453	9.8%
Federal Relief (Concessions)			26,774		26,774		26,774	
NOI (After Federal Relief)	271,390	231,850	313,579	274,207	39,373	14.4%	81,729	35.3%
CPE	12.86	26.50	13.97	19.62	5.65	0.29	(12.53)	-47.3%
Non-Aero NOI (\$ in 000s)	6,671	9,750	86,046	82,742	3,304	4.0%	76,296	782.5%
Enplaned passengers (in 000s)	25,874	10,044	19,132	18,216	916	5.0%	9,088	90.5%
Capital Expenditures (in 000s)	573,598	573,598	456,620	491,202	34,582	7.0%	(116,978)	-20.4%

2021 Forecast vs. 2021 Budget

- Net Operating Income (NOI) for 2021 is forecasted to be (-\$111M or -47%) unfavorable to the budget before Federal Relief is applied, driven by:
 - Lower Aeronautical revenue (-\$86.3M or -22.3%) due to grants of approximately \$107.8M projected to offset Aeronautical costs in 2021. See the Airline Rate Base Cost Drivers table for more details.
 - Non-Aeronautical revenue (-23.4M or -12.4%) 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 \$26.8M.
 - Total Operating Expenses (\$-1.3M or -0.4%) unfavorable driven primarily by the Snow Removal (\$2.2M) in the Airfield and Maintenance cost centers, partially offset by savings from Other Divisions of \$256K.

2021 Forecasts vs. 2020 Actuals

- Net Operating Income for 2021 is projected to be (\$40.5M or 47.8%) higher than prior year before Federal Relief – primarily driven by:
 - Higher Operating Revenue (\$52M or 12.6.2%) compared to prior year is due to passenger levels improving with a forecast of being down 26% compared to 2019 vs. 61% down in 2020 compared to 2019.
 - Higher Operating Expenses (\$11.6M or 3.5%) 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 06/30/21

A. BUSINESS EVENTS

- Higher than expected passenger levels, new forecast now 26% 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
- Implemented the 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	21,616	10,074	13,770	36.7%
International	2,689	1,054	528	-49.9%
Total	24,304	11,128	14,298	28.5%
Operations	214,749	142,657	171,873	20.5%
Landed Weight (In Millions of lbs.)				
Cargo	1,165	1,254	1,409	12.4%
All other	13,738	8,537	10,584	24.0%
Total	14,903	9,791	11,993	22.5%
Cargo - Metric Tons				
Domestic freight	145,262	161,957	174,449	7.7%
International & Mail freight	64,841	47,466	60,738	28.0%
Total	210,103	209,423	235,187	12.3%

*Mail weight for 2021 forward is incorporated in freight

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

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	13.97	19.62	5.65	28.8%	(12.53)	-47.3%
Non-Aeronautical NOI (in 000's) ¹	143,917	6,671	86,046	82,742	3,304	4.0%	79,375	1189.9%
Other Performance Metrics								
O&M Cost per Enplanement	6.86	16.41	8.92	9.33	0.41	4.4%	(7.49)	-45.7%
Non-Aero Revenue per Enplanement	5.20	5.80	5.04	5.20	(0.16)	-3.1%	(0.76)	-13.1%
Debt per Enplanement (in \$)	66	163	94	85	(8)	-9.7%	(70)	-42.7%
Debt Service Coverage	1.68	1.40	2.70	1.36	1.34	99.2%	1.30	92.9%
Days cash on hand (10 months = 304 days)	314	327	418	369	49	13.4%	92	28.1%
Aeronautical Revenue Sharing (\$ in 000's)	(17,146)	1	-	-	-	0.0%	(1)	100.0%
Activity (in 000's)								
Enplanements	25,874	10,044	19,132	18,216	916	5.0%	9,088	90.5%
Total Passengers	51,748	20,087	38,264	36,432	1,832	5.0%	18,177	90.5%

(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 (\$5.65, or 28.8%) favorable driven primarily by the Federal Relief to help lower the Aeronautical costs to recover.
 - Non-Aero NOI is (\$3.3M or 4%) 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 \$12.53 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 \$79.4M 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 06/30/21

C. OPERATING RESULTS

Division Summary – YTD Actuals

Total Airport Expense Summary (\$ 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	\$	%	\$	%
Operating Expenses								
Payroll	71,218	77,615	76,202	75,468	(734)	-1.0%	(1,414)	-1.8%
Outside Services	28,619	29,634	26,770	31,583	4,813	15.2%	(2,863)	-9.7%
Utilities	9,328	8,757	9,750	10,458	708	6.8%	993	11.3%
Other Expenses	8,487	2,092	(461)	476	937	196.8%	(2,553)	-122.0%
Total Airport Direct Charges	117,652	118,099	112,261	117,985	5,723	4.9%	(5,837)	-4.9%
Environmental Remediation Liability	12,543	(2,776)	801	1,569	768	48.9%	3,577	-128.9%
Capital to Expense	83	-	288	-	(288)		288	
Total Exceptions	12,627	(2,776)	1,090	1,569	479	30.6%	3,865	-139.3%
Total Airport Expenses	130,279	115,323	113,351	119,554	6,203	5.2%	(1,972)	-1.7%
Corporate	32,175	34,298	34,011	34,199	188	0.6%	(287)	-0.8%
Police	11,117	12,162	11,336	12,662	1,326	10.5%	(827)	-6.8%
Maritime/Economic Development/Other	1,672	1,596	1,420	1,943	523	26.9%	(176)	-11.0%
Total Charges from Other Divisions	44,964	48,057	46,767	48,804	2,037	4.2%	(1,290)	-2.7%
Total Operating Expenses	175,243	163,380	160,118	168,358	8,240	4.9%	(3,262)	-2.0%

Expenses – 2021 YTD Actuals vs. 2021 YTD Budget

- Operating Expenses were (\$8.2M or 4.9%) favorable driven primarily by the underspend in Charges from other Divisions of \$2M, and in Outside Services of \$4.8M across multiple business areas - including Commercial Management \$400k, F&I and Capital Program \$1.6M, PMG \$1M, and Maintenance \$2.1M.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

Division Summary – YE Forecast

Total Airport Expense Summary (\$ in 000's)	2019	2020	2021	2021	Fav(UnFav) Fest. vs. Budget Variance		Incr/(Decr) Change from 2020	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
	Operating Expenses							
Payroll	144,051	152,895	153,183	153,293	111	0.1%	287	0.2%
Outside Services	68,162	63,922	66,406	65,174	(1,232)	-1.9%	2,483	3.9%
Utilities	18,180	15,695	19,619	20,244	625	3.1%	3,924	25.0%
Other Expenses	14,721	3,341	2,059	1,359	(700)	-51.5%	(1,282)	-38.4%
Total Airport Direct Charges	245,114	235,854	241,267	240,071	(1,196)	-0.5%	5,413	2.3%
Environmental Remediation Liability	15,900	(2,361)	2,196	2,001	(195)	-9.8%	4,557	-193.0%
Capital to Expense	2,089	2,588	218	-	(218)		(2,370)	-91.6%
Total Exceptions	17,989	227	2,414	2,001	(413)	-20.6%	2,187	964.4%
Total Airport Expenses	263,104	236,081	243,680	242,072	(1,609)	-0.7%	7,600	3.2%
Corporate	65,729	68,316	70,076	69,767	(308)	-0.4%	1,760	2.6%
Police	22,290	22,150	23,513	23,964	450	1.9%	1,364	6.2%
Maritime/Economic Development/Other	4,123	3,134	3,991	4,105	114	2.8%	857	27.4%
Total Charges from Other Divisions	92,141	93,599	97,580	97,836	256	0.3%	3,981	4.3%
Total Operating Expenses	355,245	329,680	341,260	339,908	(1,353)	-0.4%	11,581	3.5%

Operating Expenses – 2021 YE Forecast compared to 2021 YE Budget (-\$1.3M or -0.4% unfavorable)

- Total Operating Expenses is forecasted to over-run Budget by \$1.3M driven partially by the Snow Removal (\$2.2M) in the Airfield and Maintenance cost centers.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

Aeronautical Business Unit Summary – YTD Actuals

Aeronautical NOI (\$ 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	61,289	54,693	37,192	49,789	(12,597)	-25.3%	(17,502)	-32.0%
Airfield Apron Area	9,883	9,575	10,932	9,557	1,375	14.4%	1,357	14.2%
Terminal Rents	100,229	77,111	83,321	102,193	(18,872)	-18.5%	6,210	8.1%
Federal Inspection Services (FIS)	7,271	14,621	3,560	9,225	(5,665)	-61.4%	(11,061)	-75.6%
Total Rate Base Revenues	178,672	156,000	135,005	170,763	(35,758)	-20.9%	(20,995)	-13.5%
Airfield Commercial Area	5,569	7,720	8,177	7,755	422	5.4%	456	5.9%
Subtotal before Revenue Sharing	184,241	163,720	143,182	178,518	(35,336)	-19.8%	(20,538)	-12.5%
Revenue Sharing	(8,314)	1	-	-	-		(1)	-100.0%
Total Aeronautical Revenues	175,927	163,722	143,182	178,518	(35,336)	-19.8%	(20,540)	-12.5%
Total Aeronautical Expenses	117,918	108,286	111,036	115,710	4,673	4.0%	2,751	2.5%
Aeronautical NOI	58,009	55,436	32,146	62,809	(30,663)	-48.8%	(23,290)	-42.0%

Aeronautical – 2021 YTD Actuals vs. 2021 YTD Budget

- Net Operating Income was (-\$30.6M or -49%) unfavorable to budget due to \$35.3M 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 (-\$23.3M or -42%) lower than 2020 YTD because aeronautical revenues in 2021 were based on lower rates and charges in anticipation of a recovering year that is not yet back to pre-pandemic activity levels, whereas in 2020 rates and charges were based on pre-pandemic activity levels.

Aeronautical Business Unit Summary - YE Forecast

Aeronautical NOI (\$ in 000's)	2019	2020	2021	2021	Fav(UnFav) Fest. vs. Budget Variance		Incr/(Decr) Change from 2020	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Rate Base Revenues								
Airfield Movement Area	123,436	84,906	87,899	115,037	(27,138)	-23.6%	2,993	3.5%
Airfield Apron Area	22,016	15,146	15,184	21,418	(6,234)	-29.1%	38	0.2%
Terminal Rents	205,283	171,607	166,593	213,147	(46,554)	-21.8%	(5,014)	-2.9%
Federal Inspection Services (FIS)	12,321	8,616	14,373	21,454	(7,081)	-33.0%	5,757	66.8%
Total Rate Base Revenues	363,057	280,275	284,048	371,056	(87,007)	-23.4%	3,773	1.3%
Airfield Commercial Area	11,687	17,633	16,284	15,612	672	4.3%	(1,349)	-7.7%
Subtotal before Revenue Sharing	374,744	297,908	300,332	386,668	(86,336)	-22.3%	2,424	0.8%
Revenue Sharing	(17,146)	1	-	-	-		(1)	-100.0%
Total Aeronautical Revenues	357,598	297,909	300,332	386,668	(86,336)	-22.3%	2,423	0.8%
Total Aeronautical Expenses	236,959	219,878	234,400	233,102	(1,298)	-0.6%	14,522	6.6%
Aeronautical NOI	120,639	78,031	65,932	153,566	(87,634)	-57.1%	(12,099)	-15.5%

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

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	228,844	1,424	0.6%
Federal Relief Grants O&M	(22,507)	(3,500)	(21,100)	(17,600)	502.9%
Net O&M	191,268	223,920	207,744	(16,176)	-7.2%
Debt Service Before Offsets	166,848	193,302	190,120	(3,183)	-1.6%
Debt Service PFC Offset	(36,390)	(47,549)	(57,839)	(10,290)	21.6%
Federal Relief Grants Debt Service	(71,763)	(29,399)	(86,778)	(57,378)	195.2%
Net Debt Service	58,694	116,354	45,503	(70,851)	-60.9%
Amortization	32,359	32,681	32,624	(58)	-0.2%
Space Vacancy	(1,083)	(1,141)	(1,063)	78	-6.9%
TSA Operating Grant and Other	(960)	(758)	(759)	(1)	0.1%
Rate Base Revenues	280,279	371,056	284,048	(87,007)	-23%
Commercial area	17,633	15,612	16,284	672	4%
Total Aero Revenues	297,912	386,668	300,332	(86,336)	-22%

(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 – \$1.4M 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 \$3.2M lower primarily because the 3rd runway PFC debt was refunded with revenue bond which increased debt service and offset with refunding savings.
- PFC Offset \$10.3M lower due to lower anticipated collections
- Federal Relief Grants Aero Portion:
 - Payroll Impact (O&M) – Removing \$21.1M from Rate Base
 - Debt Service Impact - Removing \$86.8M from Rate Base

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

Non-Aero Business Unit Summary – YTD Actuals

Non-Aeronautical NOI (\\$ in 000's)	2019 YTD	2020 YTD	2021 YTD	2021 YTD	Fav(UnFav) Actual vs. Budget Variance		Incr/(Deer) Change from 2020	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Non-Aeronautical Revenues								
Public Parking	40,401	20,002	25,537	25,729	(192)	-0.7%	5,536	27.7%
Rental Cars	20,064	7,591	11,497	10,740	757	7.0%	3,906	51.5%
Ground Transportation	9,979	4,374	4,208	5,961	(1,753)	-29.4%	(166)	-3.8%
Airport Dining & Retail	29,581	13,856	14,871	19,470	(4,599)	-23.6%	1,015	7.3%
Other	24,578	18,402	17,106	20,451	(3,345)	-16.4%	(1,296)	-7.0%
Total Non-Aeronautical Revenues	124,604	64,225	73,219	82,351	(9,131)	-11.1%	8,995	14.0%
Total Non-Aeronautical Expenses	38,294	55,094	49,082	52,648	3,567	6.8%	(6,012)	-10.9%
Non-Aeronautical NOI	86,310	9,131	24,138	29,703	(5,565)	-18.7%	15,007	164.4%
Less: CFC Surplus	-	-	-	-	-		-	
Adjusted Non-Aeronautical NOI	86,310	9,131	24,138	29,703	(5,565)	-18.7%	15,007	164.4%

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

- Net Operating Income was (-\$5.6M or -18.7%) 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 (\$3.5M or 6.8%) favorable.

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

- Net Operating Income was (\$12M or 164.4%) higher than 2020 driven by:
 - Increasing passenger levels and activity when compared to the 2nd quarter in 2020 where the COVID-19 impact was ramping up.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

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	65,301	59,597	5,704	9.6%	30,799	89.3%
Rental Cars	52,567	16,637	33,690	26,880	6,810	25.3%	17,053	102.5%
Ground Transportation	20,765	6,557	11,238	13,628	(2,391)	-17.5%	4,680	71.4%
Airport Dining & Retail	61,615	25,418	43,317	45,936	(2,619)	-5.7%	17,899	70.4%
Other	51,966	33,359	39,361	43,506	(4,145)	-9.5%	6,003	18.0%
Total Non-Aeronautical Revenues	269,037	116,473	192,907	189,548	3,359	1.8%	76,434	65.6%
Total Non-Aeronautical Expenses	118,286	109,802	106,861	106,806	(55)	-0.1%	(2,941)	-2.7%
Non-Aeronautical NOI¹	150,752	6,671	86,046	82,742	3,304	4.0%	79,375	1189.9%
Less: CFC Surplus	(6,834)	-	-	-	-		-	
Adjusted Non-Aeronautical NOI	143,917	6,671	86,046	82,742	3,304	4.0%	79,375	1189.9%
Debt Service	(49,299)	(33,065)	(15,935)	(53,025)	37,090	-69.9%	17,131	-51.8%
Net Cash Flow	94,619	(26,394)	70,111	29,717	40,394	135.9%	96,506	-365.6%

(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 (\$3.3M or 4%) 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 (\$79.4M or 1190%) higher compared to prior year due to passenger levels improving with a forecast of being down 26% compared to 2019 vs. 61% down in 2020 compared to 2019.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

D. CAPITAL RESULTS

Capital Variance

\$ in 000's	2021	2021	2021	Budget Variance	
	YTD Actual	Year-End Forecast	Budget	\$	%
Checked Baggage ⁽¹⁾	42,510	105,610	86,100	(19,510)	-22.7%
International Arrivals Facility ⁽²⁾	40,439	68,439	86,500	18,061	20.9%
NSAT Renovation ⁽³⁾	55,058	84,602	96,408	11,806	12.2%
Concourse A Duty Free ⁽⁴⁾	2	34	2,461	2,427	98.6%
Concourse A Expansion ⁽⁵⁾	69	7,639	5,215	(2,424)	-46.5%
SAMP Near Term Planning ⁽⁶⁾	322	2,692	5,025	2,333	46.4%
Terminal Security Enhancements ⁽⁷⁾	175	1,276	3,479	2,203	63.3%
RCF Security Improvements ⁽⁸⁾	196	2,802	4,934	2,131	43.2%
2021-25 AFLD Pvmnt ⁽⁹⁾	6,990	27,542	29,560	2,017	6.8%
Concourse C New Power Center ⁽¹⁰⁾	3,668	4,919	2,961	(1,958)	-66.1%
Air Cargo Rd Safety ⁽¹¹⁾	448	2,080	3,972	1,892	47.6%
SSAT HVAC ⁽¹²⁾	4,830	9,725	11,505	1,780	15.5%
All Other	45,431	165,437	195,060	29,624	15.2%
Subtotal	200,138	482,797	533,180	50,383	9.4%
CIP Cashflow Mgmt Reserve	-	(26,177)	(41,978)	(15,801)	37.6%
Total Spending	200,138	456,620	491,202	34,582	7.0%

1. Accelerated schedule for Temp Maintenance Shop.
2. The ped walkway continues to slide to the right and is likely going to complete late 2021, possibly 2022. Additionally, in the IAF building, issues with systems, smoke control and commissioning have caused delays to the IAF building.
3. Variance due to \$4.0M less Construction (Contract/OFCI/Sales Tax); \$1M less Permit costs (delayed); and \$1M slipped payment for seating.
4. 2021 baseline was set prior to IC increase from \$25,180,000 to \$33,366,000.
5. 2021 baseline was set previous to Notebook approval (03/05/21), whereas the project budget went from \$60M to 71.4M.
6. Continued scoping and analysis extended to gain better information deferring spending.
7. Cash flow based upon previous procurement that was cancelled, revised cash flow per anticipated DB schedule.
8. Construction bid came lower than estimates.
9. Bid result for 2021 Pavement project came lower than Engineer's Estimate.
10. Construction accelerated by 6 months.
11. Cash flow reflects returned bid savings and extended construction schedule.
12. Returned \$5M savings in Q1 and design delays have caused underspending.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

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	46,656	45,280	1,377	3%	4,545	11%
Total Operating Expenses	48,644	50,228	49,023	50,243	1,220	2%	(1,205)	-2%
Net Operating Income	10,644	(8,117)	(2,367)	(4,963)	2,597	52%	5,750	71%
Capital Expenditures	7,887	19,698	21,701	26,195	4,494	17%	2,003	10%

2021 Forecast vs. 2021 Budget

- Operating Revenues are \$1.4M higher than budget driven by higher volumes at the Grain Terminal.
- Operating Expenses forecasted \$1.1M lower than budget from a change in maintenance allocation, open FTEs.
- Net Operating Income Planned \$2.6M favorable to budget.
- Capital Spending forecasted at 83% of \$26.2M budget.

2021 Forecast vs. 2020 Actuals

- Operating Revenues expected \$4.5M higher than 2020 due to higher grain volumes and resumption of cruise business.
- Operating Expenses forecasted \$1.2M 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 \$5.7M 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	(513)	(945)	(1,105)	160	14%	(432)	-84%
Elliott Bay Fishing & Commercial Operations	(266)	(257)	(967)	710	73%	10	NA
Recreational Boating	1,094	558	295	263	-89%	(536)	-49%
Cruise	(5,555)	(5,190)	(1,536)	(3,654)	-238%	365	-7%
Grain	1,348	2,798	1,683	1,115	-66%	1,450	108%
Maritime Portfolio	71	123	(880)	1,003	114%	53	75%
All Other	(151)	(162)	(329)	167	51%	(11)	-7%
Total Maritime	(3,973)	(3,075)	(2,839)	(236)	-8%	898	23%

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

A. BUSINESS EVENTS

Recreational Boating– Bell Harbor Marina hosted the return of Classic Weekend, an annual public event sponsored by the Classic Yacht Association with a full marina buyout. In addition, agreements were completed with Parasail Seattle and Seattle's Tall Ship tour operations at the marina.

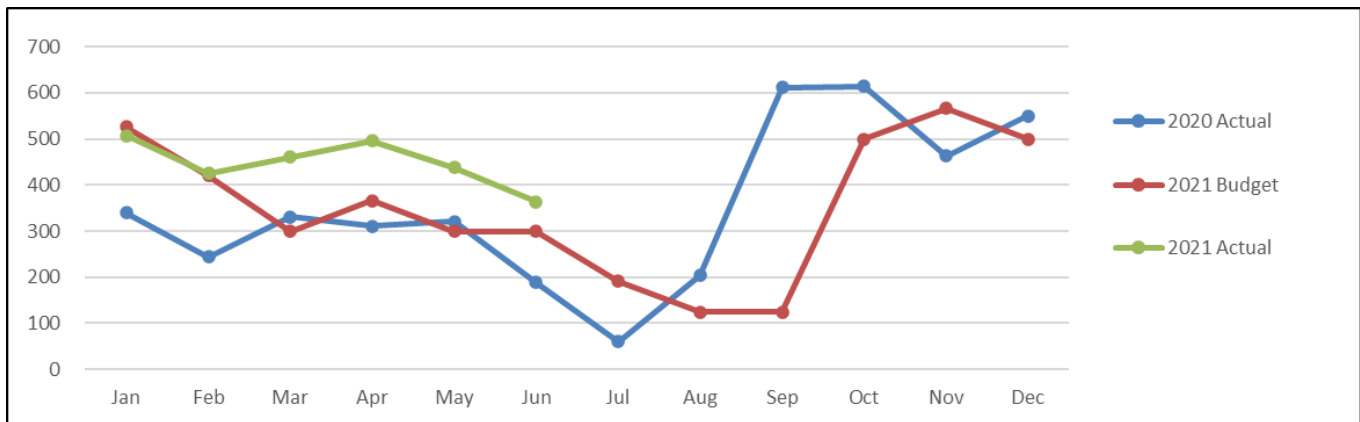
Elliott Bay Fishing and Commercial Operations - Maximized pier utilization while helping coordinate the transition of the cruise berths to CTA for cruise ship lay berth use.

Cruise – Completed terminal upgrades inclusive of touchless restroom facilities, COVID signage, health barriers, water bottle filling stations, and air filtration improvements.

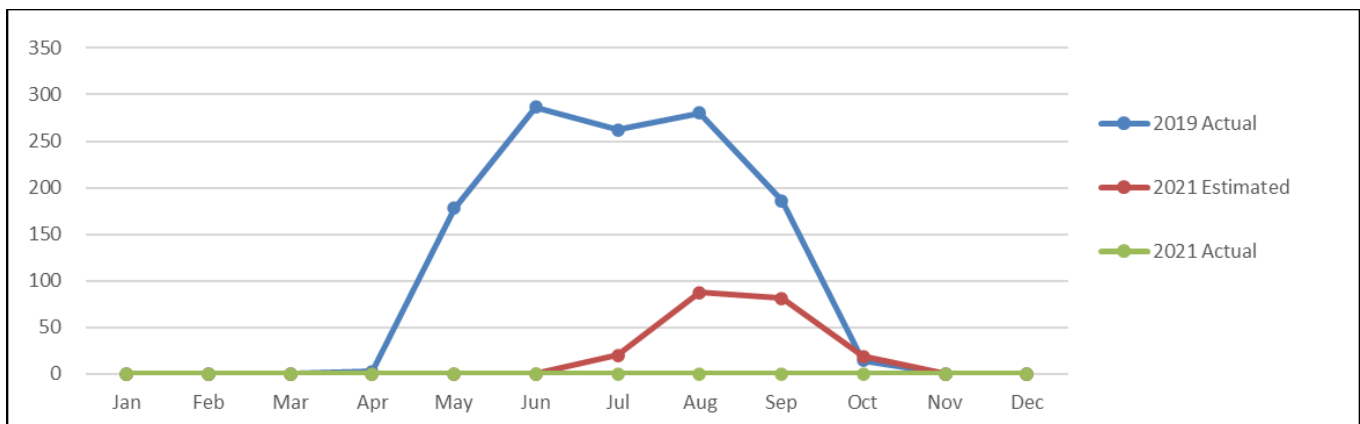
Stormwater Utility – Terminal 25 oil/water separator was installed in the truck parking area

B. KEY PERFORMANCE METRICS

Grain Volume – Metric Tons in 000's



Cruise Passengers in 000's



III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

C. OPERATING RESULTS

	2019 YTD	2020 YTD	2021 YTD	2021 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2020		
	Actual	Actual	Actual	Budget	\$	%	\$	%	
\$ in 000's									
Ship Canal Fishing & Operations	2,004	2,182	2,134	2,146	(12)	-1%	(49)	-2%	
Elliott Bay Fishing & Commercial Operations	3,067	2,908	2,635	2,262	373	16%	(274)	-9%	
Recreational Boating	6,228	6,211	6,330	6,406	(77)	-1%	119	2%	
Cruise	8,473	133	61	4,466	(4,405)	-99%	(72)	-54%	
Grain	2,567	2,005	3,433	2,556	876	34%	1,427	71%	
Maritime Portfolio Management	5,019	4,884	4,914	5,039	(125)	-2%	30	1%	
Other	10	15	1	0	1	NA	(13)	-91%	
Total Revenue	27,368	18,338	19,507	22,875	(3,368)	-15%	1,169	6%	
Expenses									
Maritime (Excl. Maint)	5,745	6,869	7,031	7,801	770	10%	162	2%	
Economic Development	2,369	2,325	2,135	3,015	880	29%	(190)	-8%	
Total Direct	8,114	9,194	9,166	10,816	1,649	15%	(28)	0%	
Maintenance Expenses	5,521	4,879	5,093	6,006	913	15%	215	4%	
Envir Services & Planning	1,055	1,226	785	1,070	285	27%	(442)	-36%	
Seaport Finance & Cost Recovery	509	457	513	490	(23)	-5%	56	12%	
Seaport Project Management	130	188	193	160	(33)	-21%	5	2%	
Total Support Services	7,214	6,751	6,584	7,725	1,141	15%	(167)	-2%	
IT	1,320	1,393	1,335	1,410	75	5%	(58)	-4%	
Police Expenses	1,988	1,569	1,477	1,647	170	10%	(92)	-6%	
External Relations	751	615	571	683	113	16%	(44)	-7%	
Other Central Services	2,789	2,652	3,277	3,311	34	1%	625	24%	
Aviation Division / Other	135	137	170	121	(49)	-40%	33	24%	
Total Central Services / Other	6,982	6,367	6,830	7,173	343	5%	464	7%	
Total Expense	22,310	22,311	22,581	25,714	3,134	12%	270	1%	
NOI Before Depreciation	5,058	(3,973)	(3,074)	(2,839)	(235)	-8%	899	23%	
Depreciation	8,911	8,781	8,881	8,088	(793)	-10%	100	1%	
NOI After Depreciation	(3,853)	(12,754)	(11,955)	(10,928)	(1,027)	-9%	799	6%	

2021 YTD Actuals vs. 2021 YTD Budget

- Operating Revenues were \$3,368K lower than budget driven by:
 - 1) Elliott Bay Fishing & Operations \$373K higher due to Ballard Locks closure and improved pier utilization at T91.
 - 2) Cruise \$4,405K lower due to timing of lease invoice to NCL, and phasing of sailings.
 - 3) Grain \$876K higher from 55% increase in annual volumes.
 - 4) Maritime Portfolio Management \$125K lower from vacancy at Maritime Industrial Center.
 - 5) All other variances add up to \$87K lower.
- Operating Expenses were \$3,134K lower than budget:
 - 1) Direct Expenses were \$1,649K lower than budget
 - Rec Boating \$75K higher than budget due to COVID-19 expenses.
 - Ship Canal Fishing and Operations \$16K lower from reversal of bad debt expense.
 - Elliot Bay Fishing and Commercial \$310K below due to lower utilities expenses.
 - Cruise \$532K under from lower outside services and utilities.
 - Maritime Security \$38K lower than budget due to timing of cruise sailings.
 - Maritime Marketing \$105K below budget from event cancellations.
 - Portfolio Management \$850K favorable from lower utility expense and timing of tenant improvements.
 - Environmental remediation was \$68K unfavorable to budget.
 - Divisional contingency open headcount vacancy factor created a \$109K unfavorable variance
 - All other Direct Expenses net to \$100K over budget.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

- 2) Total Support Services were \$1,141K favorable to budget.
 - Maintenance \$913K favorable due to reduced wage expenses and favorable allocation change.
 - Environmental Services and Planning were \$285K lower than budget due to open position and outside services timing.
- 3) Total Central Services / Other were \$343K favorable to budget.
- Net Operating Income was \$235K unfavorable to budget.

2021 YTD Actuals vs. 2020 YTD Actuals

- Operating Revenues were \$1.2M higher than 2020 due to increased volumes at the Grain terminal.
- Operating Expenses were \$270K higher than 2020 actual driven by higher central service allocation, offset by lower utilities and Environmental services allocation.
- Net Operating Income was \$899K 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	4,123	4,135	(12)	0%	(581)	-12%
Elliott Bay Fishing & Commercial Operations	6,095	5,752	4,882	4,509	373	8%	(870)	-15%
Recreational Boating	12,484	12,611	12,838	12,915	(77)	-1%	227	2%
Cruise	22,410	3,824	9,000	8,558	442	5%	5,176	135%
Grain	4,266	5,142	5,779	4,903	876	18%	637	12%
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	46,656	45,280	1,377	3%	4,545	11%
Expenses								
Maritime (Excl. Maint)	13,789	16,256	15,439	15,539	100	1%	(817)	-5%
Economic Development	4,987	4,511	5,115	5,365	250	5%	604	13%
Total Direct	18,776	20,767	20,554	20,904	350	2%	(213)	-1%
Maintenance Expenses	12,186	12,029	11,095	11,595	500	4%	(934)	-8%
Envir Services & Planning	2,250	2,739	1,940	2,140	200	9%	(798)	-29%
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	14,428	15,028	600	4%	(2,337)	-14%
IT	2,685	2,719	2,838	2,853	15	1%	120	4%
Police Expenses	4,086	2,865	3,059	3,118	59	2%	193	7%
External Relations	1,564	1,200	1,013	1,347	334	25%	(187)	-16%
Other Central Services	5,810	5,596	6,887	6,749	(138)	-2%	1,291	23%
Aviation Division / Other	278	315	243	243	0	0%	(72)	-23%
Total Central Services / Other	14,423	12,695	14,041	14,311	270	2%	1,345	11%
Total Expense	48,644	50,228	49,023	50,243	1,220	2%	(1,205)	-2%
NOI Before Depreciation	10,644	(8,117)	(2,367)	(4,963)	2,597	52%	5,750	71%
Depreciation	17,627	17,624	16,899	16,899	0	0%	(725)	-4%
NOI After Depreciation	(6,982)	(25,741)	(19,266)	(21,862)	2,597	12%	6,475	25%

2021 Forecast vs. 2021 Budget

- Operating Revenues are forecasted \$1,377K higher than budget:
 - 1) Grain \$876K higher year to date.
 - 2) Cruise \$442K higher based on current schedule at 50% occupancy.
 - 3) Elliot Bay Fishing & Operations is \$373K higher due to better pier utilization at T91.
- Operating Expenses forecasted \$1.2MK favorable to budget from change in maintenance allocations, lower payroll, and reduced external relations expenses.
- Net Operating Income Planned \$2.6M favorable to budget.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

2021 Forecast vs. 2020 Actuals

- Operating Revenues expected \$4.5M higher than 2020 with partial resumption of Cruise, higher Grain volumes, offset by 2020 revenue benefitting from the lengthy closure of the Ballard Locks.
- Operating Expenses forecasted \$1.2M lower than 2020 actual driven primarily by favorable Maintenance, Seaport Project Management, and Environmental allocations, less capital to expense, offset by unfavorable central services allocations from 2020 one-time pension adjustment.
- Net Operating Income forecasted \$5.8M better than 2020 actual.

D. CAPITAL RESULTS

\$ in 000's	2021 YTD	2021	2021	Budget Variance	
	Actual	Forecast	Budget	\$	%
T117 Restoration	2,050	8,180	8,809	629	7%
T91 Northwest Fender	384	6,160	7,761	1,601	21%
MD Small Projects	415	1,711	3,383	1,672	49%
MD Fleet	199	3,342	3,201	(141)	-4%
FT Maritime Innovation Center	135	604	1,475	871	59%
T91 Berth 6&8 Redev	361	1,134	1,025	(109)	-11%
P91 Pass Term Upgrade COV	7	230	1,000	770	77%
P66 Shore Power	149	443	765	322	42%
SBM Restrms/Service Bldgs Rep	316	367	665	298	45%
FT Gateway Building	176	438	600	162	27%
All Other Projects	867	(908)	(2,489)	(1,581)	64%
Total Maritime	5,059	21,701	26,195	4,494	17%

Comments on Key Projects

- **T91 Northwest Fender** – Construction bid well under Engineer's Estimate. Have reduced forecast accordingly.
- **FT Maritime Innovation Center** – Budget increase due to unexpected increased Design costs, and new scope (risk mitigation measures), but also due to the escalation adjustment triggered by wage inflation projected for 2022 and expected skilled labor shortages announced in late March 2021. Design progress towards 90% delayed due to need for Commission authorization to amend NTE amount on Service Agreement and additional funding to complete design and permitting phase.
- **MD Small Projects** - Several projects deferred to 2022 per the sponsor's request.

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

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	12,048	13,348	(1,300)	-10%	2,578	27%
Total Operating Expenses	27,155	20,611	20,605	21,413	808	4%	(6)	0%
Net Operating Income	(6,004)	(11,141)	(8,557)	(8,065)	(492)	-6%	2,584	-23%
Capital Expenditures	3,121	9,314	4,000	5,647	1,647	29%	(5,314)	-57%

2021 Forecast vs. 2021 Budget

- Operating Revenues forecasted to \$1.3M unfavorable to budget due to lower volumes at the Conference & Event Center related COVID-19 cancellations and variable revenue at parking facilities.
- Operating Expenses \$808K favorable to budget due to variable cost impact of conference cancellations, delayed hiring, and Washington Tourism Alliance expenses moving to 2022, offset by change in Maintenance allocation.
- Net Operating Income forecasted at \$492K below budget.
- Capital spending forecasted to 71% of \$5.6M budget.

2021 Forecast vs. 2020 Actuals

- Operating Revenues forecasted to \$2.6M above 2020 due to favorable 2nd half outlook at the Conference & Event Center.
- Operating Expenses \$6K lower than 2020 with higher Washington Tourism Alliance expenses, offset by favorable Central Services costs.
- Net Operating Income forecasted \$2.6M 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	(1,057)	(1,804)	(1,152)	(652)	-57%	(747)	-71%
Conference & Event Centers	(2,420)	(2,130)	(1,843)	(287)	-16%	289	12%
Tourism	(385)	(379)	(557)	178	32%	6	1%
EDD Grants	27	(88)	(85)	(3)	-3%	(115)	-420%
Env Grants/Remed Liab/ERC	(300)	(2)	(386)	384	99%	298	99%
Total Econ Dev	(4,134)	(4,403)	(4,023)	(380)	-9%	(269)	-7%

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

A. BUSINESS EVENTS

Diversity in Contracting – Selected twelve new participants for new PortGen accelerator program. Partnered with Sound Transit and WSDOT to provide disadvantaged business enterprises with technical training.

Economic Development and Innovation – Staff is administering 25 Economic Development Partnership grants with participating cities. Supporting second Maritime Blue Innovation Accelerator.

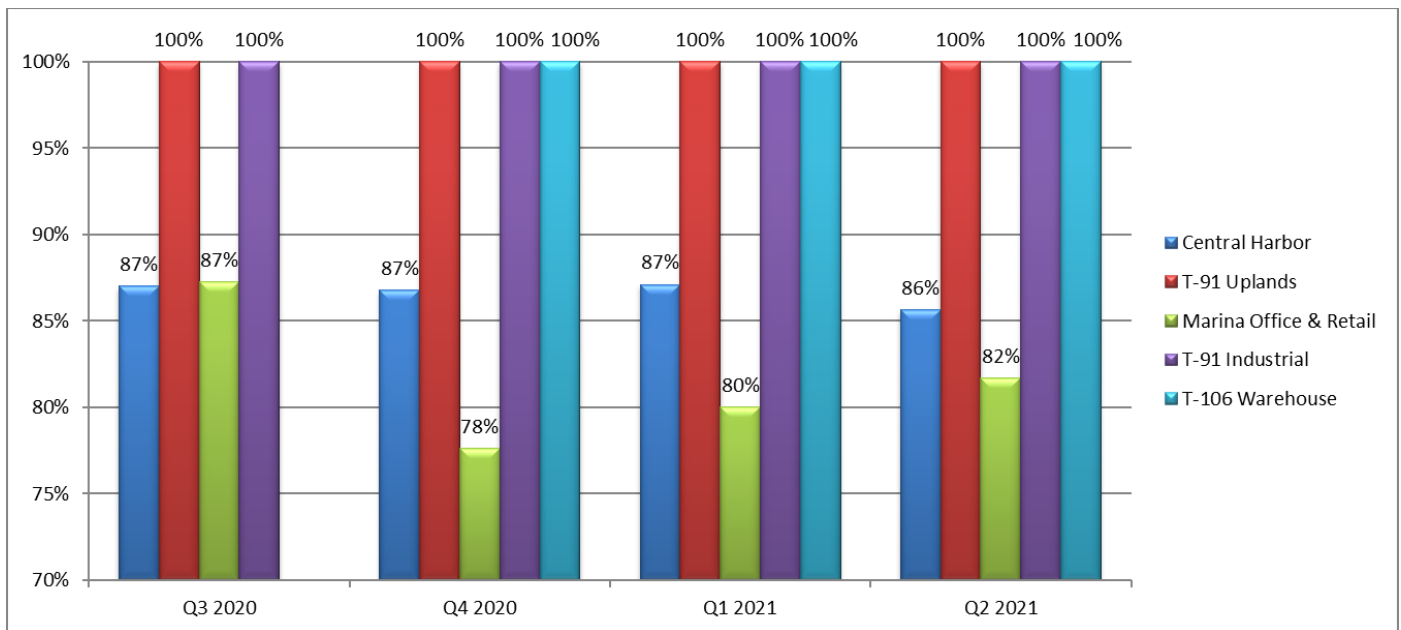
Portfolio Management – Maintained 95% occupancy across real estate portfolio despite ongoing COVID-19 pandemic challenges.

Real Estate Development – Executed ground lease at T-106.

Tourism – Earned media resulting from international office activities YTD: \$525K. Created webinars in collaboration with U.S. Commercial Service, Visit USA Committees, CLIA, tour operators and travel trade publications to broadcast Washington tourism opportunities.

B. KEY PERFORMANCE METRICS

Building Occupancy by Location:



IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

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	4,421	4,119	3,669	4,042	(373)	-9%	(450)	-11%
Conf & Event Centers	5,963	1,240	420	1,329	(909)	-68%	(819)	-66%
Total Revenue	10,384	5,359	4,089	5,371	(1,282)	-24%	(1,270)	-24%
Expenses								
Portfolio Management	1,922	1,583	1,643	1,687	44	3%	60	4%
Conf & Event Centers	4,833	2,378	1,271	1,890	618	33%	(1,107)	-47%
P69 Facilities Expenses	92	119	90	114	24	21%	(29)	-24%
RE Dev & Planning	48	91	94	76	(17)	-23%	3	3%
EconDev Expenses Other	352	488	298	398	100	25%	(190)	-39%
Maintenance Expenses	1,563	1,170	1,792	1,282	(509)	-40%	621	53%
Maritime Expenses (Excl Maint)	106	229	490	528	38	7%	261	114%
Total EDD & Maritime Expenses	8,916	6,058	5,678	5,976	298	5%	(381)	-6%
Diversity in Contracting	99	50	48	70	23	32%	(2)	-5%
Tourism	526	374	380	982	602	61%	6	1%
EDD Grants	(4)	(27)	87	75	(12)	-17%	115	-420%
Total EDD Initiatives	621	397	515	1,127	612	54%	118	30%
Environmental & Sustainability	173	101	13	15	3	17%	(88)	-87%
Police Expenses	101	108	99	111	12	10%	(9)	-8%
Other Central Services	2,819	2,760	2,093	2,100	8	0%	(667)	-24%
Aviation Division	53	69	95	64	(31)	-48%	26	38%
Total Central Services & Aviation	3,147	3,037	2,300	2,291	(9)	0%	(738)	-24%
Envir Remed Liability	0	0	0	0	0	NA	0	NA
Total Expense	12,684	9,493	8,493	9,394	902	10%	(1,000)	-11%
NOI Before Depreciation	(2,300)	(4,134)	(4,403)	(4,023)	(380)	-9%	(269)	-7%
Depreciation	1,833	1,774	1,919	1,517	(402)	-26%	145	8%
NOI After Depreciation	(4,133)	(5,908)	(6,322)	(5,540)	(782)	-14%	(414)	-7%

2021 YTD Actuals vs. 2021 YTD Budget

- Operating revenue were \$1,282K 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 \$902K favorable to budget:
 - 1) Conference and Event Center \$618K favorable from lower activity as a result of the on-going COVID-19 restrictions on meetings and events.
 - 2) Maintenance Expenses \$509K unfavorable due to change in Maintenance allocation methodology.
 - 3) EDD Initiatives \$612K favorable due to timing of spending related to COVID-19.
 - 4) All other expenses net to \$181K below budget.
- Net Operating Income was \$380K below budget.

2021 YTD Actuals vs. 2020 YTD Actuals

- Operating Revenues were \$1,270K lower than 2020 actual
- Operating Expenses were \$1,000K lower than 2020 actual:
 - 1) Conference and Event Centers \$1,107K 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 \$621K higher than 2020 due to change in Maintenance allocation methodology.
 - 3) Central Services \$738K lower than 2020.
 - 4) All other Expenses net to \$224K higher than 2020.
- Net Operating Income was \$269K below 2020 actual.

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

	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	7,913	8,313	(400)	-5%	105	1%
Conf & Event Centers	12,239	1,662	4,135	5,035	(900)	-18%	2,473	149%
Total Revenue	21,151	9,470	12,048	13,348	(1,300)	-10%	2,578	27%
Expenses								
Portfolio Management	3,732	3,073	3,301	3,401	100	3%	227	7%
Conf & Event Centers	10,218	4,440	4,420	4,920	500	10%	(19)	0%
P69 Facilities Expenses	215	232	177	222	45	20%	(56)	-24%
RE Dev & Planning	136	209	154	154	0	0%	(55)	-26%
EconDev Expenses Other	930	938	695	835	140	17%	(243)	-26%
Maintenance Expenses	3,145	3,042	3,037	2,537	(500)	-20%	(5)	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	12,843	13,128	285	2%	(127)	-1%
Diversity in Contracting	152	103	122	142	20	14%	19	19%
Tourism	1,337	954	2,181	2,481	300	12%	1,227	129%
EDD Grants	785	778	1,060	1,060	0	0%	282	36%
Total EDD Initiatives	2,274	1,834	3,363	3,683	320	9%	1,528	83%
Environmental & Sustainability	24	44	23	31	8	26%	(21)	-48%
Police Expenses	61	64	205	209	4	2%	142	223%
Other Central Services	5,234	5,539	4,051	4,242	191	5%	(1,488)	-27%
Aviation Division	114	161	120	120	0	0%	(41)	-25%
Total Central Services & Aviation	5,433	5,808	4,400	4,603	203	4%	(1,408)	-24%
Envir Remed Liability	0	0	0	0	0	NA	0	NA
Total Expense	27,155	20,611	20,605	21,413	808	4%	(6)	0%
NOI Before Depreciation	(6,004)	(11,141)	(8,557)	(8,065)	(492)	-6%	2,584	23%
Depreciation	3,647	3,611	3,216	3,216	0	0%	(395)	-11%
NOI After Depreciation	(9,651)	(14,753)	(11,773)	(11,281)	(492)	-4%	2,980	20%

2021 Forecast vs. 2021 Budget

- Operating Revenues forecasted to \$1.3M unfavorable to budget due to lower volumes at the Conference & Event Center related COVID-19 cancellations and variable revenue at parking facilities.
- Operating Expenses \$808K favorable to budget due to variable cost impact of conference cancellations, delayed hiring, and Washington Tourism Alliance expenses moving to 2022, offset by change in Maintenance allocation.
- Net Operating Income forecasted at \$492K below budget.
- Capital spending forecasted to 82% of \$5.6M budget.

2021 Forecast vs. 2020 Actuals

- Operating Revenues forecasted to be \$2.6M above 2020 due to favorable 2nd half outlook at the Conference & Event Center.
- Operating Expenses \$6K lower than 2020 with higher Washington Tourism Alliance expenses, offset by favorable Central Services costs.
- Net Operating Income forecasted \$2.6M better than 2020 actual.

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

D. CAPITAL RESULTS

	2021 YTD Actual	2021 Forecast	2021 Budget	Budget Variance	
				\$	%
\$ in 000's					
BHICC Interior Modernization	276	854	1,990	1,136	57%
P69 Underdock Utility Rpl	105	153	1,028	875	85%
CW Bridge Elev Modernization	48	893	943	50	5%
WTC HVAC Replacement	59	984	848	(136)	-16%
T91 Uplands Dev Phase 1	311	493	800	307	38%
P66 Roof Upgrades	90	544	544	0	0%
EDD Small Projects	34	390	522	132	25%
Tenant Improvements -Capital	0	58	289	231	80%
EDD Technology Projects	0	250	250	0	0%
P66 HVAC Systems Upgrade	0	0	185	185	100%
All Other Projects	50	(619)	(1,752)	(1,133)	65%
Total Economic Development	973	4,000	5,647	1,647	29%

Comments on Key Projects

- **BHICC Modernization** – Approved annual 2021 budget is erroneously showing expense portion and is showing it twice.
- **P69 Under Dock Utility Replacement** – City of Seattle permitting approval process is taking a lot longer and the Corps permit is expected to take longer.
- **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 06/30/21

V. CENTRAL SERVICES DIVISION

FINANCIAL SUMMARY

	2019 YTD	2020 YTD	2021 YTD	2021 YTD	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Budget	Actual vs. Budget		Change from 2020	
					Variance			
\$ in 000's					\$	%	\$	%
Total Operating Revenues	331	1,629	1,982	90	1,892	2091.5%	353	21.7%
Core Central Support Services	36,723	39,102	39,964	41,863	1,899	4.5%	863	2.2%
Police	13,997	14,819	13,769	14,959	1,190	8.0%	(1,050)	-7.1%
Engineering/PCS	5,164	4,773	4,575	4,551	(24)	-0.5%	(198)	-4.2%
Total Operating Expenses	55,884	58,694	58,309	61,373	3,064	5.0%	(385)	-0.7%

2021 YTD Actuals vs. 2021 YTD Budget

- Operating Revenues favorable due primarily to Police forfeiture seizures of \$1.9M.
- Operating Expenses \$3.1M 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 \$353K above 2020 mainly due to higher Police forfeiture seizures in 2021.
- Operating Expenses \$385K lower than 2020 mainly due to lower Outside Services offset by less charges to Capital Projects.

A. BUSINESS EVENTS

- The Port conducted twelve community, business, industry and government listening sessions to gather feedback on how the Port can contribute to an equitable recovery.
- Port leaders joined Governor Jay Inslee and other Washington State leaders for the Climate Bill Signing which includes the Clean Fuel Standard.
- The Port's vaccine clinic at SEA administered over 7,800 doses of the COVID vaccine.
- External Relations held a community engagement on the redevelopment of Fishermen's Terminal and several Terminal 5 outreach presentations.
- External Relations hosted a three-part series of public Industry Insights webinars on status of cargo, aviation, cruise and commercial fishing operations and a webinar to inform hospitality/tourism partners on 2021 operations, health and safety protocols and environmental stewardship.
- External Relations hosted Restart of Cruise webinar with Visit Seattle and cruise lines to inform hospitality/tourism partners on 2021 operations, health and safety protocols and environmental stewardship
- The Information Security Department partnered with the Port's Strategic Planning division to deliver a Port-wide broadcast disruption summit.
- ICT completed 7 projects which include: (1) Audit Management System Upgrade- project extended the life of the current audit management tool; (2) Airport Breach/Duress System Upgrade- new system is expected to accommodate growth in breach/duress alarm needs over the next five to ten years.
- Port of Seattle Police Department, in partnership with Seattle Police Department and multiple involved stakeholders, responded to a protest at Terminal 18 to prevent a ship from unloading its cargo.
- The Port competed issuance of Revenue bonds to fund Airport projects and refund existing bonds for \$72 million present value savings.
- The Port released the Annual Financial Report for 2020 in May. Accounting Financial Reporting (AFR) received clean audit for the Port 2020 financial statement.

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

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	560
B. Number of SEA Airport tenants supported in finding employees	N/A	56	59
C. Employment Center training completions	N/A	230	99
D. K-12 Career Connected Learning: WFD engagement with teachers/faculty	450	1,800	0
E. Community members entering employment in construction, maritime and environmental sustainability	38	0	30
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	358	233	124
H. Job applications received	7,309	3,703	5,825
I. Number of job interviews conducted	1,045	451	640
J. Number of new employees hired	234	155	140
K. Number of interns	137	47	109
L. Number of Veteran Fellows	5	0	2
M. Number of employees participating in Tuition Reimbursement	30	27	36
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	449
Be a Highly Effective Public Agency			
A. Corporate costs as a % of Total Operating Expenses	25.3%	29.0%	29.1%
B. Investment portfolio earnings versus the benchmark (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index)	2.16%/1.8%	1.98%/0.18%	1.23%/0.25%
C. Comply with Public Disclosure Act and respond in a timely manner	285	248	305
D. Litigation and Claim Reserves	\$2.5M	\$2.0M	\$1.4M
E. Claims/Injury Damages Reserves	\$435K	\$127K	\$256K
F. Percent of annual audit work plan completed each year	100%	100%	100%
G. Employee Development Class Attendees/Structured Learning	509	1847	490
H. Total Recordable Incident Rate (previous Occupational Injury Rate)	4.75	2.93	5.84
I. Lost Work Day Rate (previously Days Away Severity Rate)	15.08	46.43	57.47
J. Respond to Public Disclosure Requests	285	248	305
K. Customer Survey for Police Service Excellent or Above Average	83%	83%	100%

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

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	2,117	181	1,936	1070.3%	(395)	-15.7%
Executive		2,018	2,263	2,468	2,285	(184)	-8.0%	206	9.1%
Commission		2,022	1,755	2,189	2,169	(20)	-0.9%	434	24.7%
Legal		4,987	6,290	6,236	3,919	(2,317)	-59.1%	(54)	-0.9%
External Relations		7,760	7,481	8,061	9,878	1,817	18.4%	579	7.7%
Equity Diversity and Inclusion		2,337	4,676	5,792	3,743	(2,048)	-54.7%	1,115	23.8%
Human Resources		9,187	8,380	10,470	11,385	915	8.0%	2,091	24.9%
Labor Relations		1,230	1,286	1,353	1,346	(7)	-0.5%	66	5.2%
Internal Audit		1,450	1,540	1,655	1,637	(18)	-1.1%	115	7.5%
Accounting & Financial Reporting Services		7,341	8,165	8,722	8,724	2	0.0%	556	6.8%
Information & Communication Technology		23,014	24,732	24,427	24,427	(0)	0.0%	(304)	-1.2%
Information Security		1,203	1,656	1,770	1,913	143	7.5%	114	6.9%
Finance & Budget		2,037	2,177	2,306	2,292	(14)	-0.6%	129	5.9%
Business Intelligence		1,302	1,181	1,426	1,523	97	6.4%	244	20.7%
Risk Services		3,137	3,349	3,862	3,939	77	2.0%	513	15.3%
Office of Strategic Initiatives		1,448	934	930	1,059	129	12.2%	(4)	-0.4%
Central Procurement Office		4,452	4,280	5,161	5,532	372	6.7%	880	20.6%
Contingency		39	(190)	(1,002)	(1,502)	(500)	33.3%	(812)	427.2%
Core Central Support Services		74,966	79,956	85,826	84,270	(1,557)	-1.8%	5,870	7.3%
Police		27,793	27,538	27,793	28,317	524	1.9%	255	0.9%
Total Before Cap Dev & Environment		102,759	107,494	113,619	112,587	(1,032)	-0.9%	6,125	5.7%
Capital Development									
Engineering		5,696	4,959	5,721	5,580	(141)	-2.5%	763	15.4%
Port Construction Services		4,341	4,138	3,798	3,619	(179)	-5.0%	(339)	-8.2%
Sub-Total		10,038	9,096	9,519	9,199	(321)	-3.5%	423	4.7%
Environment & Sustainability									
Environment & Sustainability		976	692	1,267	1,408	142	10.1%	575	83.1%
Sub-Total		976	692	1,267	1,408	142	10.1%	575	83.1%
Industrial Development Corporation		1	-	-	-	-	0.0%	-	0.0%
Capital to Expense		117	193	-	-	-	0.0%	(193)	-100.0%
Total Expenses		113,891	117,476	124,405	123,194	(1,211)	-1.0%	6,929	5.9%

2021 Forecast vs. 2021 Budget

- Operating Expenses for 2021 are \$1.2M over Approved Budget due primarily to:
 - **Executive** – unfavorable variance of (\$184K) due to higher Payroll of (\$125K) and Outside Services (\$58K).
 - **Commission** – unfavorable variance of (\$20K) due to increased Payroll of 1 FTE (\$46K) offset by planned lower Travel of \$26K.
 - **Legal** – unfavorable variance of (\$2.3M) is due to higher than budgeted Outside Services (\$2.2) and Payroll (\$68K).
 - **External Relations** – favorable variance of \$1.8M primarily due to reduced Outside Services of \$1.6M, Payroll of \$75K, Travel of \$56K, General Expenses of \$51K, and Promo Expenses of \$41K.
 - **Equity, Diversity and Inclusion** – unfavorable variance of \$2M due to \$2M added for Opportunity Youth Initiative for Workforce Development.
 - **Human Resources** – favorable variance of \$915K primarily due to lower Payroll of \$562K, Equipment of \$50K, and General Expenses (Employee Commuter Benefits) of \$288K.
 - **Labor Relations** – unfavorable variance of (\$7K) due to higher Payroll of (\$14K) offset by lower Travel of \$4K, and Equipment of \$3K.
 - **Internal Audit** – unfavorable variance of (\$18K) due to higher Payroll from job refresh.
 - **Accounting and Financial Reporting Services** – favorable variance of \$2K from savings in Supplies and Stock.
 - **Information & Communication Technology** – plans to be on target.
 - **Information Security** – favorable variance of \$143K primarily due to lower Outside Services of \$134K.
 - **Corporate Finance & Budget** – unfavorable by (\$13K) due to higher Worker’s Comp.
 - **Business Intelligence** – favorable variance of \$97K due to lower Payroll.
 - **Risk Services** – favorable variance of \$77K due to lower Payroll of \$70K and Outside Services of \$7K.
 - **Office of Strategic Initiative** – favorable variance of \$129K is primarily due to lower Payroll.
 - **Central Procurement Office** – favorable variance of \$372K primarily due to higher than planned charges to Capital Projects of \$186K, lower Payroll of \$110K, General Expenses of \$61K, and Supplies & Stock of \$50K offset by higher Equipment of (\$48K).
 - **Police** – \$524K favorable variance primarily due to lower Payroll of \$457K, Outside Services of \$167K, Travel of \$65K, Supplies of \$52K, and Equipment of \$24K offset by higher costs for General Expenses of (\$240K).
 - **Engineering** – unfavorable variance of (\$141K) due to lower charges to Capital Projects of (\$1.1M) and General Expenses of (\$180K) offset by lower Payroll of \$628K, Outside Services of \$260K, and Property Rentals of \$225K.
 - **PCS** – unfavorable variance of (\$179K) primarily due to lower charges to Capital Projects of (\$732K) and unplanned Worker’s Compensation of (\$86K) which were offset by lower Outside Services of \$386K, Payroll of \$95K, Supplies of \$100K, and Equipment of \$44K.
 - **Environment & Sustainability Admin** – favorable variance of \$142K due to delayed Outside Services of \$170K offset by higher Payroll of (\$27K).
 - **Contingency** – unfavorable variance of (\$500K). Adjusted forecast for Vacancy Factor actuals and approved mid-year unbudgeted new FTEs.

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

2021 Forecast vs. 2020 Actuals

- Operating Expenses for 2021 are forecasted to be \$6.9M higher than 2020 actuals mainly due to:
 - **Core Central Support Services** – \$6.3M higher than 2020 primarily due to higher payroll in 2021 due to planned new hires, full year salaries of people hired in 2020, and Pension True-up in 2020 of (\$4.5M).
 - **Police** – \$255K above 2020 due to the following:
 - There were several vacancies in 2020 that are planned to be filled in 2021, 2020 had much lower overtime due to cancellation of Cruise season, and Pension True-up in 2020 of (\$2.5M).
 - **Capital Development** – \$423K higher than 2020 primarily due to higher payroll due to 2021 new hires, full year salaries of people hired in 2020, higher planned Outside Services, and Pension True-up in 2020 of (\$1.5M).
 - **Environment & Sustainability** – \$637K higher than 2020 due to planned increases to Outside Services to support key initiatives and Pension True-up in 2020 of (\$25K).

D. CAPITAL RESULTS

\$ in 000's	2021	2021	2021	Budget Variance	
	YTD Actual	Year-End Forecast	Budget	\$	%
Infrastructure - Small Cap	413	1,866	1,911	45	2.4%
Services Tech - Small Cap	543	1,226	1,226	0	0.0%
Radio System Upgrade	2,062	2,455	2,955	500	16.9%
Office Wi-Fi Refresh	4	1,351	1,350	(1)	-0.1%
Phone System Upgrade	112	840	840	0	0.0%
Environmental MIS projects	2	599	600	1	0.2%
CDD Fleet Replacement	170	803	1,123	320	28.5%
Corporate Fleet Replacement	0	685	685	0	0.0%
Other (note 1)	235	1,824	1,968	144	7.3%
Subtotal	3,541	11,649	12,658	1,009	8.0%
CIP Cashflow Adjustment	0	(3,000)	(3,000)	0	0.0%
TOTAL	3,541	8,649	9,658	1,009	10.4%

Note:

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