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Item No. 11b supp
Date of Meeting July 25, 2023
Port of Seattle
2024 Budget Development Briefing
July 25, 2023

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Agenda

- Environmental Scan
- 2024 Budget Principles and Strategies
- 2024 Budget Calendar

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Environmental Scan

- Tracking towards full recovery in Port businesses and operations
- Public health emergency ended—transitioning towards a “new normal”
- Inflation has moderated but still well above historical average
- Slowing economic growth/potential recession
- Competitive job market
- Anticipated large environmental remediation liabilities emerging on planning horizon
- Climate change impacts on businesses and operations
- Continued focus on community/equity issues

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Passenger Recovery Forecast

- Near 2019 passenger level by 2024

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Cruise Operations 1999-2023/2023 Estimate
1,430,000 PAX | 287 Ship Calls

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2024 Budget Guiding Principles

- Take a cautious and strategic approach in budgeting due to economic uncertainties
- Ensure the continued efficient operation of Port business gateways
- Support regional equitable economic growth through a balanced approach of advancing the Port’s capital improvement plan and

continued investments in equity and community programs

- Continue to invest in employee recruitment, retention and development
- Continue to make strategic investments focused on sustainability

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2024 Budget Strategies

- Incorporate sustainable expense growth assumptions into budgets and business plans
- Carefully evaluate the need for additional FTEs to manage expense growth and mitigate HR recruiting backlog
- Incorporate expectations for continued high inflation into operating and capital plans
- Utilize realistic assumptions regarding the ability to execute the five-year CIP when estimating project completion dates and the timing of projected cash flows
- Advance the use of an equity lens in developing and reviewing budgets and operational plans
- Continue to focus on resiliency in spending and business plans—identify specific initiatives in 2024 budget

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2024 Budget Calendar

(Commission Items in Blue)

- 6/09 – 2024 Budget Planning Discussion with ELT
- 6/29 – Commission Budget Retreat (Part I)
- 7/07 – 2024 Budget Guidelines available
- 7/24 – Commission Budget Retreat (Part II)
- 7/25 – 2024 Budget Development Commission Briefing
- 8/04 – Central Services Department new budget requests due to F&B; Commission Priorities due to ED
- 8/14 – 08/23: Executive review of Central Services Department Budgets/New Requests
- 9/08 – Executive review of combined Central Services Budget
- 9/13 – Executive review of Maritime and EDD Operating & Capital Budgets
- 9/14 – Executive review of Aviation Operating & Capital Budgets
- 9/15 – 2024 North Harbor Budget to the NWSA
- 9/26 – Central Services Budget and Port wide Budget Overview Commission briefing
- 10/10 – Operating Divisions Commission Budget Study Session

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2024 Budget Calendar

(Commission Items in Blue)

- 10/11 – Aviation Budget Public Open House (Tentative)
- 10/12 – Maritime & EDD Budgets Public Open House (Tentative)
- 10/13 – POS/NWSA ILA Service Directives due to the NWSA
- 10/24 – Tax Levy & Draft Plan of Finance Commission briefing
- 10/24 – 2024 Preliminary Budget Document available to Commission
- 10/26 – 2024 Preliminary Budget Document available to the public
- 10/26 – NWSA Budget study session with Managing Members
- 11/14 – NWSA Budget adoption by Managing Members
- 11/14 – Introduction of preliminary 2024 Budget and public hearing
- 11/21 – Adoption of 2024 Budget
- 11/30 – File the 2024 Statutory Budget with King county
- 12/08 – Publish the 2024 Final Budget to the public

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