

# Port of Seattle 2024 Budget Development Briefing

July 25, 2023



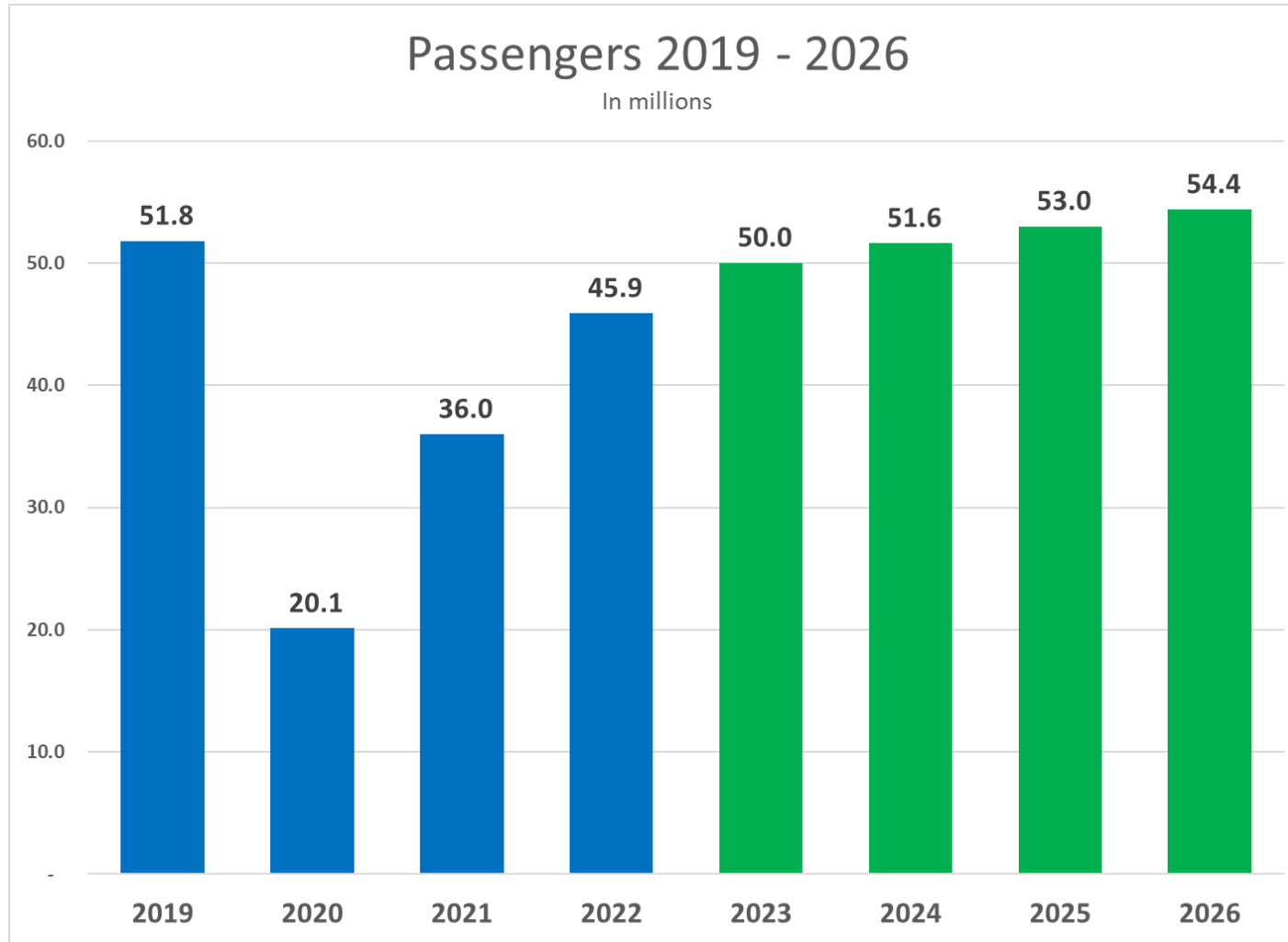
# Agenda

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

# 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

# Passenger Recovery Forecast



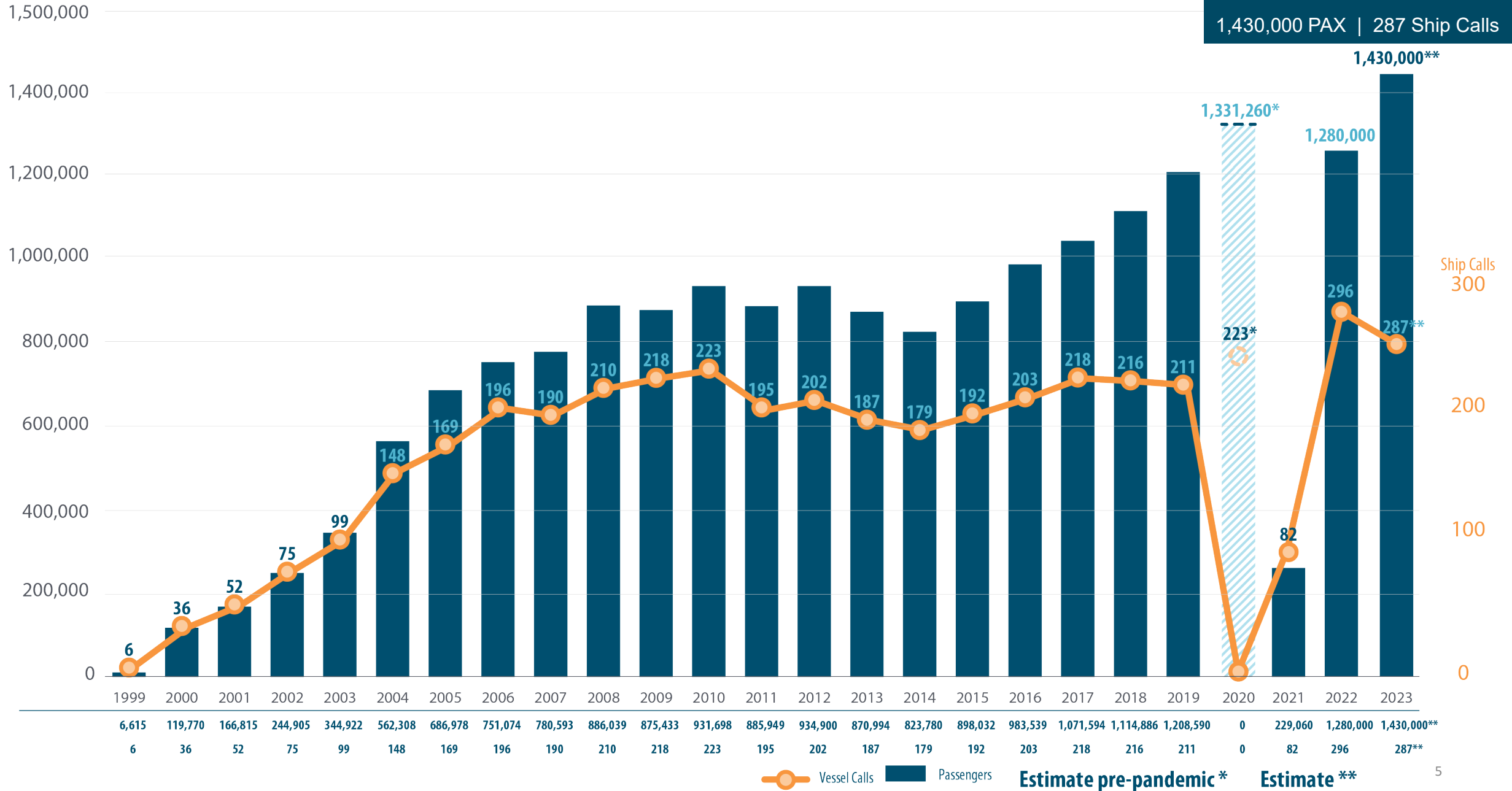
	<b>Annual Change</b>	<b>Vs. 2019</b>
<b>2021</b>	79.1%	-30.5%
<b>2022</b>	27.5%	-11.4%
<b>2023</b>	9.0%	-3.5%
<b>2024</b>	3.2%	-0.4%
<b>2025</b>	2.7%	2.3%
<b>2026</b>	2.6%	5.0%
<b>2027</b>	0.7%	5.7%
<b>2028</b>	0.8%	6.6%

- Near 2019 passenger level by 2024

# Cruise Operations 1999-2023

**2023 Estimate**

1,430,000 PAX | 287 Ship Calls



# 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**

# 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

# 2024 Budget Calendar

(Commission Items in Blue)

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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



# 2024 Budget Calendar

(Commission Items in Blue)

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- 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