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Item Number: 11b supp  
Meeting Date: July 23, 2024  
Port of Seattle  
2025 Budget Development Briefing  
July 23, 2024

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#### Agenda

- 2025 Environmental Scan
- 2025 Budget Principles and Strategies
- 2025 Budget Considerations
- 2025 Budget Calendar

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#### Environmental Scan

- On track for full recovery from pandemic in 2024
- Heightened geopolitical risks and domestic uncertainties
- Persistent inflation and uncertain economic outlook
- Rapid technological advances including Artificial Intelligence
- Climate change challenges
- Competitive job market and growing compensation costs
- Large capital plan driving emphasis on execution/delivery
- Continued focus on community, equity and environmental justice initiatives

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#### 2025 Budget Guiding Principles

- Continue to take a prudent 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 investing in our business gateways and in environmental, equity and community programs
- Continue to invest in employee recruitment, retention and development

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#### 2025 Budget Strategies

- Incorporate sustainable expense growth 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 inflation into operating and capital plans
- Utilize realistic assumptions regarding the ability to execute our five-year CIP when estimating project completion dates and the timing of projected cash flows
- Integrate equity into business planning and budgeting at the divisional level
- Strengthen the focus on sustainability, adaptability and resiliency in spending and business plans

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#### 2025 Budget Considerations

- Payroll Assumptions

- Compensation Project Budget Impacts
- Equity Budgeting and Spending
- Portwide/Division Budget Targets
- Commission Priorities Alignment

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Passenger Growth Rebounding  
by Year vs. 2019 Pre-Pandemic level  
Passengers (millions)  
2019 Actual 51.8  
2020 Actual 20.0  
2021 Actual 36.2  
2022 Actual 46.0  
2023 Actual 50.9  
2024 Budget 52.9  
2.1%  
Growth compared  
to 2019  
4.3%  
Growth compared  
to prior year  
(2023 actuals)  
2024 activity Forecast currently aligns with the 2024 Budget expectation

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Cruise Passengers

Note\*: \*2020 Season cancelled due to COVID-19

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NWSA TEUs

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2025 Budget Calendar  
(Commission Items in Blue)  
5/13 – 2025 Budget Planning Discussion with ELT  
6/26– Commission Retreat – Part I  
7/05 – 2025 Budget Guidelines available  
7/23 – 2025 Budget Process and Schedule Commission Briefing  
8/02 – Central Services Department new budget requests due to F&B; Commission Priorities due to ED  
8/07 – Commission Budget Retreat –Part II  
8/15 – 08/23: Executive review of Central Services Department Budgets/New Requests  
9/05 – Commission Budget Retreat –Part II (option 2)  
9/09 – Executive review of combined Central Services Budget  
9/11 – Executive review of Maritime and EDD Operating & Capital Budgets  
9/12 – Executive review of Aviation Operating & Capital Budgets  
9/13 – 2025 North Harbor Budget to the NWSA  
9/24 – Central Services Budget and Port wide Budget Overview Commission briefing  
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2025 Budget Calendar  
(Commission Items in Blue)  
10/08 – Operating Divisions Commission Budget Study Session  
10/11 – POS/NWSA ILA Service Directives due to the NWSA  
10/22 – Tax Levy & Draft Plan of Finance Commission briefing  
10/22 – 2025 Preliminary Budget Document available to Commission

10/24 – 2025 Preliminary Budget Document available to the public  
10/25 – NWSA Budget study session with Managing Members  
11/05 – NWSA Budget adoption by Managing Members  
11/12 – Introduction of preliminary 2025 Budget and public hearing  
11/19 – Adoption of 2025 Budget  
11/27 – File the 2025 Statutory Budget with King county  
12/05 – Publish the 2025 Final Budget to the public

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