

Port of Seattle 2025 Budget Development Briefing

July 23, 2024



Agenda

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

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

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

2025 Budget Strategies

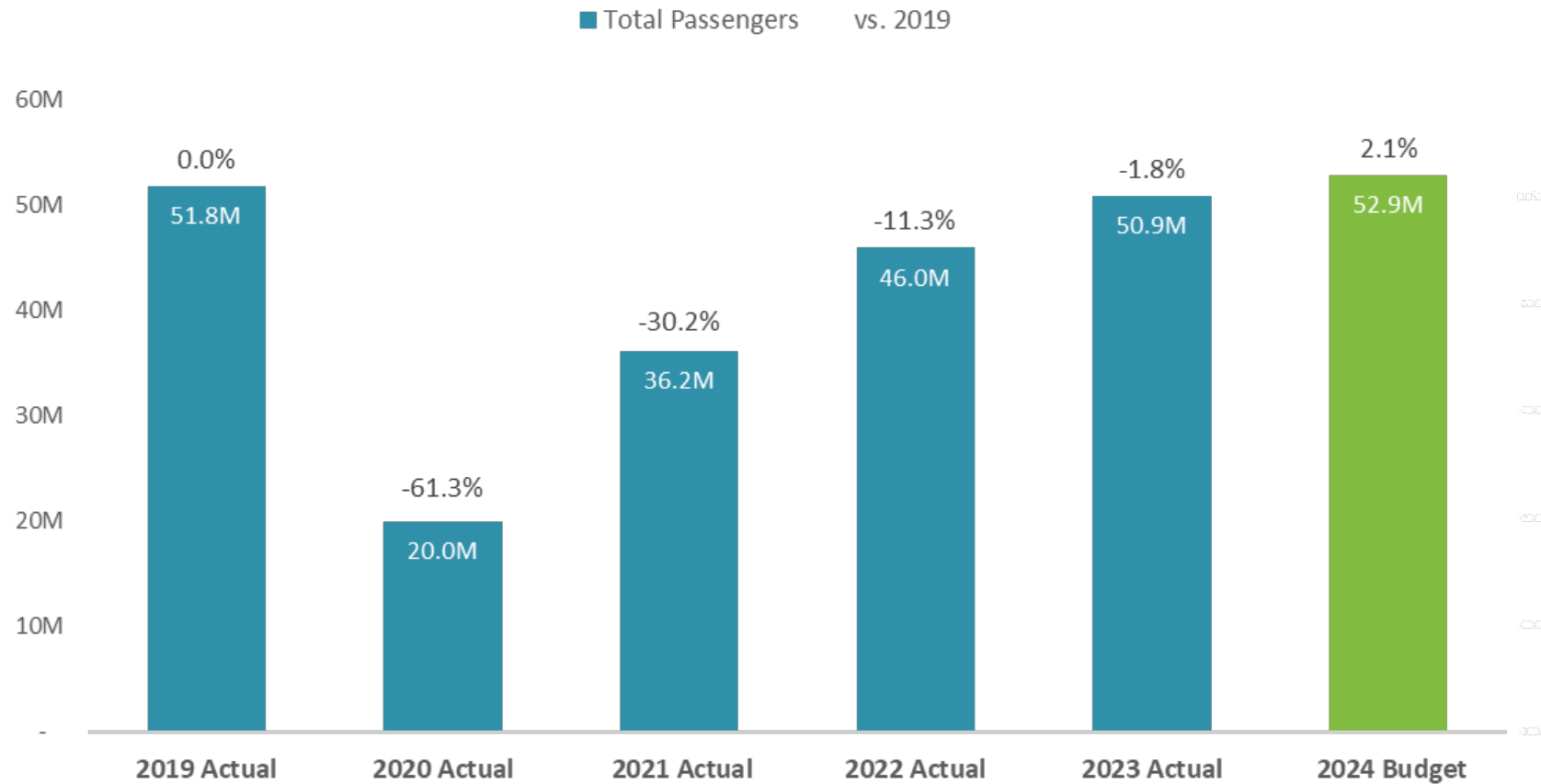
- Incorporate **sustainable expense growth** into budgets and business plans
- **Carefully evaluate the need for additional FTEs** to manage expense growth and mitigate HR recruiting backlog
- Incorporate expectations for **continued inflation** into operating and capital plans
- Utilize realistic assumptions 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

2025 Budget Considerations

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

Passenger Growth Rebounding

by Year vs. 2019 Pre-Pandemic level



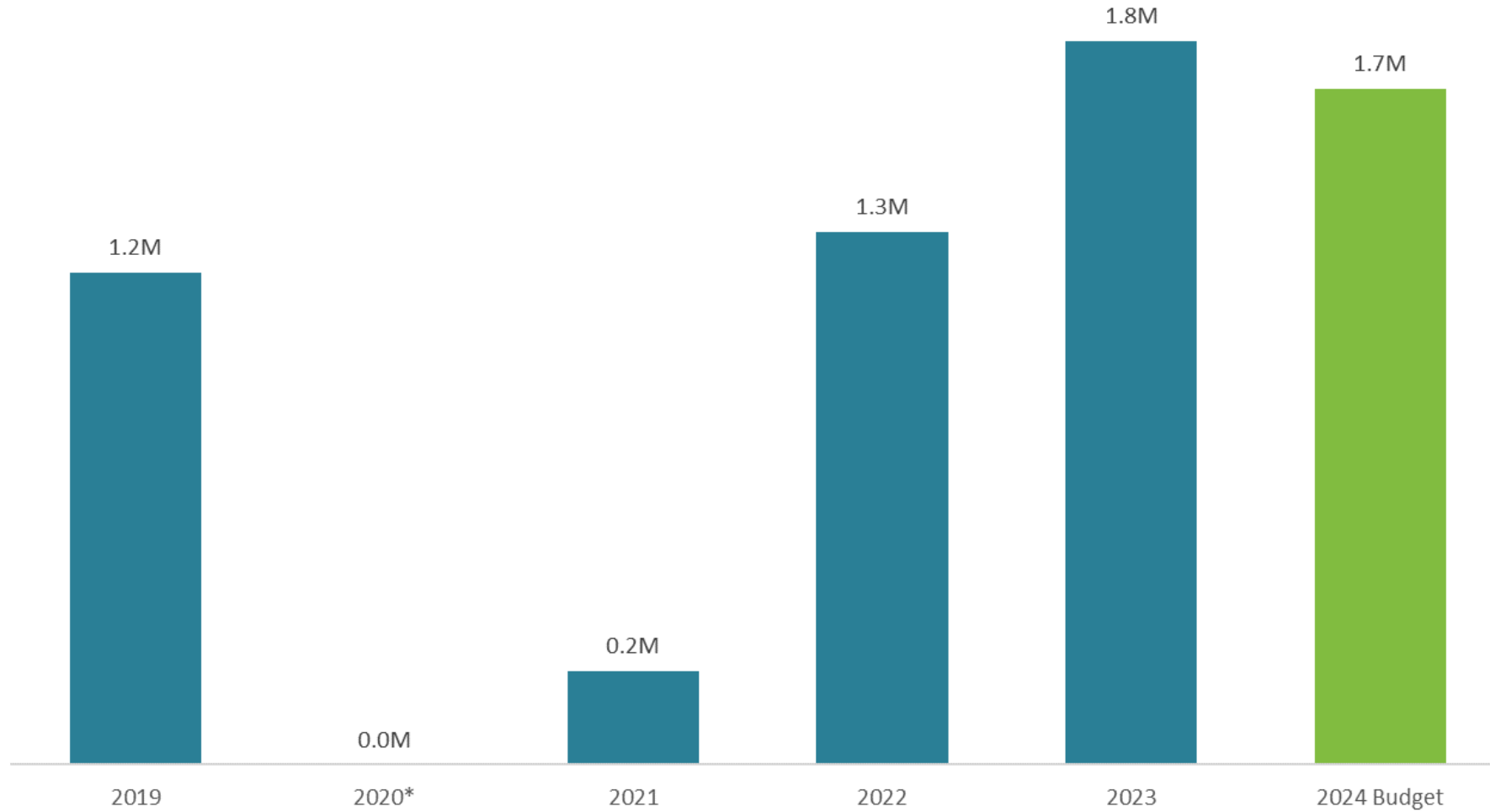
Passengers (millions)	
2019 Actual	51.8
2020 Actual	20.0
2021 Actual	36.2
2022 Actual	46.0
2023 Actual	50.9
2024 Budget	52.9

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

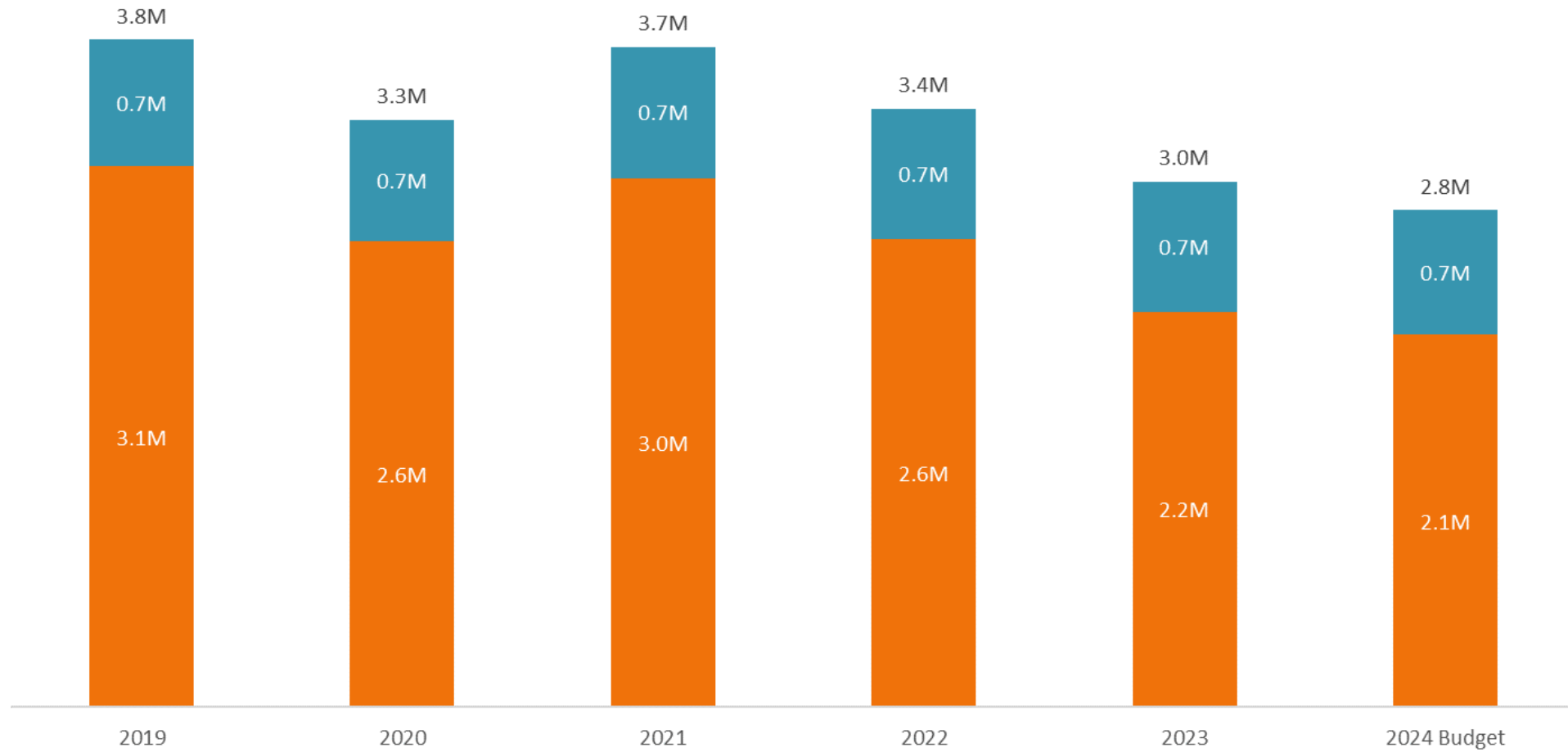
Cruise Passengers



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

NWSA TEUs

■ Total International TEUs ■ Total Domestic TEUs



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

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