START OF TRANSCRIPT

[01:00:02] At this time, our lines of business are
[01:00:05] maturing and our revenue growth is
[01:00:06] beginning to soften. In response, we are
[01:00:09] pursuing a more conservative approach to
[01:00:11] budgeting that aligns with our long term
[01:00:12] financial capacity. Today's presentation
[01:00:15] of the budget development process is one
[01:00:17] of the series of budget briefings that
[01:00:18] take place before formal commission
[01:00:20] reviews and approvals that that will
[01:00:22] occur later this fall. With me today is
[01:00:26] Elizabeth Morrison, our interim
[01:00:28] corporate or interim CFO and Director of
[01:00:31] Corporate Finance and Michael Tan,
[01:00:33] Director of Corporate Budget Finance and
[01:00:35] Budget. That seems redundant. Michael.
[01:00:38] I'm sorry, I'll work on that one. We
[01:00:41] have a short presentation which will
[01:00:45] kind of run through Much of this
[01:00:48] information was presented in the ED
[01:00:49] message that was sent out last week on
[01:00:52] Wednesday I believe I'm taking a few
[01:00:54] slides and then handing over to Michael.
[01:00:55] So perfect, thank you. If we
[01:00:59] can go to our overview, please, just a
[01:01:03] brief overview of what the presentation
[01:01:05] will be for today. Next slide please.
[01:01:08] As with everything, we start with our
[01:01:10] environmental scan, which of course
[01:01:13] needs going. Without saying that the
[01:01:16] challenge right now to planning and
[01:01:18] budgeting is huge. We have unprecedented
[01:01:21] political and economic uncertainty. We
[01:01:24] have federal trade, immigration and
[01:01:26] policy actions that are occurring that
[01:01:29] are keeping us a little bit off balance.
[01:01:30] Like everyone else. We're also seeing a
[01:01:33] moderation of post pandemic growth and
[01:01:36] multiple years of rapid expense growth,
[01:01:39] partially due to responding to the
[01:01:42] pandemic. We are also facing federal
[01:01:45] funding reductions that we have
[01:01:47] discussed with you as well as reduced
[01:01:50] operating revenues and most recently
[01:01:52] cuts in federal climate change programs
[01:01:54] and fundings that will impact our
[01:01:57] operations and our plans. We as
[01:02:01] Commissioner Cho and as Paula mentioned,
[01:02:03] the impact of tariffs is uncertain on
[01:02:05] our operating and capital and
[01:02:07] environmental costs and that's something
[01:02:08] we'll have to be tracking and reporting
[01:02:12] back. And finally, rapid advances in
[01:02:16] technology regarding artificial
[01:02:18] intelligence and the constant, I won't
[01:02:20] say growing, I'll say constant cyber
[01:02:22] threats that we and other organizations
[01:02:24] such as us are are experiencing.
[01:02:27] Next slide please. The executive
[01:02:31] Director has crafted a
[01:02:36] plan for how we guide our steps going

[01:02:39] forward. He has a vision of the port of
[01:02:41] the future that he has shared with you
[01:02:43] that is built around these five pillars
[01:02:46] of being an effective and efficient
[01:02:48] port, a catalyst for growth, a hub for
[01:02:50] zero emission economy built to be
[01:02:52] resilient and shared vision, shared
[01:02:54] success. Next slide please.
[01:02:59] So in consultation with our,
[01:03:02] our interim chief financial officer and
[01:03:05] the budget staff, we built these budget
[01:03:07] guiding principles which was largely to
[01:03:10] take an extremely conservative approach
[01:03:11] to budgeting for 2026 due to all of the
[01:03:14] the environmental scan items that I
[01:03:18] mentioned before. We're going to be
[01:03:20] safeguarding the efficient operation of
[01:03:23] our critical business functions and
[01:03:26] adhering to the missions that we've laid
[01:03:28] out for those critical business
[01:03:30] functions. We're going to keep assessing
[01:03:32] geopolitical, political and regulatory
[01:03:35] risks on an ongoing basis and identify,
[01:03:38] protect and enhance our operating and
[01:03:41] capital investments. We're going to
[01:03:43] focus on asset preservation, long term
[01:03:46] growth and revenue production in all of
[01:03:49] our lines of business. And we're also
[01:03:51] going to focus on retaining key talent
[01:03:53] and developing staff through training
[01:03:54] and upskilling. The key
[01:03:58] to all of these guiding principles is to
[01:04:01] prioritize the implementation of current
[01:04:05] programs and initiatives, which means
[01:04:07] keeping new initiatives at bay and
[01:04:10] perhaps putting them on in a hold
[01:04:14] for when our conditions have changed.
[01:04:17] Next slide please.
[01:04:20] So as I mentioned, our budget strategies
[01:04:23] is to develop a very Conservative budget
[01:04:25] for 2026, create contingency and
[01:04:28] scenario planning in case revenue
[01:04:31] changes, but also to address revenue
[01:04:34] risks that might come that we haven't
[01:04:36] yet experienced. We're going to focus on
[01:04:38] increasing net operating income by
[01:04:40] limiting our expense growth which as
[01:04:43] noted in my comments, a large share of
[01:04:45] our expense growth is involving FTEs and
[01:04:49] the expenses around FTEs. So we're going
[01:04:52] to limit adding new FTEs and we're going
[01:04:54] to also limit our outside services use,
[01:04:57] being more mindful
[01:05:01] of the increases that outside services
[01:05:03] bring to our budget. We're going to
[01:05:07] continue to assess the affordability of
[01:05:09] our capital plans considering increased
[01:05:11] inflation tariffs and revenue risks.
[01:05:14] We're going to focus on strengthening
[01:05:16] our sustainability, adaptability and
[01:05:19] resiliency in our spending and business
[01:05:20] plan. And as always, we're going to be
[01:05:24] continuing to monitor early warning

[01:05:26] indicators that may trigger budget
[01:05:28] recalibration and take steps as
[01:05:30] necessary. Next slide please.
[01:05:36] So Michael, I think this is yours.
[01:05:39] Thank you. Thank you Deputy Executive
[01:05:43] Director Kuhl. Good afternoon
[01:05:46] commissioners. Here's the 2026 budget
[01:05:50] approach that we are going to take. So
[01:05:54] the key one is really supporting a
[01:05:56] culture of resilience budgeting with
[01:06:01] a multi year approach and we
[01:06:05] also supporting step and provide
[01:06:08] reasonable increase in the payroll and
[01:06:11] also the benefits as well. We have
[01:06:15] no plan at this point, you know to
[01:06:17] reduce the current workforce as Deputy
[01:06:20] except Director mentioned a little bit
[01:06:21] earlier and in our ED weekly message
[01:06:25] last week. The key here is also limit
[01:06:30] new FTE growth which we plan to review
[01:06:34] all the vacant position vacant more than
[01:06:38] a year and also consider repurpose
[01:06:42] some of the vacant positions and try to
[01:06:44] reduce the new FTE requests.
[01:06:47] Also limit the long payroll as
[01:06:52] well and those are the key things on the
[01:06:56] outside surfaces. We're going to review
[01:06:58] carefully a number of new, even existing
[01:07:03] new and new outside services.
[01:07:07] Also in terms of new FTE and new
[01:07:11] initiative, we will review it very
[01:07:14] vigorously and try to limit those to
[01:07:18] keep the budget target as close as
[01:07:21] possible. Next slide please.
[01:07:25] So here's the overall 2026 budget
[01:07:29] approach. So we start with the
[01:07:32] environmental assessments, including
[01:07:35] some of the environmental scan that you
[01:07:37] saw a little bit earlier. And then we
[01:07:40] are in the process of pping the budget
[01:07:42] right now with the budget guideline,
[01:07:43] published it last week and the budget
[01:07:47] direction from the executive director
[01:07:48] last week. So we'll work on that in
[01:07:54] July and then also early August and
[01:07:58] then start from mid August we will have
[01:08:01] the department budget review, division
[01:08:05] budget review and executive budget
[01:08:06] review. And then before present you the
[01:08:11] number, the purpose number, appointment
[01:08:13] number in August and then also in
[01:08:17] September and before the approval
[01:08:21] of the introduction of the budget, the
[01:08:22] approval of the budget in November. And
[01:08:25] obviously we will also publish the
[01:08:27] budgeting BIF and the permanent budget
[01:08:31] document as required by law in
[01:08:35] October. Excuse me. So, and then final
[01:08:38] step is really to prepare the statute
[01:08:41] budget and file with King County by
[01:08:46] the end of November and then finalize
[01:08:48] the final budget document in early
[01:08:49] December. Next slide please.

[01:08:53] And here's the detail of the budget
[01:08:56] calendar. I won't go into all the
[01:08:58] detail. You already have the budget
[01:09:00] retreat in June. And then also right
[01:09:05] now we have the budget development
[01:09:07] briefing. And then the next step is as I
[01:09:10] mentioned, we'll have the prepared
[01:09:12] department budget target and have those
[01:09:14] review in September for
[01:09:18] the division review. And then before
[01:09:20] please send you the proposed number for
[01:09:23] central services. And we also try to
[01:09:26] provide a portfolio up to you in
[01:09:29] September as well. Next slide please.
[01:09:34] And then here's a little bit more detail
[01:09:36] on some of the key day for the division
[01:09:39] budget review which will be on October
[01:09:43] 14th. And then also we will present the
[01:09:47] job plan of finance to you and tax levy
[01:09:50] discussion in October before the
[01:09:53] introduction of the budget and the
[01:09:55] adoption of the budget in November.
[01:09:58] Thus concludes our key budget
[01:10:01] development briefing. We'd love to hear
[01:10:05] if you have any questions.
[01:10:10] That was very concise. Thank you very
[01:10:12] much. All right, commissioners, as your
[01:10:16] moment to ask questions or make comments
[01:10:20] beginning with Commissioner Felleman.
[01:10:25] Thank you. Clearly we are in tight
[01:10:29] and uncertain times. So there's nothing
[01:10:32] surprising here and fully support your
[01:10:34] approach. I see a potential
[01:10:38] contradiction in goals where
[01:10:42] and one that will of course need
[01:10:45] balancing to be one of the guiding
[01:10:48] principles to be both resilient and
[01:10:50] multi year in Your mindset. So while
[01:10:55] you don't want to spend a lot now, you
[01:10:57] want to think in the future. So like I
[01:10:59] think of the. The scenario where like,
[01:11:03] we just replaced the water. Water system
[01:11:05] in my. In my place. And. But the real
[01:11:09] expensive part was digging the hole for
[01:11:11] the, for the pipe and that. But while
[01:11:13] you have the hole open, we laid in the
[01:11:15] cable for some future upgrade fiber
[01:11:18] optic or whatever, you know, so you
[01:11:20] didn't really want to spend the money
[01:11:21] for the fiber optic right now, but while
[01:11:23] you had the hole open, you jumped on the
[01:11:25] opportunity. So I'm always thinking
[01:11:27] about, like, piggybacking on projects
[01:11:30] that are already committed to going,
[01:11:32] what kind of cost savings could we do,
[01:11:34] even though we don't want to spend them
[01:11:36] right now, but it would cost us much
[01:11:38] more later. So how do you evaluate, how
[01:11:41] do you balance that kind of. Kind of
[01:11:44] dual challenges? Well, that is part
[01:11:48] of the capital planning process. And I
[01:11:51] know that our capital development teams
[01:11:54] look at what resilience

[01:11:57] can be built into projects as they're
[01:12:00] evaluating different alternatives. And
[01:12:04] you'll often see projects that. And you
[01:12:06] know, I'll use the rental car facility,
[01:12:08] for example. We looked at one scenario
[01:12:11] where the electrical would just be kind
[01:12:15] of laid in the cement, and ultimately
[01:12:18] that didn't make sense because you ever
[01:12:20] have a problem, you're jackhammering the
[01:12:21] cement. Right. And so, so ultimately we
[01:12:24] had conduit laid so that if there's a
[01:12:28] problem with the electrical, you just
[01:12:29] make a small opening, you pull out the
[01:12:32] bad stuff and put in the good stuff. So
[01:12:35] that is definitely a part of the capital
[01:12:37] planning process. The other thing I
[01:12:41] would add is also, for example, some of
[01:12:43] the deferred maintenance. So we try to
[01:12:46] balance those, you know, if we need to
[01:12:47] spend some money, you know, next year or
[01:12:50] next couple of years and prevent some
[01:12:51] bigger issue down the road, and, you
[01:12:53] know, those will be part of the
[01:12:55] considerations anyway. I just see that
[01:12:58] one. You don't want to be pound foolish.
[01:13:00] Right. For the ultimate goals that we
[01:13:03] have agreed on. Yeah. And I'll also note
[01:13:06] that the airport is working on a life
[01:13:09] cycle cost analysis. And that's one of
[01:13:12] the things you look at. You know, maybe
[01:13:14] a bigger investment upfront can reduce
[01:13:16] maintenance and operating costs over the
[01:13:19] life of the facility. And so that is
[01:13:21] definitely part of the thinking. I just
[01:13:24] see those kind of questions being
[01:13:26] particularly challenging these times.
[01:13:27] Yes. Thank you,
[01:13:30] Commissioner Calkins.
[01:13:35] So I think I just want to add a couple
[01:13:38] of comments about some of the external.
[01:13:43] It's called the atmospherics that you
[01:13:45] all are Dealing with as you're trying to
[01:13:46] figure out, as you're trying to be
[01:13:48] fortune tellers and figure out what's
[01:13:50] happening a year from now. And I just
[01:13:54] want to point out to federal impacts
[01:13:58] first around tariffs, first and
[01:14:01] foremost, just creating an atmosphere of
[01:14:03] uncertainty that makes it much harder
[01:14:04] for planners to do this kind of work
[01:14:06] generally. But very concretely, what it
[01:14:08] means for the Port of Seattle is reduced
[01:14:11] business revenues from cargo on our
[01:14:13] maritime side, crews on the maritime
[01:14:15] side because of reduction in tourism
[01:14:18] generally from overseas in particular.
[01:14:20] We've already seen that this season, a
[01:14:23] reduction a little nominal, but because
[01:14:26] a lot of people plan their trips further
[01:14:29] out than April, but likely next
[01:14:33] year, greater impact if this approach to
[01:14:36] the world, which is, you know,
[01:14:37] aggressive, antagonistic, continues and

[01:14:41] of course at SEA as well from tourism.
[01:14:43] So trying to factor how much that
[01:14:47] impacts us has got to be a challenge for
[01:14:49] you all. It also results in higher
[01:14:51] capital costs. We've talked about we are
[01:14:54] going to pay the tariffs on steel and
[01:14:56] aluminum and all the other component
[01:14:57] parts that are built somewhere else or
[01:15:01] components that are then assembled here.
[01:15:03] But you know, the components are terror.
[01:15:07] It results in a weaker dollar too, as
[01:15:11] we've seen throughout. It's the dollar
[01:15:13] is off to the worst start in 30 some
[01:15:15] years. And on the one hand that might be
[01:15:19] good for exports. On the other hand,
[01:15:20] it's probably bad for import, so also
[01:15:22] puts a drag on our cargo volumes and
[01:15:27] discourages a little bit international
[01:15:29] tourism because it's costlier to travel
[01:15:32] here. And then the just
[01:15:37] the general soft power impacts that it
[01:15:39] means for us when we go and try
[01:15:44] to represent the Port of Seattle
[01:15:46] overseas, first and foremost, we're seen
[01:15:48] as people from the United States. And if
[01:15:51] the federal posture of the United States
[01:15:53] is antagonistic towards, you know, just
[01:15:55] yesterday, South Korea and Japan, two
[01:15:57] incredibly important allies for US trade
[01:16:00] partners, for us. And we have to fight
[01:16:03] through that and that federal antagonism
[01:16:08] and say yes, and we are still open for
[01:16:10] business, we still believe in this
[01:16:12] relationship. So that's tariffs. The
[01:16:16] other one is this big bill that
[01:16:22] I think from the budgeting standpoint,
[01:16:25] and it may not be next year, it might
[01:16:28] be, but it may be primarily further down
[01:16:31] the road is the question of borrowing
[01:16:32] costs. If we're going to go another 10%
[01:16:35] higher on our total debt as the United
[01:16:39] States and reduce our ability to repay
[01:16:42] that debt, what does it mean for,
[01:16:46] you know, the federal funds rate? Just
[01:16:48] even if the federal funds rate is
[01:16:50] somewhat malleable, the markets
[01:16:54] can decide that they're still going to
[01:16:56] exact a cost to lend money to,
[01:17:00] you know, municipal governments and
[01:17:03] everyone else, student loan borrowers
[01:17:05] and homeowners and others. So we'll
[01:17:08] likely see that there will be additional
[01:17:10] costs to do everything because in order
[01:17:13] to borrow money to do it, you'll have to
[01:17:15] pay higher rates, loss of federal
[01:17:18] funding. We have built projects around
[01:17:21] grant opportunities that we're just
[01:17:23] going to have to jettison at this point
[01:17:25] or significantly delay or hope
[01:17:29] that some other source of funding comes
[01:17:31] up. And that's just a direct result of
[01:17:33] cuts made by the bill and also just by
[01:17:36] executive action. The one silver

[01:17:40] lining that we've been talking about a
[01:17:42] little bit is that there is a fair bit
[01:17:45] of money in there for shipbuilding and
[01:17:47] commensurate activities, including some
[01:17:49] maritime workforce development. So I do
[01:17:51] want to leave that one little morsel of
[01:17:53] hope that maybe we could what has been
[01:17:57] a, for us a key value for a long time.
[01:18:01] There is some interest now at the
[01:18:03] federal to support that. And so I do
[01:18:05] hope we can at least get that one little
[01:18:08] bit of silver lining out of it. Thanks
[01:18:10] for the presentation. Thank you,
[01:18:11] Commissioner Cho. Yeah, thank you,
[01:18:14] Elizabeth. And thank you, Michael, for
[01:18:16] the presentation. You know, as I think
[01:18:18] about what headwinds we're going to be
[01:18:22] facing, I really like that you're taking
[01:18:24] what you've characterized as a multi
[01:18:27] year mindset. And I think we oftentimes
[01:18:29] go through budgeting with the next
[01:18:31] fiscal year in mind and we're not always
[01:18:35] privy to or at least taking into
[01:18:37] consideration what we have two, three,
[01:18:40] four years down the line. And so with
[01:18:43] that said, and I think I've asked for
[01:18:45] this before, is you both know that
[01:18:48] our capex is pretty lumpy.
[01:18:53] I remember when I first came here and
[01:18:57] the CAPEX
[01:19:00] graph over the next five years, the
[01:19:03] first five years that I was here was a
[01:19:05] pretty long tail because we had the IAF
[01:19:07] going on and we had a lot of other
[01:19:09] capital projects that took up a lot of
[01:19:11] capital. And now it's kind of becoming a
[01:19:14] long tail to the left again. And so it
[01:19:17] would be really helpful for us to see
[01:19:18] that lumpiness on a timeline. In
[01:19:22] particular, I think I received a
[01:19:25] briefing in the aviation Committee
[01:19:27] recently that was very concerning in
[01:19:29] terms of how much capital projects that
[01:19:32] we have in the pipeline and factoring
[01:19:36] the cost escalation. The conclusion
[01:19:39] being we're going to have to cut some of
[01:19:41] these projects. That's just the reality
[01:19:43] we're facing given the current
[01:19:44] circumstance. And so I would love to see
[01:19:47] a timeline that's maybe five days,
[01:19:50] eight years out that shows the lumpiness
[01:19:53] of the capex. I hope you understand what
[01:19:55] I mean by lumpiness but super technical
[01:19:57] term. And then secondly I think it would
[01:20:01] also be helpful and I'm just trying to
[01:20:03] provide a framework here that might help
[01:20:04] us is looking categorizing these
[01:20:07] projects by the must haves, the nice to
[01:20:10] haves and the luxury items. Right. The
[01:20:12] must haves being like the HVAC project
[01:20:14] that we just approved which where it's
[01:20:16] something that we fundamentally need for
[01:20:18] the airport or the port to function.

[01:20:19] The nice to haves that would improve
[01:20:23] our airport but we don't really. It's
[01:20:26] not essential for the airport to
[01:20:29] operate. And then in my mind a luxurious
[01:20:31] is something that makes us look and feel
[01:20:33] good but really isn't something we need.
[01:20:37] Right. And so that would be really
[01:20:39] helpful. So those three categories and a
[01:20:41] timeline. Lastly, I noticed
[01:20:44] that one of your points here was to
[01:20:46] focus on increasing net operating
[01:20:48] income. I would really love to get an
[01:20:50] idea of where that increase in revenue
[01:20:52] you think can come from. I'm not going
[01:20:55] to ask you to predict the future
[01:20:56] necessarily, but one thing that comes to
[01:20:59] mind right off the top of my head is the
[01:21:01] duty free business that we're expanding
[01:21:04] over the next few years. I hear duty
[01:21:06] free is a cash cow, maybe I shouldn't
[01:21:09] use that term, but it's very highly
[01:21:12] profitable. Increased revenue from city
[01:21:15] concourse expansion with the 13 new
[01:21:17] tenants. And so for us to get a sense of
[01:21:19] where is our net operating income
[01:21:23] going to increase? Are we going to
[01:21:24] increase parking rates for the next
[01:21:26] couple years? Constituents will hate
[01:21:29] that, but what does that look like, et
[01:21:31] cetera. And so just getting a sense of
[01:21:33] where that increased net operating
[01:21:35] income will come from. Understanding
[01:21:37] that the increased net operating income
[01:21:39] could also come from cuts. Right. And so
[01:21:43] I don't think I expect a detailed
[01:21:46] explanation of where we're cutting
[01:21:47] necessarily, but I do hope to kind of
[01:21:50] get a sense of where our revenue is
[01:21:52] expected to go up, including more cruise
[01:21:54] calls next year, et cetera. And so I
[01:21:56] think those three things would be very
[01:21:58] helpful and I would really appreciate if
[01:22:00] we can get that before we pass the
[01:22:02] budget at the end of the in the fall.
[01:22:03] We can, we can certainly have that in
[01:22:06] the operating division presentations.
[01:22:08] They present a five
[01:22:12] year forecast of their operations as
[01:22:15] well as the next yearly budget. And
[01:22:18] that's precisely why we're trying to
[01:22:19] have a multi year mindset. And the net
[01:22:23] income as you note, at least in the near
[01:22:26] term that's going to come from. From.
[01:22:27] From managing the expense growth over
[01:22:31] the long term. There are some
[01:22:33] opportunities duty free we do have an
[01:22:35] average. A higher average spend per
[01:22:39] passenger with duty free than with
[01:22:41] others. But a lot of that duty free will
[01:22:43] be coming online down the road and not
[01:22:46] immediately. And we're looking. Some of
[01:22:50] the, the things that we're looking at to
[01:22:53] gauge the economy is we're

[01:22:57] seeing some little bit of weakness in
[01:22:59] our ability to. To add new fees or to
[01:23:03] increase fees. So there may be some
[01:23:06] softness for a while before we can start
[01:23:08] increasing parking rates and, and other
[01:23:10] fees, but we're definitely monitoring
[01:23:12] that and we can present more detail when
[01:23:16] the operating divisions come back.
[01:23:18] That's great. Thank you so much for
[01:23:19] that, Commissioner Mohammed.
[01:23:26] No questions at this time. Thank you for
[01:23:28] the presentation. Thank you so much.
[01:23:30] Just briefly for me, my colleagues and
[01:23:33] you demonstrated sort of the landscape
[01:23:37] within which we're operating and all the
[01:23:39] challenges as we're navigating this
[01:23:42] through the Northwest Seaport alliance
[01:23:44] as well. We've introduced the Metruck not
[01:23:46] just as. As revenues for through
[01:23:50] our gateway, but. And VLR contracts and
[01:23:52] agreements, but also as introducing the
[01:23:55] Metruck as the number of jobs in the
[01:23:57] North Harbor. And I think that that's so
[01:23:59] important in the context this
[01:24:01] conversation, our own budget as well is
[01:24:02] because what Deputy Executive Director
[01:24:04] Goon led with is that we are not cutting
[01:24:07] any jobs. So that's just critically
[01:24:09] important at this juncture as we're
[01:24:10] looking for efficiencies that does not
[01:24:12] meet with that sense of economic
[01:24:15] security that our neighbors are
[01:24:17] depending on through their employment.
[01:24:19] That said, like, where are the other
[01:24:22] potential efficiencies on a programmatic
[01:24:24] level? Wondering if in a
[01:24:28] subsequent presentation, departments
[01:24:30] will be also just demonstrating, you
[01:24:33] know, that they are delivering on what
[01:24:35] they're intending to do. And,
[01:24:39] and then, similar to Commissioner Cho,
[01:24:41] I'm also wondering where, like, the
[01:24:42] possibilities for new revenues could be.
[01:24:45] We have FIFA next year with an
[01:24:48] additional 750,000 people coming to our
[01:24:51] region. I wonder if there's been any
[01:24:52] sort of calculation of what that
[01:24:54] actually is projected to produce for
[01:24:58] us at the Port of Seattle. Whether it's
[01:25:00] the number of folks going through the
[01:25:02] airport spending and programs that we
[01:25:04] have. What does. What does that mean for
[01:25:06] us? And then I'm also wondering if there
[01:25:09] were. If there's an opportunity, in the
[01:25:11] context of FIFA, specifically for us to
[01:25:13] think creatively in terms of service
[01:25:16] delivery or opportunity as a public
[01:25:18] entity to the traveling members of the
[01:25:20] public who are coming here for this
[01:25:21] purpose. We do tours, you know, boat
[01:25:24] tours, something like that. Niche
[01:25:27] interests that only we would be able to
[01:25:29] service and provide. Provide as another

[01:25:30] potential revenue stream. So I Just want
[01:25:33] folks to get excited and think
[01:25:35] creatively about this adrenaline shot
[01:25:37] that we're going to be absorbing and how
[01:25:38] we can maximize on that for our own
[01:25:40] potential. Great. So seeing no further
[01:25:42] questions or comments from my
[01:25:44] colleagues, thank you so very much for
[01:25:46] the presentation. Thank you. We always
[01:25:48] appreciate your expertise. And that
[01:25:51] actually brings us to the end of our
[01:25:53] business agenda. To my colleagues, I'm
[01:25:55] wondering if you're have any closing
[01:25:56] comments at this time or motions or
[01:25:58] referrals to committee.
[01:26:01] Yes. Commissioner Felleman, just want
[01:26:05] to add to the gloom and doom of the
[01:26:07] perspective. A lot of the federal
[01:26:09] challenges are going to be passed on to
[01:26:12] the state and the state's going to
[01:26:14] absorb a tremendous amount of these
[01:26:15] responsibilities that are only going to
[01:26:17] further compromise our ability to
[01:26:19] advance. And we were talking about, oh,
[01:26:21] it's, it's more important than ever for
[01:26:23] local initiatives. And more and more I
[01:26:27] see the port as being still a very
[01:26:29] important role, but even the locals are
[01:26:31] getting significant challenges put on
[01:26:34] us. So it's in further support of your
[01:26:36] conservative budgeting. I think that's
[01:26:39] clearly the case. I also just saw a
[01:26:44] text that the Supreme Court just upheld
[01:26:47] Trump's ability to fire federal workers.
[01:26:49] And, you know,
[01:26:53] it's, it's one thing to have ability to
[01:26:55] do a project like, whether it be
[01:26:57] Superfund or whatever, but if you don't
[01:26:59] have folks to. To process your permits,
[01:27:01] there's a real challenge there. And I
[01:27:03] think we're going to run into quite a
[01:27:05] bit of that faa, SAMP, whatever, is all
[01:27:09] going to require somebody to be able to
[01:27:10] process those things that we even have
[01:27:13] the dry powder to do. And then finally,
[01:27:16] I just, I think there needs to be some
[01:27:19] clarification with ibew, the role of the
[01:27:22] commission, when in fact we have a
[01:27:24] tenant who does the hiring and you know,
[01:27:28] their business director was talking
[01:27:29] about it's on us for the leadership. I
[01:27:33] always like, you know, we have the bully
[01:27:34] pulpit, we have all sorts of tools, but
[01:27:36] it's ultimately we Louie's job and
[01:27:40] decision making. Right. So I just think
[01:27:42] it's important that I don't want to pass
[01:27:45] the buck, but there are being a landlord
[01:27:47] port, certain limitations.
[01:27:52] Thank you, Commissioner Felleman.
[01:27:54] Looking online, Commissioner Muhammad,
[01:27:55] do you have any closing comments or
[01:27:57] referrals to committee?
[01:28:00] No, I don't. Thank you. Thank you,

[01:28:04] Commissioner Calkins. I just wanted
[01:28:07] to welcome Kian and Erin, who are
[01:28:10] sitting in the back. There are summer
[01:28:12] interns for the commission office,
[01:28:13] which I think that puts them at the
[01:28:16] highest level of Port of Seattle intern.
[01:28:20] I don't know how you got this, but you
[01:28:22] guys got the best intern spot. No, but
[01:28:25] it was pleasure to get to have lunch
[01:28:26] with you guys today. Really nice to meet
[01:28:28] you and looking forward to working with
[01:28:29] you all summer.
[01:28:34] All right. And I just want to know for
[01:28:36] the record that we have canceled the
[01:28:40] July 22nd meeting. Our next meeting will
[01:28:42] be in August on the 12th. Thank you all
[01:28:45] so very much. Seeing no further business
[01:28:47] before us and no additional comments,
[01:28:50] the meeting is now adjourned.

END OF TRANSCRIPT