



Item Number: 11a attach 1

Meeting Date: August 12, 2025

# **PORT OF SEATTLE**

## **Q2 2025 FINANCIAL PERFORMANCE REPORT**

**AS OF JUNE 30, 2025**

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**I. PORTWIDE****EXECUTIVE SUMMARY**

Airport passenger volume for the first half of the year was 1.6% higher than the same period in 2024. Passenger growth for 2025 is expected to be 0.9% higher compared to 2024 actual. Approximately 53.1M passengers are expected at Seattle-Tacoma International Airport (SEA) in 2025. Non-Aeronautical revenues are anticipated to be below budget by \$4.7M or 1.3% mainly due to lower revenues in Public Parking and Airport Dining & Retail. Aeronautical revenues (based on cost recovery formulas) are expected to be \$6.7M or 1.2% higher than budget mainly due to TSA Exit Lane staffing contract and higher payroll.

The 2025 cruise season will run from April through October with a projected 298 sailings and 1.9 million revenue passengers. For the first half of the year, Grain, Fishing, Commercial, and Recreational Marinas, Cruise revenues exceeded budget while Real Estate Portfolio Management revenues were down due to environmental cost credit and lower volumes at Conference and Event Centers

Total operating revenues were \$1.2M or 0.2% above budget while total operating expenses were \$12.8M or 3.8% lower than budget in the first half of 2025. Net operating income before depreciation was \$14.0M or 7.1% above budget.

For the full year, we are projecting operating revenues to be \$893K above budget mainly due to Aeronautical revenues, partially offset by lower revenues from Airport Non-Aero, Real Estate Portfolio Management and Conference & Event Centers. Operating expenses are expected to be \$11.2M above budget due to higher Payroll and Outside Services. The net operating income before depreciation is expected to be \$10.4M below budget.

**PORTWIDE FINANCIAL SUMMARY**

	2023 YTD	2024 YTD	2025 YTD	2025 YTD	Actual vs. Budget Variance		Change from 2024	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
Aeronautical Revenues	240,218	252,437	273,752	275,055	(1,303)	-0.5%	21,314	8.4%
Airport Non-Aero Revenues	145,446	158,483	170,758	170,868	(110)	-0.1%	12,275	7.7%
Seaport Revenues	76,356	82,984	88,589	85,936	2,653	3.1%	5,605	6.8%
<b>Total Operating Revenues</b>	<b>462,020</b>	<b>493,904</b>	<b>533,099</b>	<b>531,858</b>	<b>1,240</b>	<b>0.2%</b>	<b>39,195</b>	<b>7.9%</b>
Total Operating Expenses	264,352	289,103	321,204	334,022	12,818	3.8%	32,101	11.1%
<b>NOI before Depreciation</b>	<b>197,668</b>	<b>204,801</b>	<b>211,895</b>	<b>197,837</b>	<b>14,059</b>	<b>7.1%</b>	<b>7,094</b>	<b>3.5%</b>
Depreciation	124,427	130,832	142,924	133,135	(9,789)	-7.4%	12,092	9.2%
<b>NOI after Depreciation</b>	<b>73,241</b>	<b>73,969</b>	<b>68,971</b>	<b>64,702</b>	<b>4,270</b>	<b>6.6%</b>	<b>(4,998)</b>	<b>-6.8%</b>

**2025 YTD Actuals vs. 2025 YTD Budget:**

- Total Operating Revenues: \$1.2M higher than budget
- Total Operating Expenses: \$12.8M below budget mainly due to delay in Outside Services spending, less Equipment purchases, and Travel & Other Employee expenses; partially offset by higher Payroll.
- NOI before Depreciation: \$14.0M above budget

**2025 YTD Actuals vs. 2024 YTD Actuals:**

- Total Operating Revenues were \$39.2M higher compared to 2024 mainly due to higher revenues in all lines of businesses, except Central Harbor Management and Public Parking
- Total Operating Expenses were \$32.1M higher compared to 2024 due to higher expenses in Payroll, Third Party Management, and Utilities

# I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 06/30/25

## MAJOR OPERATING REVENUES SUMMARY

	2023 YTD	2024 YTD	2025 YTD	2025 YTD	Actual vs. Budget		Change from 2024	
\$ in 000's	Actual	Actual	Actual	Budget	Variance		Incr (Decr)	
					\$	%	\$	%
Aeronautical Revenues	240,218	252,437	273,752	275,055	(1,303)	-0.5%	21,314	8.4%
Public Parking	52,391	59,047	58,728	60,903	(2,175)	-3.6%	(319)	-0.5%
Rental Cars - Operations	18,021	16,759	18,448	18,363	85	0.5%	1,689	10.1%
Rental Cars - Operating CFC	5,495	6,916	8,145	7,197	949	13.2%	1,230	17.8%
ADR & Terminal Leased Space	31,985	36,364	37,172	37,897	(725)	-1.9%	808	2.2%
Ground Transportation	11,750	11,853	11,784	12,419	(636)	-5.1%	(69)	-0.6%
Employee Parking	5,460	5,223	6,272	6,905	(633)	-9.2%	1,049	20.1%
Airport Commercial Properties	9,618	9,930	10,985	13,721	(2,736)	-19.9%	1,055	10.6%
International Place	-	-	4,891	-	4,891	0.0%	4,891	0.0%
Clubs and Lounges	5,436	6,753	8,859	7,709	1,150	14.9%	2,106	31.2%
Airport Utilities	4,194	4,513	5,287	5,419	(132)	-2.4%	774	17.2%
Cruise	15,437	19,027	19,994	19,732	262	1.3%	967	5.1%
Recreational Boating	7,751	8,321	9,130	9,099	30	0.3%	808	9.7%
Fishing & Operations	5,481	5,523	6,159	5,747	412	7.2%	637	11.5%
Grain	1,964	3,079	3,643	2,687	957	35.6%	564	18.3%
Maritime Portfolio Management	5,205	6,136	6,603	7,193	(591)	-8.2%	467	7.6%
Central Harbor Management	4,960	5,126	4,505	4,823	(319)	-6.6%	(621)	-12.1%
Conference & Event Centers	3,377	3,687	3,867	4,056	(190)	-4.7%	179	4.9%
NWSA Distributable Revenue	28,949	29,664	32,221	29,166	3,055	10.5%	2,557	8.6%
Other	4,329	3,545	2,653	3,766	(1,113)	-29.6%	(892)	-25.2%
<b>Total Operating Revenues (w/o Aero)</b>	<b>221,802</b>	<b>241,467</b>	<b>259,347</b>	<b>256,804</b>	<b>2,543</b>	<b>1.0%</b>	<b>17,880</b>	<b>7.4%</b>
<b>TOTAL</b>	<b>462,020</b>	<b>493,904</b>	<b>533,099</b>	<b>531,858</b>	<b>1,240</b>	<b>0.2%</b>	<b>39,195</b>	<b>7.9%</b>

## MAJOR OPERATING EXPENSES SUMMARY

	2023 YTD	2024 YTD	2025 YTD	2025 YTD	Actual vs. Budget		Change from 2024	
\$ in 000's	Actual	Actual	Actual	Budget	Variance		Incr (Decr)	
					\$	%	\$	%
Salaries & Benefits	90,131	103,497	118,613	114,318	(4,295)	-3.8%	15,116	14.6%
Wages & Benefits	79,333	88,341	98,903	92,138	(6,765)	-7.3%	10,562	12.0%
Payroll to Capital Projects	15,420	18,260	18,373	23,830	5,457	22.9%	113	0.6%
Outside Services	57,221	63,807	64,213	89,435	25,222	28.2%	406	0.6%
Utilities	15,541	17,162	18,235	19,062	827	4.3%	1,073	6.3%
Equipment Expense	5,508	4,852	4,367	7,738	3,371	43.6%	(485)	-10.0%
Supplies & Stock	5,617	5,686	6,204	5,190	(1,015)	-19.5%	518	9.1%
Travel & Other Employee Expenses	2,208	2,827	3,129	5,115	1,986	38.8%	302	10.7%
Third Party Mgmt Op Exp	5,485	6,110	9,669	8,865	(804)	-9.1%	3,559	58.3%
B&O Taxes	2,895	3,027	2,924	3,420	495	14.5%	(102)	-3.4%
Other Expenses	14,940	13,261	14,149	11,277	(2,871)	-25.5%	888	6.7%
Charges to Capital Projects/Overhead Alloc	(29,947)	(37,726)	(37,576)	(46,366)	(8,790)	19.0%	151	-0.4%
<b>TOTAL</b>	<b>264,352</b>	<b>289,103</b>	<b>321,204</b>	<b>334,022</b>	<b>12,818</b>	<b>3.8%</b>	<b>32,101</b>	<b>11.1%</b>

# I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 06/30/25

## PORTWIDE FINANCIAL YEAR-END FORECAST SUMMARY

	2023	2024	2025	2025	Fcst vs. Budget Variance		Change from 2024 Incr (Decr)	
\$ in 000's	Actual	Actual	Forecast	Budget	\$	%	\$	%
Aeronautical Revenues	479,697	520,942	570,570	563,836	6,734	1.2%	49,629	9.5%
Airport Non-Aero Revenues	326,592	348,212	367,618	372,280	(4,662)	-1.3%	19,406	5.6%
Seaport Revenues	162,991	174,395	182,298	183,476	(1,179)	-0.6%	7,903	4.5%
<b>Total Operating Revenues</b>	<b>969,281</b>	<b>1,043,549</b>	<b>1,120,486</b>	<b>1,119,593</b>	<b>893</b>	<b>0.1%</b>	<b>76,937</b>	<b>7.4%</b>
Total Operating Expenses	550,899	652,642	689,531	678,288	(11,243)	-1.7%	36,890	5.7%
<b>NOI before Depreciation</b>	<b>418,382</b>	<b>390,907</b>	<b>430,955</b>	<b>441,305</b>	<b>(10,350)</b>	<b>-2.3%</b>	<b>40,048</b>	<b>10.2%</b>
Depreciation	256,740	277,917	267,028	267,028	-	0.0%	(10,889)	-3.9%
<b>NOI after Depreciation</b>	<b>161,642</b>	<b>112,990</b>	<b>163,927</b>	<b>174,277</b>	<b>(10,350)</b>	<b>-5.9%</b>	<b>50,937</b>	<b>45.1%</b>

### Year-End Forecast

- Total Operating Revenues are expected to be \$893K above budget due to higher Aero Revenue; partially offset by lower Airport Non-Aero Revenues and Seaport RE Portfolio Management.
- Total Operating expenses are expected to be \$11.2M above budget mainly due to higher Payroll and Outside Services.
- Net Operating Income before Depreciation is forecasted to be \$10.4M below budget.

### KEY PERFORMANCE METRICS

	2024 YTD Actual	2025 YTD Actual	2024 Actual	2025 Forecast	2025 Budget	Fav (UnFav) Forecast vs. Budget		Incr (Decr) 2025 Forecast vs. 2024 Actual	
						Chg.	%	Chg.	%
Total Passengers (in 000's)	24,497	24,884	52,641	53,122	53,474	(352)	-0.7%	481	0.9%
Landed Weight (lbs. in millions)	15,519	15,885	32,806	33,138	32,916	222	0.7%	332	1.0%
Passenger CPE (in \$)	N/A	N/A	18.14	19.85	19.43	0.4	2.2%	1.7	9.4%
Grain Volume (metric tons in 000's)	2,380	2,952	4,418	3,540	3,540	-	0.0%	(878)	-19.9%
Cruise Passenger (in 000's)	682	747	1,752	1,924	1,924	-	0.0%	172	9.8%
Shilshole Bay Marina Occupancy	98.0%	97.8%	98.1%	97.7%	97.7%	0.0%	0.0%	-0.4%	-0.4%

**KEY BUSINESS EVENTS**

The Port Commission approved \$1.9 million to support economic development partnerships with cities in King County for the next two years. This program provides matching grants based on a per capita formula for cities selected. The grants range from \$10,000 to \$60,000, and the cities must provide at least a 50% match. This funding will drive tourism and help support aviation, maritime, construction trades, and green jobs. This program provided \$804,052 to 27 cities across King County in 2024. Including city matches, over \$1.44 million was invested in economic development projects which included business assistance, tourism efforts, and buy local or placemaking campaigns.

The 2025 cruise season officially kicked off on April 12<sup>th</sup> with the arrival of the Norwegian Bliss. This year, all three of the Port's cruise berths are equipped with shore power making Seattle the only home port that has all its cruise berths shore power-enabled and can have three ships plugged into shore power simultaneously. The 2025 season runs from April to October with 298 sailings and a projected 1.9 million revenue passengers. Cruise sailing brings in nearly \$900 million in economic impact including tourism, provisioning, and jobs supported by cruise.

In collaboration with The Northwest Seaport Alliance (NWSA) and Seattle City Light (SCL), the Port released the Seattle Waterfront Clean Energy Strategy. The strategy provides technical, policy, and planning recommendations for how the Port and its partners should plan and build the infrastructure needed to support a zero-emission maritime transition by 2050. A total of \$208M to \$457 million (2024 dollars) in Port and utility investments have been identified through 2050. This includes an estimated \$69M to \$168 million in utility distribution system infrastructure costs and an estimated \$139M to \$288 million in Port on-site transformers, switchgear, and substation equipment costs. The Port will engage the public in the overall strategy and building of these projects into capital plans.

The Port released the 2024 Environment and Sustainability Report highlighting several notable firsts, such as becoming the first port to require power connections for cruise ships and removing per- and polyfluoroalkyl substances (PFAS) foam at Seattle-Tacoma International Airport (SEA). The Port also implemented waste reduction requirements at SEA, launched a pilot program to improve sound insulation in neighboring communities, and made considerable progress in the Duwamish River habitat restoration.

The Port announced the Fly Quiet Award winners for 2025: Air Canada, Frontier Airlines, and Air France. The 3 airline partners, which all operate out of SEA, exemplified the Port's environmental goals and desire to be a good neighbor to communities. Air Canada and Frontier Airlines received the best overall scores for operations, while Air France earned recognition for showing the most significant improvements. In 2002, the Port instituted The Fly Quiet Program as part of the Part 150 Study at SEA and the Fly Quiet Awards was added in 2005 to increase airline and pilot awareness of aircraft noise impacts on local communities.

SEA celebrated Alaska Airlines' first intercontinental flight to Tokyo. The daily connection, operated by Hawaiian Airlines, kicks off a new era of international wide-body flights for Alaska, with 12 destinations out of SEA planned to begin by 2030. Alaska Airlines also announced a new nonstop service to Italy starting next year. Additionally, SEA celebrated the return of Scandinavian Airlines (SAS) with the inaugural flight to Copenhagen, Denmark. For decades, SAS served SEA and the Pacific Northwest, starting in the 1960s. SAS' new route to Denmark is offered 5 times a week. Moreover, Edelweiss Air service added a new route from SEA to Zurich which is offered twice a week. With this new addition, SEA now offers 58 service options (on 30 different airlines) to 36 international destinations.

SEA added Checkpoint 1 located at the former site of Bag Claim 1. This new checkpoint adds five security lanes with spacious queueing, glass display cases with public art, and a choice for convenient gate access. The new Checkpoint 1 is part of the Upgrade SEA project, which includes \$5 billion in capital investment over the next five years.

**CAPITAL SPENDING SUMMARY**

\$ in 000's	2025	2025	2025	2025	Budget Variance	
	YTD Actual	Forecast	Budget	Plan of Finance	\$	%
Aviation	385,931	806,938	816,331	1,036,989	9,393	1.2%
Maritime	47,458	103,014	89,827	131,699	(13,187)	-14.7%
Central Services & Other (note 1)	5,719	15,931	21,488	34,591	5,557	25.9%
<b>TOTAL</b>	<b>439,108</b>	<b>925,883</b>	<b>927,646</b>	<b>1,203,279</b>	<b>1,763</b>	<b>0.2%</b>

**Note:**

(1) "Other" includes 100% Port legacy projects in the North Harbor and Storm Water Utility Small Capital projects.

Total capital spending is projected to be \$927.6M, 99.8% of the budget for the year.

**PORTWIDE INVESTMENT PORTFOLIO**

During the second quarter of 2025, the investment portfolio earned 3.56% versus the benchmark's (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index) of 3.79%. Over the last twelve months, the portfolio and the benchmark have earned 3.74% and 3.92%, respectively. Since the Port became its own Treasurer in 2002, the life-to-date earnings of the Port's portfolio and the benchmark are 2.44% and 2.04%, respectively.

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/25

### FINANCIAL SUMMARY

Financial Summary (\$ in 000's)	2023	2024	2025	2025	Forecast vs. Budget Variance		Incr/(Decr) Change from 2024	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
<b>Operating Revenue</b>								
Aeronautical Revenues	479,697	520,942	570,570	563,836	6,734	1.2%	49,629	9.5%
Non-Aeronautical Revenues	326,592	348,212	367,618	372,280	(4,662)	-1.3%	19,406	5.6%
<b>Total Operating Revenues</b>	<b>806,289</b>	<b>869,154</b>	<b>938,189</b>	<b>936,117</b>	<b>2,072</b>	<b>0.2%</b>	<b>69,035</b>	<b>7.9%</b>
<b>Total Operating Expenses w/o Pension True-Up</b>	<b>469,263</b>	<b>548,405</b>	<b>562,068</b>	<b>553,222</b>	<b>(8,846)</b>	<b>-1.6%</b>	<b>13,663</b>	<b>2.5%</b>
<b>Net Operating Income</b>	<b>360,598</b>	<b>339,326</b>	<b>376,121</b>	<b>382,895</b>	<b>(6,774)</b>	<b>-1.8%</b>	<b>36,794</b>	<b>10.8%</b>
<b>CPE</b>	17.52	18.26	19.85	19.43	(0.42)	-2.2%	1.59	8.7%
<b>Non-Aero NOI (\$ in 000s)</b>	181,377	175,946	173,794	183,023	(9,229)	-5.0%	(2,152)	-1.2%
<b>Enplaned passengers (in 000s)</b>	25,371	26,295	26,472	26,737	(265)	-1.0%	177	0.7%
<b>Capital Expenditures (in 000s)</b>	<b>444,072</b>	<b>684,442</b>	<b>806,938</b>	<b>816,331</b>	<b>9,393</b>	<b>1.2%</b>	<b>122,496</b>	<b>17.9%</b>

### 2025 Forecast vs. 2025 Budget

- Total Operating Revenues are forecasted at \$938.2M, slightly above budget by \$2.1M (0.2%) primarily due to higher Aeronautical expenses.
  - Aeronautical Revenues are above budget by \$6.7M (-1.2%), driven by higher expenses. This includes \$3.5M for TSA Exit Lane staffing contract, increased payroll costs due to the compensation project and wages and benefits increases, and higher costs from Central Services.
  - Non-Aeronautical Revenues are below budget by (\$4.7M) (-1.3%) due to flat Parking revenue projected for 2025 following several years of strong growth. Additionally, Airport Dining & Retail revenue is growing slower than expected due to lower enplanements and the delayed opening of two tenants. The Employee Parking expansion program is progressing slower than planned. These shortfalls are partially offset by strong performance in Flight Kitchens, Rental Cars, and Port-owned Clubs. The International Place property (STOC) acquisition, which closed on February 28, also contributed positively by providing one additional month of revenue not anticipated in the budget.
- Total Operating Expenses are forecasted higher than budget by \$8.8M (-1.6%), primarily due to increased payroll costs, the TSA Exit Lane staffing contract, and higher costs from Central Services due to higher outside services and payroll costs in several departments.
- As a result, Net Operating Income is lower than budget by \$6.8M (-1.8%).
- Cost per Enplanement (CPE) is 2.2% higher than budget at \$19.85.
- Non-Aero NOI is 5% below budget due to higher expenses and lower revenues.
- Capital Expenditures are forecasted at \$807M, 1.2% below budget.



## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/25

### A. BUSINESS EVENTS

- Passenger levels are 1.6% higher than YTD Q2 2024 at 24,884,468
- Scandinavian Airlines (SAS) service to Copenhagen, Denmark
- Edelweiss Air service to Zurich
- Implemented Signatory Lease & Operating Agreement (SLOA) V

### B. KEY PERFORMANCE METRICS

	YTD 2023	YTD 2024	YTD 2025	% Change from 2024
<b>Total Passengers (000's)</b>				
Domestic	21,046	21,470	21,504	0.2%
International	2,694	3,027	3,380	11.7%
<b>Total</b>	<b>23,740</b>	<b>24,497</b>	<b>24,884</b>	<b>1.6%</b>
<b>Operations</b>	199,644	205,871	209,440	1.7%
<b>Landed Weight (In Millions of lbs.)</b>				
Cargo	1,321	1,395	1,240	-11.1%
All other	13,784	14,124	14,644	3.7%
<b>Total</b>	<b>15,105</b>	<b>15,519</b>	<b>15,885</b>	<b>2.4%</b>
<b>Cargo - Metric Tons</b>				
Domestic freight	147,135	174,322	146,307	-16.1%
International & Mail freight	52,589	51,727	59,402	14.8%
<b>Total</b>	<b>199,724</b>	<b>226,049</b>	<b>205,709</b>	<b>-9.0%</b>

### Key Performance Measures

	2023	2024	2025	2025	Forecast vs. Budget Variance		Incr/(Decr) Change from 2024	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
<b>Key Performance Metrics</b>								
Cost per Enplanement (CPE)	17.52	18.26	19.85	19.43	(0.42)	-2.2%	1.59	8.7%
Non-Aeronautical NOI (in 000's)	181,377	175,946	173,794	183,023	(9,229)	-5.0%	(2,152)	-1.2%
<b>Other Performance Metrics</b>								
O&M Cost per Enplanement	18.60	20.88	21.23	20.69	(0.54)	-2.6%	0.35	1.7%
Non-Aero Revenue per Enplanement	12.87	13.26	13.89	13.92	(0.04)	-0.3%	0.63	4.7%
Debt per Enplanement (in \$)	166	157	153	154	0	0.3%	(4)	-2.6%
Debt Service Coverage	2.02	1.89	1.82	1.84	(0.02)	-1.1%	(0.07)	-3.7%
Days cash on hand (18 months = 545 days)	507	512	545	517	28	5.4%	33	6.4%
<b>Activity (in 000's)</b>								
Enplanements	25,371	26,295	26,472	26,737	(265)	-1.0%	177	0.7%
Total Passengers	50,885	52,641	53,122	53,474	(352)	-0.7%	481	0.9%

### Key Performance Metrics - 2025 Forecast vs. 2025 Budget

- Non-Aero NOI is 5% below budget due to higher expenses and lower revenues.
- Non-Aeronautical Revenues are below budget due to flat Parking revenue projected for 2025 following several years of strong growth. Additionally, Airport Dining & Retail revenue is growing slower than expected due to lower enplanements and the delayed opening of two tenants. The Employee Parking expansion program is progressing slower than planned. These shortfalls are partially offset by strong

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/25

performance in Flight Kitchens, Rental Cars, and Port-owned Clubs. The International Place property (STOC) acquisition, which closed on February 28, also contributed positively by providing an additional month of revenue not anticipated in the budget.

- Total passenger forecast slightly decreased by -0.7%, with slightly lower costs and non-aero revenues per enplanement as well.

### C. OPERATING RESULTS

#### Division Summary – YTD Actuals

Total Airport Expense Summary (\$ in 000's)	2023 YTD (Q2)	2024 YTD (Q2)	2025 YTD (Q2)	2025 YTD (Q2)	Actual vs. Budget Variance		Incr/(Decr) Change from 2024	
	Actual	Actual	Actual	Budget	\$	%	\$	%
<b>Operating Expenses</b>								
Payroll	92,502	102,225	117,688	112,680	(5,008)	-4.4%	15,462	15.1%
Outside Services	38,888	42,557	43,919	61,898	17,979	29.0%	1,361	3.2%
Utilities	11,437	13,220	13,570	14,662	1,092	7.4%	350	2.6%
Other Expenses	7,092	5,335	10,997	4,644	(6,353)	-136.8%	5,662	106.1%
<b>Total Airport Direct Charges</b>	<b>149,919</b>	<b>163,338</b>	<b>186,174</b>	<b>193,884</b>	<b>7,711</b>	<b>4.0%</b>	<b>22,835</b>	<b>14.0%</b>
Environmental Remediation Liability	6,377	1,308	1,609	1,589	(20)	-1.2%	301	23.0%
Capital to Expense	359	258	575	-	(575)		317	123.0%
<b>Total Exceptions</b>	<b>6,737</b>	<b>1,566</b>	<b>2,184</b>	<b>1,589</b>	<b>(595)</b>	<b>-37.4%</b>	<b>618</b>	<b>39.5%</b>
<b>Total Airport Expenses</b>	<b>156,656</b>	<b>164,904</b>	<b>188,358</b>	<b>195,473</b>	<b>7,116</b>	<b>3.6%</b>	<b>23,453</b>	<b>14.2%</b>
Corporate	42,814	48,749	53,251	54,609	1,358	2.5%	4,502	9.2%
Police	14,123	18,735	19,705	19,831	127	0.6%	970	5.2%
Maritime/Economic Development/Other	1,940	2,240	2,833	3,424	591	17.3%	593	26.5%
<b>Total Charges from Other Divisions</b>	<b>58,877</b>	<b>69,724</b>	<b>75,789</b>	<b>77,864</b>	<b>2,075</b>	<b>2.7%</b>	<b>6,064</b>	<b>8.7%</b>
<b>Total Operating Expenses w/o Pension True-Up</b>	<b>215,532</b>	<b>234,629</b>	<b>264,146</b>	<b>273,338</b>	<b>9,191</b>	<b>3.4%</b>	<b>29,518</b>	<b>12.6%</b>

#### 2025 YTD Actuals vs. 2025 YTD Budget

Total Operating Expenses were **\$9.2M (3.4%) under budget**, primarily driven by the following:

- **Payroll variance of (\$5M):**  
Salaries & Benefits are up by \$375K due to the Compensation Project. Wages & Benefits are higher by \$5.1M due to contractual increases, partially offset by lower charges to capital projects.
- **Outside Services underspent by \$18M:**  
Driven by lower spending in professional & personal services, onsite consultants, and other contracted services.
- **Offsetting overages in Other Expenses of \$6.4M:**  
Mainly due to lower charges to capital
- **Lower charges from Central Services by \$2.3M:**  
Resulting from reduced spending in outside services, equipment expenses, and travel, partially offset by higher payroll and other costs.

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/25

Total Airport Expense Summary (\$ in 000's)	2023	2024	2025	2025	Forecast vs. Budget Variance		Incr/(Decr) Change from 2024	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
<b>Operating Expenses</b>								
Payroll	193,130	223,027	234,395	232,074	(2,321)	-1.0%	11,368	5.1%
Outside Services	87,364	104,086	117,577	125,654	8,077	6.4%	13,491	13.0%
Utilities	23,285	25,543	27,010	26,966	(44)	-0.2%	1,466	5.7%
Other Expenses	17,655	21,596	20,795	9,772	(11,023)	-112.8%	(801)	-3.7%
<b>Total Airport Direct Charges</b>	<b>321,434</b>	<b>374,253</b>	<b>399,777</b>	<b>394,465</b>	<b>(5,312)</b>	<b>-1.3%</b>	<b>25,524</b>	<b>6.8%</b>
Environmental Remediation Liability	13,017	2,600	2,399	1,589	(810)	-51.0%	(201)	-7.7%
Capital to Expense	480	553	377	-	(377)		(176)	-31.8%
<b>Total Exceptions</b>	<b>13,497</b>	<b>3,153</b>	<b>2,776</b>	<b>1,589</b>	<b>(1,187)</b>	<b>-74.7%</b>	<b>(377)</b>	<b>-12.0%</b>
<b>Total Airport Expenses</b>	<b>334,931</b>	<b>377,406</b>	<b>402,553</b>	<b>396,054</b>	<b>(6,499)</b>	<b>-1.6%</b>	<b>25,147</b>	<b>6.7%</b>
Corporate	95,740	125,262	114,442	111,534	(2,908)	-2.6%	(10,820)	-8.6%
Police	33,750	39,709	38,622	38,624	2	0.0%	(1,087)	-2.7%
Maritime/Economic Development/Other	4,840	6,028	6,450	7,009	558	8.0%	422	7.0%
<b>Total Charges from Other Divisions</b>	<b>134,331</b>	<b>170,999</b>	<b>159,514</b>	<b>157,167</b>	<b>(2,347)</b>	<b>-1.5%</b>	<b>(11,485)</b>	<b>-6.7%</b>
<b>Total Operating Expenses w/o Pension True-Up</b>	<b>469,263</b>	<b>548,405</b>	<b>562,068</b>	<b>553,222</b>	<b>(8,846)</b>	<b>-1.6%</b>	<b>13,663</b>	<b>2.5%</b>

### 2025 Forecast vs. 2025 YE Budget

Total Operating Expense is forecasted to be \$8.9M (1.6%) higher than Budget primarily due to higher payroll costs across the Port and TSA Exit Lane Staffing contract.

### Aeronautical Business Unit Summary – YTD Actuals

Aeronautical NOI (\$ in 000's)	2023 YTD (Q2)	2024 YTD (Q2)	2025 YTD (Q2)	2025 YTD (Q2)	Actual vs. Budget Variance		Incr/(Decr) Change from 2024	
	Actual	Actual	Actual	Budget	\$	%	\$	%
<b>Rate Base Revenues</b>								
Airfield Movement Area	66,779	74,894	80,564	80,413	151	0.2%	5,670	7.6%
Airfield Apron Area	14,321	13,414	15,960	17,177	(1,218)	-7.1%	2,546	19.0%
Terminal Rents	133,174	134,447	140,124	140,343	(219)	-0.2%	5,677	4.2%
Federal Inspection Services (FIS)	17,345	19,948	24,042	24,042	(0)	0.0%	4,095	20.5%
<b>Total Rate Base Revenues</b>	<b>231,618</b>	<b>242,702</b>	<b>260,690</b>	<b>261,975</b>	<b>(1,286)</b>	<b>-0.5%</b>	<b>17,987</b>	<b>7.4%</b>
Airfield Commercial Area	8,600	9,735	13,062	13,079	(17)	-0.1%	3,327	34.2%
<b>Total Aeronautical Revenues</b>	<b>240,218</b>	<b>252,437</b>	<b>273,752</b>	<b>275,055</b>	<b>(1,303)</b>	<b>-0.5%</b>	<b>21,314</b>	<b>8.4%</b>
<b>Total Aeronautical Expenses</b>	<b>151,356</b>	<b>162,767</b>	<b>180,612</b>	<b>184,420</b>	<b>3,807</b>	<b>2.1%</b>	<b>17,845</b>	<b>11.0%</b>
<b>Aeronautical NOI</b>	<b>88,862</b>	<b>89,670</b>	<b>93,139</b>	<b>90,635</b>	<b>2,504</b>	<b>2.8%</b>	<b>3,469</b>	<b>3.9%</b>

### Aeronautical – 2025 YTD Actuals vs. 2025 YTD Budget

Aeronautical Net Operating Income was \$2.5M (2.8%) higher than budget driven by lower YTD operating expenses in outside services and YTD charges from other divisions.

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/25

### Aeronautical Business Unit Summary - YE Forecast

Aeronautical NOI (\$ in 000's)	2023	2024	2025	2025	Forecast vs. Budget Variance		Incr/(Decr) Change from 2024	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
<b>Rate Base Revenues</b>								
Airfield Movement Area	142,797	170,821	168,041	166,149	1,892	1.1%	(2,781)	-1.6%
Airfield Apron Area	26,118	32,270	35,931	35,432	499	1.4%	3,661	11.3%
Terminal Rents	251,892	279,722	289,814	286,307	3,507	1.2%	10,092	3.6%
Federal Inspection Services (FIS)	41,214	15,206	49,918	49,811	108	0.2%	34,712	228.3%
<b>Total Rate Base Revenues</b>	<b>462,020</b>	<b>498,019</b>	<b>543,704</b>	<b>537,699</b>	<b>6,005</b>	<b>1.1%</b>	<b>45,685</b>	<b>9.2%</b>
Airfield Commercial Area	17,677	22,922	26,866	26,137	729	2.8%	3,944	17.2%
<b>Total Aeronautical Revenues</b>	<b>479,697</b>	<b>520,942</b>	<b>570,570</b>	<b>563,836</b>	<b>6,734</b>	<b>1.2%</b>	<b>49,629</b>	<b>9.5%</b>
<b>Total Aeronautical Expenses</b>	<b>308,162</b>	<b>367,736</b>	<b>378,447</b>	<b>373,174</b>	<b>(5,273)</b>	<b>-1.4%</b>	<b>10,711</b>	<b>2.9%</b>
<b>Aeronautical NOI</b>	<b>171,535</b>	<b>153,205</b>	<b>192,124</b>	<b>190,663</b>	<b>1,461</b>	<b>0.8%</b>	<b>38,918</b>	<b>25.4%</b>
Debt Service	(144,395)	(157,518)	(178,887)	(179,527)	641	-0.4%	(21,369)	13.6%
<b>Net Cash Flow</b>	<b>27,140</b>	<b>(4,312)</b>	<b>13,237</b>	<b>11,135</b>	<b>2,102</b>	<b>18.9%</b>	<b>17,549</b>	<b>-407.0%</b>

### Aeronautical – 2025 Forecast vs. 2025 Budget

Aeronautical Net Operating Income is expected to be \$1.5M (0.8%) higher than budget driven by higher operating expenses due to TSA Exit Lane contract and higher payroll and charges from Central Services.

### Airline Rate Base Cost Drivers

Impact on Aero Revenues \$ in 000's	2025 Budget	2025 Forecast	Budget vs Forecast	
			\$	%
O&M <sup>(1)</sup>	360,905	365,993	5,088	1.4%
Debt Service Before Offsets	236,757	237,699	942	0.4%
Debt Service PFC Offset	(93,230)	(93,247)	(17)	0.0%
<b>Net Debt Service</b>	<b>143,527</b>	<b>144,452</b>	<b>925</b>	<b>0.6%</b>
Amortization	36,712	36,712	-	0.0%
Space Vacancy	(672)	(681)	(9)	1.3%
Grants and Other	(2,773)	(2,773)	-	0.0%
<b>Rate Base Revenues</b>	<b>537,699</b>	<b>543,704</b>	<b>6,005</b>	<b>1%</b>
Commercial area	26,137	26,866	729	3%
<b>Total Aero Revenues</b>	<b>563,836</b>	<b>570,570</b>	<b>6,734</b>	<b>1%</b>

*(1) O&M, Debt Service Gross, and Amortization do not include commercial area costs or the international incentive expenses*

### 2025 Forecast vs. 2025 Budget

Aeronautical Revenues are above budget by \$6.7M (-1.2%), primarily driven by higher expenses passed through to airlines. This includes \$3.5M for TSA Exit Lane staffing contract, increased payroll costs due to the compensation project and wages and benefits increases, and higher costs from Central Services.

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/25

### Non-Aero Business Unit Summary – YTD Actuals

Non-Aeronautical NOI (\$ in 000's)	2023 YTD (Q2)	2024 YTD (Q2)	2025 YTD (Q2)	2025 YTD (Q2)	Actual vs. Budget Variance		Incr/(Decr) Change from 2024	
	Actual	Actual	Actual	Budget	\$	%	\$	%
<b>Non-Aeronautical Revenues</b>								
Public Parking	52,391	59,047	58,728	60,903	(2,175)	-3.6%	(319)	-0.5%
Rental Cars	23,516	23,675	26,594	25,560	1,033	4.0%	2,919	12.3%
Ground Transportation	11,750	11,853	11,784	12,419	(636)	-5.1%	(69)	-0.6%
Airport Dining & Retail	27,200	32,670	33,031	34,234	(1,202)	-3.5%	362	1.1%
Other	30,589	31,238	40,622	37,752	2,870	7.6%	9,383	30.0%
<b>Total Non-Aeronautical Revenues</b>	<b>145,446</b>	<b>158,483</b>	<b>170,758</b>	<b>170,868</b>	<b>(110)</b>	<b>-0.1%</b>	<b>12,275</b>	<b>7.7%</b>
<b>Total Non-Aeronautical Expenses</b>	<b>41,438</b>	<b>71,861</b>	<b>83,534</b>	<b>88,918</b>	<b>(5,384)</b>	<b>-6.1%</b>	<b>11,673</b>	<b>16.2%</b>
<b>Non-Aeronautical NOI</b>	<b>104,008</b>	<b>86,622</b>	<b>87,224</b>	<b>81,950</b>	<b>5,274</b>	<b>6.4%</b>	<b>603</b>	<b>0.7%</b>

### Non-Aeronautical Revenue – 2025 YTD Actuals vs. 2025 YTD Budget

- YTD Q2 Non-Aeronautical Revenues are below budget by (\$110K) due to lower Parking revenue and Airport Dining & Retail revenue growing slowly. These shortfalls are partially offset by strong performance in Flight Kitchens, Rental Cars, and Port-owned Clubs. The International Place property (STOC) acquisition, which closed on February 28, also contributed positively by providing one additional month of revenue not anticipated in the budget.

### Non-Aero Business Unit Summary - YE Forecast

Non-Aeronautical NOI (\$ in 000's)	2023	2024	2025	2025	Forecast vs. Budget Variance		Incr/(Decr) Change from 2024	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
<b>Non-Aeronautical Revenues</b>								
Public Parking	110,990	116,626	116,057	119,634	(3,577)	-3.0%	(569)	-0.5%
Rental Cars	63,460	66,271	67,795	67,197	598	0.9%	1,524	2.3%
Ground Transportation	24,878	23,946	24,705	25,901	(1,196)	-4.6%	759	3.2%
Airport Dining & Retail	65,952	73,703	73,230	76,630	(3,401)	-4.4%	(474)	-0.6%
Other	61,312	67,666	85,832	82,919	2,913	3.5%	18,166	26.8%
<b>Total Non-Aeronautical Revenues</b>	<b>326,592</b>	<b>348,212</b>	<b>367,618</b>	<b>372,280</b>	<b>(4,662)</b>	<b>-1.3%</b>	<b>19,406</b>	<b>5.6%</b>
<b>Total Non-Aeronautical Expenses</b>	<b>137,529</b>	<b>162,092</b>	<b>183,341</b>	<b>180,048</b>	<b>3,293</b>	<b>1.8%</b>	<b>21,249</b>	<b>13.1%</b>
<b>Non-Aeronautical NOI<sup>1</sup></b>	<b>189,063</b>	<b>186,121</b>	<b>184,277</b>	<b>192,232</b>	<b>(7,955)</b>	<b>-4.1%</b>	<b>(1,843)</b>	<b>-1.0%</b>
Less: CFC Surplus	(7,686)	(10,174)	(10,483)	(9,210)	(1,274)	13.8%	(309)	3.0%
<b>Adjusted Non-Aeronautical NOI</b>	<b>181,377</b>	<b>175,946</b>	<b>173,794</b>	<b>183,023</b>	<b>(9,229)</b>	<b>-5.0%</b>	<b>(2,152)</b>	<b>-1.2%</b>
Debt Service	(27,096)	(43,887)	(34,511)	(34,633)	123	-0.4%	9,377	-21.4%
<b>Net Cash Flow</b>	<b>154,281</b>	<b>132,059</b>	<b>139,283</b>	<b>148,389</b>	<b>(9,106)</b>	<b>-6.1%</b>	<b>7,224</b>	<b>5.5%</b>

(1) Includes Federal Relief for Concessions

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/25

### Non-Aeronautical Revenue – 2025 Forecast vs. 2025 Budget

- Non-Aeronautical Revenues forecast is below budget by (\$4.7M) (-1.3%) due to flat Parking revenue projected for 2025 following several years of strong growth. Additionally, Airport Dining & Retail revenue is growing slower than expected due to lower enplanements and the delayed opening of two tenants. The Employee Parking expansion program is progressing slower than planned. These shortfalls are partially offset by strong performance in Flight Kitchens, Rental Cars, and Port-owned Clubs. The International Place property (STOC) acquisition, which closed on February 28, also contributed positively by providing one additional month of revenue not anticipated in the budget.
- Non-Aero Expenses are forecasted to be higher by \$3.3M, with NOI lower than budget by (-5.0%) or (\$9.2M).

### D. CAPITAL RESULTS

\$ in 000's	2025 YTD Actual	2025 Year-End Forecast	2025 Budget	2025 POF	Bud vs. Fcst	
					\$	%
C Concourse Expansion <sup>(1)</sup>	45,784	129,189	141,052	142,789	11,863	8.4%
SEA Gateway <sup>(2)</sup>	74,751	150,483	160,484	156,409	10,002	6.2%
Post IAF Airline Realignment <sup>(3)</sup>	22,260	48,316	38,693	45,075	(9,623)	-24.9%
MT Low Voltage Sys Upgrade <sup>(4)</sup>	7,927	16,724	23,746	26,600	7,022	29.6%
S Concourse Evolution <sup>(5)</sup>	11,646	39,529	45,729	114,775	6,200	13.6%
2021-25 AFLD Pavement <sup>(6)</sup>	7,007	32,299	37,083	45,430	4,784	12.9%
Building 161E Renovation <sup>(7)</sup>	331	779	4,089	6,725	3,310	80.9%
Checkpoint 1 Relocation <sup>(8)</sup>	7,886	9,636	12,925	10,195	3,289	25.4%
Upgrades STS Train Control <sup>(9)</sup>	3,120	9,994	12,457	15,899	2,463	19.8%
Snow Storage Expansion <sup>(10)</sup>	408	733	3,143	16,292	2,410	76.7%
All Other	204,811	402,940	427,108	623,755	24,168	5.7%
Subtotal	385,931	840,621	906,510	1,203,944	65,888	7.3%
CIP Cashflow Mgmt Reserve	-	(33,683)	(90,179)	(166,955)	(56,496)	62.6%
<b>Total Spending</b>	<b>385,931</b>	<b>806,938</b>	<b>816,331</b>	<b>1,036,989</b>	<b>9,392</b>	<b>1.2%</b>

- Actuals costs were lower than projected for structural steel erection. Q2 2025 actual costs closely aligned with projected cost and the Contractor has achieved their planned production in June 2025.
- Q2 '25 actual costs exceeded the projection by \$10M. It was assumed that 4 months of invoices would be paid, actual was 5 as contractor caught up to lag in billings. Port expects a \$13M invoice per month totaling \$150M per year (94%).
- The bulk of project scope accelerated work in Q2, Q3 and Q4 2025 and include completion of PKG1 Enabling work, PKG3 Airline Relocation and PKG4 Zone 4 Ticket Counters. Mechanical Upgrades will continue through the end of 2026.
- Anticipating significant savings; Mortenson provided forecast for baseline and anticipated billing for entire contract, currently projecting significant savings.
- Lower spending is projected primarily due to slower submission and processing of payments for AECOM and the shifting of \$3M for capital purchases from 2025 to 2026.
- Due to Quantity savings on 2024 Contract 1 unit price items and unused Construction contingency.
- Design delays due to scope coordination with project stakeholders, which subsequently will push out the construction timeline, as well.
- Some aspects of the scope of work got pushed into a different phase (later than expected).
- STS ATC 2025 cashflow EAC vs 2026 B/L cashflow Alstom projected delay in delivery/receipt of Couple Retrofit kits planned for Aug '25 now Jan '26. STS Fiber project Contractual Closeout delayed.
- Construction postponed to summer 2026 to avoid the rainy season.

### III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/25

#### III. MARITIME DIVISION

##### FINANCIAL SUMMARY (Excludes Pension Adjustments)

	2023	2024	2025	2025	Actual vs. Budget		Change from 2024	
	Actual	Actual	Forecast	Budget	Variance			
\$ in 000's					\$	%	\$	%
Total Revenues	99,738	106,809	116,865	118,115	(1,250)	-1%	10,055	9%
Total Operating Expenses	93,596	101,991	105,473	103,748	(1,725)	-2%	3,482	3%
Net Operating Income	6,142	4,818	11,392	14,367	(2,975)	21%	6,573	136%
<i>NOI Including Pension Adj</i>	<i>2,202</i>	<i>7,945</i>	<i>11,392</i>	<i>14,367</i>	<i>(4,700)</i>	<i>33%</i>	<i>3,446</i>	<i>43%</i>
Capital Expenditures	26,246	84,842	103,014	89,827	(13,187)	-15%	18,172	21%

##### 2025 Forecast vs. 2024 Budget

- Operating Revenues forecasted \$1.3M below budget primarily due to lower revenue from Real Estate Portfolio Management.
- Operating Expenses forecasted \$1.7M higher than budget from payroll.
- Net Operating Income forecasted \$3.0M below budget.
- Capital Spending forecasted at 115% of \$89.8M budget.

##### 2025 Forecast vs. 2024 Actuals

- Operating Revenues expected \$10.1M higher than 2024 from higher Cruise, Grain, Recreational Boating, and Fishing & Operation.
- Operating Expenses forecasted \$3.5M higher than 2024 actual driven primarily by increased payroll.
- Net Operating Income forecasted \$6.6M higher than 2024 actual.

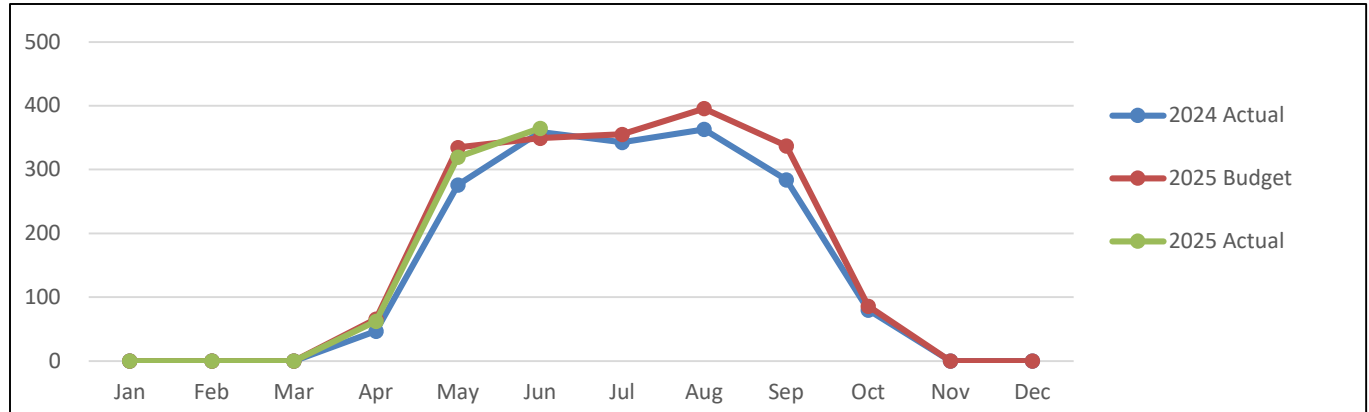
##### Net Operating Income before Depreciation by Business

	2024 YTD	2025 YTD	2025 YTD	Actual vs. Budget		Change from 2024	
	Actual	Actual	Budget	Variance			
\$ in 000's				\$	%	\$	%
Ship Canal Fishing & Operations	(1,507)	(1,948)	(2,196)	248	11%	(442)	-29%
Elliott Bay Fishing & Commercial Operations	(843)	(1,310)	(682)	(628)	-92%	(467)	-55%
Recreational Boating	576	710	66	644	984%	134	23%
Cruise	9,428	9,144	7,522	1,622	22%	(284)	-3%
Grain	2,068	2,672	1,643	1,030	63%	604	29%
Conference & Event Centers	(1,742)	(2,619)	(2,624)	5	0%	(877)	-50%
Leasing Portfolio	(2,324)	(2,087)	(1,572)	(514)	-33%	237	10%
Other	(409)	(603)	(82)	(522)	-640%	(194)	-47%
<b>Total Maritime</b>	<b>5,247</b>	<b>3,959</b>	<b>2,075</b>	<b>1,885</b>	<b>91%</b>	<b>(1,287)</b>	<b>-25%</b>

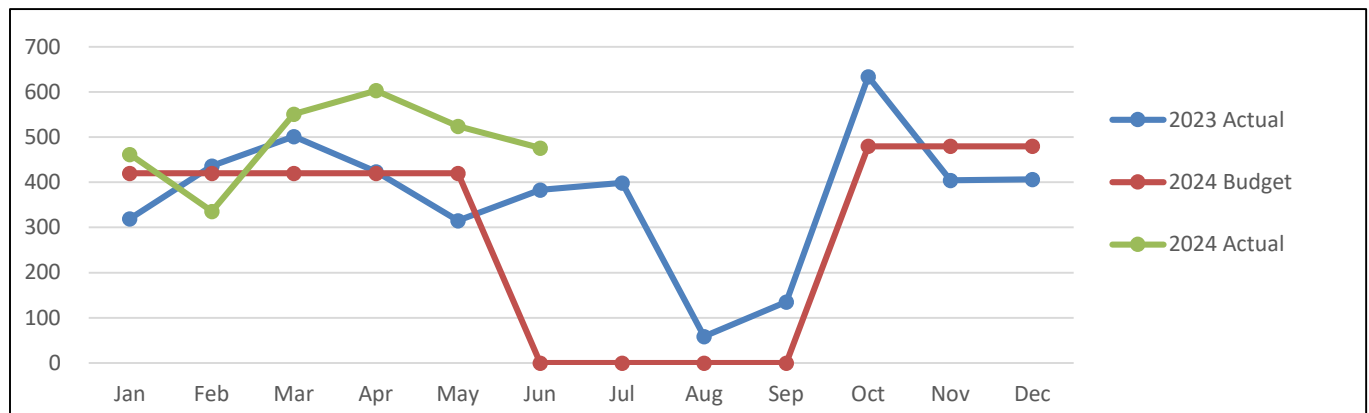
### III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/25

#### A. KEY PERFORMANCE METRICS

##### Cruise Passengers in 000's



##### Grain Volumes in 000's





### III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/25

#### B. OPERATING RESULTS

	2022 YTD	2023 YTD	2024 YTD	2025 YTD	2025 YTD	Actual vs. Budget		Change from 2024	
\$ in 000's	Actual	Actual	Actual	Actual	Budget	Variance	%	\$	%
Ship Canal Fishing & Operations	2,328	2,651	2,650	3,027	2,799	228	8%	377	14%
Elliott Bay Fishing & Commercial Operations	2,638	2,829	2,872	3,132	2,948	184	6%	260	9%
Recreational Boating	6,914	7,751	8,321	9,130	9,099	30	0%	808	10%
Cruise	11,258	15,437	19,027	19,994	19,732	262	1%	967	-5%
Grain	3,405	1,964	3,079	3,643	2,687	957	36%	564	18%
Conference & Event Centers	2,538	3,377	3,687	3,867	4,056	(190)	-5%	179	5%
Leasing Portfolio	9,378	10,180	11,272	11,122	12,027	(905)	-8%	(150)	-1%
Other	7	19	6	(10)	0	(10)		(16)	-263%
<b>Total Revenue</b>	<b>38,467</b>	<b>44,209</b>	<b>50,915</b>	<b>53,905</b>	<b>53,348</b>	<b>557</b>	<b>1%</b>	<b>2,990</b>	<b>6%</b>
<b>Expenses</b>									
Maritime Direct	16,068	16,176	18,074	20,436	21,291	855	4%	2,362	13%
<b>Total Direct</b>	<b>16,068</b>	<b>16,176</b>	<b>18,074</b>	<b>20,436</b>	<b>21,291</b>	<b>855</b>	<b>4%</b>	<b>2,362</b>	<b>13%</b>
Maintenance Expenses	8,091	8,716	9,437	9,598	9,984	386	4%	161	2%
Economic Development	981	928	1,200	1,035	861	(174)	-20%	(165)	-14%
Env & Sustainability	827	1,563	1,609	1,443	2,117	674	32%	(167)	-10%
Seaport Finance & Cost Recovery	698	880	954	1,151	1,048	(103)	-10%	197	21%
Waterfront Project Management	526	996	807	1,742	1,484	(258)	-17%	935	116%
<b>Total Support Services</b>	<b>11,124</b>	<b>13,082</b>	<b>14,006</b>	<b>14,968</b>	<b>15,495</b>	<b>526</b>	<b>3%</b>	<b>962</b>	<b>7%</b>
IT	2,048	2,312	2,585	2,805	2,566	(239)	-9%	220	9%
Police Expenses	1,680	2,365	2,893	2,568	2,641	73	3%	(325)	-11%
External Relations	1,307	1,424	1,699	1,985	1,859	(126)	-7%	286	17%
Other Central Services	5,312	5,763	6,172	6,959	7,130	170	2%	787	13%
Aviation Division / Other	260	228	239	224	292	68	23%	(15)	-6%
<b>Total Central Services / Other</b>	<b>10,607</b>	<b>12,092</b>	<b>13,588</b>	<b>14,541</b>	<b>14,488</b>	<b>(54)</b>	<b>0%</b>	<b>954</b>	<b>7%</b>
<b>Total Expense</b>	<b>37,799</b>	<b>41,350</b>	<b>45,668</b>	<b>49,946</b>	<b>51,273</b>	<b>1,328</b>	<b>3%</b>	<b>4,277</b>	<b>9%</b>
<b>NOI Before Depreciation</b>	<b>668</b>	<b>2,859</b>	<b>5,247</b>	<b>3,959</b>	<b>2,075</b>	<b>1,885</b>	<b>-91%</b>	<b>(1,287)</b>	<b>25%</b>
Depreciation	10,853	11,183	11,132	12,033	10,855	(1,178)	-11%	902	8%
<b>NOI After Depreciation</b>	<b>(10,185)</b>	<b>(8,324)</b>	<b>(5,885)</b>	<b>(8,074)</b>	<b>(8,781)</b>	<b>707</b>	<b>8%</b>	<b>(2,189)</b>	<b>-37%</b>

#### 2025 YTD Actuals vs. 2025 YTD Budget

- Operating Revenues were \$557K higher than budget driven by:
  - Ship Canal over \$228K from higher occupancy and Utility Sales.
  - Elliott Bay Fishing greater by \$184K due delayed start in the Hake fishery.
  - Recreational Boating \$30K higher from electric sales and Bell Harbor Marina.
  - Cruise \$262K higher with ~104% occupancy.
  - Grain \$957K higher.
  - Marina Office & Retail \$48K higher due to new tenants and annual rate escalation.
  - Maritime Industrial \$639K lower due to \$1.25M Environmental cost credits to Trammel Crow at T106.
  - Conference and Event Centers \$190K lower due to many non-repeating businesses as events were relocated outside of Seattle.
  - Central Harbor \$319K lower due to reduced reserved parking at Bell Garage.
- Operating Expenses were \$1.3M lower than budget:
  - Direct Expenses were \$855K lower than budget
    - Elliot Bay Fishing and Commercial \$73K over.
    - Recreational Boating is over budget \$54K from an \$198K increase related to cyber-attack.
    - Ship Canal Fishing \$213K over due to bad debt from cyber-attack.
    - Fishing & Operations Management \$58K under.
    - Cruise \$933K under from port valet timing and utilities.
    - Maritime Security is \$25K lower than budget.
    - Maritime Marketing \$206K below budget due to timing of marketing and advertising spend.
    - Maritime Industrial \$110K over budget from higher utilities.

### III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/25

- Marina Office and Retail \$226K below budget from unspent TI/Broker Fees.
- Conference Event Centers \$255K below budget due to reduced business volume led to lower operating costs.
- Central Harbor \$117K below budget, lower occupancy at WTC West led to lower operating costs.
- Division Administration is over budget by \$59K over budget due primarily from FTE vacancy factor.
- Capital to Expense creating a \$178K unfavorable variance.
- Unbudgeted Environmental Liability at T91 berth \$6&8 for \$629K.
- All other Direct Expenses net to \$184K under budget.
- Total Support Services were \$526K lower than budget due primarily to timing of small works expense projects.
- Total Central Services / Other were \$54K over budget.
- Net Operating Income was \$1.3M favorable to budget.

#### 2025 YTD Actuals vs. 2024 YTD Actuals

- Operating Revenues were \$3M higher than 2024 due to an increase in Grain volumes.
- Operating Expenses were \$4.3M higher than 2024 actual driven primarily by payroll increases.
- Net Operating Income was \$1.3M lower than 2024 actual.

	2022	2023	2024	2025	2025	Actual vs. Budget Variance		Change from 2024	
\$ in 000's	Actual	Actual	Actual	Forecast	Budget	\$	%	\$	%
Ship Canal Fishing & Operations	4,592	5,076	5,169	5,600	5,600	0	0%	431	8%
Elliott Bay Fishing & Commercial Operations	5,975	6,564	6,602	6,010	6,010	0	0%	(592)	-9%
Recreational Boating	13,978	15,505	16,555	18,273	18,273	0	0%	1,718	10%
Cruise	30,469	41,726	43,145	50,037	50,037	0	0%	6,893	16%
Grain	5,792	3,356	5,920	5,409	5,034	375	7%	(511)	-9%
Conference & Event Centers	8,914	6,738	7,490	8,776	9,151	(375)	-4%	1,286	17%
Leasing Portfolio	19,367	20,764	21,920	22,756	24,006	(1,250)	-5%	835	4%
Other	10	10	8	4	4	0	NA	(5)	-56%
<i>Pension Revenue Adjustment</i>	<i>170</i>	<i>(90)</i>	<i>(18)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>NA</i>	<i>18</i>	<i>NA</i>
<b>Total Revenue</b>	<b>89,265</b>	<b>99,648</b>	<b>106,791</b>	<b>116,865</b>	<b>118,115</b>	<b>(1,250)</b>	<b>-1%</b>	<b>10,073</b>	<b>9%</b>
<b>Expenses</b>									
Maritime Direct	33,680	37,061	36,595	42,982	42,657	(325)	-1%	6,387	17%
<b>Total Direct</b>	<b>33,680</b>	<b>37,061</b>	<b>36,595</b>	<b>42,982</b>	<b>42,657</b>	<b>(325)</b>	<b>-1%</b>	<b>6,387</b>	<b>17%</b>
Maintenance Expenses	17,021	19,317	20,832	19,981	19,581	(400)	-2%	(851)	-4%
Economic Development	1,830	2,543	2,202	2,133	2,133	0	0%	(69)	-3%
Env & Sustainability	3,356	4,028	4,992	5,336	5,136	(200)	-4%	344	7%
Seaport Finance & Cost Recovery	1,506	1,738	2,222	2,233	2,083	(150)	-7%	11	1%
Waterfront Project Management	1,235	2,313	2,945	3,210	3,060	(150)	-5%	265	9%
<b>Total Support Services</b>	<b>24,948</b>	<b>29,939</b>	<b>33,193</b>	<b>32,893</b>	<b>31,993</b>	<b>(900)</b>	<b>-3%</b>	<b>(300)</b>	<b>-1%</b>
IT	4,296	4,731	5,250	5,758	5,235	(523)	-10%	508	10%
Police Expenses	3,902	5,620	6,044	5,145	5,145	0	0%	(898)	-15%
External Relations	2,729	3,005	3,620	3,375	3,664	289	8%	(245)	-7%
Other Central Services	11,530	12,769	16,852	14,787	14,521	(266)	-2%	(2,066)	-12%
Aviation Division / Other	514	471	436	533	533	0	0%	97	22%
<b>Total Central Services / Other</b>	<b>22,972</b>	<b>26,596</b>	<b>32,202</b>	<b>29,598</b>	<b>29,098</b>	<b>(500)</b>	<b>-2%</b>	<b>(2,605)</b>	<b>-8%</b>
<b>Total Expense before Pension Adjustment</b>	<b>81,600</b>	<b>93,596</b>	<b>101,991</b>	<b>105,473</b>	<b>103,748</b>	<b>(1,725)</b>	<b>-2%</b>	<b>3,482</b>	<b>3%</b>
<i>Pension Expense Adjustment</i>	<i>(2,561)</i>	<i>3,850</i>	<i>(3,145)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>NA</i>	<i>3,145</i>	
<b>Total Expense</b>	<b>79,039</b>	<b>97,446</b>	<b>98,846</b>	<b>105,473</b>	<b>103,748</b>	<b>(1,725)</b>	<b>-2%</b>	<b>6,627</b>	<b>7%</b>
<i>NOI excluding Pension Adjustments</i>	<i>7,495</i>	<i>6,142</i>	<i>4,818</i>	<i>11,392</i>	<i>14,367</i>	<i>(2,975)</i>	<i>-21%</i>	<i>6,573</i>	<i>136%</i>
<b>NOI Before Depreciation</b>	<b>10,226</b>	<b>2,202</b>	<b>7,945</b>	<b>11,392</b>	<b>14,367</b>	<b>(2,975)</b>	<b>-21%</b>	<b>3,446</b>	<b>43%</b>
Depreciation	21,974	22,421	23,850	21,433	21,433	0	0%	(2,417)	-10%
<b>NOI After Depreciation</b>	<b>(11,748)</b>	<b>(20,219)</b>	<b>(15,905)</b>	<b>(10,042)</b>	<b>(7,067)</b>	<b>(2,975)</b>	<b>-42%</b>	<b>5,863</b>	<b>37%</b>

### III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/25

#### 2025 Forecast vs. 2025 Budget

- Operating Revenues are forecasted to be \$1.25M lower than budget:
  - Conference Centers down \$375K from fewer events.
  - Grain \$375K up from volumes.
  - Five months of \$250K environmental cost credit at T106 ground lease unbudgeted (\$1.25M).
- Operating Expenses forecasted \$1.7M above budget from payroll and unbudgeted project expenses.
- Net Operating Income Planned \$3M unfavorable to budget.

#### 2025 Forecast vs. 2024 Actuals (Excludes Pension Adjustment)

- Operating Revenues expected to be \$10M higher than 2024 with higher conference & event volumes and rate increases in Cruise and Rec Boating.
- Operating Expenses forecasted \$3.5M higher than 2024 actual driven primarily by increased represented and non-represented wage rates.
- Net Operating Income (absent pension costs) is forecasted \$6.6M higher than 2024 actual.

#### C. CAPITAL RESULTS

	2025 Actual	2025 YE Forecast	2025 Budget	2025 POF	Budget vs Forecast	
\$ in 000's					\$	%
T91 Berth 6 & 8 Redev	26,266	53,863	45,903	59,766	7,960	17%
FT Maritime Innovation Center	6,410	16,740	16,832	22,675	(92)	-1%
MIC Electrical Replacements	1,736	3,678	3,678	9,640	0	0%
T91 New Cruise Gangway	985	3,235	3,220	6,402	15	0%
Bell St Parking Garage Imrov	406	1,906	2,115	2,658	(209)	-10%
P90/P91 E Term Emerg Repair	1,978	2,043	1,899	0	144	8%
FT Site Improvements	272	1,920	1,860	1,432	60	3%
Elliott Bay Connections (EBC)	14	956	1,145	1,145	(189)	-17%
P66 Fender Replacement	1,615	1,635	1,055	3,070	580	55%
Waterfront LED Lighting	30	605	1,021	650	(416)	-41%
Fleet	888	3,701	3,660	3,800	41	1%
All Other Projects	6,858	22,343	23,251	52,636	(908)	-4%
Subtotal	47,458	112,625	105,639	163,874	6,986	7%
CIP CashFlow Mgt	0	(9,611)	(15,812)	(32,175)	6,201	-39.2%
<b>Total Maritime</b>	<b>47,458</b>	<b>103,014</b>	<b>89,827</b>	<b>131,699</b>	<b>13,187</b>	<b>15%</b>
<b>% of Capital Budget</b>	<b>53%</b>	<b>115%</b>				

Note: POF (Plan of Finance) is the total estimated during the budget process.

#### **Comments on Key Projects with Significant Variances**

- **T91 Berth 6&8** – Increase in 2025 due to change orders related to seawall/other unexpected site conditions. Assumed 50% use of contingency but now closer to 80%.
- **Waterfront LED Lighting** – Common space projects underway, but tenant space projects delayed for additional development.
- **P66 Fender Replacement** – Project is on schedule and budget. Additional costs reflect the inclusion of a barge impact assessment.
- **All Other Projects** – MD Video Camera Project procurement of HW pushed out to 2026, engagement with PCS slower than anticipated.

## IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/25

### IV. ECONOMIC DEVELOPMENT DIVISION

#### FINANCIAL SUMMARY

\$ in 000's	2023	2024	2025	2025	Actual vs. Budget		Change from 2024	
	Actual	Actual	Forecast	Budget	Variance			
					\$	%	\$	%
Total Revenues	(24)	8	13	3	10	333%	5	61%
Total Operating Expenses	3,351	2,951	3,800	3,890	90	2%	849	29%
Net Operating Income	(3,375)	(2,943)	(3,787)	(3,887)	100	3%	(844)	-29%
NOI Including Pension Adj	(2,408)	(2,121)	(3,787)	(3,887)	190	5%	(1,665)	79%

#### 2025 Forecast vs. 2025 Budget

- Net Operating Income forecasted at \$100K above budget, due to unbudgeted GASB 87 adjustments.

#### 2025 Forecast vs. 2024 Actuals

- Net Operating Income forecasted \$844K lower than 2024 actual from increased payroll and cycle timing for Economic Development and Tourism grants moving from a 1yr to a 2yr cycle.

#### a. OPERATING RESULTS

\$ in 000's	2022 YTD	2023 YTD	2024 YTD	2025 YTD	2025 YTD	Actual vs. Budget		Change from 2024	
	Actual	Actual	Actual	Actual	Budget	Variance			
						\$	%	\$	%
Misc Revenue	1	8	9	11	2	9	NA	2	21%
Pension Revenue Adjustment	0	0	0	0	0	0	NA	0	NA
Total Revenue	1	8	9	11	2	9	601%	2	21%
Expenses									
Division Admin	(1)	184	66	36	340	303	89%	(30)	-46%
Re Dev & Planning	(0)	0	0	0	0	0	100%	0	
Small Business	0	0	0	0	25	25	100%	(0)	-34%
Tourism	1,099	524	558	757	837	79	9%	200	36%
Total EDD	1,098	707	624	793	1,201	408	34%	170	27%
Maritime / Maintenance	14	10	11	19	12	(7)	-61%	8	77%
Central Services / IT	11	14	14	14	16	2	13%	0	2%
Total Support Services	25	24	25	33	28	(5)	-18%	9	35%
Total Expense	1,124	731	648	827	1,229	403	33%	178	27%
NOI Before Depreciation	(1,122)	(723)	(640)	(816)	(1,228)	412	34%	(176)	-28%
Depreciation	5	6	5	7	5	(2)	-34%	2	40%
NOI After Depreciation	(1,128)	(729)	(645)	(823)	(1,233)	410	33%	(178)	-28%

#### 2025YTD Actuals vs. 2025 YTD Budget

- Operating Revenues were \$9K favorable from higher-than-expected rental income at the Duwamish Hub.
- Operating Expenses were \$403K below budget due to GASB 87 impact at Duwamish Hub and timing of outside services spending.
- Operating income \$412K higher than budget.

**V. CENTRAL SERVICES DIVISION****FINANCIAL SUMMARY**

	2023 YTD	2024 YTD	2025 YTD	2025 YTD	Actual vs. Budget		Change from 2024	
\$ in 000's	Actual	Actual	Actual	Budget	Variance		Incr (Decr)	
					\$	%	\$	%
<b>Total Operating Revenues</b>	<b>290</b>	<b>145</b>	<b>119</b>	<b>53</b>	<b>66</b>	<b>123.9%</b>	<b>(25)</b>	<b>-17.6%</b>
Core Central Support Services	51,219	59,083	62,009	61,799	(211)	-0.3%	2,926	5.0%
Police	17,323	22,275	23,145	23,551	406	1.7%	870	3.9%
Engineering/PCS	6,383	6,607	8,687	11,471	2,784	24.3%	2,080	31.5%
<b>Total Operating Expenses</b>	<b>74,925</b>	<b>87,964</b>	<b>93,841</b>	<b>96,820</b>	<b>2,979</b>	<b>3.1%</b>	<b>5,877</b>	<b>6.7%</b>

**2025 YTD Actuals vs. 2025 YTD Budget**

- Operating Revenues favorable by \$56K due primarily to Police forfeiture.
- Operating Expenses \$3M favorable to budget mainly due to Lower Outside Services, Equipment Expense, and Travel; partially offset by higher Payroll, lower charges to Capital Projects, and higher General Expenses.

**2025 YTD Actuals vs. 2024 YTD Actuals**

- Operating Revenues \$25K below 2024 mainly due to lower Police forfeiture.
- Operating Expenses \$5.9M higher than 2024 mainly due to higher Payroll, Travel & Other Employee Expenses, Supplies & Stock, Equipment Expense, and General Expenses in 2025; partially offset by less spending in Outside Services and Promotional Hosting.

**A. BUSINESS EVENTS**

- Sponsored and participated in the 2025 South King County Career Showcase, connecting over 2,200 students with career opportunities, training programs, and internships in Port-related industries.
- Hosted the Port of Seattle's Duwamish Valley Community Partner Roundtable on Federal Changes and Local Preparedness.
- Hosted several government, business and industry tours of SEA in support of SAMP.
- Sponsored and attended the Seattle Chamber's Intercity Study Tour to Toronto.
- Participated in a DHS audit on aviation cybersecurity compliance, sharing insights on its cybersecurity investments to support operational security.
- Conducted student outreach through various events, including career days, school tours, project kick-offs, and presentations with middle school, high school, and college students across the region.
- Sponsored strategic partner, business and community events including: The Propeller Club, Redmond's State of the City Address, Woodinville Chamber State of Economy Luncheon, FOGHI Environment and Cultural Educational Tours, Snoqualmie State of the City, Highline Schools Foundation Gold Star Breakfast, Maritime Industry Awards Breakfast, West Seattle Chamber's Annual Awards breakfast, Woodinville's Economic Development Luncheon, Friends of the Waterfront 5K Run, Issaquah Community Awards Banquet, Bellevue Chamber Annual Gala, Prop Club Scholarship Lunch, Highline Heritage Museum 6<sup>th</sup> Anniversary Celebration, DVDEP 5<sup>th</sup> Anniversary Community Celebration, South Seattle Leadership Conference.

## V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/25

### B. KEY PERFORMANCE METRICS

Century Agenda Strategic Objectives	2023	2024	2025
<b>Responsibly Invest in the Economic Growth of the Region and all its Communities</b>			
A. Job seekers placed in jobs at SEA Airport through the Employment Center	1,594	1,202	387
B. Number of SEA Airport tenants supported in finding employees	93	111	118
C. Employment Center training completions	1,012	867	246
D. K-12 Career Connected Learning: WFD engagement with teachers/faculty	12	21	8
E. Community members entering employment in construction, maritime and environmental sustainability	70	96	14
F. Number of Job Openings Posted	336	285	153
G. Job applications received	18,830	17,753	11,583
H. Number of job interviews conducted	2,333	1,893	1,271
I. Number of new employees hired	495	405	181
J. Number of interns	133	123	105
K. Number of Veteran Fellows	5	3	5
L. Number of employees participating in Tuition Reimbursement	15	22	11
<b>Become a Model for Equity, Diversity and Inclusion</b>			
A. Employee participation in OEDI programming (Caucuses, Book Clubs, Town Halls, etc.)	2,907	3,368	1,415
<b>Be a Highly Effective Public Agency</b>			
A. Central Services costs as a % of Total Operating Expenses	27.0%	30.9%	28.5%
B. Investment portfolio earnings versus the benchmark (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index)	3.70%/4.34%	3.82%/4.37%	3.56%/3.79%
C. Comply with Public Disclosure Act and respond in a timely manner	1,204	1,339	827
D. Employee Development Class Attendees/Structured Learning	3,289	2,286	1,893
E. Total Recordable Incident Rate (previous Occupational Injury Rate)	4.16	3.11	3.92
F. Lost Work Day Rate (previously Days Away Severity Rate)	72.41	57.45	73.37
G. Customer Survey for Police Service Excellent or Above Average	90%	TBD	TBD

## V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/25

### C. OPERATING RESULTS

#### Financial Summary (Year-End Forecast)

	2023	2024	2025	2025	Fcst vs. Budget Variance		Change from 2024 Incr (Decr)	
\$ in 000's	Actual	Actual	Forecast	Budget	\$	%	\$	%
<b>Total Revenues</b>	<b>(216)</b>	<b>403</b>	<b>244</b>	<b>183</b>	<b>61</b>	<b>33.5%</b>	<b>(158)</b>	<b>-39.3%</b>
Executive	3,147	6,025	3,325	2,779	(546)	-19.7%	(2,700)	-44.8%
Commission	2,448	3,042	3,465	3,589	124	3.4%	423	13.9%
Legal	10,315	10,312	7,704	6,255	(1,449)	-23.2%	(2,608)	-25.3%
External Relations	10,154	14,379	13,384	14,211	827	5.8%	(995)	-6.9%
Equity Diversity and Inclusion	5,475	6,449	7,010	7,435	425	5.7%	561	8.7%
Human Resources	13,543	16,099	17,780	17,817	36	0.2%	1,681	10.4%
Labor Relations	1,292	1,541	1,764	1,933	169	8.7%	223	14.5%
Internal Audit	1,944	1,935	2,294	2,267	(27)	-1.2%	358	18.5%
Accounting & Financial Reporting Services	9,032	10,003	11,842	12,059	217	1.8%	1,839	18.4%
Information & Communication Technology	25,914	30,410	34,924	31,482	(3,443)	-10.9%	4,515	14.8%
Information Security	2,040	2,613	3,577	2,968	(609)	-20.5%	964	36.9%
Finance & Budget	2,602	3,075	3,303	3,179	(124)	-3.9%	228	7.4%
Business Intelligence	1,609	1,888	2,338	2,543	205	8.1%	450	23.8%
Risk Services	5,756	7,395	7,591	8,016	425	5.3%	196	2.6%
Office of Strategic Initiatives	1,291	1,125	1,545	1,557	13	0.8%	420	37.3%
Central Procurement Office	6,376	7,079	8,899	9,165	266	2.9%	1,821	25.7%
Contingency	(251)	21,534	(50)	(2,655)	(2,605)	98.1%	(21,584)	-100.2%
Environment & Sustainability	1,137	1,479	2,190	2,544	354	13.9%	711	48.1%
<b>Core Central Support Services</b>	<b>103,823</b>	<b>146,382</b>	<b>132,884</b>	<b>127,143</b>	<b>(5,742)</b>	<b>-4.5%</b>	<b>(13,497)</b>	<b>-9.2%</b>
Police	36,422	43,591	45,849	45,860	12	0.0%	2,258	5.2%
<b>Total Before Cap Dev &amp; Environment</b>	<b>140,245</b>	<b>189,972</b>	<b>178,733</b>	<b>173,003</b>	<b>(5,730)</b>	<b>-3.3%</b>	<b>(11,239)</b>	<b>-5.9%</b>
Capital Development								
Engineering	6,263	8,581	12,750	15,131	2,381	15.7%	4,168	48.6%
Port Construction Services	5,644	7,063	7,586	7,777	191	2.4%	523	7.4%
Sub-Total	11,907	15,644	20,336	22,907	2,571	11.2%	4,692	30.0%
Industrial Development Corporation	1	-	-	-	-	0.0%	-	0.0%
Capital to Expense	-	499	-	-	-	0.0%	(499)	-100.0%
<b>Total Expenses</b>	<b>152,153</b>	<b>206,115</b>	<b>199,069</b>	<b>195,910</b>	<b>(3,159)</b>	<b>-1.6%</b>	<b>(7,046)</b>	<b>-3.4%</b>

**2025 Forecast vs. 2025 Budget**

Operating Expenses for 2025 are forecasted to be \$3.2M over Budget due primarily to:

- **Executive** – unfavorable variance of (\$546K) due to higher Promotional Expenses (\$398K), Outside Services (\$157K), Payroll (\$63K); partially offset by lower Travel & Other Employee Expenses of \$42K.
- **Commission** – favorable variance of \$124K primarily due to lower Payroll.
- **Legal** – unfavorable variance of (\$1.4M) due to higher Outside Services (\$1.2M), Payroll (\$247K), and less charges to Capital Projects (\$55K); partially offset by lower General Expenses \$30K.
- **External Relations** – favorable variance of \$827K primarily due to lower Outside Services of \$1.3M and General Expenses \$119K; partially offset by higher Payroll (\$344K) and Promotional Expenses (\$227K).
- **Equity, Diversity, and Inclusion** – favorable variance of \$425K primarily due to lower Outside Services of \$445K.
- **Human Resources** – favorable variance of \$36K primarily due to lower Payroll of \$175K, Travel & Other Employee Expenses \$59K; partially offset by higher General Expenses (\$198K) and Outside Service (\$25K).
- **Labor Relations** – favorable variance of \$169K primarily due to lower Payroll \$143K and Travel & Other Employee Expenses \$19K.
- **Internal Audit** – unfavorable variance of (\$27K) primarily due to higher Payroll(\$56K); partially offset by lower Travel & Other Employee Expenses \$33K.
- **Accounting and Financial Reporting Services** – favorable variance of \$217K primarily due to lower Payroll \$192K and Travel & Other Employee Expenses \$45K; partially offset by higher Outside Services (\$29K).
- **Information & Communication Technology** – unfavorable (\$3.4M) due to higher Payroll (\$1.3M), Outside Services (\$1.2M), and lower charges to Capital Projects (\$1.5M); partially offset by lower Equipment Expense \$492K and Travel & Other Employee Expenses \$30K.
- **Information Security** – unfavorable variance of (\$609K) primarily due to higher Outside Services (\$553K) and payroll (\$47K).
- **Corporate Finance & Budget** – unfavorable variance of (\$124K) primarily due to higher Payroll (\$81K) and Outside Services (\$57K).
- **Business Intelligence** – favorable variance of \$205K primarily due to lower Outside Services \$179K.
- **Risk Services** – favorable variance of \$425K due to lower Insurance Expense \$479K; partially offset by higher Outside Services (\$47K)
- **Office of Strategic Initiative** – favorable variance of \$13K primarily due to lower Payroll.
- **Central Procurement Office** – favorable variance of \$266K primarily due to lower Payroll of \$401K; partially offset by less charges to Capital Projects (\$284K).
- **Environment & Sustainability Admin** – favorable variance of \$354K primarily due to lower Outside Services \$471K; partially offset by higher Payroll (\$80K).
- **Police** – favorable variance of \$12K primarily due to lower Outside Services \$390K, Travel & Other Employee Expenses \$231K Equipment \$116K; partially offset by higher General Expenses (\$406K), Payroll (\$303K), and Supplies & Stock (\$83K).
- **Engineering** – favorable variance of \$2.4M primarily due to lower Overhead Allocations of \$528K, Outside Services \$1.8M, and Equipment Expense \$150K; partially offset by higher Property Rentals (\$66K), Payroll (\$46K), and less charges to Capital Projects (\$88K).
- **PCS** – favorable variance of \$191K primarily due to lower Payroll \$484K and Outside Services \$141K; partially offset by higher Worker's Compensation Expenses (\$145K), Equipment Expense (\$80K), and lower Capital Projects (\$201K).
- **Contingency** – unfavorable variance of (\$2.6M) due to vacancy factor and comp project actuals in departments.



## V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/25

### 2025 Forecast vs. 2024 Actuals

- Operating Expenses for 2024 are forecasted to be \$7.0M lower than 2024 actuals, mainly due to:
  - Core Central Support Services** – \$14M lower than 2024 actuals mainly, primarily due to unbudgeted not having the compensation project and lower expected legal expenses in FY25.
  - Police** – \$2.3M above 2024 due to: increase in salary and benefits for represented groups based on new contracts, new positions, and vacant positions in 2024.
  - Capital Development** – \$4.7M higher than 2024 primarily due to higher payroll and addition of new positions as well as contractual increases to support the capital program.

### D. CAPITAL RESULTS

	2025 YTD Actual	2025 Year-End Forecast	2025 Budget	2025 Plan of Finance	Budget Variance	
					\$	%
\$ in 000's						
Engineering Fleet Replacement	321	2,084	2,284	980	200	8.8%
Corporate Fleet Replacement	262	1,912	3,950	3,030	2,038	51.6%
Services Tech - Small Cap	257	1,425	1,345	1,500	(80)	-5.9%
Infrastructure - Small Cap	366	469	1,564	1,500	1,095	70.0%
ID Badge System Upgrade	1,925	2,425	3,903	2,899	1,478	37.9%
Radio Microwave Redund. Loop	610	1,015	1,967	1,931	952	48.4%
Public Safety Dispatch	48	648	1,474	0	826	56.0%
Physical Access Control System Refresh	19	46	885	1,095	839	94.8%
Maximo Software System Upgrade	0	1,000	1,000	1,600	0	0.0%
Police Axon Contract 2025	188	1,006	1,324	12,000	318	24.0%
Other (note 1)	209	3,005	4,751	12,950	1,746	36.8%
Subtotal	4,205	15,035	24,447	39,485	9,412	38.5%
CIP Cashflow Adjustment	-	(4,400)	(6,700)	(8,200)	(2,300)	34.3%
<b>TOTAL</b>	<b>4,205</b>	<b>10,635</b>	<b>17,747</b>	<b>31,285</b>	<b>7,112</b>	<b>40.1%</b>

Note:

(1) "Other" includes remaining ICT projects and small capital projects/acquisitions.