



Port of Seattle Regular Commission Meeting

September 23, 2025



COMMISSION REGULAR MEETING AGENDA

September 23, 2025

To be held virtually via MS Teams and in person at the Seattle-Tacoma International Airport – Conference Center, International Room, located at 17801 International Blvd, Seattle WA, Mezzanine Level. You may view the full meeting live at meetings.portseattle.org. To listen live, call in at +1 (206) 800-4046 or (833) 209-2690 and Conference ID 409 461 586#

ORDER OF BUSINESS

10:30 a.m.

1. CALL TO ORDER

2. **EXECUTIVE SESSION** – *if necessary, pursuant to RCW 42.30.110 (executive sessions are not open to the public)*

► 12:00 p.m. – PUBLIC SESSION

Reconvene or Call to Order and Pledge of Allegiance

3. **APPROVAL OF THE AGENDA** (*at this time, commissioners may reorder, add, or remove items from the agenda*)

4. SPECIAL ORDERS OF THE DAY

5. EXECUTIVE DIRECTOR'S REPORT

6. COMMITTEE REPORTS

7. **PUBLIC COMMENT** – *procedures available online at <https://www.portseattle.org/page/public-comment-port-commission-meetings>*

During the regular order of business, those wishing to provide public comment (in accordance with the Commission's bylaws) on Commission agenda items or on topics related to the conduct of Port business will have the opportunity to:

1) Deliver public comment via email: All written comments received by email to commission-public-records@portseattle.org will be distributed to commissioners and attached to the approved minutes. Written comments are accepted three days prior to the meeting and before 9 a.m. on the day of the meeting. Late written comments received after the meeting, but no later than the day following the meeting, will be included as part of the meeting record.

2) Deliver public comment via phone or Microsoft Teams conference: To take advantage of this option, please email commission-public-records@portseattle.org with your name and agenda item or topic related to the conduct of Port business you wish to speak to by 9:00 a.m. PT on Tuesday, September 23, 2025. **(Please be advised that public comment is limited to agenda items and topics related to the conduct of Port business only.)** You will then be provided with instructions and a link to join the Teams meeting.

3) Deliver public comment in person by signing up to speak on your arrival to the physical meeting location: To take advantage of this option, please arrive at least 15 minutes prior to the start of any regular meeting to sign-up on the public comment sheet available at the entrance to the meeting room to speak on agenda items and topics related to the conduct of Port business.

For additional information, please contact commission-public-records@portseattle.org.

8. CONSENT AGENDA (*consent agenda items are adopted by one motion without discussion*)

8a. Approval of the Regular Meeting Minutes of September 9, 2025. **(enclosed)**

8b. Approval of the Claims and Obligations for the Period of August 1, 2025, through August 31, 2025, Including Accounts Payable Check Nos. 959300 through 959756 in the Amount of \$6,383,800.39; Accounts Payable ACH Nos. 076542 through 077289 in the Amount of \$87,828,231.72; Electronic Fund Transfer Nos. 069496 through 069516 in the Amount of \$18,166,465.48; Payroll Check Nos. 229348 through 229548 in the Amount of \$182,244.20; and Payroll ACH Nos. 1264792 through 1272511 in the Amount of \$28,738,634.86, for Total Payments of \$141,299,376.65. **(memo enclosed)**

8c. Commission Authorization to Extend Approval for Aviation Security Training Previously Approved May 27, 2025, for an Additional Three Years and the Requested Amount of \$208,500 for the Executive Director to Approve the Office of Equity Diversity and Inclusion to Invest the Funds in the Program, for a Total Project Cost of \$417,000 in Aviation Security Training for Six Years (2026 – 2031). **(memo enclosed)**

8d. Authorization for the Executive Director to Enter into an MOU with Teamsters Local 174, Representing Truck Drivers at Marine Maintenance and Port Construction Services, Amending Terms of the Collective Bargaining Agreement Applicable to Leave Provisions to Comport with the Western Conference Teamsters Pension Trust Requirements. **(memo and agreement enclosed)**

9. UNFINISHED BUSINESS

10. NEW BUSINESS

10a. Authorization for the Executive Director to Execute the Renewal of the Bonneville Power Administration Contract Serving the SEA Airport for Electrical Power Deliveries Beginning October 1, 2028, and Ending September 30, 2044, in the Estimated Amount of \$150,000,000 Over the Period of 16 Years. **(memo and presentation enclosed)**

11. PRESENTATIONS AND STAFF REPORTS

11a. 2026 Central Services Preliminary Budget and Portwide Rollup Briefing. **(memo and presentation enclosed)**

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

13. ADJOURNMENT



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Seattle, Washington 98111
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APPROVED MINUTES COMMISSION REGULAR MEETING

September 9, 2025

The Port of Seattle Commission met in a regular meeting Tuesday, September 9, 2025. The meeting was held at the Port of Seattle Headquarters Building Commission Chambers, located at 2711 Alaska Way, Seattle Washington, and virtually on Microsoft Teams. Commissioner Cho was excused from attendance at the meeting.

1. CALL to ORDER

The meeting was convened at 10:46 a.m. by Commission President Toshiko Hasegawa.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The public meeting recessed into executive session to discuss one item regarding Litigation/Potential Litigation/Legal Risk per RCW 42.30.110(1)(i) for approximately 60 minutes, with the intention of reconvening the public session at 12:00 p.m. Following the executive session, the public meeting reconvened at 12:11 p.m. Commission President Toshiko Hasegawa led the flag salute.

3. APPROVAL of the AGENDA

The agenda was approved, as amended, with Agenda Item 8h removed from the Consent Agenda and addressed separately.

4. SPECIAL ORDERS OF THE DAY

4a. Proclamation Recognizing September 15 - October 15 as Latino Heritage Month at the Port of Seattle.

Requested document(s) included a proclamation.

Presenter(s):

LeeAnne Schirato, Deputy Chief of Staff, Commission Office
Judy Rodriguez, Landside Parking Services Admin, Employee Parking
Rocio Trujillo, PCS Construction Project Manager II, Port Construction Services

Clerk Hart read Item 4a into the record and Executive Director Metruck introduced the item.

Members of the Commission spoke to the contributions of the Latino community and recognized the importance of the proclamation especially during unprecedented times. They expressed doing everything the Port can to lift up human rights in the face of adversity.

The motion, made by Commissioner Mohamed, carried by the following vote:

In favor: Calkins, Felleman, Hasegawa, and Mohamed (4)

Opposed: (0)

5. EXECUTIVE DIRECTOR'S REPORT

Executive Director Metruck previewed items on the day's agenda and made general and meeting-related announcements.

At this time, an Order not included on the agenda was brought forward in the form of a motion for consideration by the Commission.

Order No. 2025-10 authorized the appointment of Executive Director Stephen P. Metruck as Professor in Practice at the University of Washington School of Marine and Environmental Affairs.

The motion, made by Commissioner Felleman, carried by the following vote:

In favor: Calkins, Felleman, Hasegawa, and Mohamed (4)

Opposed: (0)

[Clerk's Note: Order No. 2025-10 has been finalized and is a part of the Commission archives.]

6. COMMITTEE REPORTS

Equity and Workforce Development

Commissioners Mohammed and Hasegawa convened the Equity and Workforce Development committee on August 12, 2025. There was one item for briefing relating to the name change for the South King County Fund. Commissioners recommended the action to rename the fund be forwarded to the Commission for consideration.

Portwide Arts and Culture Board

The Portwide Arts and Culture Board met on Tuesday, September 2, 2025, and welcomed its new public board member, Emily Tanner-McLean and the new public art technician, Kate Quamma. The Board also received an update on new art installations at SEA and at Fisherman Terminal, and separately, discussed updating board policy and guidelines.

7. PUBLIC COMMENT

- The following person spoke in opposition to the proposed removal of trees in the flight corridor safety area: Sarah Moore, city of Burien;
- The following person spoke in support of the Latino Heritage Month proclamation and the contributions of the Latino community: Luis Navarro;
- The following person spoke regarding the Port's Sound Insulation Program, noting concerns of state funding being eliminated to support the program and stating that the Port should restore

DNL boundaries as they were originally designated and funded: Brian Davis, Burien Airport Committee;

- The following person spoke regarding flight noise in the Ravenna/Cowen neighborhood, stating that a petition of neighbors has been gathered regarding opposition to the noise levels: Ann Krumboltz (*written comments also submitted*).
- The following people spoke in support of the Youth Maritime Career Launch program through the Port: Grace Dollente, Urban League of Metropolitan Seattle and LeAsia Jackson, Maritime Blue.
- The following person spoke in support of Agenda Item 8j, regarding the MARAD grant: Matt Ventoza, ILWU Local 19;
- The following person spoke regarding the State of the Port speech delivered earlier in the year; the impact of Port operations on the community; and in opposition to the proposed removal of trees in the flight corridor Burien area: Sandy Hunt, Defenders of Highline Forest.
- In lieu of spoken comment, written comment asking the Port to reduce the number of cruise sailings from the Port of Seattle, to lobby the Legislature to expand the mission of WA ports to include stewardship; to implement the emissions reduction timetable in the proposed US Clean Shipping Act; and to work in collaboration to support regional solutions to reduce cruise harm was submitted by: Arun Ganti; and
- In lieu of spoken comment, written comments in opposition to the proposed removal of trees in the flight safety corridor were submitted by: Peggy Printz, Jenn Kropack, and Lauren Frederick.

[Clerk's Note: All written comments are combined and attached here as Exhibit A.]

8. CONSENT AGENDA

[Clerk's Note: Items on the Consent Agenda are not individually discussed. Commissioners may remove items for separate discussion and vote when approving the agenda.]

8a. Approval of the Regular Meeting Minutes of August 12, 2025.

8b. Monthly Notification of Prior Executive Director Delegation Actions August 2025.

Request document(s) included an agenda memorandum for information only.

8c. Order No. 2025-08: An Order Reappointing a Member to the Port of Seattle Commission Board of Ethics for 2025 - 2028.

Request document(s) included an Order.

8d. Commission Approval of International Travel Requests for Known Travel in the Fourth Quarter 2025.

Request document(s) included an agenda memorandum.

- 8e. Authorization for the Executive Director to Enter into a Memorandum of Understanding with Laborers Local Union 242 Affiliated with the Seattle Building Trades, Allowing the Port to Contribute a 2.5 Percent PTO Benefit for Emergency Hires, Limited-Duration Employees, and Apprentices.**

Request document(s) included an agenda memorandum and agreement.

- 8f. Order No. 2025-09: An Order to Rename the South King County Community Impact Fund as the South King and Port Communities Fund.**

Request document(s) included an Order.

- 8g. Authorization for the Executive Director to Enter into a Memorandum of Understanding with the Seattle Building Trades, Allowing the Port to Install and Utilize Fleet Vehicle Telematics and Vehicle Cameras in Port Vehicles Operated by Represented Members of the Seattle/King County Building and Construction Trades Council.**

Request document(s) included an agenda memorandum and agreement.

- ~~8h¹. Authorization for the Executive Director to Sign and Execute an Environmental Protection Agency Administrative Settlement Agreement and Order on Consent Requiring the Port of Seattle, City of Seattle, and King County to Perform Remedial Design for the East Waterway Operable Unit of the Harbor Island Superfund Site; and to Sign a Potential Responsible Party Cost Sharing Agreement Between the Port of Seattle, City of Seattle, and King County to Share the Costs to Perform the Scope of Work.~~**

~~Request document(s) included an agenda memorandum, agreement 1, agreement 2, and presentation.~~

- 8i. Authorization for the Executive Director to Approve Funding to Design, Obtain Permits, Advertise and Execute a Small Works Construction Contract for PCS to Demolish the Fishermen's Terminal C14 Downie Building in the Amount of \$600,000, and to Complete Design and Permitting of the Entry and Exit Paving Project in the Amount of \$650,000, for a Total Request of \$1,250,000, for a Total Estimated Project Cost of \$4,400,000. (CIP #C801890).**

Request document(s) included an agenda memorandum and presentation.

¹ Agenda Item 8h was removed from the Consent Agenda and addressed separately.

- 8j. Commission Determination that a Competitive Process is Not Appropriate or Cost Effective Consistent with RCW 53.19.020(5); Authorizing the Port to Specify the Louis Dreyfus Company (LDC) as Sub-Awardee for the Entirety of the \$1,500,000 U.S. Maritime Administration (MARAD) Port Infrastructure Development Program Grant Application; and Executing Any Resulting Service Agreements with LDC to Achieve Grant Requirements if Funding is Awarded.**

Request document(s) included an agenda memorandum.

The motion for approval of consent agenda items 8a, 8b, 8c, 8d, 8e, 8f, 8g, 8i, and 8j carried by the following vote:

In favor: Calkins, Felleman, Hasegawa, and Mohamed (4)

Opposed: (0)

ITEMS REMOVED FROM THE CONSENT AGENDA

[Clerk's Note: Commissioner Mohamed recused herself from participating in discussion of Item 8h and left the meeting during this time.]

- 8h. Authorization for the Executive Director to Sign and Execute an Environmental Protection Agency Administrative Settlement Agreement and Order on Consent Requiring the Port of Seattle, City of Seattle, and King County to Perform Remedial Design for the East Waterway Operable Unit of the Harbor Island Superfund Site; and to Sign a Potential Responsible Party Cost Sharing Agreement Between the Port of Seattle, City of Seattle, and King County to Share the Costs to Perform the Scope of Work.**

Request document(s) included an agenda memorandum, agreement 1, agreement 2, and presentation.

Presenter(s):

Sarah Ogier, Director, Maritime Environment and Sustainability

Brick Spangler, Senior Environment Program Manager, Remediation and Contracting

The motion, made by Commissioner Calkins, carried by the following vote:

In favor: Calkins, Felleman, and Hasegawa (3)

Opposed: (0)

[Clerk's Note: Commissioner Mohamed returned to the meeting at this time.]

9. UNFINISHED BUSINESS

There was no unfinished business presented.

10. NEW BUSINESS

10a. Authorization for the Executive Director to Advertise, Award, and Execute a Major Works Construction Contract; to Execute Related Project Change Orders, Amendments, Work Authorizations, Purchases, Contracts, to Take Other Actions Necessary to Support and Deliver the Utility Meter Networking Project within the Approved Budget; and to Authorize Use of Port of Seattle Crews to Support Construction Activities, in the Requested Amount of \$31,175,000, for a Total Estimated Cost of \$35,525,000. (CIP #C801240)

Requested document(s) included an agenda memorandum and presentation.

Presenter(s):

Deepak Kaushal, AV Facilities and Infrastructure Senior Architect and Engineer
Abhinav Prasad, Capital Project Manager III, AV Project Management Group

Clerk Hart read Item 10a into the record and Executive Director Metruck introduced the item.

The presentation addressed:

- project scope, encompassing the replacement of outdated electrical meters with new standard electrical meters;
- comparison of old meters to new meters;
- project schedule with in-use date scheduled for the third quarter of 2027;
- project budget; and
- project progression of cost and schedule estimate accuracy.

Discussion ensued regarding:

- if there were any concerns with cyberthreats in updating the equipment;
- targeted carbon reduction goals; and
- setting a baseline before goals can be established.

The motion, made by Commissioner Calkins, carried by the following vote:

In favor: Calkins, Felleman, Hasegawa, and Mohamed (4)

Opposed: (0)

10b. Introduction of Resolution No. 3838: A Resolution Establishing a Revised Welcoming Port Policy Directive and Amending Resolution No. 3747, in Order to Demonstrate the Port's Ongoing Commitment to Supporting Immigrants, Refugees, and International Visitors in Line with the Port's Mission and Values.

Requested document(s) included an agenda memorandum, resolution, and presentation.

Presenter(s):

Tyler Emsky, Commission Strategic Advisor, Commission Office
Eric Schinfeld, Senior Manager, Federal and International Government Relations

Clerk Hart read Item 10b into the record and Executive Director Metruck introduced the item.

The presentation addressed:

- introduction of the resolution to update the 2018 Welcoming Port Policy Directive; to reaffirm and enhance the Port's commitment to immigrants, refugees, and international visitors; and to institutionalize existing, ongoing efforts at the Port;
- passage of the 2018 policy directive in response to federal policies and programs at the time, particularly the 'travel ban' Executive Order;
- full implementation of the policy, incorporating 'Keep Washington Working' laws;
- the need to update the policy due to the significant increase and changes in federal policies, programs, and activities related to immigration and international travel;
- key provisions of the proposed update; and
- Port implementation and administrative efforts to exact the policy directive.

Discussion ensued regarding:

- fear and uncertainty around port operations with respect to immigration policy impacts and federal actions;
- pro bono attorneys' ability to provide their services at the airport;
- immigration activities at the airport and the Port's values and legal authority in this regard; and
- exploring additional resources.

The motion, made by Commissioner Mohamed, to introduce Resolution No. 3838, carried by the following vote:

In favor: Calkins, Felleman, Hasegawa, and Mohamed (4)

Opposed: (0)

(Commissioner Mohamed exited the meeting at 1:49 p.m.)

Commission President Hasegawa noted that the resolution would be back before the Commission at the October 28, 2025, regular business meeting for consideration of adoption.

10c. Commission Authorization of the Development and Implementation of an Expanded Maritime Workforce Investment Strategy and Authorizing the Executive Director to Contract with Organizations Providing Outreach, Recruitment, Employer Engagement, Job Training, and Career Services in the Maritime Industry, in the Requested Amount of \$2,170,000, for the Period of Three Years.

Requested document(s) included an agenda memorandum and presentation.

Presenter(s):

Bookda Gheisar, Senior Director, Office of Equity, Diversity and Inclusion
Robert Brown, WFD Program Manager and Data Analyst, Workforce Development
Anna Pavlik, Director, Workforce Development

Clerk Hart read Item 10c into the record and Executive Director Metruck introduced the item.

The presentation addressed:

- Orders passed by the Commission for the Youth Maritime Career Launch Program;
- the pathway to entry-level maritime careers for young adults (18 – 24 years of age) furthest away from the opportunity;
- program budget and projected spend through the fourth quarter of 2025;
- additional maritime investments;
- the impact of the program – enrollments, trainings completed, placements into internships, and hourly wage at the time of placement;
- percentage of enrollments by race and gender;
- program successes and challenges;
- industry challenges and opportunities;
- drivers of success;
- program recommendations;
- changes to the program model;
- next steps – to continue to network with employers, community partners and industry leaders to inform linkages to career awareness, underway careers, Teal New Deal, etc.; and the Office of Equity, Diversity, and Inclusion’s goal to release solicitations as soon as possible and enter in contract in the second quarter of 2026, with services provided in the third quarter and through the fourth quarter of 2028; and
- recognition of Youth Maritime Career Launch partners.

Discussion ensued regarding:

- demonstrating value to both potential employees and employers;
- engaging tribal youth;
- Urban League and Maritime Blue subcontracting outcomes – strengths and cross-training;
- opportunity with respect to youth internships on Washington ferries;
- career connected learning;
- connecting minority groups to industry opportunities;
- measuring success through graduation rates;
- career services provided through the program;
- the process for outreach and engagement; and
- exploring trained maritime resources like the Coast Guard.

The motion, made by Commissioner Felleman, carried by the following vote:

In favor: Calkins, Felleman, and Hasegawa (3)

Opposed: (0)

11. PRESENTATIONS AND STAFF REPORTS

11a. Cyberattack Response Briefing.

Presentation document(s) included an agenda memorandum and presentation.

Presenter(s):

Steve Metruck, Executive Director, Executive Office
Karen Goon, Deputy Executive Director, Executive Office
Stephanie Warren, Assistant Director, Information Security
Ron Jimerson, Director Information Security/Chief Information Security Officer
Brian Kyser, Assistant Director, Emergency Preparedness

Clerk Hart read Item 11a into the record and Executive Director Metruck introduced the item.

The presentation addressed:

- overview of the 2024 cyberattack event;
- areas impacted;
- building a stronger more resilient port;
- recovery improvements including strengthening security controls, enhancing hardware and software, and automated incident detection and response;
- building an organizational continuity and resiliency program – developed to create a portwide system of standards, policies, and practices around continuity and resilience preparation in the event of a disruption; and
- sharing learned experiences – 9 conferences; 11 industry groups; and 9 peers.

Discussion ensued regarding:

- the Port's availability to send out emergency alert messages to employees;
- implementing uniform detection alerts; and
- appreciation for the work of staff and volunteers throughout the Port during the event and in the rebuilding of port systems.

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

Commissioner Calkins recognized Delmas Whittaker, Chief Operating Officer, Marine Maintenance, and team, and everyone who contributed to the great Seafair events this year.

Commissioner Cho added that the Port should have a float in the Seafair Parade.

13. ADJOURNMENT

The meeting adjourned at 2:56 p.m.

Prepared:

Attest:

Michelle M. Hart, Commission Clerk

Sam Cho, Commission Secretary

Minutes approved: September 23, 2025

COMMISSION
AGENDA MEMORANDUM

Item No. 8b

ACTION ITEM

Date of Meeting September 23, 2025

DATE: September 9, 2025
TO: Steve Metruck, Executive Director
FROM: Eloise Olivar, AFR Assistant Director Disbursements
SUBJECT: **Claim and Obligations – August 2025**

ACTION REQUESTED

Request Port Commission approval of the Port Auditor's payment of the salaries and claims of the Port pursuant to RCW 42.24.180 for payments issued during the period August 01 through 31, 2025 as follows:

Payment Type	Payment Reference Start Number	Payment Reference End Number	Amount
Accounts Payable Checks	959300	959756	\$6,383,800.39
Accounts Payable ACH	076542	077289	\$87,828,231.72
**Accounts Payable Electronic Fund Transfer (EFT)	069496	069516	\$18,166,465.48
Payroll Checks	229348	229548	\$182,244.20
Payroll ACH	1264792	1272511	\$28,738,634.86
Total Payments			\$141,299,376.65

*** This line item includes 8 wires transfer totaling \$ 1,552,130.55*

Pursuant to RCW 42.24.180, "the Port's legislative body" (the Commission) is required to approve in a public meeting, all payments of claims within one month of issuance.

OVERSIGHT

All these payments have been previously authorized either through direct Commission action or delegation of authority to the Executive Director and through his or her staff. Detailed information on Port expenditures is provided to the Commission through comprehensive budget presentations as well as the publicly released Budget Document, which provides an even greater level of detail. The Port's operating and capital budget is approved by resolution in December for the coming fiscal year, and the Commission also approves the Salary and Benefit Resolution around the same time to authorize pay and benefit programs. Notwithstanding the Port's budget approval, individual capital projects and contracts exceeding certain dollar thresholds are also subsequently brought before the Commission for specific authorization prior to commencement of the project or contract - if they are below the thresholds the Executive Director is delegated authority to approve them. Expenditures are monitored against budgets monthly by management and reported comprehensively to the Commission quarterly.

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Effective internal controls over all Port procurement, contracting and disbursements are also in place to ensure proper central oversight, delegation of authority, separation of duties, payment approval and documentation, and signed perjury statement certifications for all payments. Port disbursements are also regularly monitored against spending authorizations. All payment transactions and internal controls are subject to periodic Port internal audits and annual external audits conducted by both the State Auditor's Office and the Port's independent auditors.

For the month of August 2025, over \$112,378,497.59 in payments were made to nearly 650 vendors, comprised of 2,424 invoices and over 10,525 accounting expense transactions. About 95 percent of the accounts payable payments made in the month fall into the Construction, Payroll Taxes, Employee Benefits, Contracted Services, Insurance, Sales Taxes, Other Liabilities, Utility Expenses, Software and Room-Space-Land Rental. Net payroll expense for the month of August was \$28,920,879.06.

Top 10 Payment Category Summary:

Category	Payment Amount
Construction	62,568,300.94
Payroll Taxes	11,560,132.71
Employee Benefits	7,830,149.03
Contracted Services	7,430,677.51
Insurance	4,468,760.38
Sales Taxes	3,743,785.73
Other Liabilities	3,646,265.06
Utility Expenses	1,977,115.97
Software	1,760,591.78
Room/Space/Land Rental	1,216,080.30
Other Categories Total:	6,176,638.18
Net Payroll	28,920,879.06
Total Payments	\$141,299,376.65

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Appropriate and effective internal controls are in place to ensure that the above obligations were processed in accordance with Port of Seattle procurement/payment policies and delegation of authority.



Lisa Lam/Port Auditor

At a meeting of the Port Commission held on September 23, 2025, it is hereby moved that, pursuant to RCW 42.24.180, the Port Commission approves the Port Auditor's payment of the above salaries and claims of the Port:

Port Commission

**COMMISSION
AGENDA MEMORANDUM**

Item No. 8c

ACTION ITEM

Date of Meeting September 23, 2025

DATE: September 16, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Leslie Horton, Program Manager & Data Analyst for Aviation, Workforce Development
Anna Pavlik, Director, Workforce Development
Bookda Gheisar, Senior Director, Office of Equity, Diversity, and Inclusion

SUBJECT: Multi-Year Funding Request for Aviation Security Training

Amount of this request: \$208,500

Total Requested Project Cost: \$417,000

ACTION REQUESTED

Request Commission authorization to extend its approval of the Aviation Security Training program, which was approved May 27, 2025, for an additional three years and \$208,500, authorizing the Executive Director to approve OEDI to invest a total of \$417,000 in aviation security training for six years (2026 – 2031). This authorization will direct the Port of Seattle to contract up to a total of \$417,000 over six years to an organization capable of providing aviation security training to Seattle-Tacoma International Airport (SEA) employees and near-port community members.

This item was originally brought to the Commission and approved on May 27, 2025, at a lower amount and fewer years (\$208,500 for three years). It has not yet been solicited.

It has since been determined that investing a higher amount for a longer period would be advantageous to the Port, as it would allow the training provider more time to execute and subsequently refine an AV Security training program before returning for approval. By extending the project period, we will attract more bidders and build a more robust training program with stronger outcomes.

EXECUTIVE SUMMARY

The Commission has approved two training pathways at SEA, which are both being delivered in partnership with South Seattle College and Port Jobs – Aviation Maintenance Technician and

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Ground Support Equipment Mechanic. To invest more Port resources into preparing people for quality, family-wage careers, this third training program will target the many growing career options in aviation security and offer near-port community members access to wage progression. The aviation security training will provide SEA employees and near-port community members with training in aviation security regulations, common airport and in-flight security measures for responding to threats, artificial intelligence as a mechanism to aid security measures, SIDA badging, and more. The training will prepare participants for an entry-level career in aviation security. The successful bidder of the solicitation will enter into a contract through 2031 with OEDI in partnership with Port Jobs. OEDI will report outcomes annually in the annual workforce development report and continue to monitor impact with internal and external stakeholders.

JUSTIFICATION

OEDI recommends the aviation security training for a number of reasons:

- 1) People with limited work experience and/or limited English skills will benefit from introductory aviation security training and SIDA badge training, making them more competitive for open positions.
- 2) Demand for trained security employees is forecasted to remain high.
- 3) There is strong potential for wage/career progression in the field of security and other aviation careers.
- 4) Local training programs exist, including many online trainings.
- 5) SEA has in-house experts to advise on training development to meet the Port's hiring needs.
- 6) Aligns with the Port's Century Agenda to increase equitable access to quality wage jobs.
- 7) The training is short, making it more accessible for working adults. Participants may be eligible for security jobs within one quarter.

DETAILS

OEDI committed to developing a third training pathway at SEA after successfully launching the Aviation Maintenance Technician and Ground Support Equipment Mechanic bridge training programs. Upon approval, OEDI will execute a solicitation to hire an organization to develop a new or modify an existing one to two quarter program in AV Security, which would prepare SEA employees and near-port community members for the Port's Level 1 security role as well as other entry-level security roles.

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Schedule

OEDI's goal is to release this solicitation as soon as possible and enter into a contract in Q1 2026 with services provided 2026 – 2031.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – The Port does not proceed with extending the timeline and increasing contract value for the Aviation Security Training.

Cost Implications: No cost implications.

Pros:

- (1) Reduces staff time for project delivery support, potentially freeing time for other efforts.
- (2) Allows resources to fund other priorities or programs.

Cons:

- (1) We anticipate the Port having on-going security workforce needs, and a three year contract would not be sufficient to fill these needs.

This is the recommended alternative.

FINANCIAL IMPLICATIONS***Cost Estimate/Authorization Summary***

	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$	\$208,500	\$208,500
AUTHORIZATION			
Previous authorizations	0	\$208,500	\$208,500
Current request for authorization	0	\$208,500	\$208,500
Total authorizations, including this request	0	\$417,000	\$417,000
Remaining amount to be authorized	\$0	\$0	

Annual Budget Status and Source of Funds

The Office of Equity, Diversity, and Inclusion will allocate \$69,500 annually in tax levy funds for the next six years.

ATTACHMENTS TO THIS REQUEST

None.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

May 27, 2025



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8d

ACTION ITEM

Date of Meeting September 23, 2025

DATE: September 2, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Greg Gauthier, Labor Relations Manager

SUBJECT: Port of Seattle – Teamsters Local 174 Memorandum of Understanding Re: Pension Compliance

ACTION REQUESTED

Request Commission authorization for the Executive Director to enter into an MOU with Teamsters Local 174, representing Truck Drivers at Marine Maintenance and Port Construction Services, amending those terms of the Collective Bargaining Agreement (CBA) that were not acceptable to the Western Conference Teamsters Pension Trust.

EXECUTIVE SUMMARY

The Port of Seattle and Teamsters Local 174 are parties to a CBA covering eight Truck Drivers working at Marine Maintenance and Port Construction Services, executed on February 20, 2025, and expiring on May 21, 2027. This latest CBA included new language allowing the employees to participate in the Port's Voluntary Vacation Cash Out program based upon the same terms as non-represented employees and employees would also have the same sick leave cash out upon termination after 5 years as non-represented employees.

Subsequent to the execution of the new CBA, the parties were notified by the Western Conference Teamsters Pension Trust that the new language would have to be modified to comport to the requirements of the pension trust. The parties agreed to amend the CBA language to comport to those requirements.

JUSTIFICATION

RCW Chapter 41.56 requires the Port of Seattle to collectively bargain wages, hours and conditions of employment with the exclusive bargaining representative designated by the employees.

Meeting Date: September 23, 2025

DETAILS

Employees will not be able to participate in the Port’s Voluntary Cash Out of Accumulated Vacation program and the sick leave accrual cash out upon termination language required a slight adjustment.

ATTACHMENTS TO THIS REQUEST

- (1) Memorandum of Understanding

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 22, 2024, Item 8f: New collective bargaining agreement between the Port of Seattle and the Teamsters Local 174 representing Truck Drivers at Marine Maintenance and Port Construction Services (PCS)

MEMORANDUM OF UNDERSTANDING
by and between
PORT OF SEATTLE
And
GENERAL TEAMSTERS LOCAL UNION NO. 174
Affiliated with the
INTERNATIONAL BROTHERHOOD OF TEAMSTERS

Re: Pension Compliance

This Memorandum of Understanding (MOU), made effective as of the date of signing, is entered into by and between the Teamsters Local 174 (Union) and the Port of Seattle (Port), referred to herein as the Parties.

WHEREAS, the Parties executed a new Collective Bargaining Agreement on February 20, 2025, which expires on May 31, 2027;

WHEREAS, the Collective Bargaining Agreement includes employer contributions, on behalf of each employee, to the Western Conference Teamsters Pension Trust;

WHEREAS, the Collective Bargaining Agreement includes vacation and sick leave accrual lump sum and/or cash-out benefits;

WHEREAS, the Western Conference Teamsters Pension Trust rejected acceptance of the new Collective Bargaining Agreement based upon the language associated with vacation and sick leave accrual lump sum and/or cash-outs;

WHEREAS, the parties wish to amend the benefits and language associated with vacation and sick leave accrual lump sum and/or cash-outs to meet the requirements of the Trust;

NOW THEREFORE, the Parties agree as follows:

1. The following paragraph from 15.02 shall be amended to read:

Upon termination or retirement, employees with at least five (5) years of continuous service may cash out their Sick Leave bank (within 480-hour limit) at 50% of the then current rate of pay. Contributions to Trust pension and benefits will not be made for Sick Leave cash out payments at termination or retirement.


2. Article 17.02, Voluntary Cash Out of Accumulated Vacation shall be deleted and replaced with the following:

Date Ratified:	<u>6/12/25</u>
Agent OK:	<u>WLS</u>
Date:	<u>8/22/25</u>

Article 17.02 Payment of Unused Vacation at Retirement or Termination: One hundred percent (100%) of unused vacation shall be paid to each regular employee covered by this Agreement who leaves the employment of the Port. Payment of unused vacation at retirement or termination shall not be subject to pension and benefit contributions.

This Memorandum of Understanding is effective upon signing and shall expire when incorporated into a successor CBA between the Port and the Union.

Stephen P. Metruck, Executive Director
Port of Seattle



Rick Hicks
Secretary-Treasurer
Teamsters Local 174

Date

August 22, 2025
Date

**COMMISSION
AGENDA MEMORANDUM**

Item No. 10a

ACTION ITEM

Date of Meeting September 23, 2025

DATE: September 23, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Dan Liska, Aviation Utility Program Manager
Keith Warner, Aviation Utilities Manager
Keri Stephens, Director, Aviation Facilities and Capital Programs

SUBJECT: Bonneville Power Administration (BPA) Power Contract Renewal (2028-2044)

Amount of this request: \$0

Total estimated contract cost: \$150,000,000
(over 16 years of power deliveries)

ACTION REQUESTED

Requesting Commission authorization for the Executive Director to execute the renewal of the Bonneville Power Administration (BPA) contract serving the airport for electrical power deliveries beginning October 1, 2028 and ending September 30, 2044.

EXECUTIVE SUMMARY

The airport has received electrical power from BPA since 2001. Renewal of existing contract, for power deliveries through the 2028-2044 period, is necessary by December 4, 2025 to maintain access to this reliable, clean, and low-priced source of power. The value of this agreement is estimated at \$150,000,000 over the 16-year contract period.

JUSTIFICATION

The airport and its tenants depend on electrical power to continue operation and as a public utility, the airport has an obligation to serve such needs. This contract supports many Century Agenda goals including being a highly effective public agency as well as the greenest and most energy efficient port in North America. BPA offers the lowest cost, lowest risk, and most reliable power in the region.

The electric utility landscape in the Pacific Northwest is undergoing significant changes as AI data centers plus the transition towards electrified transportation and heating are increasing demand for both electricity and associated transmission resources. The long-range regional planning for

Meeting Date: September 23, 2025

these electrical resources is the responsibility of the Northwest Power and Conservation Council and its key partner, BPA. The Northwest Power Act requires the Council to develop a plan to ensure an adequate, efficient, economical, and reliable power supply for the region. Working with regional partners and the public, the Council evaluates energy resources and their costs, electricity demand projections, and new technologies to determine a resource strategy for the region. The Council publishes a power plan every five years, with interim updates as needed.

Increasing intra-regional efforts are also an important part of the solution. New electricity markets along the West Coast will facilitate easier and more frequent energy exchanges from regions that have an abundance to those that have deficits. While it is common today for power to be exchanged between the Pacific Northwest and California, these new market mechanisms expedite and increase those exchanges and extend them across the West.

Diversity in Contracting

Utility contracts are excluded from these requirements due to a lack of alternative options available.

DETAILS

BPA is a nonprofit federal power marketing administration and the largest supplier of electrical power and transmission in the Pacific Northwest, providing cost-based wholesale power from 31 federal hydroelectric dams and the nuclear Columbia Generating Station across 15,000 miles of high-voltage transmission. On an annual basis, BPA power is currently 90-95% carbon-free, with new resources expected to be 100% carbon-free.

A signed contract for power deliveries between October 1, 2028 and September 30, 2044 is due to BPA by December 4, 2025 to maintain our existing priority customer relationship with BPA. This relationship provides the airport with access to cost-based electricity to serve its current needs and access to collective regional purchasing for future load growth. BPA also provides its customers significant power management resources including load forecasting, regulatory compliance support, and a comprehensive energy efficiency incentive program.

The estimated cost of this electricity during the contract period is \$150M. This cost estimate is based on anticipated BPA rate changes during the contract period as well as higher electrical consumption at the airport. BPA rates are adjusted every two years based on the costs of the system and is governed through a public process with customers and stakeholders. The higher electrical consumption anticipated at the airport is based on studies and capital projects that may include new and refurbished buildings, an all-electric central mechanical plant, and fleet vehicle electrification, partially mitigated through advanced conservation measures.

Scope of Work

Obtain electrical power supplies for transmission to SEA substations between 2028 and 2044.

Meeting Date: September 23, 2025

Schedule

Contract must be signed and returned to BPA by December 4, 2025.

Activity

Commission authorization	2025 Quarter 3
Signed contract due to BPA	December 4, 2025
Power deliveries start	October 1, 2028
Power deliveries end	September 30, 2044

Cost Breakdown

This Request

Total Contract

Total estimated costs (2028-2044)	\$0	\$150,000,000
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ALTERNATIVES AND IMPLICATIONS CONSIDERED**Alternative 1** – Obtain an alternative provider from the wholesale marketCost Implications: market prices expected to be at least double (\$300,000,000+ for 16 years)Pros:

- (1) Ability to select specific sources of power (wind, solar, hydroelectric, etc.).

Cons:

- (1) Greater price and supply risk exists with market participants and smaller providers.
- (2) Would require the airport to obtain a new transmission contract.
- (3) A 16-year contract term would likely not be available at the lowest prices.

This is not the recommended alternative.

Alternative 2 – Sign a contract renewal for power from the Bonneville Power AdministrationCost Implications: \$150,000,000 rate cost estimated over 16 yearsPros:

- (1) Maintain access to low-priced power for existing load and access to collective regional purchasing for load growth needs.
- (2) Minimize risk by maintaining priority customer relationship with BPA, the largest and most reliable regional provider of power and transmission services.
- (3) BPA power is currently 90%-95% carbon-free, and future resource acquisitions are expected to be 100% carbon-free.
- (4) BPA provides its customers with significant power management services including load forecasting and regulatory compliance support as well as a comprehensive energy efficiency incentive program.

Meeting Date: September 23, 2025

Cons:

- (1) Due to annual variability in electricity supplies (water availability, Columbia Generating Station refueling outages, etc.) and current regional data limitations on specification of origin for incidental market power purchases, BPA is not currently able to offer a 100% carbon-free product.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Costs are estimated over the 16-year term of the contract, but actual charges are due monthly as power is delivered. Electricity costs are included in existing Aviation budget and projections.

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$0	\$150,000,000	\$150,000,000
AUTHORIZATION			
Previous authorizations	0	0	0
Current request for authorization	0	0	0
Total authorizations, including this request	0	0	0
Remaining amount to be authorized	\$0	\$150,000,000	\$150,000,000

Annual Budget Status and Source of Funds

Electricity operating expenses will be incorporated into the Aviation Utilities operating budget. It is estimated that approximately 25% of these costs will be recovered directly from tenants with individual meters. The remaining 75% will be recovered through established rates and charges mechanisms applied to the airlines.

Future Revenues and Expenses (Total cost of ownership)

Not applicable.

ADDITIONAL BACKGROUND

The Port of Seattle invested substantial effort into qualifying the airport as a public utility and obtaining access to BPA priority power in 2001. A lapse in purchasing would relinquish the airport's current allocation of cost-based power and re-establishing that allocation, if possible, would only happen gradually over multiple future years after the airport restarted its BPA priority customer relationship.

Meeting Date: September 23, 2025

BPA currently serves 142 public power customers in the Pacific Northwest. The Northwest Power Act gives BPA a legal mandate to provide for its public power customers such as the Port of Seattle, its only port district customer. BPA power currently serves the SEA passenger terminal and cargo areas and some associated facilities. The airport's current contract, expiring in 2028, was signed in 2008 for deliveries beginning in 2011.

BPA is self-funded through rates yet backed by US Treasury borrowing authority. BPA contracts, rates, and business practices are established via public processes with substantial customer input and involvement. The Port of Seattle participates individually in these processes and as a member of the Public Power Council, a regional trade association. The airport has been participating in the regional development of this renewal contract since 2022.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

November 11, 2008 – The Commission authorized the execution of a Power Sales Agreement contract between Seattle-Tacoma International Airport and the Bonneville Power Administration

May 8, 2001 – The Commission authorized the execution of a Power Sales Agreement contract between Seattle-Tacoma International Airport and the Bonneville Power Administration

BPA Power Contract Renewal

Item #: 10a

Meeting Date: September 23, 2025

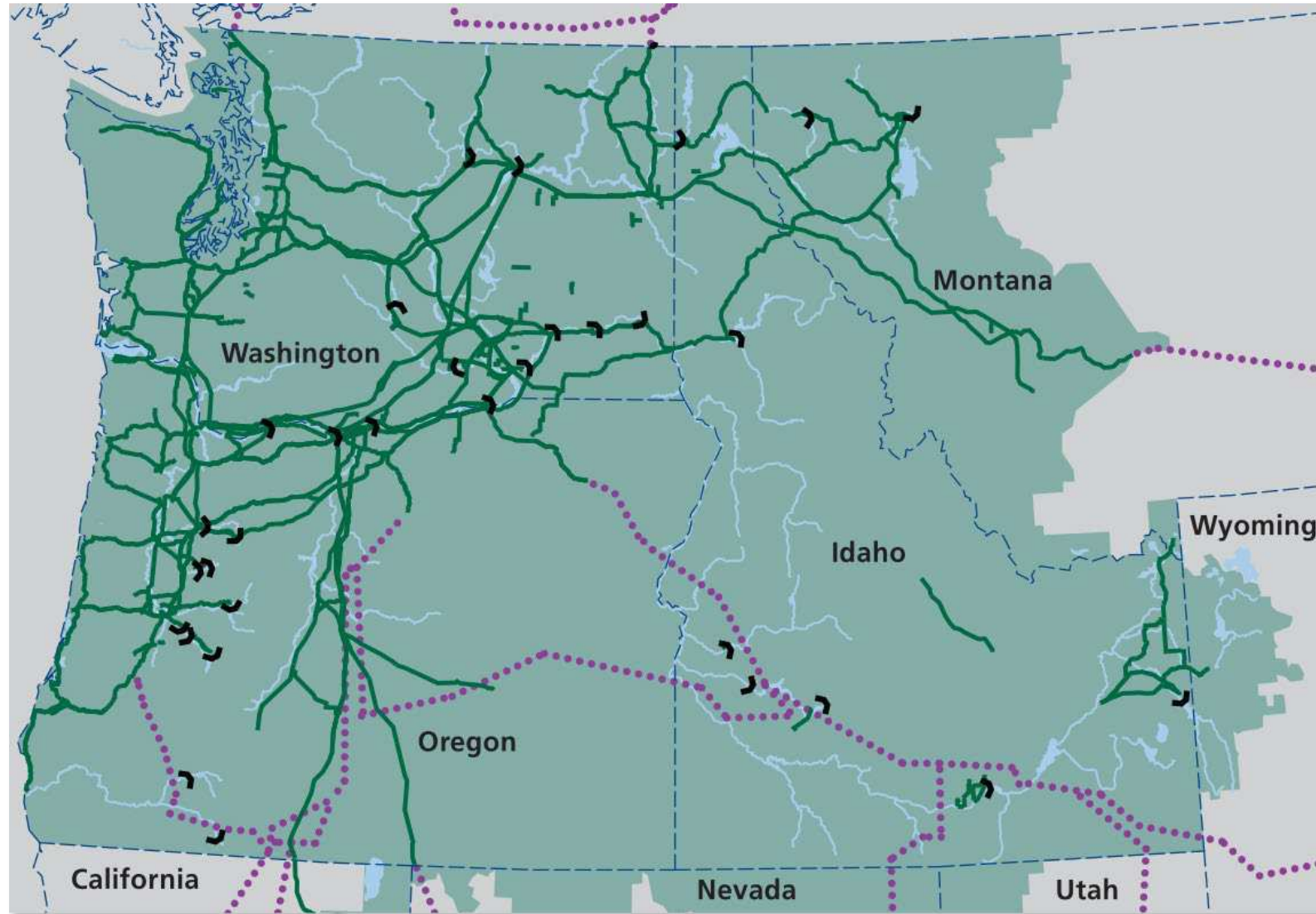
Aviation F&I Utilities



BPA Power Contract Renewal

- Renew the airport's electrical power contract with the Bonneville Power Administration (BPA) for power deliveries beginning October 1, 2028 and ending September 30, 2044
- Total estimated costs over 16-year contract term: \$150M
 - Includes staff estimates of biennial rate case increases and SEA load growth impacts through 2044
 - Currently, SEA pays about \$6M/year
- Signed contract due to BPA by December 4, 2025

About the Bonneville Power Administration (BPA)



*BPA service territory showing
federal dams and
transmission lines*

Regional Power and Transmission Planning

- Northwest Power and Conservation Council
 - Five-year power plans: next due 2026 (2021 plan updated 2024)
 - Annual resource adequacy assessments
- Bonneville Power Administration
 - Annual: regional loads and resources forecast and assessment
 - Annual: regional transmission plan
 - Evolving Grid (2024-2034): \$5B investment over 23 regional projects
 - Biennial: BPA resource assessment and plan
 - Annual: Port of Seattle load forecasting, impacts power and transmission planning

Providing Service to SEA

- BPA has supplied power for the SEA terminal and cargo area, among other airfield facilities, since SEA became eligible in 2001 by establishing itself as a public utility
- Existing contract, signed in 2008, covers power deliveries between 2011 and 2028
- Low risk, rates, and carbon content support Century Agenda goals including being a highly effective public agency as well as the greenest and most energy efficient port in North America

Looking Forward

- BPA supports serving future SEA load growth with proactive planning, transmission, and access to collective regional purchasing for future resource needs, expected to be 100% carbon-free
- 16-year rate estimates include operations and maintenance costs on existing federal resources, support for fish and wildlife programs, a continued focus on energy efficiency, and new resources added to meet load growth
- Alternatives present significantly higher levels of cost and risk

Action Requested

- Requesting Commission authorization for the Executive Director to execute the renewal of the Bonneville Power Administration (BPA) contract serving the airport for electrical power deliveries beginning October 1, 2028 and ending September 30, 2044.

Questions?

**COMMISSION
AGENDA MEMORANDUM**

Item No. 11a

BRIEFING ITEM

Date of Meeting September 23, 2025

DATE: September 5, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Elizabeth Morrison, Interim Chief Financial Officer
Michael Tong, Director, Corporate Budget

SUBJECT: 2026 Central Services Preliminary Budget and Portwide Rollup Briefing

EXECUTIVE SUMMARY

The purpose of this briefing is to discuss with the Commission the 2026 preliminary operating and capital budgets for Central Services and to provide a Portwide budget rollup to the Commission.

Staff would also like to seek the Commission's feedback on the preliminary Central Services operating and capital budgets. This is one of a series of budget briefings to the Commission starting from July. Staff also plans to discuss the three operating division operating and capital budgets on October 14, 2025 and the Tax Levy and Draft Plan of Finance on October 28, 2025 prior to the formal Commission reviews and approvals of the 2026 budget in November.

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

July 8, 2025 – 2026 Budget Development Briefing
June 17, 2025 – Commission Budget Retreat

Proposed 2026 Central Services Budget and Preliminary Port-wide Roll-up Commission Briefing

9/23/2025

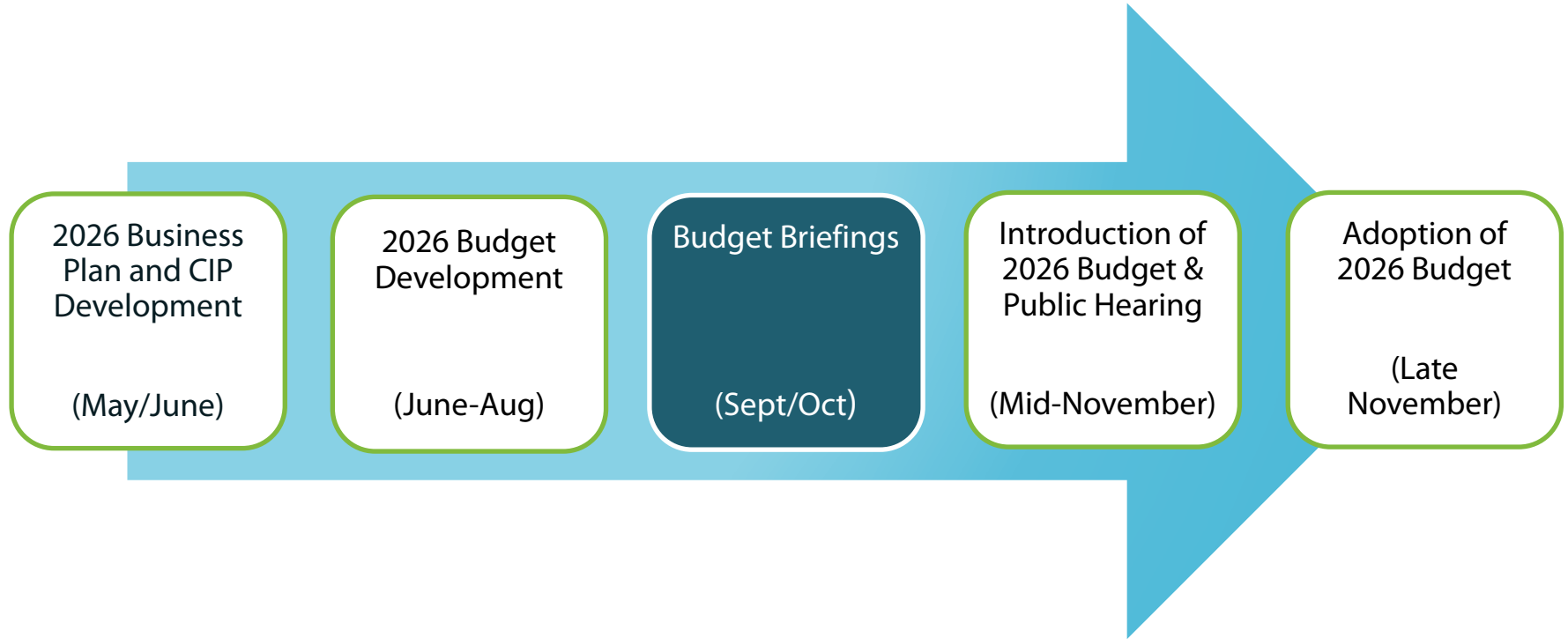




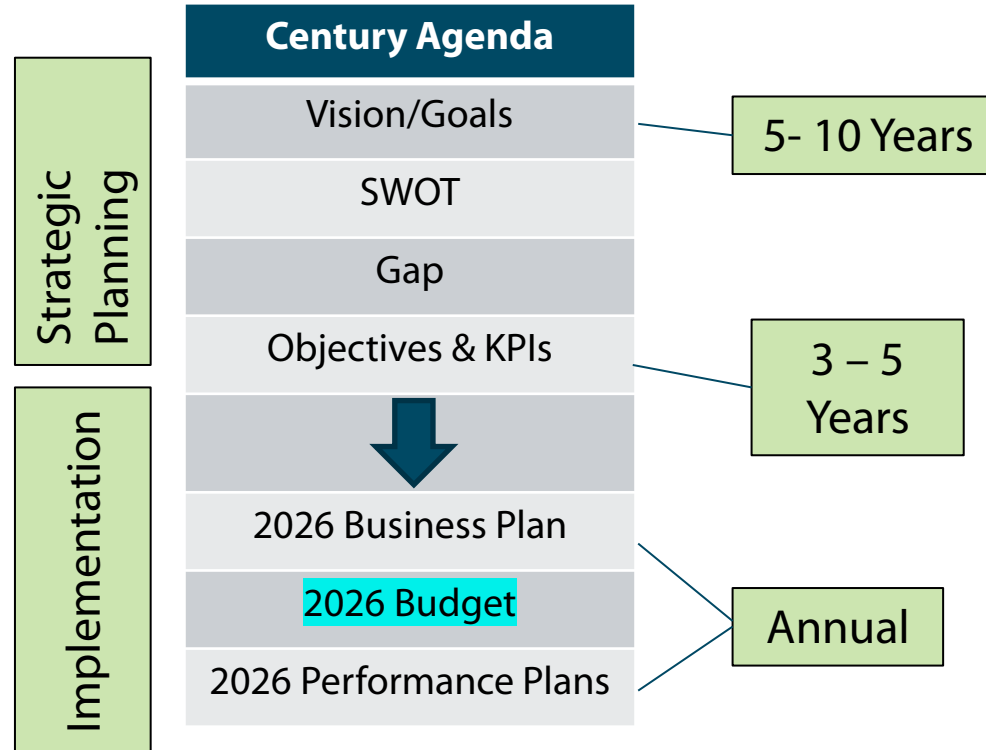
Overview

- 2026 Budget Timeline
- Strategy to Budget Process
- Key Budget Drivers & Considerations
- Portwide Budget Rollup
- Central Services Operating budget
- Equity in Budgeting
- Central Services CIP
- Remaining Budget Schedule

2026 Budget Timeline



Strategy to Budget Process



Long-term Success Requires Strategic Budgeting

- **Feedback Loop: Century Agenda drives budget development; financial results determine the Port's ability to achieve its goals**
- Approximately \$1 million of added expense = \$10 million less capital capacity
- Slow operating expense growth in order to build funding capacity
- Improve capital capacity to manage substantial known needs (environmental remediation and aging facilities) and shield from slower revenue growth

2026 Budget Guiding Principles

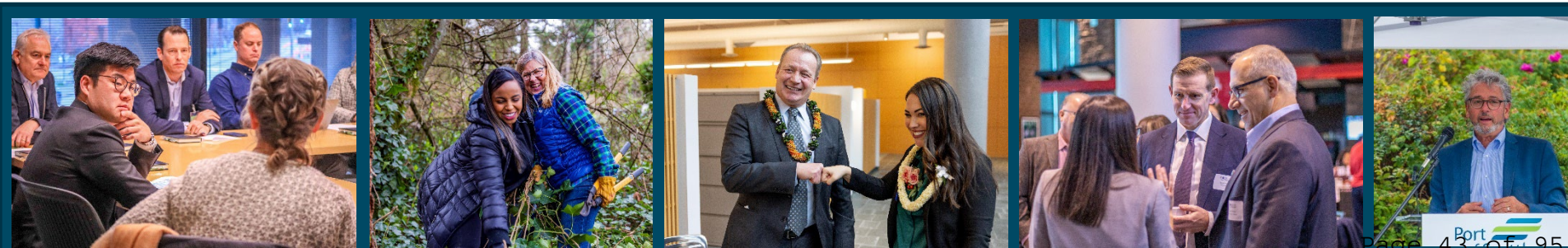
- ⊗ Take an **extremely conservative approach** to budgeting due to economic and political uncertainties and need to build capital
- ⊗ Safeguard the **efficient operation of mission critical business functions** to maintain regional economic activity
- ⊗ **Assess geopolitical, political and regulatory risks** on an ongoing basis
- ⊗ Identify, protect and **enhance operating and capital investments** focused on **asset preservation and long-term growth and revenue production**
- ⊗ Focus on **retaining key talent and developing staff** through training and upskilling
- ⊗ Prioritize **implementation of current programs and initiatives**

Key 2026 Budget Drivers & Considerations

Managing Expense Growth to Prepare for the Future

- Maintaining sustainable expense growth
- Economic and geopolitical uncertainties
- General and construction cost inflation
- Commission Priorities alignment
- Capital investment program and growing operational needs
- Investment in Environmental Sustainability, Workforce Development & Community Programs
- Equity Budgeting and Spending (ESAP)

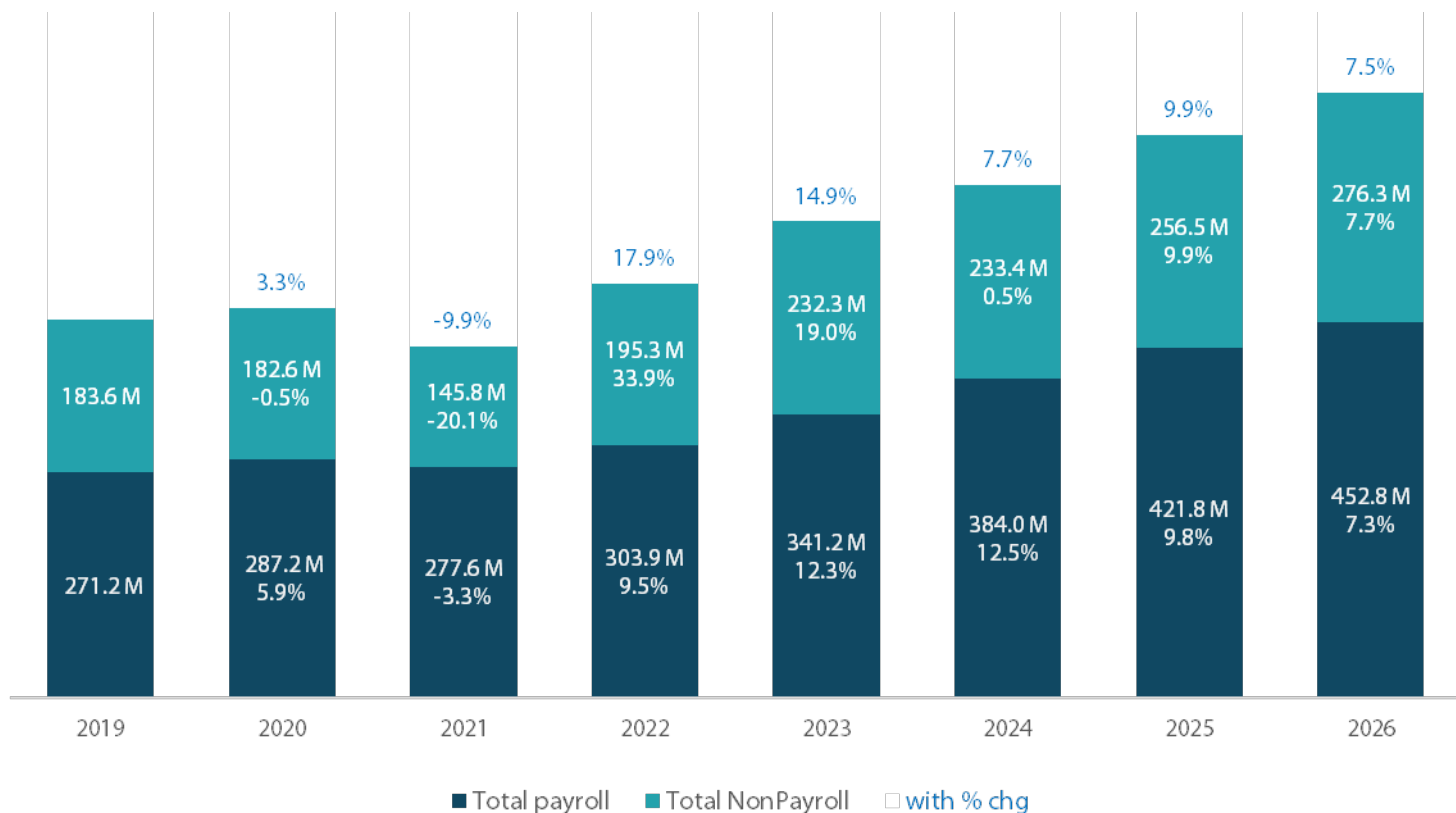
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2026 Port-wide Budget Rollup



2019-26 Port-wide O&M Budget Summary



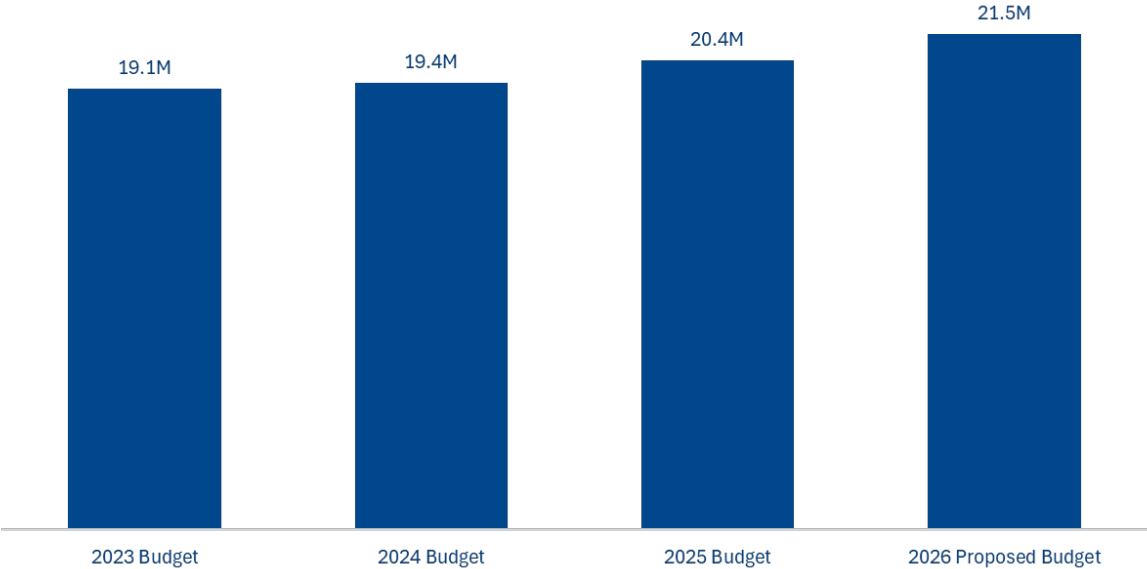
2026 Proposed Port-wide Budget Summary

	2023	2024	2025	2026	Inc/(Dec) from 2025	
DESCRIPTION (in \$000's)	Actuals	Actuals	Budget	Proposed Budget	Approved Budget \$ Change	% Change
Aeronautical Revenues	479,697	520,942	563,836	615,497	51,661	9.2%
Airport Non-Aero Revenues	326,592	348,212	372,280	366,493	(5,787)	(1.6%)
Seaport Revenues	162,991	174,395	183,476	173,495	(9,982)	(5.4%)
Operating Revenues	969,281	1,043,549	1,119,593	1,155,485	35,892	3.2%
Lease Interest Income ¹	0	0	0	24,791	24,791	0.0%
Operating Rev plus Lease Interest Income	969,281	1,043,549	1,119,593	1,180,276	60,683	5.4%
Operating Expenses ²	550,899	652,642	678,288	729,091	50,803	7.5%
Lease Interest Expense	98	74	17	7,915	7,898	
SBITA Interest Expense ³	578	932	412	606	194	47.0%
Operating Exp plus Lease Interest Exp	551,575	653,648	678,717	737,612	58,895	8.7%
Depreciation	256,740	277,917	267,028	308,110	41,082	15.4%
NOI w/o Lease Interest Income/Expense	161,642	112,990	174,277	118,283	(55,993)	(32.1%)
NOI with Lease Interest Income/Expense	160,965	111,984	173,848	134,553	(39,295)	(22.6%)

Notes:

1. Lease Interest Income actuals (under Non-Operating account) were \$15.7M and \$21.7M in 2023 and 2024, respectively.
2. Payroll Expenses include DRS pension credits in the 2023 and 2024 actuals.
3. SBITA (Subscription-Based IT Arrangement) is defined as a contract that conveys control of the right to use another party's IT software as specified in the contract for a period of time in an exchange or exchange-like transaction.

Port Community Programs



* Detailed list included in the Appendix.

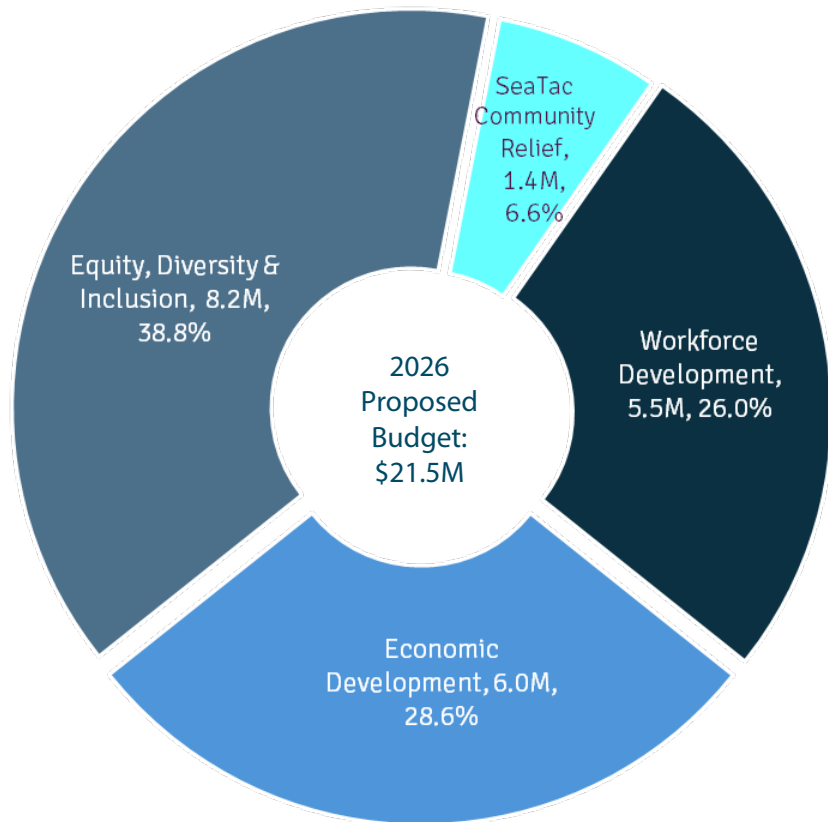
Maritime High School



South King County Partners meeting



2026 Port Community Program Funding by Activity



Economic Development

- Diversity in Contracting - \$2.2M
- Tourism Marketing Support - \$2.2M
- EDD Partnership Grants - \$950K
- Spotlight Advertising - \$518K
- Maritime Blue - \$180K

Workforce Development

- Workforce Development Department - \$5.0M
- High School Interns - \$523K

Equity, Diversity & Inclusion

- South King and Port Communities Fund - \$2.2M
- OEDI Department - \$2.5M
- Friends of the Waterfront - \$2.0M
- Staff Costs supporting DVCEP & SKCCIF - \$848K
- Duwamish Community Equity program (DVCEP) - \$617K

SeaTac Community Relief

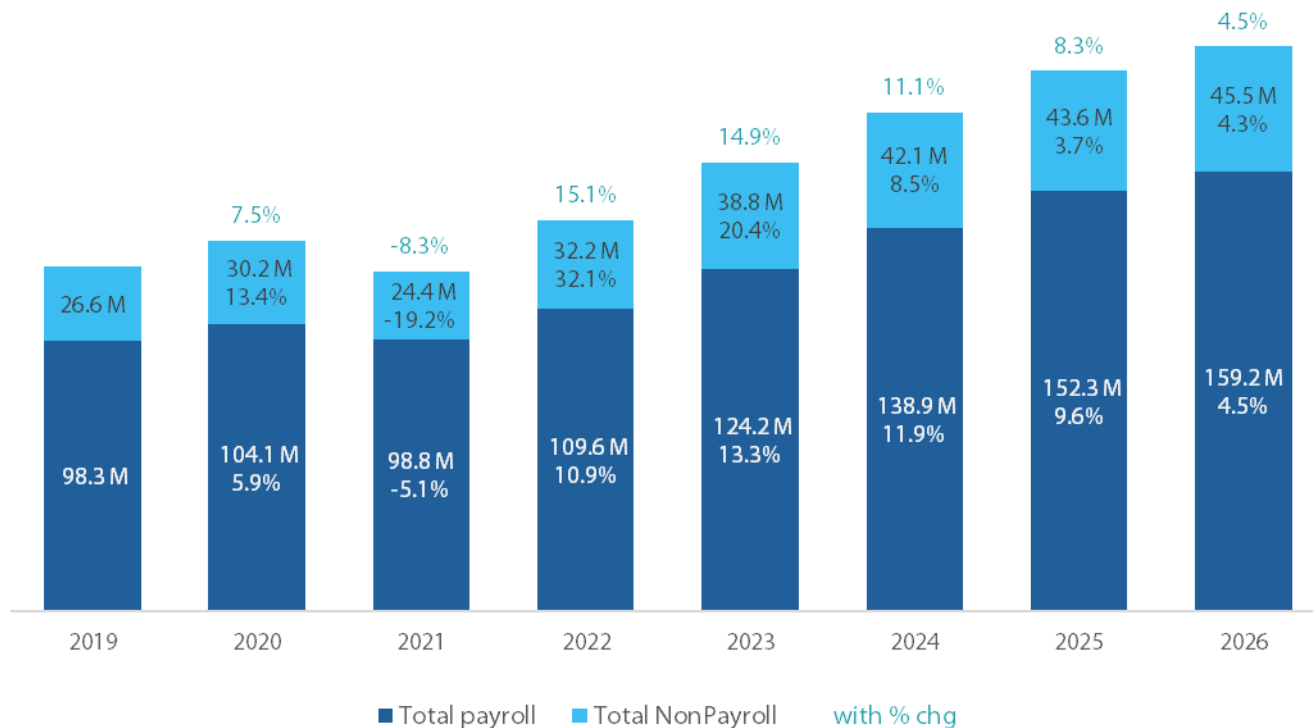
- \$1.4M

* Detailed list included in the Appendix.

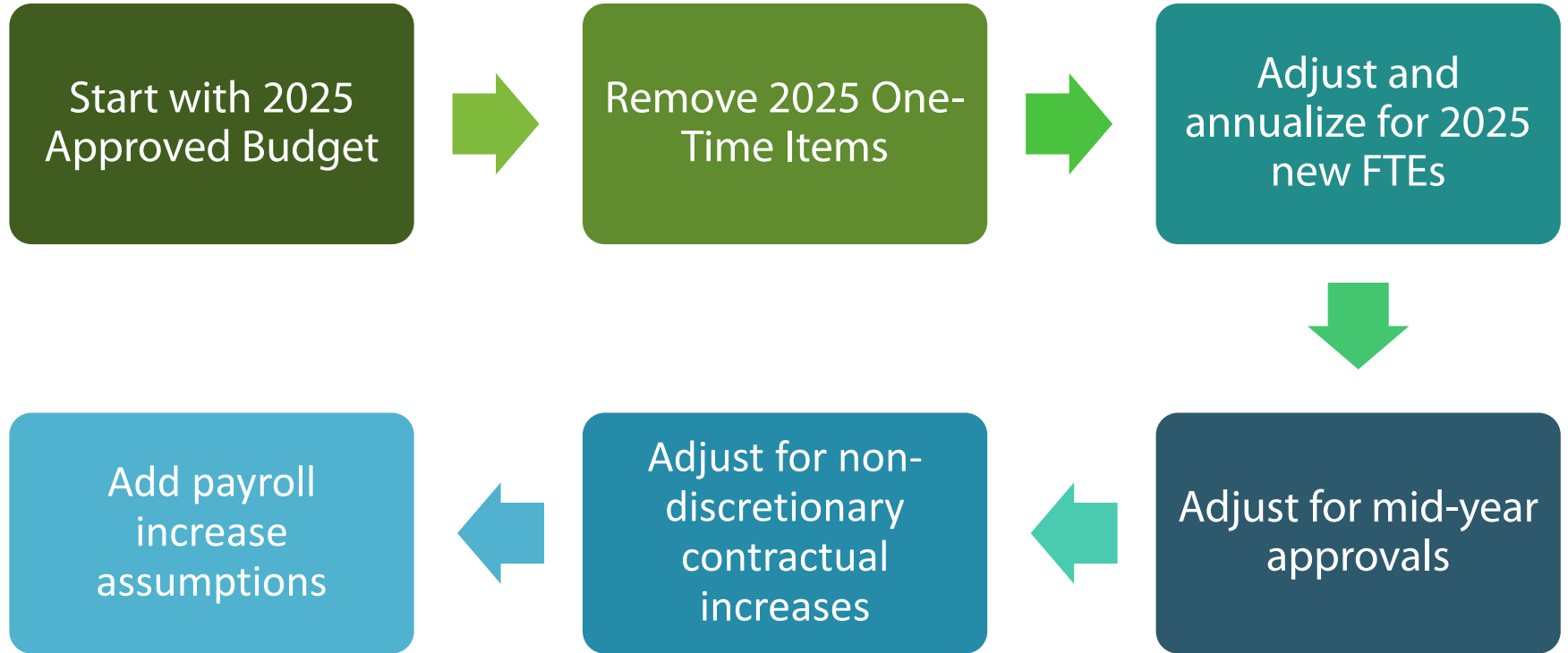
Central Services Proposed 2026 Budget



2019-26 Central Services O&M Budget Comparison



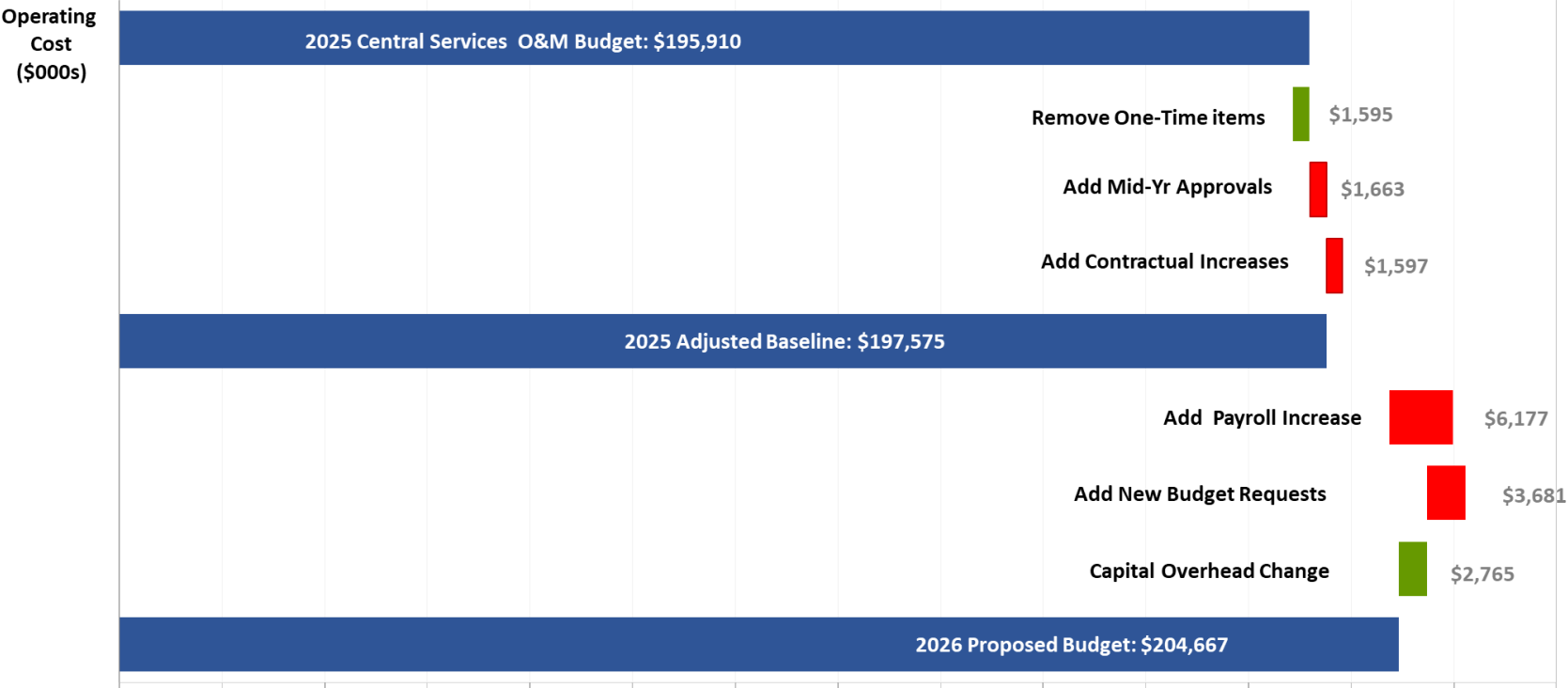
2026 Baseline Budget Development



Key Baseline Budget Drivers

- Investment in Workforce
 - 4% COLA and pay for performance increase for non-represented
 - Represented pay increases based on negotiated contracts
- Other payroll increases
 - Annualized payroll for 2025 new FTEs
 - Annualized payroll for 6.2 mid-year approved new FTE
- Non-discretionary contractual increases
 - Property Insurance
 - ICT Software License & Maintenance Agreements
 - Other Contractual Increases

2026 Operating Expense Budget Changes



Central Services Proposed Budget Highlights

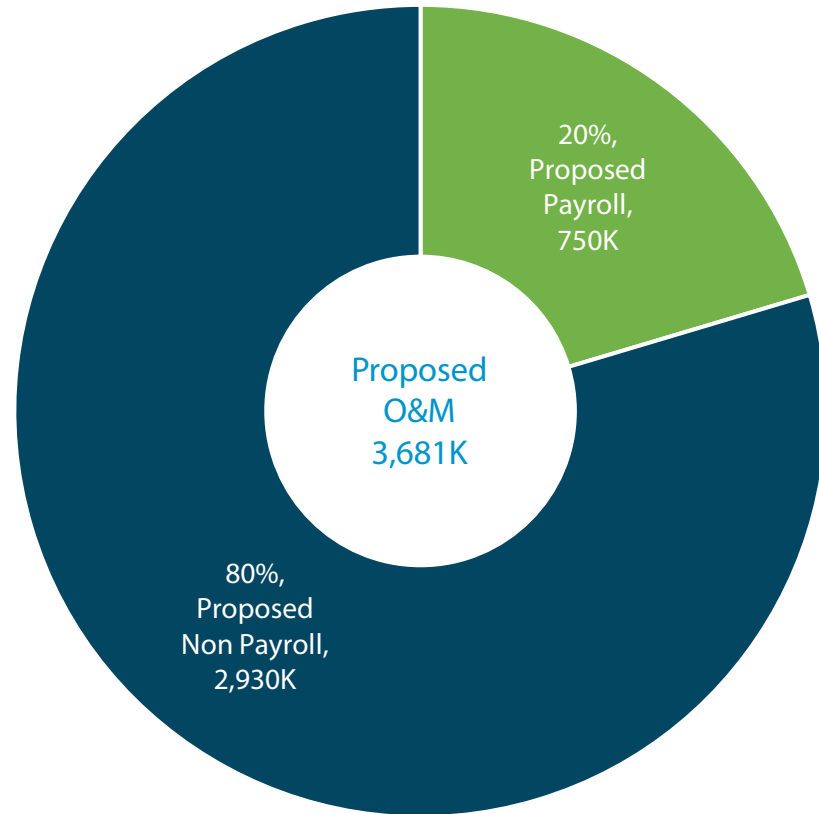
- Total operating expense is \$204.7M, \$8.8M or 4.5% higher compared to the 2025 Budget
 - Total Payroll budget increased by \$6.9M or 4.5% due to:
 - 4.0% COLA and Average Pay for Performance Increase
 - Annualized new FTEs approved in the 2025 budget
 - Added 7.0 new FTEs
 - Non-payroll increased by \$1.8M or 4.3% mainly due to:
 - Higher on-site consultant costs, Insurance Expense, and other contractual increases.

2026 New Budget Requests Summary

Total Requests:
36 at \$3,817K O&M

Total Proposed:
35 at \$3,681K O&M

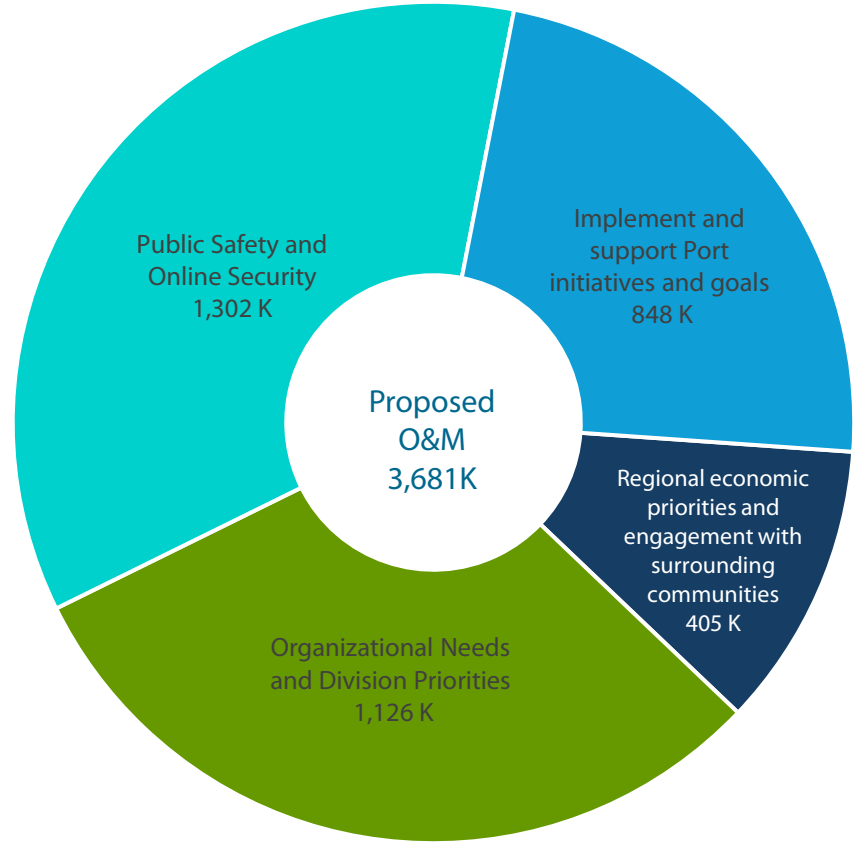
New FTEs: 7.0



* Detailed list included in the Appendix.

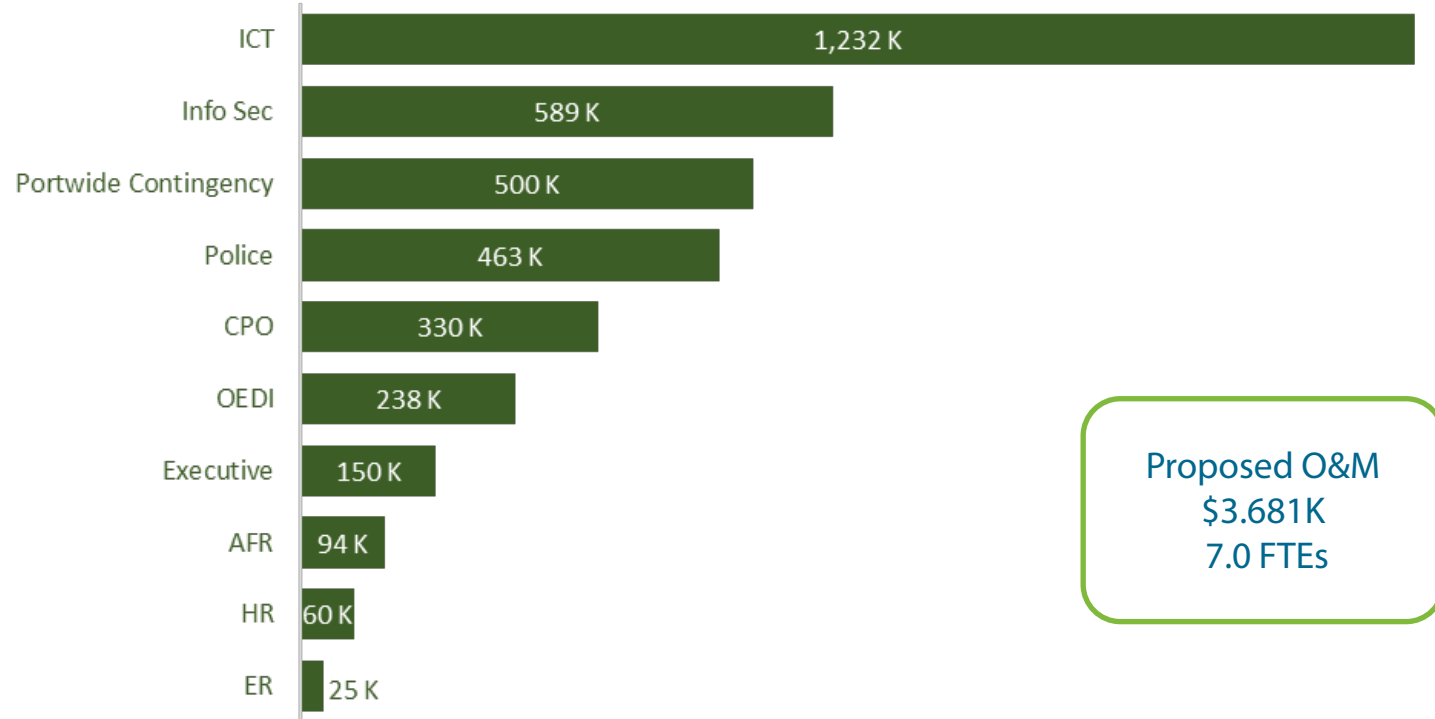


New Budget Requests by Category



* Detailed list included in the Appendix.

2026 New Budget Request by Dept



* Detailed list included in the Appendix.

Selected Major Budget Additions

ICT: Security & Operational

- \$292K for additional FTEs to enhance cybersecurity and ensure coordinated, efficient use of technology
- \$940K to refresh computers, implement conference room audio upgrades, deploy ADA testing and call center software for the service desk to enhance overall accessibility and efficiency

Info Security: Security

- \$214K for additional FTEs specializing in Operational Technology and Industrial Control Systems (OT/ICS) cybersecurity and identity access management.
- \$375K for CheckPoint Harmony email security and consultant-led risk and penetration testing

Selected Major Budget Additions

Police: Public Safety

- \$200K for Crowd Management Unit staffing overtime in support of the World Cup
- \$263K for comprehensive public safety improvements spanning technology, training, and equipment

CPO: Operational/Workforce

- \$330K for new integrated electronic procurement solution to support the Port's future projects and procurement needs

Portwide Contingency:

- 500K to support World Cup and the nation's Semi-Quincentennial Anniversary events in 2026



Selected Major Budget Additions

OEDI: Program Enhancement

- \$238K for Anti-Human Trafficking initiatives, Maritime High School and Core Plus programs

Executive: Organizational Efficiency

- \$150K for an Objectives and Key Results (OKR) system to improve goal tracking and drive measurable results

AFR: Operational/Workforce

- \$94K to fund an additional Capital Services Accounting Systems Analyst FTE to support capital operations and financial systems

2026 Central Services Proposed FTEs Summary

976.8

- 2025 Approved Budget was 976.8

983.0

- 6.2 Mid-Year added
- 2025 Adjusted Baseline is 983.0

985.0

- 7.0 New FTEs proposed
- 5.0 Seasonal to be eliminated
- 2026 Proposed Budget is 985.0



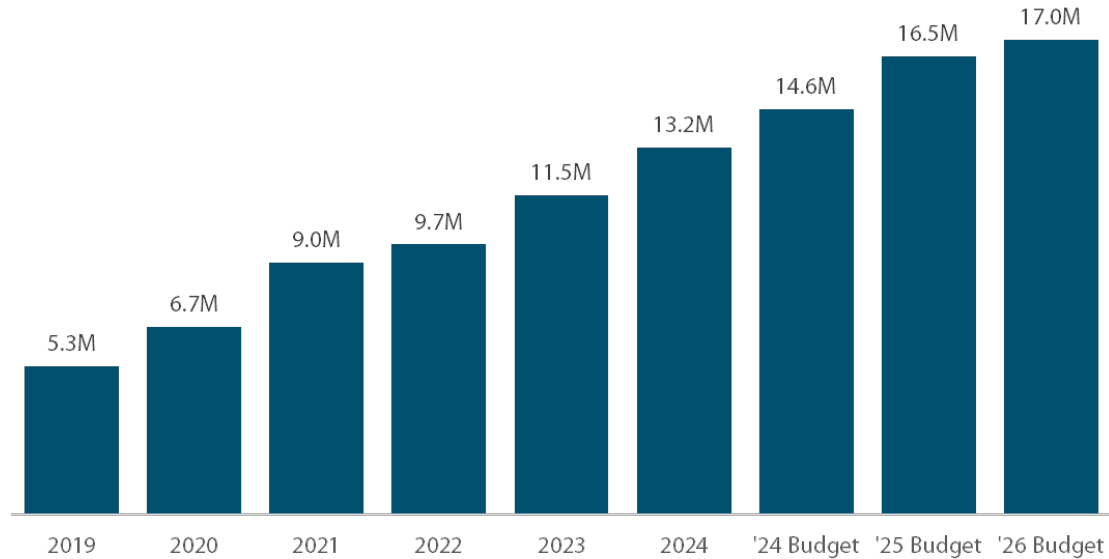
Uncertainties/Budget Risks

- Unprecedented **political and economic uncertainty**
- Effects of **trade, immigration and other policy actions**
- **Cuts in federal climate change** programs and funding
- **Increased inflation due to tariffs** on operating, capital and environmental costs
- **Ability to execute** on a growing number of programs and initiatives, including capital plan
- **Rapid technological advances** including Artificial Intelligence and growing sophistication of cyber threats
- **Vacancy rate** assumed at 4% in budget

ESAP/Budgeting With Equity Summary



Central Services Equity Spending Trend



* Equity spending criteria and definition are included in the Appendix

2026 Central Services Equity Spending Highlights

- Workforce Development Programs (\$3,173K)
 - Airport Employment Center (\$1,653K)
 - Youth Career Launch Program (\$670K)
 - Construction Pre-Apprenticeship Program (\$750K)
 - Maritime High School (\$100K)
- South King and Port Communities Fund (\$1,954K)
 - Total SKPCF is \$2,195K if including \$250K in Diversity in Contracting in EDD
- Duwamish Valley Community Equity Program (\$617K)

2026 Central Services Equity Spending Highlights Cont.

- Veteran's Program (\$361K)
- High School Internship Program (\$290K)
- Language Access Fund (\$134K)
- Equity Assessment Part 2 (\$100K)
- Taxi Driver Employment Navigator (\$65K)
- Immigration Rapid Response Contract (\$30K)
- Employee Resource Groups (\$20K)



Central Services CIP

Central Services Capital Projects Summary

Five Year Capital Plan (\$000's) *	2026	2027	2028	2029	2030	2026-2030 Total
Commission Authorized Projects	7,738	1,329	1,329	1,329	1,329	13,054
Projects Pending Authorization	7,340	5,450	3,500	3,000	3,000	22,290
Small Capital	5,514	5,260	4,319	5,035	5,160	25,288
CIP Cashflow Management Reserve	(6,400)	-	2,133	2,133	2,133	-
Total	14,192	12,039	11,281	11,497	11,622	60,632

* Excludes ICT projects budgeted within operating divisions as well as ICT portions of PMG led projects.

Commission Authorized Projects

Five Year Capital Plan (\$000's)	*	2026	2027	2028	2029	2030	2026-2030 Total
Commission Authorized Projects							
2025 Police Axon Contract (capital portion)	N	1,329	1,329	1,329	1,329	1,329	6,645
PeopleSoft Financial System Upgrade	U	1,474	-	-	-	-	1,474
Phys Access Contrl System Refresh	U	979	-	-	-	-	979
Radio Microwave Redundancy Loop	U	953	-	-	-	-	953
Public Safety Dispatch & Police	N	827	-	-	-	-	827
Enterprise Network Refresh	U	712	-	-	-	-	712
Contract Management System Replacement	U	650	-	-	-	-	650
ID Badge System Upgrade	U	478	-	-	-	-	478
Specification Document Management Software	N	336	-	-	-	-	336
Total		7,738	1,329	1,329	1,329	1,329	13,054

* N = New System or Function U = System Upgrades or Replacements

Projects Pending Authorization

Five Year Capital Plan (\$000's)	*	2026	2027	2028	2029	2030	2026-2030 Total
Projects Pending Authorization							
IT Renewal/Replacement	U	-	2,500	2,500	3,000	3,000	11,000
Private Cellular Network (LTE)	U	2,000	2,000	1,000	-	-	5,000
Fleet Management Software	N	850	-	-	-	-	850
Property Management System Upgrade	U	140	700	-	-	-	840
Web Accessibility Compliance	U	500	250	-	-	-	750
Maximo Software System Upgrade	U	600	-	-	-	-	600
SEA SQL ESX Refresh	U	600	-	-	-	-	600
Tierpoint ESX Refresh	U	600	-	-	-	-	600
SEA Prod ESX Refresh	U	600	-	-	-	-	600
Fire Alarm Monitoring System	U	500	-	-	-	-	500
Nexus Improvements	U	500	-	-	-	-	500
2026 Police ROV purchase	N	450	-	-	-	-	450
Total		7,340	5,450	3,500	3,000	3,000	22,290

* N = New System or Function U = System Upgrades or Replacements

Small Capital Projects

Five Year Capital Plan (\$000's)	2026	2027	2028	2029	2030	2026-2030 Total
Small Capital						
Technology Infrastructure	1,500	1,500	1,500	1,500	1,500	7,500
Technology Business Applications	1,388	1,500	1,283	1,500	1,500	7,171
Corporate Fleet Replacement *	1,144	1,000	761	1,190	1,290	5,385
Engineering/PCS Fleet Replacement	560	600	240	165	290	1,855
Enterprise GIS Small Capital	250	250	250	250	250	1,250
Corporate Police Small Capital	432	100	100	100	100	832
Engineering Small Capital	140	210	85	230	130	795
Corporate Small Capital	100	100	100	100	100	500
Total	5,514	5,260	4,319	5,035	5,160	25,288

CIP Cashflow Management Reserve						
CIP Reserve - Central Services	(6,400)	-	2,133	2,133	2,133	-

* Mainly Police fleet purchases

Remaining 2026 Budget Schedule

- Operating division proposed budget briefings (10/14)
- 2026 Tax Levy & Draft Plan of Finance Commission Briefing (10/28)
- 2026 proposed Budget Document Available to the Commission (10/21)
- 2026 proposed Budget Document Available to the Public (10/23)
- NWSA Budget Adoption by Managing Members (11/05)
- Introduction and Public Hearing of the 2026 Budget (11/11)
- Commission Approval of the 2026 ILA between POS and the NWSA (11/11)
- Adoption of the 2026 Budget (11/18)
- Filing of 2026 Statutory Budget with King County Council & Assessor (11/28)
- Release of 2026 Budget to the Public (12/5)

Appendix



2026 Proposed Port-wide Budget Rollup

- Total Operating Revenue is \$1,155.5M, \$35.9M or 3.2% above 2025 budget
 - Have not received the NWSA Distributable Income – currently assume same as 2025
- Total Operating Expense is \$729.1M, \$50.8M or 7.5% higher than 2025 budget
 - Total Payroll budget increased by \$31.0M or 7.3% due to:
 - 4.0% COLA and Average Pay for Performance increase
 - Annualized new FTEs approved in the 2025 budget
 - Added new FTEs
 - Non-payroll increased by \$19.8M or 7.7% mainly due to:
 - Higher on-site consultant costs and other contractual increases.

Central Services Overview

- Central Services provides a large number of essential services to the Port's three operating divisions and to the Northwest Seaport Alliance (NWSA) per service agreements.
- The departments of Central Services are vital to the success of the operating divisions and the NWSA and benefit the public in general.
- Central Services include 20 departments, including Accounting, Human Resources, External Relations, Legal, Police, Engineering, Port Construction Services, Information & Communication Technology, etc.
- Central Services expenses are allocated to the operating divisions and the NWSA or, in some cases, funded by the Tax Levy.

Environmental Scan

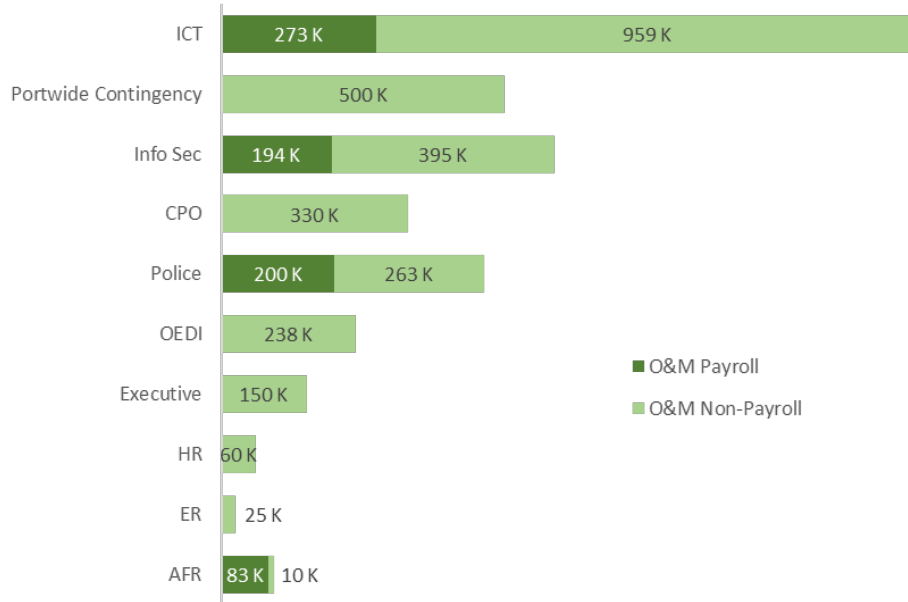
- Unprecedented **political and economic uncertainty**
- Effects of **trade, immigration and other policy actions**
- Risk of **federal funding reductions** and **reduced operating revenues**
- **Cuts in federal climate change** programs and funding
- Impact of **increased inflation due to tariffs** on operating, capital and environmental costs
- **Rapid technological advances** including Artificial Intelligence and growing sophistication of cyber threats
- Strong **relationships with industry partners**
- Continued local **commitment to equity and environmental justice**
- Organizational **stress and fatigue**

2026 Budget Strategies

- Develop a **very conservative** budget and create **contingency and scenario planning** to address revenue risks
- Focus on **increasing Net Operating Income** by limiting expense growth
- **Limit new FTEs and outside services**
- Assess **affordability of capital plans** considering increased inflation and revenue risks
- Strengthen the **focus on sustainability, adaptability and resiliency** in spending and business plans
- Monitor **early warning indicators** that may trigger budget recalibration and take actions as necessary

2026 New Budget Items Summary

New Budget Requests: Payroll & Non-payroll



35 Items proposed \$3,681K (O&M):

- 7.0 FTEs: \$550K Pay and \$49K FTE related Non-payroll costs (ICT, Info Sec, & AFR)
- \$940K Computer Refresh, ADA and Call Center Software, Conference room audio improvements (ICT)
- \$500K World Cup (Portwide Contingency) and \$200K Crowd Management unit staffing (Police)
- \$375K Email filtering and Consultant for Risk Assessment and Penetration testing (Info Security)
- \$330K Integrated electronic procurement systems (CPO)
- \$263K Equipment and supplies for Police
- \$150K Strategic Planning Software (Exec)
- \$100 Maritime High School and \$50K for Core Plus curriculum run by Muckleshoot and Suquamish Tribes (WFD)
- \$88K Anti-Human Trafficking (EDI)
- \$60K Employee Resource Group funding and Leadership conference (HR)
- \$25K Manufacturing Maritime Industrial Association (MMIA) membership split with Economic Development

2026 New Budget Items

Category	Purpose/Outcome	2026 Requests
Implement and support Port initiatives and goals	Seattle will be one of the host cities for the 2026 Fédération Internationale de Football Association (FIFA) World Cup. This funding would allow the Port to showcase to the world how Seattle champions sustainability, equity, and economic development. This supports the Port's goal to provide positive passenger experiences at airports and event terminals, thereby propelling economic growth.	500,000
	Provide ongoing support for Maritime High School that launched in Fall 2021. The school is operated by the Highline School district and includes curricula focused on Port-related industries, including maritime and green jobs. This funding is to make maritime careers more visible to BIPOC communities which is in line with the Port's values of equity and accessibility.	100,000
	ADA Testing Software to scan the Port's website and content to ensure compliance with Web Content Accessibility Guidelines (WCAG) 2.1 Level AA by April 2027. Implementation of this software supports the port goal to become a model of equity, diversity, and inclusion by ensuring that the Port's data content can be accessed by all.	100,000
	Anti-Human Trafficking (AHT) funding will support the ongoing effort to raise awareness of the signs and behaviors of human trafficking and how to report it. This funding will include annual breakfast and AHT Awareness month efforts; app and QR code; training program for port staff; conference for AHT workgroup; and additional funds for FIFA World Cup.	88,000
	(1) Employee Resource Group funding provides employees with learning and development opportunities which enforces the Port's goal of fostering an inclusive and engaging work environment. (2) The Leadership Conference will bring leaders together for a strategic conversation across the organization. This is essential in fostering an environment of transparency, accountability, respect, leadership, and fairness to give Port staff the tools to be exceptional public servants.	60,000
	Subtotal	848,000

2026 New Budget Items

Category	Purpose/Outcome	2026 Requests
Advance work on regional economic priorities and enhance engagement with surrounding communities	Central Procurement Office (CPO) Technology Solution will support the Port's future projects and procurement needs. This integrated electronic procurement system will streamline the bidding process by providing templates and checklists to the bidders, built in reminders, technical assistance, and reliable technology. This system will make it easier for firms (especially WMBE, small businesses, and disadvantaged firms) to do business with the Port. This approved item aligns with the Port's goal of enhancing community engagement with partners and surrounding communities.	330,000
	Core Plus Maritime curriculum funding will support the pilot program in near-port and tribal schools managed by Muckleshoot and Suquamish Tribes. The curriculum will combine hands-on, high-end learning in Science, Technology, Engineering and Math (STEM) with global merchant marine safety Standards of Training Certification and Watchkeeping (STCW). This funding advances the Port's goal of continued support for surrounding communities.	50,000
	The Manufacturing Maritime Industrial Association (MMIA) is a nonprofit organization dedicated to strengthening Washington's maritime, manufacturing, logistics, and industrial sectors. Becoming a member and having a seat on the board of directors will assist the Port in fostering its goal of continued support for surrounding communities by protecting industrial lands, prioritizing investment, advocating for supportive policies, and implementing strategies that drive growth, resilience, and long-term sustainability.	25,000
	Subtotal	405,000

2026 New Budget Items

Category	Purpose/Outcome	2026 Requests
Organizational Needs and Division Priorities	Computer Refresh program will replace aging equipment across the organization. Industry recommendations are to replace employees' computers every 3 years to ensure efficiency and security. Replacing aging equipment will increase reliability and efficiency as well as allow for smooth roll-out of security and critical new software upgrades.	782,000
	Implementing a Strategic Planning Reporting Software will enhance organizational alignment, improve goal tracking, and drive measurable outcomes. This will provide a structured framework for setting and monitoring objectives. Through the implementation of this new technology solution, leaders will have access to real-time insights, improving decision-making and overall performance. Additionally, this solution ensures transparency, fosters collaboration, and integrates seamlessly with existing workflows, enabling teams to stay focused and adapt to evolving priorities.	150,000
	(1) Conference Room Audio Improvements will provide enhanced microphone pickup and additional speaker volume thereby resolving audio challenges during hybrid meetings; (2) Telecom Infrastructure Engineer will ensure critical communications links function properly. This new position will support expanding capital construction projects, smart technology deployments, and growing operational maintenance demands at the Airport and Seaport; (3) Call Center Software for Service Desk will replace the call queue and the IVR (interactive voice response) that were wiped out by the cyber-attack. Adopting Webex Contact Center aligns with our strategic goals of improving customer satisfaction, increasing operational efficiency, and supporting future growth.	100,683
	As the Port continues to grow, with new assets being acquired and older assets replaced, the demand on Capital Services to maintain these systems and their underlying data has expanded significantly in recent years. The addition of a Capital Services Business System Analyst will assist in enhancing oversight of financial reporting, streamlining automation efforts, and strengthening data governance frameworks.	93,522
	Subtotal	1,126,205

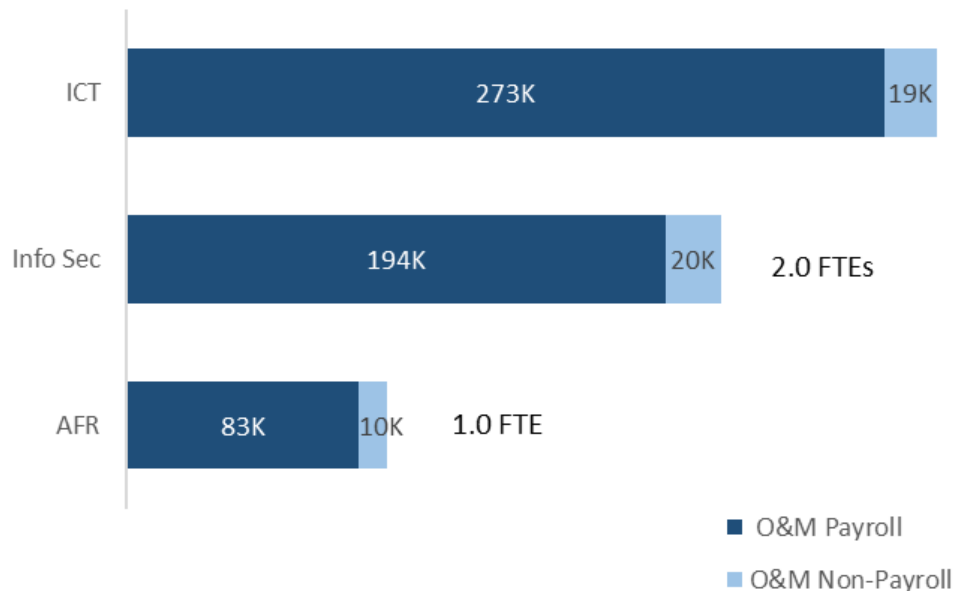
2026 New Budget Items

Category	Purpose/Outcome	2026 Requests
Public Safety & Online Security	(1) The addition of two new positions in Information Security department: Cybersecurity Specialist and Identity and Access Management (IAM) Specialist will assist in strengthening the Port's overall security framework to protect critical infrastructure and assets. (2) Consultant Risk Assessment and Penetration Testing will assist in measuring current risk exposure and providing prioritized recommendations to reduce organizational cyber risk. (3) The implementation of Check Point's Harmony Email Filtering will protect the Port's systems against zero-day threats, phishing, business email compromise (BEC), account takeover, and internal data leakage.	588,924
	ICT will add three positions: Network Engineer will ensure that the Port's network operates efficiently and securely; Windows Server Engineer will support the VMWare, Windows based Services, and Azure administration as well as the related security of each system; Enterprise Cloud Architect will oversee and align the Port's enterprise system architecture across departments with the Port's security framework. These positions will strengthen the Port's systems to protect against our cyber threats and ensure coordinated, efficient technology use.	249,196
	(1) The Police department's crowd management unit will increase staff time to ensure the safety of participants and spectators during the 2026 World Cup. (2) Police's crowd management staff will attend a dialogue course to assist officers in communicating and managing larger crowd anticipated during the World Cup. (3) Police will acquire the Axon DeDrone City Wide App, a notification system that will alert the department of the presence of drones. This is especially important with the upcoming World Cup due to a projected increase in drone activity before and during the event.	235,943

2026 New Budget Items

Category	Purpose/Outcome	2026 Requests
Public Safety & Online Security	Police will purchase necessary equipments: (1) Homeland Security Unity uniforms and advanced equipment and weapons storage (2) new plate carriers for the Bomb Disposal Unit. These equipments will ensure that Police officers are well-equipped to protect themselves and the public during high-threat situations. Police will acquire (3) Explosive Odor Recognition K9s that will provide immediate deployable threat detection, enhancing overall safety and security of the Port and its facilities. Moreover, Police will upgrade (4) bikes for the Crowd Management Unit (CMU), the team responsible for responding to civil unrest. Police will purchase (5) supplies and computers for the dive team which will improve the team's ability to conduct safe, effective underwater operations in the Port's complex and high-traffic	132,500
	Police will increase (1) Public Defender contract per agreement with the City of SeaTac court in compliance with the Supreme Court's provisional order concerning caseload standards for public defense services. Police will increase the budget for (2) the Basic Law Enforcement Academy (BLEA) which is a required training for all entry level Police Officers to gain their state certification. Police will purchase (3) a 3D Crime Scene Mapping Tool that will enable the unit to create highly immersive, dimensionally accurate 3D models of complex crime scenes, ensuring more effective investigations and enhanced evidence presentation. This tool will reduce processing times and minimizes the risk of contamination or loss of critical evidence, reinforcing the Port's commitment to public safety and justice.	95,000
	Subtotal	1,301,563
Grand Total		3,680,768

2026 New FTEs Summary



7.0 FTEs: \$550K Pay and \$49K FTE related Non-payroll costs

- ICT: 4.0 FTEs- Infrastructure Engineer, Server Engineer, Network Engineer, Enterprise Cloud Architect
- Info Sec: 2.0 FTEs- Identity and Access Management (IAM) Specialist, OT/ICS Cybersecurity Specialist
- AFR: 1.0- Capital Services Business System Analyst

2026 Proposed Budget Summary

	2022	2023	2024	2025	2026	Inc/(Dec) from 2025	
(in \$000's)	Actuals	Actuals	Actuals	Budget	Proposed Budget	Approved Budget \$ Change	% Change
Total Payroll Costs (with Capital)	118,460	133,577	158,995	179,721	188,376	8,655	4.8%
Total Non-Payroll Costs (with Capital)	47,250	57,601	91,422	65,819	72,876	7,057	10.7%
Total Costs (with Capital)	165,710	191,178	250,417	245,540	261,252	15,712	6.4%
Sal/Wage-Cap/Govt/Envrs Proj	(16,628)	(19,886)	(20,441)	(27,432)	(29,160)	(1,728)	6.3%
Dept Expense Charged - CapProj	25	1	147	0	0	0	0.0%
Cap/Govt/Envrs Projects OH	(7,172)	(8,731)	(10,438)	(6,801)	(9,470)	(2,668)	39.2%
OnsiteConsult-Cap/Gov/Env Proj	(7,018)	(10,409)	(13,563)	(15,396)	(17,925)	(2,529)	16.4%
Total Charges to Capital	(30,793)	(39,025)	(44,296)	(49,630)	(56,555)	(6,925)	14.0%
Total Payroll Expenses	101,832	113,690	138,553	152,288	159,216	6,928	4.5%
Non-Payroll O&M Expense	33,085	38,462	67,567	43,622	45,481	1,860	4.3%
O&M Expenses	134,917	152,153	206,121	195,910	204,697	8,787	4.5%
Lease Interest Expense	0	91	63	17	18	1	5.8%
SBITA Interest Expense	0	246	603	185	425	240	130.2%
O&M EXP plus LEASE INTEREST EXP	134,917	152,490	206,786	196,111	205,140	9,028	4.6%

* Payroll Expenses include DRS pension credits in the 2022, 2023 and 2024 actuals.

Central Services Proposed Budget by Account

DESCRIPTION (in \$000's)	2022 Actuals	2023 Actuals	2024 Actuals	2025 Budget	2026 Proposed Budget	Inc/(Dec) from 2025 Approved Budget \$ Change % Change		Notes
TOTAL OPERATING REVENUE	2,538	(216)	403	183	259	76	41.3%	
OPERATING EXPENSE								
Salaries & Benefits	78,779	92,338	108,585	112,845	117,574	4,729	4.2%	4% pay increase and more charges to capital
Wages & Benefits	23,053	21,352	29,968	39,443	41,641	2,198	5.6%	Contractual increase in POL+4% COLA
Payroll to Cap/Govt/Envrs Proj	16,628	19,886	20,441	27,432	29,160	1,728	6.3%	
TOTAL SALARIES & BENEFITS	118,460	133,577	158,995	179,721	188,376	8,655	4.8%	
Equipment Expense	2,982	2,400	3,025	2,568	3,054	486	18.9%	Due to decreases mainly in ER, ENG, HR, ICT & POL
Utilities	33	58	98	48	88	40	84.6%	Due to \$27.5K Utilities increase in PCS
Supplies & Stock	992	1,551	1,107	906	1,132	225	24.9%	
Outside Services	31,079	39,407	43,408	48,241	52,918	4,677	9.7%	Mainly due to increase in ENG, PCS, ICT & Info Sec
Travel & Other Employee Exps	1,950	2,589	2,766	3,982	3,865	(117)	(2.9%)	Reduction in some depts
Promotional Expenses	540	1,806	6,409	850	1,385	535	62.9%	Mainly due to Friends of the Waterfront
Telecommunications	654	780	780	813	753	(61)	(7.4%)	
Property Rentals	478	598	828	262	127	(135)	(51.4%)	STOC purchasing
Worker's Compensation Expense	642	664	763	731	947	217	29.6%	Based on estimate from AFR
General Expenses	7,899	7,816	32,214	7,417	8,607	1,189	16.0%	Mainly due to \$473K increase in insurance
Overhead Allocations	0	(69)	24	(0)	0	0	(244.8%)	
TOTAL NON-PAYROLL EXPENSES	47,250	57,601	91,422	65,819	72,876	7,057	10.7%	
TOTAL COSTS BEFORE CAPITAL CHARGES	165,710	191,178	250,417	245,540	261,252	15,712	6.4%	
59900-Sal/Wage-Cap/Govt/Envrs Proj	(16,628)	(19,886)	(20,441)	(27,432)	(29,160)	(1,728)	6.3%	
68700-Dept Expense Charged - CapProj	25	1	147	0	0	0	0.0%	
68750-Cap/Govt/Envrs Projects OH	(7,172)	(8,731)	(10,438)	(6,801)	(9,470)	(2,668)	39.2%	
68760-OnsiteConsult-Cap/Gov/Env Proj	(7,018)	(10,409)	(13,563)	(15,396)	(17,925)	(2,529)	16.4%	
Charges to Cap/Govt/Envrs Projects	(30,793)	(39,025)	(44,296)	(49,630)	(56,555)	(6,925)	14.0%	
Operating Expenses	134,917	152,153	206,121	195,910	204,697	8,787	4.5%	
Lease Interest Expense	0	91	63	17	18	1	5.8%	
SBITA Interest Expense	0	246	603	185	425	240	130.2%	
OPERATING EXP plus LEASE INTEREST EXP	134,917	152,490	206,786	196,111	205,140	9,028	4.6%	

Central Services Proposed Budget by Dept

Departments (in \$000's)	2022	2023	2024	2025	2026	Inc/(Dec) from 2025		Notes
	Actuals	Actuals	Actuals	Budget	Proposed Budget	Approved Budget	% Change	
O0001-Port of Seattle General Org	0	0	6	0	0	0	0.0%	
O1100-Executive	2,029	3,147	6,025	2,779	3,407	628	22.6%	
O1200-Commission Office	2,206	2,448	3,042	3,589	3,671	82	2.3%	
O1310-Legal	8,213	10,315	10,312	6,255	6,863	608	9.7%	Mid-year new FTE
O1330-Risk Services	5,078	5,756	7,395	8,016	8,642	626	7.8%	\$473K increase in insurance
O1400-External Relations	8,651	10,154	14,379	14,211	15,858	1,646	11.6%	Added \$1.25M for Friends of Waterfront
O1460-Equity, Diversity and Inclusion	4,283	5,475	6,449	7,435	7,513	78	1.0%	Removed \$250K one-time item
O1500-Business Intelligence	1,395	1,609	1,888	2,543	2,633	90	3.5%	
O1600-Engineering	5,053	6,263	8,581	15,131	13,764	(1,367)	(9.0%)	More charges to capital
O1700-Port Construction Services	3,651	5,644	7,063	7,777	8,123	347	4.5%	Increase in Small Works and Worker's Comp
O1800-Human Resources	11,087	13,543	16,099	17,817	18,972	1,155	6.5%	Mainly due to increase in payroll
O1810-Labor Relations	1,085	1,292	1,541	1,933	1,923	(9)	(0.5%)	
O1900-Information & Comm. Technology	25,693	25,914	30,410	31,482	34,080	2,598	8.3%	Contractual increases
O1980-Information Security	1,571	2,040	2,613	2,968	4,612	1,645	55.4%	2 mid-year new FTEs and unbudget new contracts
O2110-Finance & Budget	2,279	2,602	3,075	3,179	3,371	192	6.0%	Increase in SymPro contract and Alteryx licenses
O2200-Accounting/Financial Reporting	7,914	9,032	10,003	12,059	12,807	749	6.2%	2 mid-year new FTEs
O2280-Internal Audit	2,406	1,944	1,935	2,267	2,448	181	8.0%	Mainly due to increase in payroll
O2400-Office of Strategic Initiatives	893	1,291	1,125	1,557	1,731	174	11.2%	Mainly due to increase in payroll
O2700-Environment & Sustainability	763	1,137	1,479	2,544	2,306	(238)	(9.4%)	
O2790-Industrial Development Corp	-	1	-	-	-	-	0.0%	
O2900-Corporate Contingencies	(268)	(251)	21,534	(2,655)	(6,184)	(3,529)	132.9%	Removed \$5.1M Comp Project budget
O2999-Corporate Capital to Expense	56	-	499	-	-	-	0.0%	
O4300-Police Department	35,064	36,422	43,591	45,860	48,401	2,541	5.5%	Contractual increase in POL+4% COLA & court fee
O9200-Central Procurement Office	5,816	6,376	7,079	9,165	9,756	590	6.4%	
Operating Expenses	134,917	152,153	206,121	195,910	204,697	8,787	4.5%	
Lease Interest Expense	0	91	63	17	18	1	5.8%	
SBITA Interest Expense	0	246	603	185	425	240	130.2%	
OPERATING EXP plus LEASE INTEREST EXP	134,917	152,490	206,786	196,111	205,140	9,028	4.6%	

2026 Proposed Community Programs

Program (in \$000)	2023 Budget	2024 Budget	2025 Budget	2026 Proposed Budget	2026 Funded by the levy	% of the 2026 Budget Funded by the levy
1) Energy & Sustainability Fund	120	-	-	-	-	0.0%
2) Airport Community Ecology (ACE) Fund	40	40	40	-	-	0.0%
3) South King and Port Communities Fund	2,214	2,214	2,205	2,195	2,195	100.0%
4) Duwamish Valley Community Equity Program	462	471	619	617	617	100.0%
5) EDD Partnership Grants	850	950	950	950	950	100.0%
6) Tourism Marketing Support Program	1,830	1,875	2,154	2,177	920	42.3%
7) Airport Spotlight Ad Program*	466	466	518	518	518	100.0%
8) City of SeaTac Community Relief*	1,400	1,400	1,400	1,400	1,400	100.0%
9) Maritime Blue (formerly Maritime Innovation Center)	150	175	175	180	180	100.0%
10) Workforce Development	5,186	5,077	4,976	4,972	3,827	77.0%
a. Maritime Workforce Investments (formerly YMCL) ¹	1,000	900	750	670	670	100.0%
b. Airport Employment Center	1,517	1,517	1,517	1,653	507	30.7%
11) High School Internship Program	457	486	520	523	290	55.4%
12) Diversity in Contracting ²	2,299	2,304	2,356	2,463	300	12.2%
a. Small Bus. Accelerator under SKCCIF ²	250	250	260	250	250	100.0%
b. DBE/ACDBE/WMBE Training Consultants & Outreach	50	50	50	50	50	100.0%
13) Equity, Diversity & Inclusion	1,767	2,065	2,459	2,540	230	9.1%
14) Seattle Aquarium Partnership	1,000	1,000	-	400	400	100.0%
15) Friends of the waterfront			750	2,000	2,000	100%
Sub Total	18,691	18,803	19,591	20,686	13,577	66%
Payroll charged to the Levy ³	433	589	781	848	848	100%
Grand Total	19,124	19,392	20,372	21,535	14,426	67%

Notes:

1 Maritime Workforce Investments (formerly YMCL) budget rolls up to Workforce Development total (item 10).

2 \$250K Small Business Accelerator under DIC is included in DIC total (Item 12) and SKCCIF (item 3).

3 2026 Payroll only for CPO & Ext. Rel. Other payroll from HS Interns, WFD, EDI are included in the individual items above.

* Non-Operating Accounts

Community Programs Funded by Tax Levy

Program (in \$000)	2023 Budget Funded by the levy	2024 Budget Funded by the levy	2025 Funded by the levy	2026 Funded by the levy	Inc/(Dec) from 2025 Approved Budget	
					\$ Change	% Change
1) South King and Port Communities Fund	2,214	2,214	2,205	2,195	(10)	-0.5%
2) Duwamish Valley Community Equity Program	462	471	619	617	(2)	-0.4%
3) EDD Partnership Grants	850	950	950	950	-	N/A
4) City of SeaTac Community Relief*	1,400	1,400	1,400	1,400	-	N/A
5) Maritime Blue (formerly Maritime Innovation Center)	150	175	175	180	5	2.8%
6) Workforce Development	3,785	3,863	3,762	3,827	66	1.7%
a. Youth Career Launch Program (formerly OYI) ¹	1,000	900	750	670	(80)	-11.9%
b. Airport Employment Center	303	303	303	507	204	40.2%
7) High School Internship Program	252	259	280	290	10	3.5%
8) Diversity in Contracting ²	300	300	310	300	(10)	-3.3%
a. Small Bus. Accelerator under SKCCIF ²	250	250	260	250	(10)	-4.0%
b. DBE/ACDBE/WMBE Training Consultants & Outreach	50	50	50	50	-	N/A
9) Equity, Diversity & Inclusion	138	203	226	230	4	1.9%
10) Seattle Aquarium Partnership	1,000	1,000	-	400	400	100.0%
11) Friends of the waterfront			750	2,000	1,250	62.5%
12) Other	1,108	806	1,608	1,438	(170)	-11.8%
Total	11,760	11,772	12,404	13,577	1,173	8.6%
Payroll charged to the Levy ³	433	580	781	848	67	7.9%
Grand Total	12,193	12,352	13,185	14,426	1,240	8.6%

Notes:

1 Maritime Workforce Investments (formerly YMCL) budget rolls up to Workforce Development total (item 6).

2 \$250K Small Business Accelerator under DIC is included in DIC total (Item 5) and SKCCIF (item 3).

3 2026 Payroll only for CPO & Ext. Rel. Other payroll from HS Interns, WFD, EDI are included in the individual items above.

* Non-Operating Accounts

2025 One-Time Items

Org	Dept	Description	Amount
1330	Risk Mgmt	Laptop/Cell Phone for new FTE	3,500
	Risk Mgmt	Vertikal Insurance Certificate Tracking Platform	11,200
1400	External Relations	Laptop/Cell Phone for new FTE	3,500
	External Relations	Waterfront Strategy and Outreach	100,000
1460	OEDI	Laptop/Cell Phone for new FTE	3,500
	OEDI	Maritime High School	250,000
1500	BI	Laptop/Cell Phone for new FTE	3,500
	BI	Business Intelligence Strategy Plan Update	75,000
1600	Engineering	Laptop/Cell Phone/Furniture for new 7 FTEs	37,900
	Engineering	Survey Datum & Coordinate System Update	310,000
1700	PCS	Metal Fabrication Machine	30,000
	PCS	PC Air Physical Changes for F&I	295,000
	PCS	2025 Training Facilitated Learning Session	10,000
	PCS	8 iPads for CM's and 8 Laptops for Crew	29,016
	PCS	Professional Development Program (Negotiation Skills)	2,990
	PCS	Professional Development Program (Strategic Project Mgmt)	2,990
	PCS	Service Directives-IDIQ for Leadership Coaching Athena Group	15,000
1800	HR	Laptop/Cell Phone/Furniture for new FTEs	11,000
	HR	Employee Resource Group Miscellaneous Fund	20,000
	HR	HR Request/Inquiry Ticketing System Implementation	10,000
	HR	LMS Consulting Services; Onboarding Consulting Services	30,000
	HR	Peoplesoft-Taleo Consulting Services	10,000
1810	LR	Laptop/Cell Phone for new FTE	3,500
	LR	Phone Service for new FTE	600
1900	ICT	Laptop/Cell Phone/Furniture for new FTEs	20,965
	ICT	Microsoft Windows Server 2012 Support Extended	120,000
2100	F&B	Economic Impact Study	38,000
4300	Police	Laptop/Cell Phone/Furniture for new FTEs	32,500
	Police	EDI Guest Speakers	40,000
9200	CPO	Procurement Workforce Analysis	75,000
	CPO	Bluebeam RevuCAD - 1 New License = \$300	300
		TOTAL	1,594,961

2025 Mid-Year Approvals Summary

Item	Org	Description	Amount in 2025		Amount in 2026	
			Payroll	Non-Payroll	Payroll	Non-Payroll
1	1980 Info Sec	SIEM Expansion	-	194,690	-	194,690
2	1311 Legal	Records Program Specialist	77,095	6,290	133,363	1,540
3	1420 Ext Rel	Duwamish River Cmnty Hub Coordinator	20,113	-	131,135	600
4	1980 Info Sec	1Password		11,426		11,426
5	1980 Info Sec	Checkpoint		269,714		269,714
6	2240 AFR	Supplier Management Ops Supervisor	78,254	3,800	157,578	600
7	1980 Info Sec	Azure Cloud Security Architect Lead	17,647	16,550	206,904	12,600
8	1980 Info Sec	Resiliency Analyst	30,743	7,300	183,400	4,300
9	9205 CPO	Procurement Officer IV_LTD3	30,743	3,850	183,400	300
10	2260 AFR	General Ledger Business System Analyst	85,149	2,500	171,012	-
TOTAL			339,744	516,120	1,166,792	495,770

2026 Contractual Increases Summary

Item	Org	Dept	Account	Description	Amount in 2025	Amount in 2026	Change
1	4300	Police	64370	City of SeaTac Court Fees ILA increase	421,000	720,000	299,000
2	1400	External R	64370	Friends of Waterfront	750,000	2,000,000	1,250,000
3	2100	F&B	64740	Emphasys/SymPro Portfolio Management	25,000	55,350	30,350
4	1800	HR		Elimination of the B&O Tax Credit	-	17,849	17,849
						-	-
TOTAL					1,196,000	2,793,199	1,597,199

Equity Spending Criteria

If an investment meets one of the definitions, then it must also meet at least one of the key criteria:

- A. Advances diversity for the Port.
- B. Removes systemic barriers for BIPOC or structurally excluded communities to participate in the Port.
- C. Programs and funding that were developed through direct engagement with communities, and/or communities been consulted in design of the program.
- D. Has a demonstrable impact in quality of life for BIPOC or structurally excluded communities.
- E. Was intentionally designed to have a positive impact in BIPOC or structurally excluded communities .
- F. Achieves our environmental justice goals and removes barriers for BIPOC or structurally excluded communities to live and enjoy a healthy environment.

Equity Spending Definition

The Port of Seattle defines *equity spending* as Port investments that:

- 1) Invest directly in targeted communities, either through grants, contracts, programs, sponsorships, or dedicated facilities; OR
- 2) Invests in businesses and individuals outside the Port to help us realize our internal and external equity priorities; OR
- 3) Invests in Port staff whose essential work functions were designed to primarily focused on advancing equity work.

GASBs 87 Lease and 96 SBITA Accounting Changes

- Require to report part of the lease payments from tenants (except for leases related to aeronautical revenues) as non-operating interest income, instead of operating revenues.
- No impact to the Port's overall Changes in Net Position.
- Treat leases more like a long-term financing arrangement, similar to a loan for our tenants to use the Port facilities, with part of the lease payments representing interest income on that financing arrangement.
- Conversely, when the Port makes lease or subscription payments to vendors (for the use of land, facilities, equipment, or subscription-based IT services) a portion of those payments is now classified as non-operating interest expense.