

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS

Briefing

Item No. 6A

Date of Meeting September 4, 2018

DATE: August 24, 2018
TO: John Wolfe, Chief Executive Officer
FROM: **Sponsor:** Erin Galeno, Treasurer, NWSA
Project Manager: David Morrison, Deputy Treasurer, NWSA
SUBJECT: 2018 Midyear Financial Update and 2019 Budget Process Update

A. BRIEFING

Provide an update on the NWSA financial results for the first half of 2018 and review the timeline and process for developing the 2019 operating budget and five year Capital Improvement Plan for the NWSA.

B. BACKGROUND

On August 4, 2015, the Port and the Port of Seattle jointly formed the Seaport Alliance to manage the two ports' maritime terminals (excluding grain and cruise terminals) and certain industrial properties. The Seaport Alliance was formed as a Port Development Authority PDA, pursuant to a provision in Title 53 RCW that grants ports that meet certain criteria the authority to create a separate PDA. As formed, the Seaport Alliance is to continue for an indefinite term until dissolution. As approved, the charter for the Seaport Alliance (the "Charter") may be amended only by mutual agreement of both ports as the Seaport Alliance's Managing Members.

The two homeports have a 50/50 membership interest which results in joint funding of investment projects and sharing equally in the cash flows and operating income of the NWSA.

The NWSA 2018 operating budget was approved on November 7, 2017. The NWSA budget informs the budgets of the two homeports.

C. PROJECT DESCRIPTION AND DETAILS

- a. NWSA financial Review
 - i. June Year to Date 2018 actual versus budget.
 - ii. 2018 full year forecast versus budget.

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- b. The NWSA budget is an important component of both the Port of Seattle and the Port of Tacoma's budget. The schedule will be reviewed.

D. NEXT STEPS

- a. October 30th: 2019 Budget business environment, cargo forecast, and Budget study session.
- b. November 7th: 2019 Budget and 2019-2023 CIP approval.