

Item: 3A

Date: 10/29/26

2027 Budget Study Session

Erin Galeno, Chief Financial & Administrative Officer

Josh Adams, Sr Financial Analyst & Deputy Treasurer

Laura Guenthard, Sr Financial & Budget Analyst

Port of Tacoma Commission Meeting

Date: October 29, 2026



Budget Schedule

2026 Key Messages and Forecast Update

2027 Key Messages

2027–2031 Budget

- Capital Investment Plan (CIP)
- Tax Levy
- Operating Budget
- Plan of Finance
- Financial Measures

October 29th – Study Session

- 2026 Forecast Update Summary
- 2027–2031 Capital Investment Plan
- 2027 Tax Levy
- 2027 Operating Budget
- 2027 Statutory Operating Budget
- 2027–2031 Plan of Finance

November 17th – Public Hearing

- Adopt 2027 Statutory Operating Budget and 2027 Tax Levy
- Approve annual service agreements and intergroup common issues ILA's

2026 Forecast

- Real estate revenues are slightly lower due to modest shift in vacancies
- Auto revenues are higher due to increased imports
- Joint venture (NWSA) revenue is higher due to non-containerized cargo businesses
- Expenses below budget due to the timing of demolition projects as work shifts to 2027 and 2028
- Provided final payment for SR-167 contribution (expense recognized in previous years)

2026 Forecast

- Auto imports increased
- Building and shipway/pile demolitions moved to 2027 and 2028
- Planned technology projects shifted to 2027
- HMT funds received in 2026

(\$ millions)

	2025 Actual	2026 Budget	2026 Forecast	Forecast vs Budget Better / (Worse)
Total Operating Revenues	\$149.2	\$103.8	\$106.9	\$3.1
Total Operating Expense	56.6	71.5	57.4	14.0
Operating Income	\$92.6	\$32.4	\$49.5	\$17.1
Return on Revenue	62.1%	31.2%	46.3%	
Non Operating Income (Expense) - without HMT	4.9	13.6	18.9	5.3
Income before Tax Levy and Expense	\$97.5	\$46.0	\$68.4	\$22.4
Net Tax Levy	\$23.3	\$24.3	\$25.2	\$0.9
Net Income Before Special Item	\$120.9	\$70.2	\$93.6	\$23.4
Harbor Maintenance Tax Funds	3.3	3.3	32.7	29.4
Net Income	\$124.2	\$73.5	\$126.3	\$52.7

May not foot due to rounding.

Statement of Net Position

(\$ thousands)

	9/30/2026*	9/30/2025
ASSETS		
Total Current Assets	\$403,152	\$364,283
Total Land Assets	582,324	585,063
Total Other Non-Current Assets	939,725	856,615
Total Assets	1,925,201	1,805,961
Total Deferred Outflows of Resources	20,439	32,622
Total Assets and Deferred Outflows	\$1,945,639	\$1,838,583
 LIABILITIES AND EQUITY		
Total Current Liabilities	\$49,890	\$44,531
Net Long-Term Debt	466,977	492,623
Other Long-Term Liabilities	86,418	92,358
Total Liabilities	603,285	629,512
Total Deferred Inflows of Resources	203,982	210,888
Total Equity	1,138,372	998,184
Total Liabilities Deferred Inflows & Equity	\$1,945,639	\$1,838,583

*Preliminary amounts at 9/30/2026

Capital Investment Plan



Five Year Planned CIP 2027-2031

<i>\$ Million</i>	2026						2027 - 2031
POT Only	Forecast	2027	2028	2029	2030	2031	Totals
Capitalized	\$116.9	\$84.0	\$125.7	\$53.3	\$22.9	\$6.5	\$292.4
Operating Expense	10.0	14.8	14.1	3.8	3.3	3.4	39.5
Non-Operating Expense	1.3	1.4	1.2	1.1	1.1	1.2	6.1
Grand Total - POT Only	\$128.2	\$100.3	\$141.1	\$58.2	\$27.3	\$11.1	\$338.0

<i>\$ Million</i>	2026						2027 - 2031
POT + 50% NWSA	Forecast	2027	2028	2029	2030	2031	Totals
Capitalized	\$155.7	\$167.3	\$202.2	\$128.3	\$97.9	\$81.5	\$677.3
Operating Expense	10.0	14.8	14.1	3.8	3.3	3.4	39.5
Non-Operating Expense	1.3	1.4	1.2	1.1	1.1	1.2	6.1
Grand Total: POT + 50% NWSA	\$167.0	\$183.6	\$217.6	\$133.3	\$102.3	\$86.1	\$722.8

Note: May not foot due to rounding

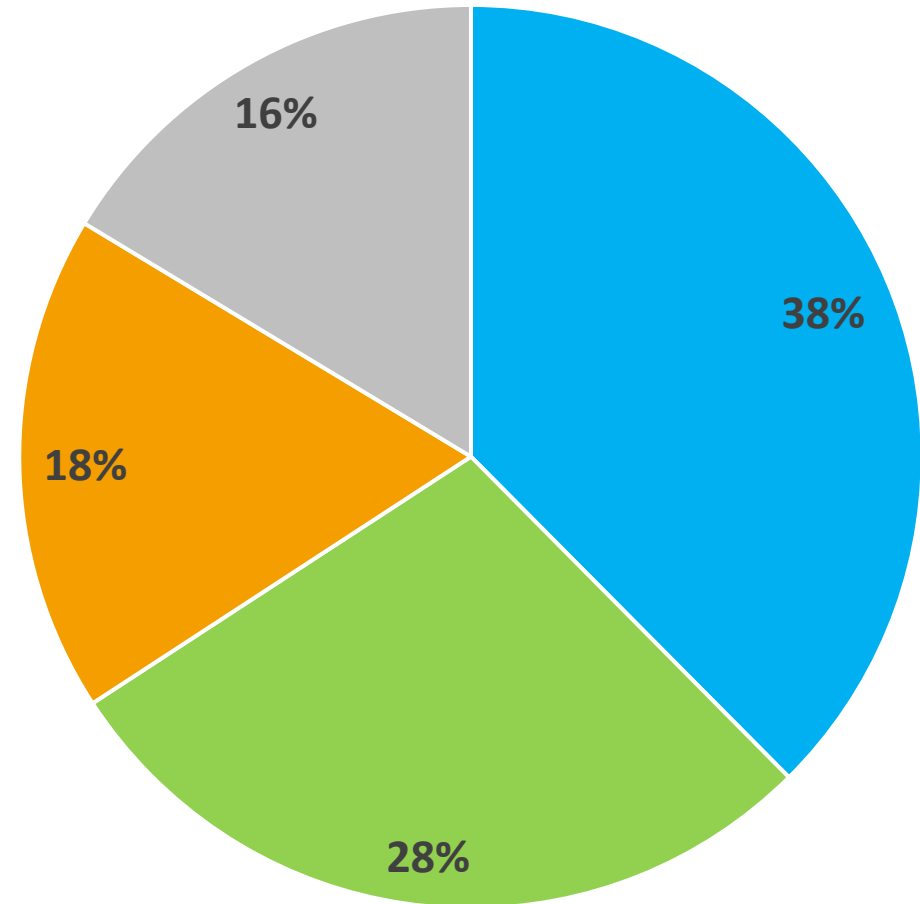
Notes:

- Includes \$85.1M for channel dredging and \$62.0M for Tribal cutback/dredge
- Over the past 5 years CIP spend is averaging 39% of total CIP budget
- Capitalized: Assets that depreciate over time and non-depreciating land purchases
- Operating/Non-operating expense: Included in the budget as spending

2027 CIP by Strategic Plan Goal

- Environmental Leadership
- Economic Vitality
- Organizational Success
- Transportation Advocacy

Strategic Goal	Capitalized Projects	Expensed Projects	2027 Total (\$ million)	Total %
Environmental Leadership	\$ 27,424	10,247	\$ 37,671	38%
Economic Vitality	24,785	3,533	28,318	28%
Organizational Success	16,506	\$ 1,380	17,886	18%
Transportation Advocacy	15,324	1,080	16,404	16%
Workforce Development	-	-	-	0%
Community Connections	-	-	-	0%
Total	\$ 84,039	\$ 16,239	\$ 100,279	100%



2027 CIP Spending

(Does not include NWSA CIP)

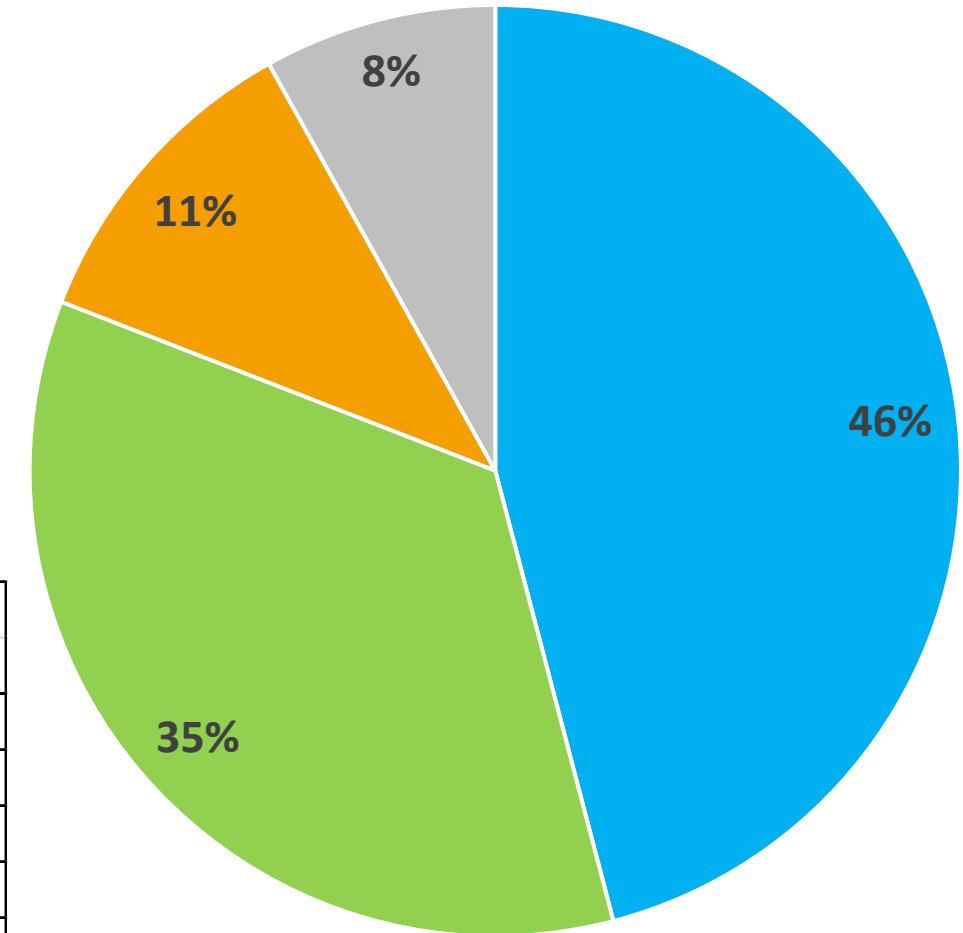
\$ millions



Type	2027 Budget	Major Projects
Building and Land (including remediation)	\$43.4	Land acquisitions, Arkema Manufacturing interim remedial actions, parcel 1b (EBC), parcel 115 and Lincoln ditch remedial actions, and roof replacement
Terminal Development & Dredging	\$20.9	Thorne Road off-dock container support facility and Blair Tribal dredge
Other	\$15.7	Equipment purchases, Fife ditch upgrades and maintenance, building, dock and shipway/pile demolitions
Port Maritime Center	\$8.1	New building, technology purchases and esplanade design
Habitat/Mitigation Development	\$6.1	Parcel 12 and parcel 37d
Environmental	\$2.4	Remediation and habitat monitoring, stewardship, water quality programs, air quality and sustainability programs
Rail	\$1.6	Replace turnouts in the Banana Rail Yard
Contingency for Emergent Projects	\$1.0	Unanticipated non-capitalizable projects
Roadway Contribution	\$1.0	Roadway infrastructure funding
Total	\$100.3	

2027-2031 CIP by Strategic Plan Goal

- Transportation Advocacy
- Environmental Leadership
- Economic Vitality
- Organizational Success



Strategic Goal	Capitalized Projects	Expensed Projects	2027-2031 Total (\$ million)	Total %
Transportation Advocacy	\$ 150,007	5,180	\$ 155,187	46%
Environmental Leadership	92,208	26,042	118,251	35%
Economic Vitality	29,195	8,012	37,207	11%
Organizational Success	21,002	\$ 6,320	27,322	8%
Workforce Development	-	-	-	0%
Community Connections	-	-	-	0%
Total	\$ 292,413	\$ 45,554	\$ 337,967	54%

2027-2031 CIP Spending

(Does not include NWSA CIP)

\$ millions

Type	2027-2031 Budget	Major Projects
Terminal Development & Dredging	\$155.6	Thorne Road off-dock container support facility, Blair waterway channel dredging and Blair Tribal dredge
Building and Land (including remediation)	\$108.7	Land acquisitions, Arkema Manufacturing interim remedial actions, parcel 1b (EBC), parcel 2 and parcel 115 remediation, decant facility, Arkema intertidal cap repair, and roof replacement
Other	\$28.9	Equipment purchases, Fife ditch upgrades and maintenance, building, dock and shipway/pile demolitions, Asset Management and Engineering/Environmental software systems
Habitat/Mitigation Development	\$12.7	East Commencement Bay (parcel 83), parcel 12 and parcel 37d
Environmental	\$11.3	Remediation and habitat monitoring, stewardship, water quality programs, air quality and sustainability programs
Port Maritime Center	\$9.1	New building, technology purchases and esplanade design
Contingency for Emergent Projects	\$5.0	Unanticipated non-capitalizable projects
Roadway Contribution	\$5.0	Roadway infrastructure funding
Rail	\$1.6	Replace turnouts in the Banana Rail Yard
Total	\$338.0	

2027 Tax Levy



- State law allows tax levy dollars to be used for paying general obligation debt and for “...general port services”
- Port of Tacoma policy is to use remaining tax levy after paying annual GO bond debt service for “governmental” purposes
 - GO bond debt retirement
 - Road and rail infrastructure
 - Environmental projects
 - Land purchases

Tax Levy Eligible Uses

General Obligation Bond Principal	\$	6,100,000
General Obligation Bond Interest	\$	4,428,770
Blair Tribal Dredge	\$	12,000,000
Land Acquisitions	\$	10,000,000
Arkema Mfg Area Interim Action (parcel 99)	\$	8,275,000
POT Maritime Center (parcel 94)	\$	6,500,000
Lincoln Avenue Ditch Remedial Action	\$	3,952,000
Parcel 12 Habitat Development	\$	2,800,000
Parcel 37D Habitat Development	\$	2,570,000
EBC Temporary Tenant Relocation	\$	2,300,000
Oxy Property Improvements	\$	2,000,000
Maintenance Building EV Charging Station	\$	1,938,000
Maritime Center - Esplanade Design	\$	1,154,000
Banana Yard Turnout Replacement	\$	1,140,000
Port of Tacoma Decant Facility	\$	1,000,000
Tax Levy Potential Uses in 2027	\$	66,157,770

Tax Levy Proposal

Propose a flat 3.0% increase over prior year

- \$829,540 increase to \$28,480,871
- Continue to bank excess tax levy capacity
- Per current maximum allowable by law, Port could increase levy by 11.5% or additional \$2.4M
- Assessed property values (base plus new construction) rose 0.77% in 2026 vs 2025
- Average residential home values declined approximately 1.1% in 2026

2027 Tax Levy

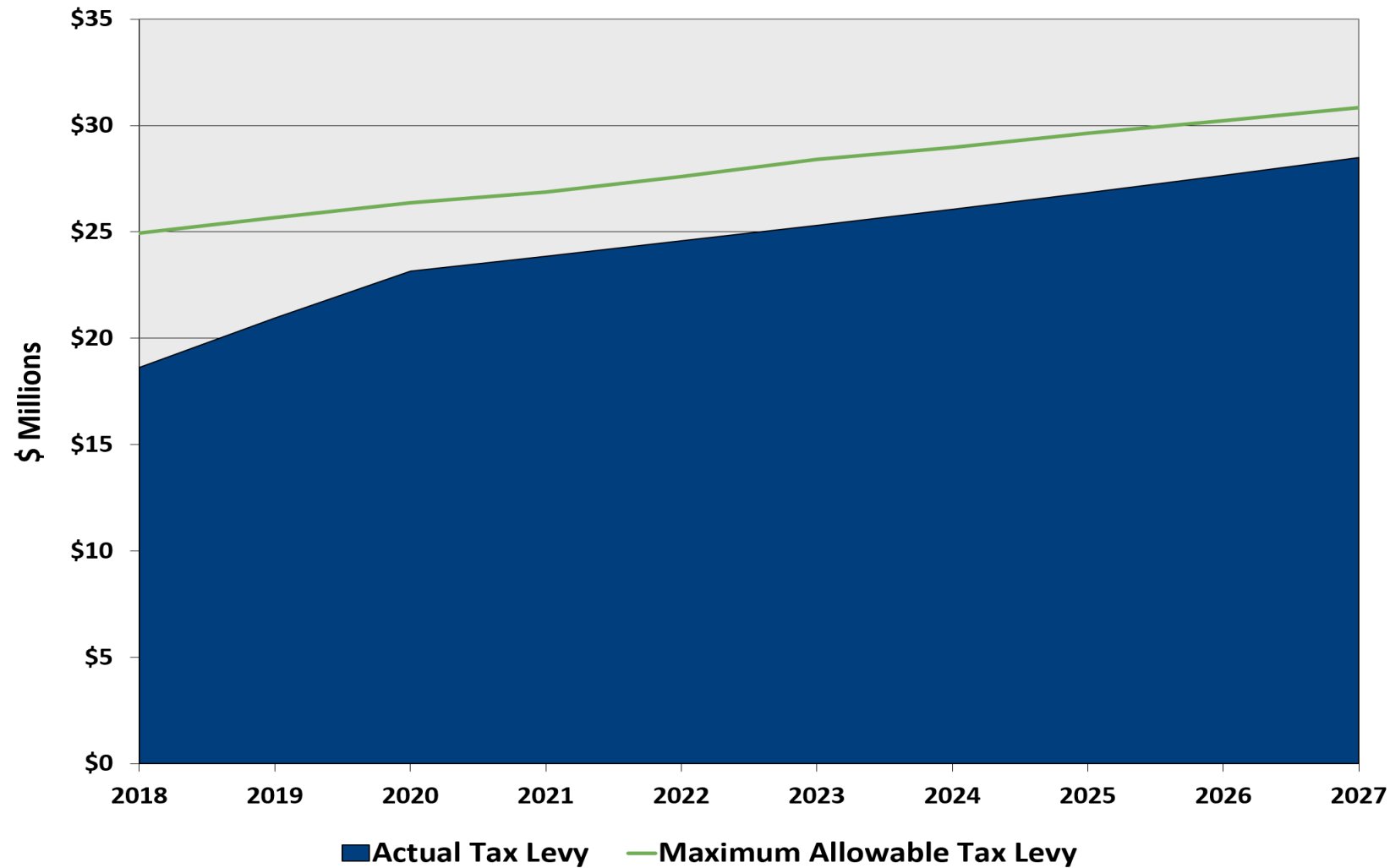
	2026 Forecast	2027 Budget
Assessed Valuation*	\$210,665,012,924	\$212,278,997,442
Target Millage Rate (per \$1,000 valuation)	\$0.13126	\$0.13417
Total Port Tax Levy **	\$27,651,331	\$28,480,871
Debt Service on G.O. Bonds	\$12,297,265	\$10,528,770
Remainder for Governmental Projects	\$15,354,066	\$17,952,101

Tax Collection Year	2023	2024	2025	2026	2027
Avg. Assessed Value	\$ 568,840	\$ 554,465	\$ 588,806	\$ 607,646	\$ 600,827
Port Millage Rate (per \$1,000)	0.13236	0.13601	0.13236	0.13126	0.13417
Annual Tax Levy	\$ 75.29	\$ 75.41	\$ 77.93	\$ 79.76	\$ 80.61
Monthly Tax Levy	\$ 6.27	\$ 6.28	\$ 6.49	\$ 6.65	\$ 6.72
Tax Levy if at Maximum Rate	\$ 84.50	\$ 83.80	\$ 86.02	\$ 87.19	\$ 87.28
Monthly Tax Levy at Max Rate	\$ 7.04	\$ 6.98	\$ 7.17	\$ 7.27	\$ 7.27

*Based on 2027 preliminary valuations (as of September 2026) and targeted millage rate

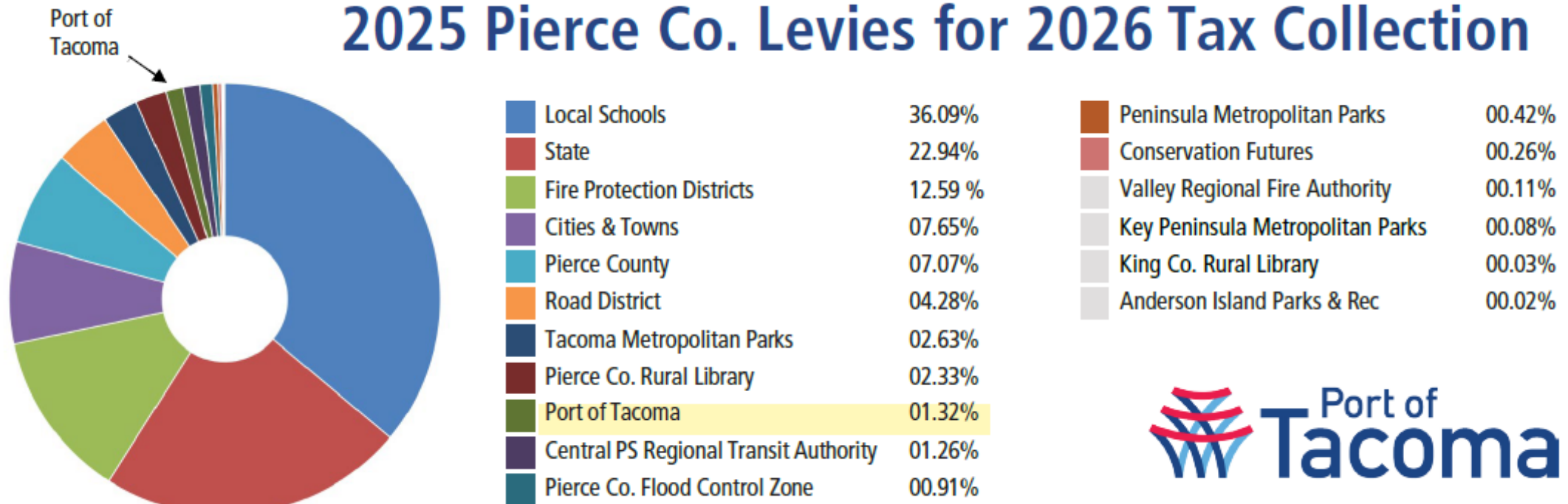
**Asking for 3% increase in levy, but effect on average homeowner is flat

Tax Levy History



* Based on 2027 preliminary assessed valuations and targeted millage rate

2025 Pierce Co. Levies for 2026 Tax Collection



Source: piercecowa.gov

2027 Operating Budget



Revenues are based on NWSA, POT real estate and other POT businesses

- Split NWSA Distributable Income (Net Income) 50/50
- Real Estate, Auto and Bulk revenue based on existing leases and cargo forecast
- Intermodal revenue based on industrial rail traffic

Operating Expenses

- Remediation costs associated with Port properties are expensed as incurred
- Continued significant costs associated with reinvesting in Port technology to support critical systems
- Anticipated building, dock and shipway/pile demolition projects in 2027 which are expensed as incurred

BARS Net Income

- Continued growth in real estate
- Increase in auto imports
- Timing of shipway/pile demolition adjusted
- Gain from property sale
- HMT funds budgeted in 2027

(\$ millions)

	2025 Actual	2026 Budget	2026 Forecast	2027 Budget
Total Operating Revenues	\$149.2	\$103.8	\$106.9	\$104.7
Total Operating Expense	56.6	71.5	57.4	69.6
Operating Income	\$92.6	\$32.4	\$49.5	\$35.1
Return on Revenue	62.1%	31.2%	46.3%	33.5%
Non Operating Income (Expense) - without HMT	4.9	13.6	18.9	15.2
Income before Tax Levy and Expense	\$97.5	\$46.0	\$68.4	\$50.3
Net Tax Levy	\$23.3	\$24.3	\$25.2	\$25.2
Net Income Before Special Item	\$120.9	\$70.2	\$93.6	\$75.5
Harbor Maintenance Tax Funds	3.3	3.3	32.7	29.4
Net Income	\$124.2	\$73.5	\$126.3	\$104.9

May not foot due to rounding.

BARS Revenue

- Projected increase in auto imports over previous lows
- Real Estate reflects steady growth
- NWSA revenue remains at existing levels

(\$ millions)

Operating Revenues

NWSA

Container (*Mnt of Way,
Contract Security Revenue*)

Non Container (*Autos, Grain*)

Real Estate

Total Operating Revenues

May not foot due to rounding.

	2025 Actual	2026 Budget	2026 Forecast	2027 Budget
NWSA	\$107.0	\$58.4	\$61.5	\$57.8
Container (<i>Mnt of Way, Contract Security Revenue</i>)	4.3	4.6	4.4	4.9
Non Container (<i>Autos, Grain</i>)	6.4	7.5	9.6	10.0
Real Estate	31.5	33.4	31.4	32.1
Total Operating Revenues	\$149.2	\$103.8	\$106.9	\$104.7

BARS Direct Expenses



- Container expense includes Fife Ditch improvements and maintenance
- Real estate costs reflect demolition of buildings, dock and shipway/piles
- Other expense includes budget for unanticipated CIP expense projects

(\$ millions)

Direct Expenses

Container (*Mnt of Way, Contract Security Revenue*)

Non Container (*Autos, Grain*)

Real Estate

Other

Total Direct Expenses

May not foot due to rounding.

	2025 Actual	2026 Budget	2026 Forecast	2027 Budget
Container (<i>Mnt of Way, Contract Security Revenue</i>)	\$3.7	\$3.3	\$3.8	\$6.8
Non Container (<i>Autos, Grain</i>)	3.2	3.3	3.2	3.3
Real Estate	4.9	14.3	4.9	10.3
Other	0.9	3.3	3.0	3.5
Total Direct Expenses	\$12.7	\$24.2	\$14.9	\$23.9

Direct Expense (\$ million)



Note: Net of allocation to NWSA

2027 budget reflects a \$9.0M increase vs 2026 forecast

- \$3.0M for Fife Ditch Tide Gate upgrades and ditch maintenance
- \$3.0M for EBC Shipway and Pile Demolition
- \$2.2M for building demolitions on E 15th St, Ross Way and EBC
- \$1.0M for dock demolition at parcel 115 (former Tru-Grit site)

BARS Non-Direct Expenses

- Salary pool: 4%
- Election expense was previously included in non-operating
- Additional operating costs for Maritime Center
- Updated costs for remediation projects
- Depreciation increase associated with the Maritime Center and Off Dock Facility

(\$ millions)

Non-Direct Expenses

Administration

**2025
Actual**

**2026
Budget**

**2026
Forecast**

**2027
Budget**

\$11.0

\$13.8

\$12.8

\$15.2

Security

2.4

2.8

2.4

3.0

Environmental

13.5

14.3

11.5

5.0

Depreciation

17.1

16.5

15.8

22.5

Total Non-Direct Expenses

\$43.9

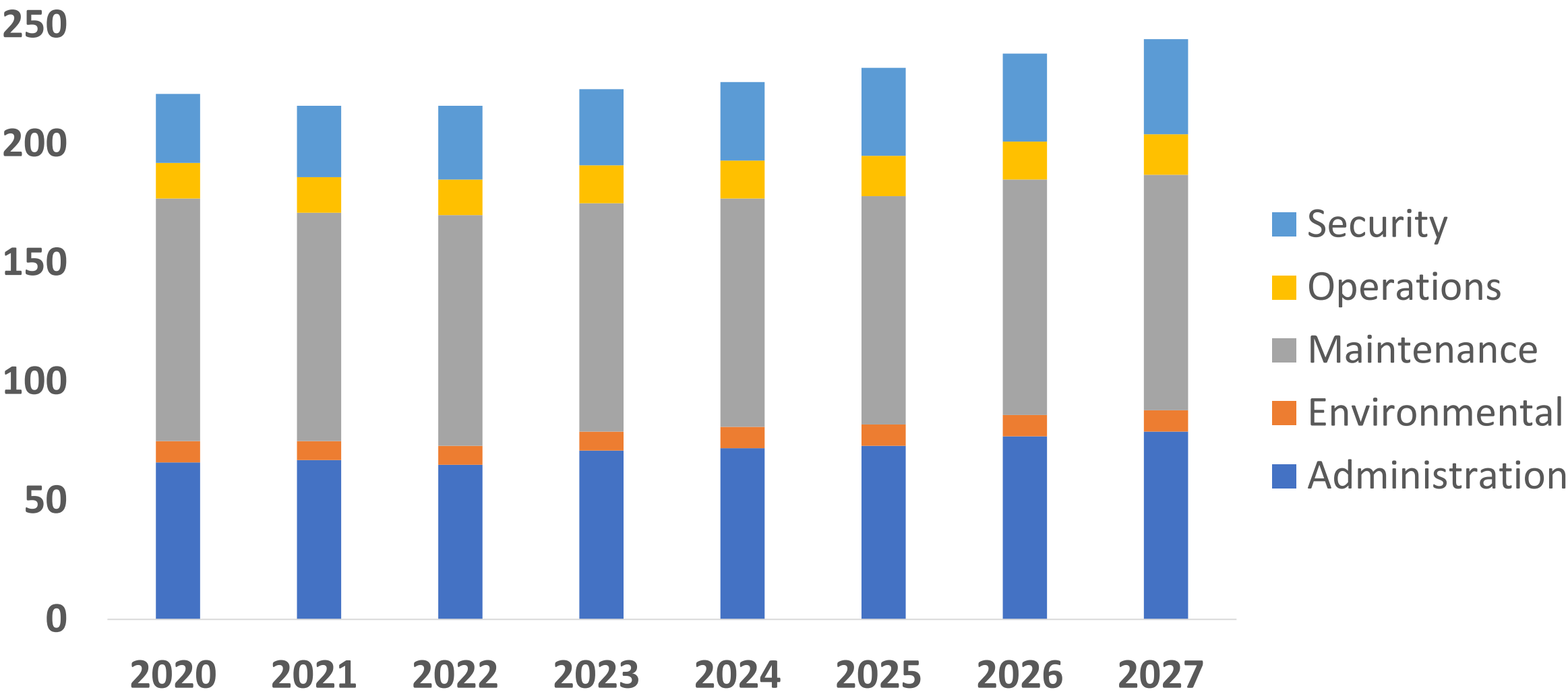
\$47.3

\$42.5

\$45.6

May not foot due to rounding.

Staffing History



All Departments excluding Administrative

Department	2020	2021	2022	2023	2024	2025	2026	2027
Real Estate	6	6	6	6	6	6	6	7
Customer Service	9	9	9	10	10	11	10	10
Strategic Projects, Risk & Safety	1	0	0	0	0	0	0	0
Security	19	20	20	20	21	24	24	27
TSO Security	10	10	11	12	12	13	13	13
Environmental Admin	9	8	8	8	9	9	9	9
Engineering	16	13	14	14	14	13	14	14
Equipment Maintenance	50	47	47	46	45	45	47	47
Facility Maintenance	36	36	36	36	37	38	38	38
Total	156	149	151	152	154	159	161	165

Administrative Departments

Department	2020	2021	2022	2023	2024	2025	2026	2027
Executive	1	4	4	6	7	7	7	8
Information Technology	23	22	21	22	24	24	26	27
Finance	20	19	18	20	19	19	19	21
Contracts	9	9	9	8	8	9	11	9
Human Resources	3	4	4	5	5	5	5	5
Government Affairs	3	3	3	4	4	4	4	4
Communications	6	6	6	6	5	5	5	5
Total	65	67	65	71	72	73	77	79

2027 vs 2026 Salaries & Benefits Comparison

	2025	2026	2026	2027	Var from	% Var	Var from	%Var
	Actual	Budget	Forecast	Budget	Forecast		Prior Budget	
Salary Wages	12,490,045	13,038,121	13,299,497	13,705,799	406,302	3%	667,678	5%
Hourly Wages	16,996,108	18,668,485	18,225,134	19,653,362	1,428,228	8%	984,877	5%
OT Wages	1,844,466	1,744,884	1,533,496	1,573,438	39,942	3%	(171,446)	-10%
Total Wages	31,330,619	33,451,490	33,058,127	34,932,599	1,874,472	6%	1,481,109	4%
F.I.C.A.	2,371,891	2,527,284	2,535,242	2,632,357	97,115	4%	105,073	4%
S.U.I.	94,553	141,191	125,910	154,590	28,680	23%	13,399	9%
Medical Benefits	8,072,275	9,000,285	9,122,966	9,605,490	482,524	5%	605,205	7%
Employee Pension	2,150,451	1,812,301	1,766,132	1,733,830	(32,302)	-2%	(78,471)	-4%
Other Benefits	(1,860,973)	1,077,341	977,950	1,063,310	85,360	9%	(14,031)	-1%
Total Benefits	10,828,197	14,558,402	14,528,200	15,189,577	661,377	5%	631,175	4%
<i>Benefits % of Total</i>	<i>34.6%</i>	<i>43.5%</i>	<i>43.9%</i>	<i>43.5%</i>				
Port Salaries & Benefits	42,158,816	48,009,892	47,586,327	50,122,176	2,535,849	5%	2,112,284	4%

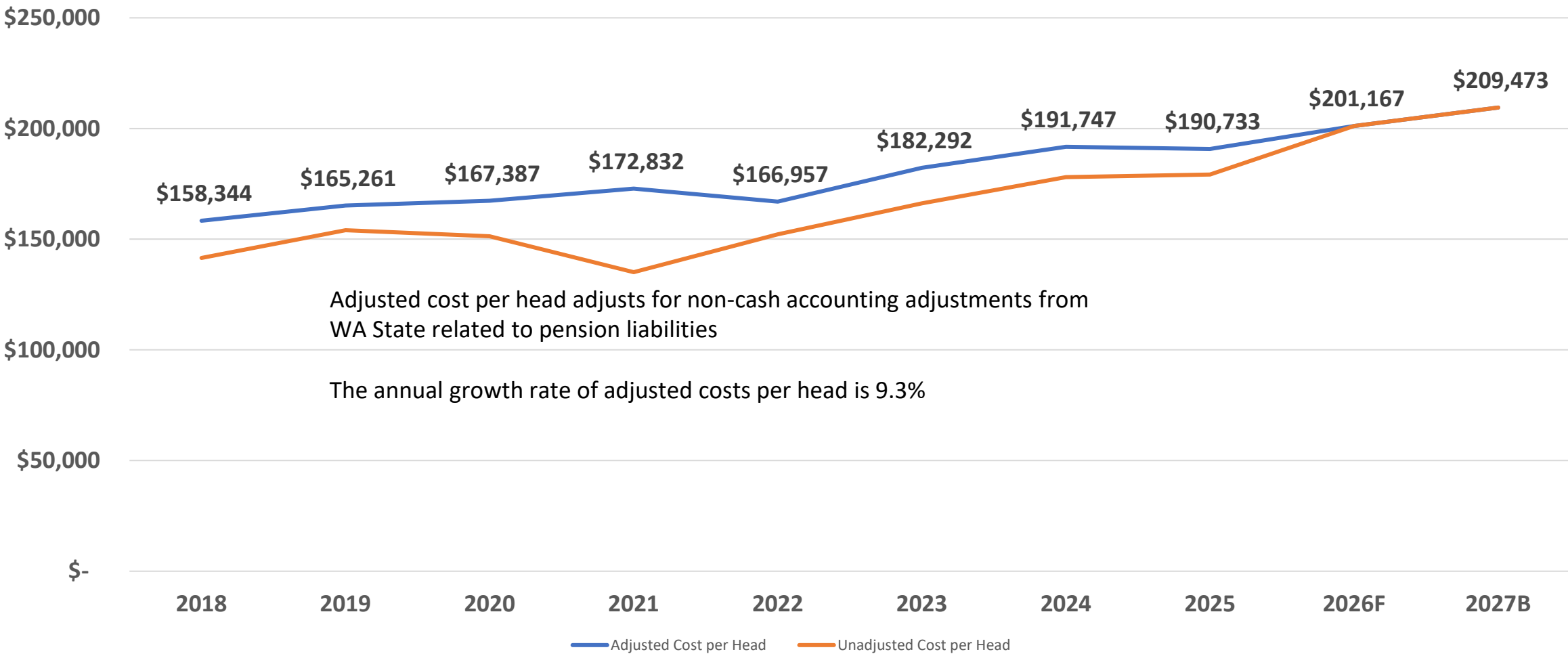
May not foot due to rounding

2027 vs 2026 Salaries & Benefits Comparison

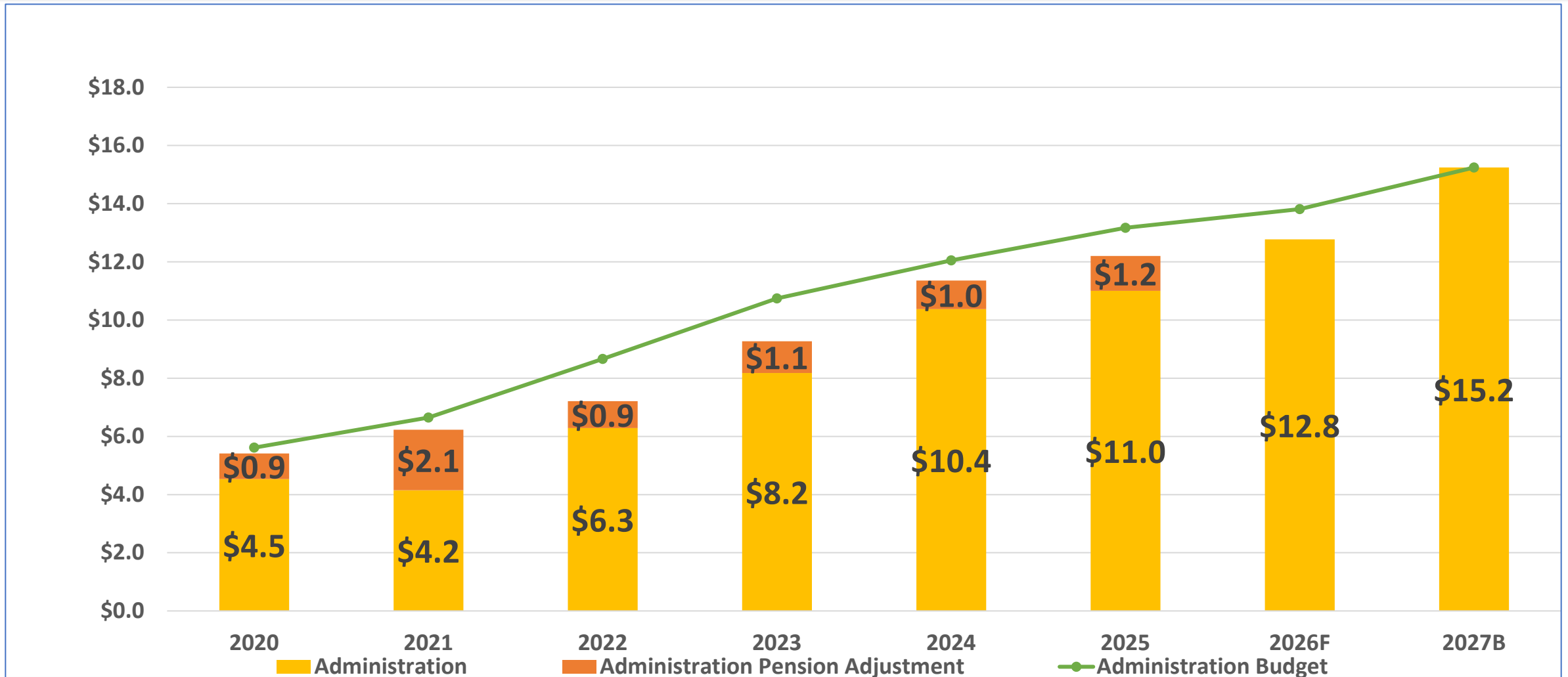
- Average salary is \$138,182 (includes all non-represented staff except Executive Director)
- Budgeted salary pool for non-represented staff positions
 - Annual increases are \$371,940
 - Employee recognition is \$32,818
 - Potential salary market adjustments are \$65,636

Staffing Cost

Total Compensation Cost Per FTE

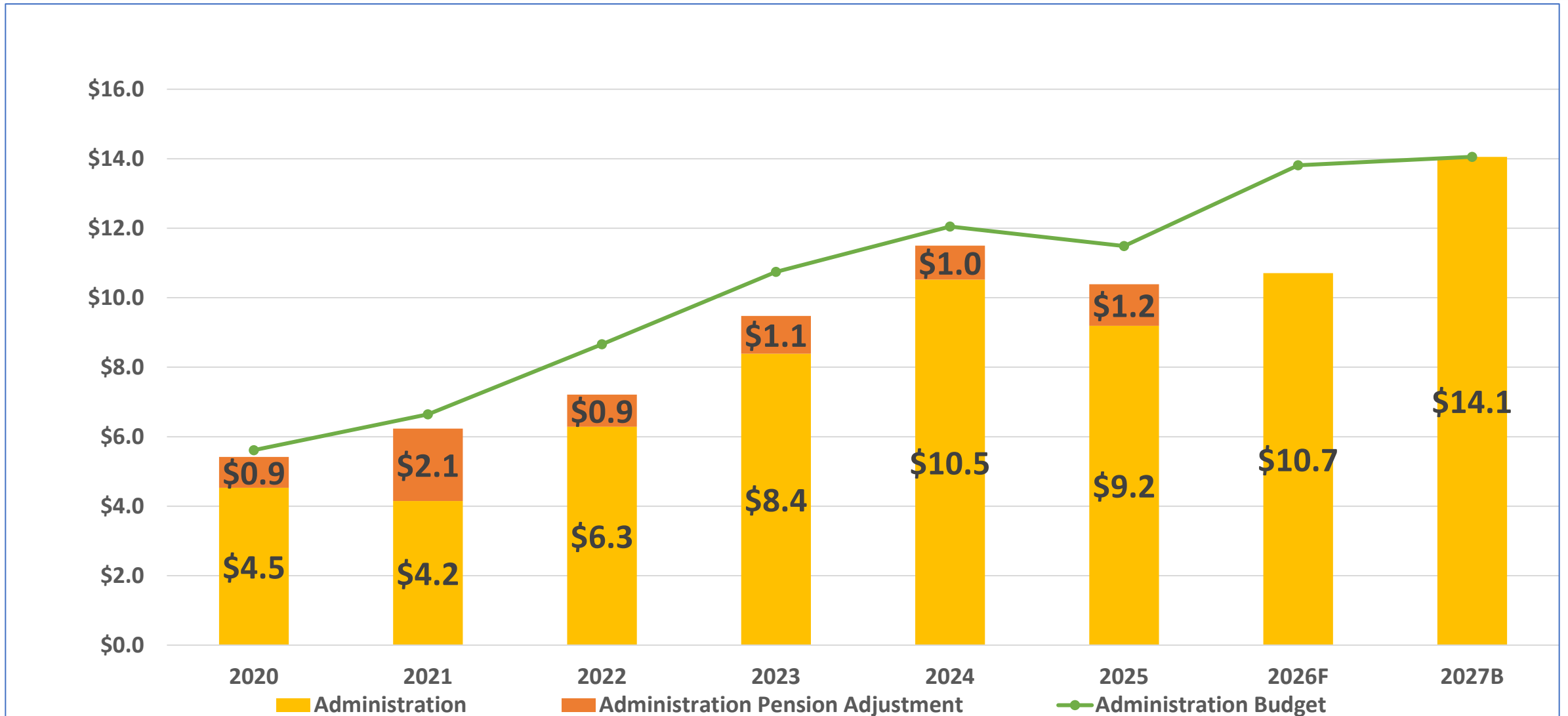


Administration (\$ million)



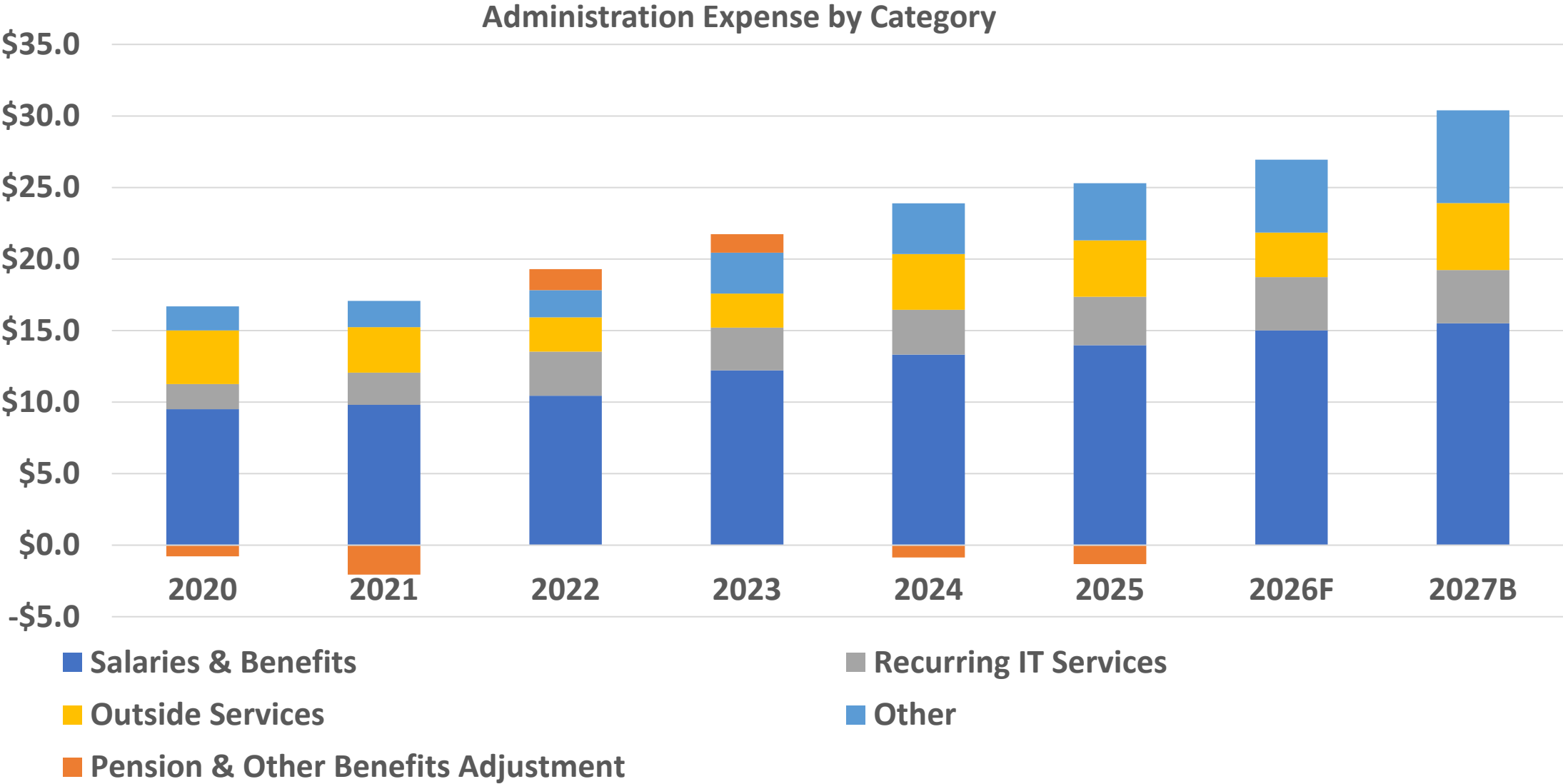
Note: Net of allocation to NWSA

Administration without GASB 96 SBITA (\$ million)

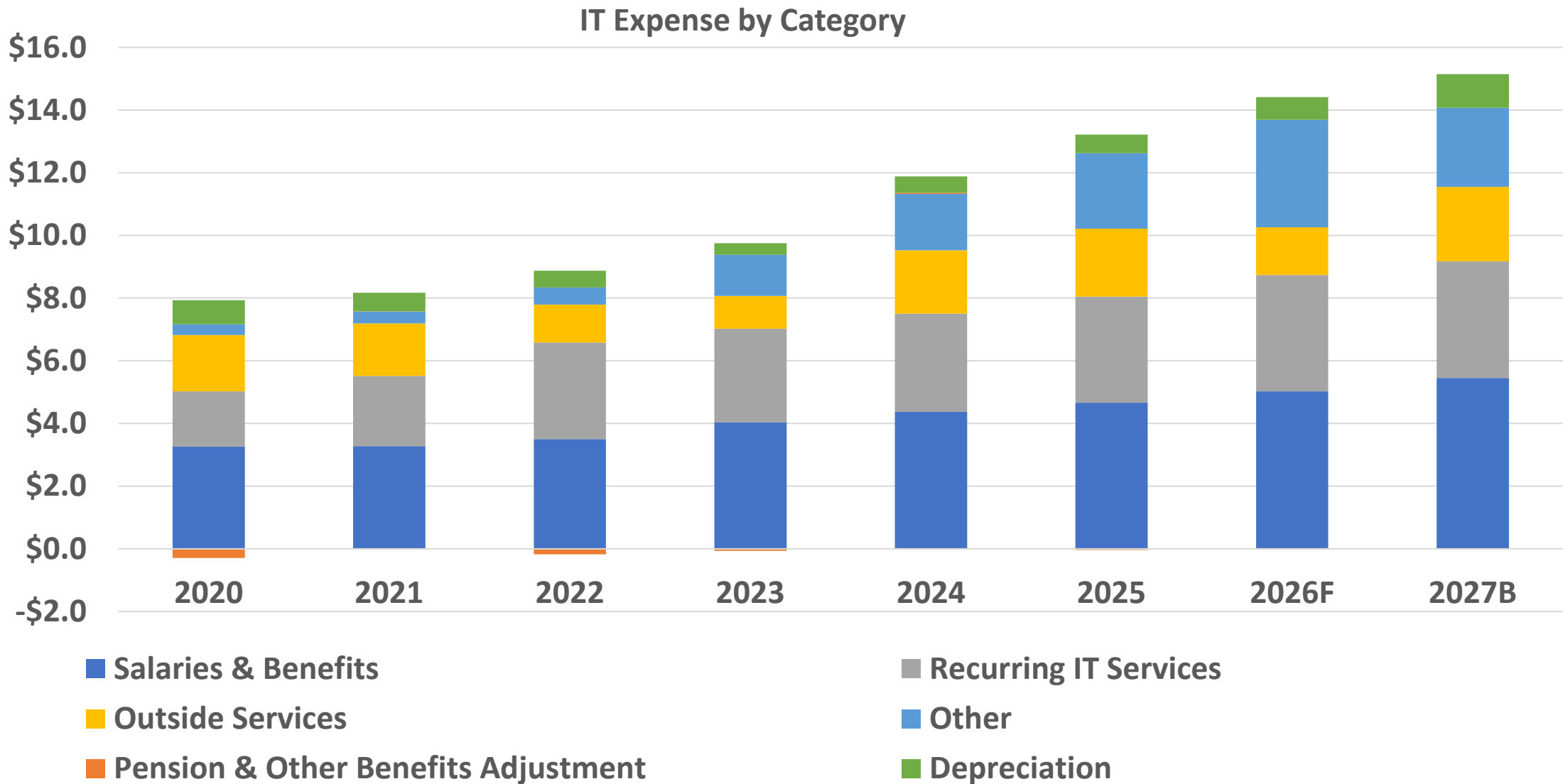


Note: Net of allocation to NWSA

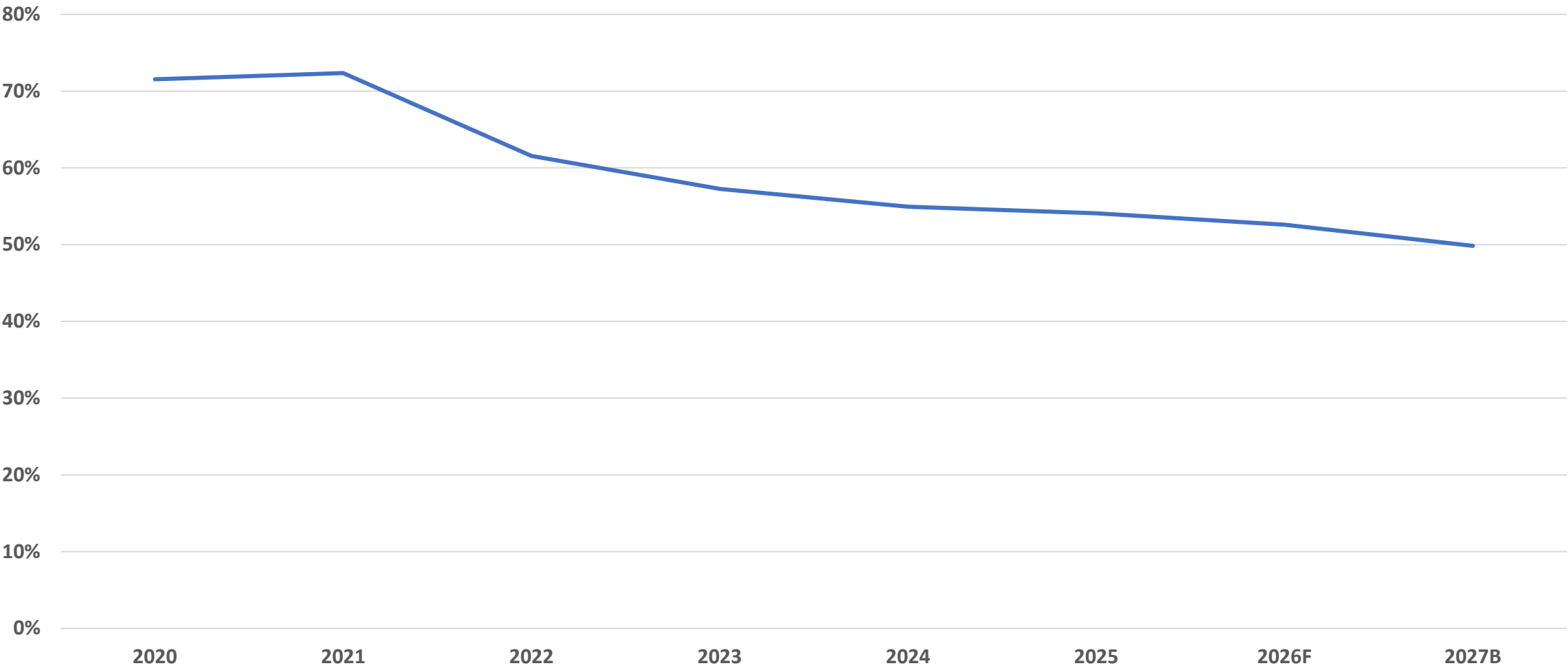
Administration (\$ million)



Information Technology (\$ million)



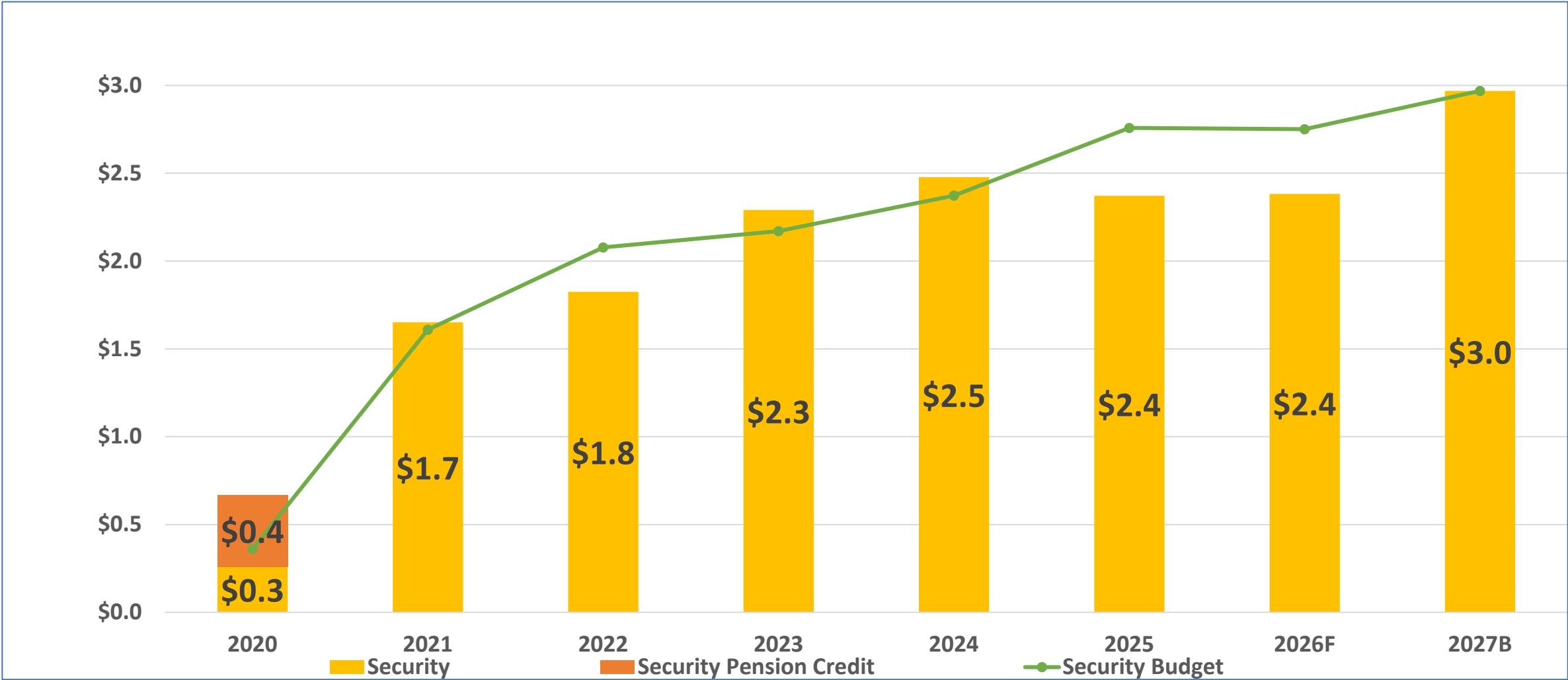
Allocation % to NWSA



2027 budget reflects a \$2.4M increase vs 2026 forecast

- \$933K for election expenses due to change in accounting standards
- \$480k additional expense for new Maritime Center
- Fill open positions and support wage increases for administrative staff of \$394K
- \$320K for Stormwater Utility Alternatives Analysis

Security (\$ million)

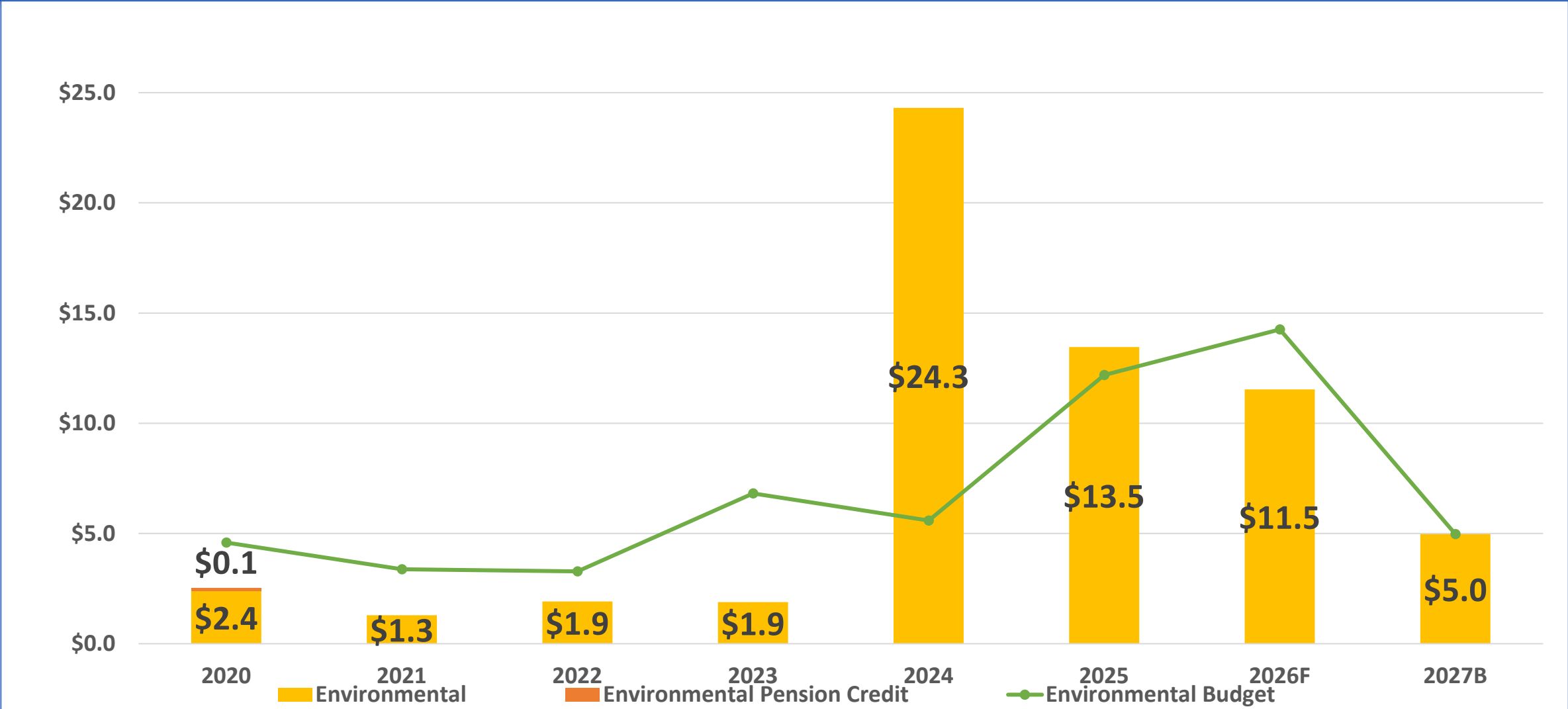


Note: Net of allocation to NWSA

2027 budget reflects a \$600K increase vs 2026 forecast

- Wage and benefit increases of \$261k for three new patrol officers due to increased patrol area associated with the new Maritime Center
- Wage increases for existing patrol officers \$115k
- Decrease in overtime of \$28k
- Tideflats evacuation plan and exercise \$165K
- Tabletop exercise \$50K

Environmental (\$ million)



Note: Net of allocation to NWSA

2027 budget reflects a \$6.6M decrease vs 2026 forecast

- \$5.1M decrease for near completed remediation at parcel 117
- Cost estimate decrease of \$824K for parcel 1b (EBC) remediation
- \$400K decrease for completed remediation at parcel 94 (Maritime Center campus)

Non-Operating

<i>\$ millions</i>	2026 Budget	2026 Forecast	2027 Budget	Chg from CY Budget	Chg from CY Frcast
Interest Income	\$10.1	\$12.2	\$13.3	\$3.3	\$1.1
Premium Discount	\$0.7	\$0.9	\$0.7	(\$0.0)	(\$0.2)
Investment Gain Loss	0.0	(2.8)	0.0	0.0	2.8
Capital Grant Income	18.5	19.9	6.3	(12.2)	(13.5)
Non-Capital Grant Income	2.3	0.5	1.4	(1.0)	0.8
Other Non Operating Income	3.0	34.8	38.9	35.9	4.1
Non Operating Revenue	34.6	65.4	60.6	26.0	(4.8)
Revenue Bond Interest Expense	14.6	12.4	14.3	0.3	(2.0)
Other Non Operating Expense	3.1	1.5	1.7	1.4	(0.2)
Non Operating Expense	17.8	13.9	16.0	1.7	(2.2)
Non Operating Revenues (Expense)	\$16.9	\$51.6	\$44.6	\$27.7	(\$7.0)

May not foot due to rounding

2027 Memberships over \$10k

Memberships	2026 Budget	2027 Budget	Comments
Washington Public Ports Association	\$ 205,000	\$ 209,000	
Puget Sound Regional Council	59,000	59,326	
Manufacturing Industrial Council	25,000	25,000	
Tacoma Pierce County Chamber of Commerce	24,740	24,740	
All other memberships \$10,000 or under	37,800	40,701	53 memberships
Total Memberships	\$ 351,540	\$ 358,767	

- Other Port memberships \$10,000 or less per year
- Costs subject to small variations based on fees tied to 2026 actual financial results

2027 Major Community Contracts

Contract	2026 Budget	2027 Budget
World Trade Center	\$ 122,500	\$ 122,500
Economic Development Board	135,000	135,000
Total Contracts	\$ 257,500	\$ 257,500

- RCW 53.36.120 and 130 requires that Port expenditures for Industrial Development, Trade Promotion, and Promotional hosting be specific budgeted items
- Promotional hosting is “Furnishing customary meals, refreshments, lodging, transportation or any combination of those items in connection with: Business meetings, social gatherings, and ceremonies honoring persons or events relating to the authorized business promotion activities of the port”

Promotional Hosting

	2025 Actual	2026 Forecast	2027 Budget
POT Promotional Hosting	\$ 5,677	\$ 5,846	\$ 13,458
50% of NWSA Promotional Hosting	146,957	117,526	152,119
Total Promotional Hosting	\$ 152,634	\$ 123,372	\$ 165,577

Statutory limit is \$286,823 based on \$104.7M in revenue

2027-2031 Plan of Finance



2027 Statutory Cash Budget

(\$ Million)	2027
Beginning Cash & Investments	\$311.5
 <u>Projected Sources of Funds</u>	
Revenues	104.7
Expenses	(46.6)
Memberships	(0.4)
Promotional hosting and Items POT	(0.0)
Promotional hosting NWSA (POT share)	(0.2)
Funds Provided by Operations	57.6
 Interest Income	14.1
NWSA Depreciation Cash	19.2
HMT/WRDA Funds	29.4
Other Non-Op (net)	5.8
Other Contributions	17.3
Ad valorem tax revenue (net)	28.3
Projected Sources of Funds	171.6
 <u>Projected Uses of Funds</u>	
Investment in Northwest Seaport Alliance	83.3
Debt Payments (Principal and Interest) - GO Bonds	10.5
Debt Payments (Principal and Interest) - Revenue Bonds	26.8
Capital Spending - Planned Projects	84.0
Projected Uses of Funds	204.7
 <u>Projected Borrowing</u>	
Commercial Paper Borrowing	0.0
Total Borrowing	0.0
 Projected Ending Cash & Investments	\$278.4

Operating Revenues

- Includes POT portion of NWSA net income
- Based on business forecast and existing leases

Operating Expenses

- Inflation 3%
- Real Estate and operating expenses, mainly fixed costs

Non-Operating

- Revenue and GO bond interest expense
- Investment income
- Grant income
- HMT income
- Tax levy revenue
- Demolition of buildings and asset disposal
- Ongoing remediation and clean up monitoring

Harbor Maintenance Tax

- Includes WRDA revenue of \$3 million per year over the five-year budget period
- Includes HMT revenue of \$26.4 million per year over the five-year budget period

Capital projects spending \$677M

- Includes POT specific capitalized projects of \$292M
- Includes POT portion of NWSA CIP of \$385M

Debt Management

- Normally scheduled GO and Revenue bond debt payments
- All eligible bonds have been refunded that can economically be refunded
- Refunding Update:
 - LTGO Bonds: Refunded \$68.1 million principal
 - NPV Savings - \$2.8 million (4.3%)
 - Revenue Bonds: Refunded \$77.7 million principal
 - NPV Savings - \$2.6 million (3.3%)

2027-2031 Cash Flow Forecast

(\$ Million)

	2027	2028	2029	2030	2031
Beginning Cash & Investments	\$311.5	\$278.4	\$182.5	\$167.7	\$188.6
<u>Projected Sources of Funds</u>					
Revenues	104.7	98.3	99.0	99.4	102.7
Expenses	(47.1)	(45.2)	(36.8)	(36.5)	(38.8)
Funds Provided by Operations	57.6	53.1	62.2	62.9	64.0
Interest Income	14.1	12.5	7.9	6.9	7.2
NWSA Depreciation Cash Add back	19.2	22.5	24.7	28.2	30.5
HMT/WRDA Funds	29.4	29.4	29.4	29.4	29.4
Other Non-Op (net)	5.8	0.7	(1.3)	(1.4)	(1.4)
Other Contributions	17.3	0.0	0.0	0.0	0.0
Ad valorem tax revenue (net)	28.3	29.2	30.1	31.0	31.9
Projected Sources of Funds	171.6	147.4	153.0	157.0	161.5
<u>Projected Uses of Funds</u>					
Investment in Northwest Seaport Alliance	83.3	76.5	75.0	75.0	75.0
Debt Payments (Principal and Interest) - GO Bonds	10.5	12.3	12.3	12.3	12.3
Debt Payments (Principal and Interest) - Revenue Bonds	26.8	28.8	27.2	25.9	30.2
Capital Spending - Planned Projects	84.0	125.7	53.3	22.9	6.5
Projected Uses of Funds	204.7	243.3	167.8	136.1	124.0
Projected Ending Cash & Investments	\$278.4	\$182.5	\$167.7	\$188.6	\$226.1
Projected Ending Cash & Investments less HMT	\$252.0	\$129.7	\$88.5	\$83.0	\$94.1
Minimum Cash	\$99.3	\$98.7	\$94.3	\$94.1	\$95.6
Sr. Lien Rev. Bond Debt Service Coverage	7.98	6.71	7.85	8.86	10.93
Fully Diluted Revenue Bond Debt Service	2.96	2.63	3.06	3.37	3.04

2027-2031 Cash Flow Forecast

(\$ Million)

	2027	2028	2029	2030	2031
Funds Provided by Operations	57.6	53.1	62.2	62.9	64.0
Interest Income	14.1	12.5	7.9	6.9	7.2
NWSA Depreciation Cash Add back	19.2	22.5	24.7	28.2	30.5
HMT/WRDA Funds	29.4	29.4	29.4	29.4	29.4
Other Non-Op (net)	5.8	0.7	(1.3)	(1.4)	(1.4)
Other Contributions	17.3	0.0	0.0	0.0	0.0
Ad valorem tax revenue (net)	28.3	29.2	30.1	31.0	31.9
Projected Sources of Funds	171.6	147.4	153.0	157.0	161.5
<u>Projected Uses of Funds</u>					
Investment in Northwest Seaport Alliance	83.3	76.5	75.0	75.0	75.0
Debt Payments (Principal and Interest) - GO Bonds	10.5	12.3	12.3	12.3	12.3
Debt Payments (Principal and Interest) - Revenue Bonds	26.8	28.8	27.2	25.9	30.2
Debt Payments (Principal and Interest) - Commercial Paper	0.0	0.0	0.0	0.0	0.0
Capital Spending - Planned Projects	84.0	125.7	53.3	22.9	6.5
Projected Uses of Funds	204.7	243.3	167.8	136.1	124.0
Commercial Paper Borrowing	0.0	0.0	0.0	0.0	0.0

2027 Minimum Cash Calculation

<u>Minimum Port of Tacoma Cash & Investments</u>	<u>(\$ Millions)</u>
Port cash and investments to cover 6 months operating expenses	\$23.5
Prorated revenue bond payments	2.2
Prorated G.O. bond payments	0.9
Revenue bond reserves	71.2
Industrial insurance reserve	0.4
Self insurance reserve	<u>1.1</u>
Minimum Port of Tacoma cash & investment balance	<u><u>\$99.3</u></u>

**Does not include \$25.5 million in working capital contribution to the NWSA*

2027 Debt Outstanding at Year End

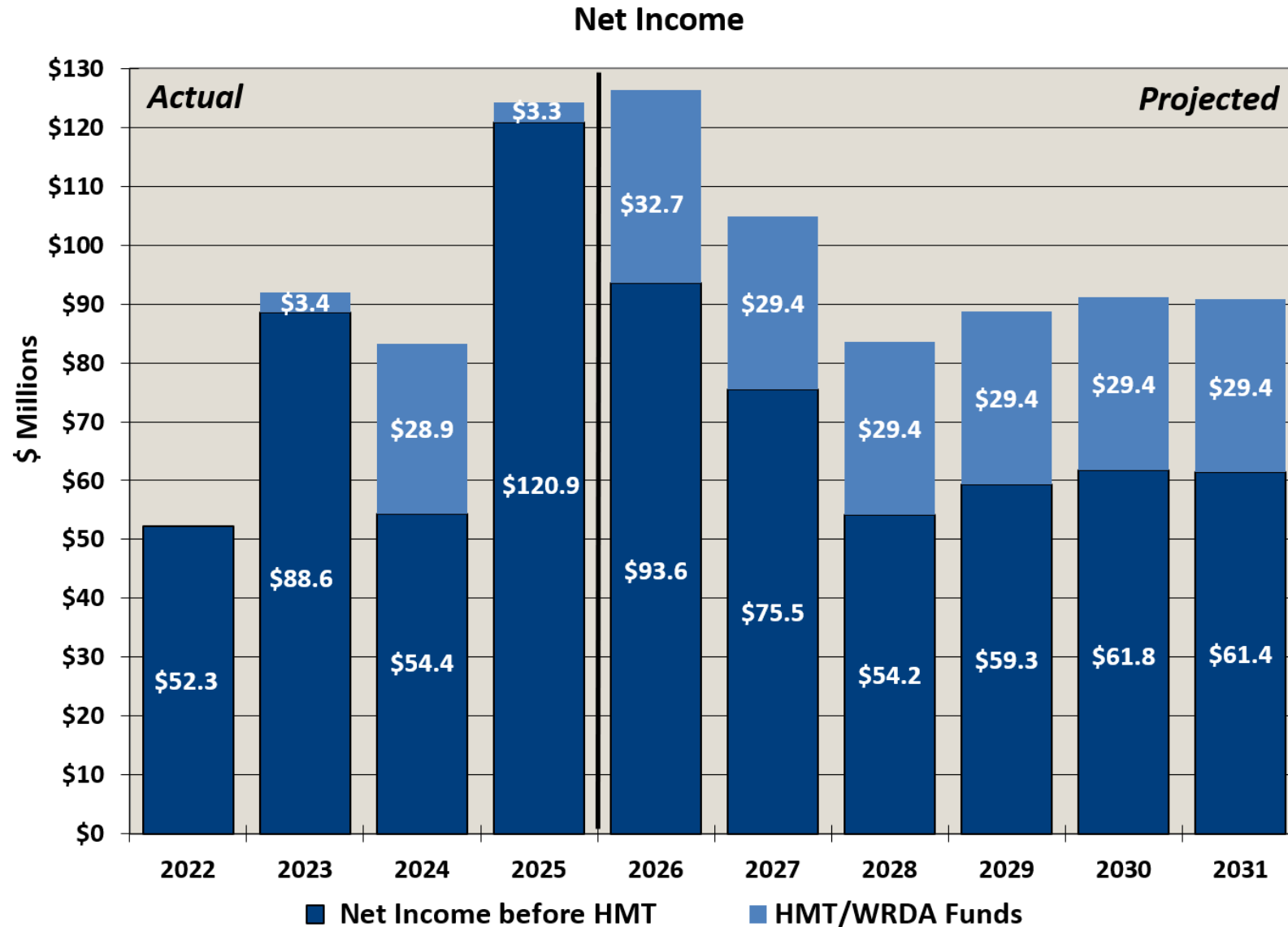
(\$ Million)

Debt Outstanding at year end	2026	2027	2028	2029	2030	2031
Un-voted <u>G.O. Bond</u> , Fixed Rate	\$96.9	\$90.8	\$82.7	\$74.1	\$65.2	\$55.8
<u>Senior</u> Revenue Bond, <u>Fixed Rate</u>	139.2	132.3	123.2	115.0	107.6	101.9
<u>Subordinate</u> Rev Bond, <u>Variable Rate</u>	197.0	192.9	188.7	184.3	179.8	168.5
Commercial Paper, Variable Rate	0.0	0.0	0.0	0.0	0.0	0.0
Total Debt Outstanding	\$433.1	\$416.1	\$394.5	\$373.4	\$352.5	\$326.2

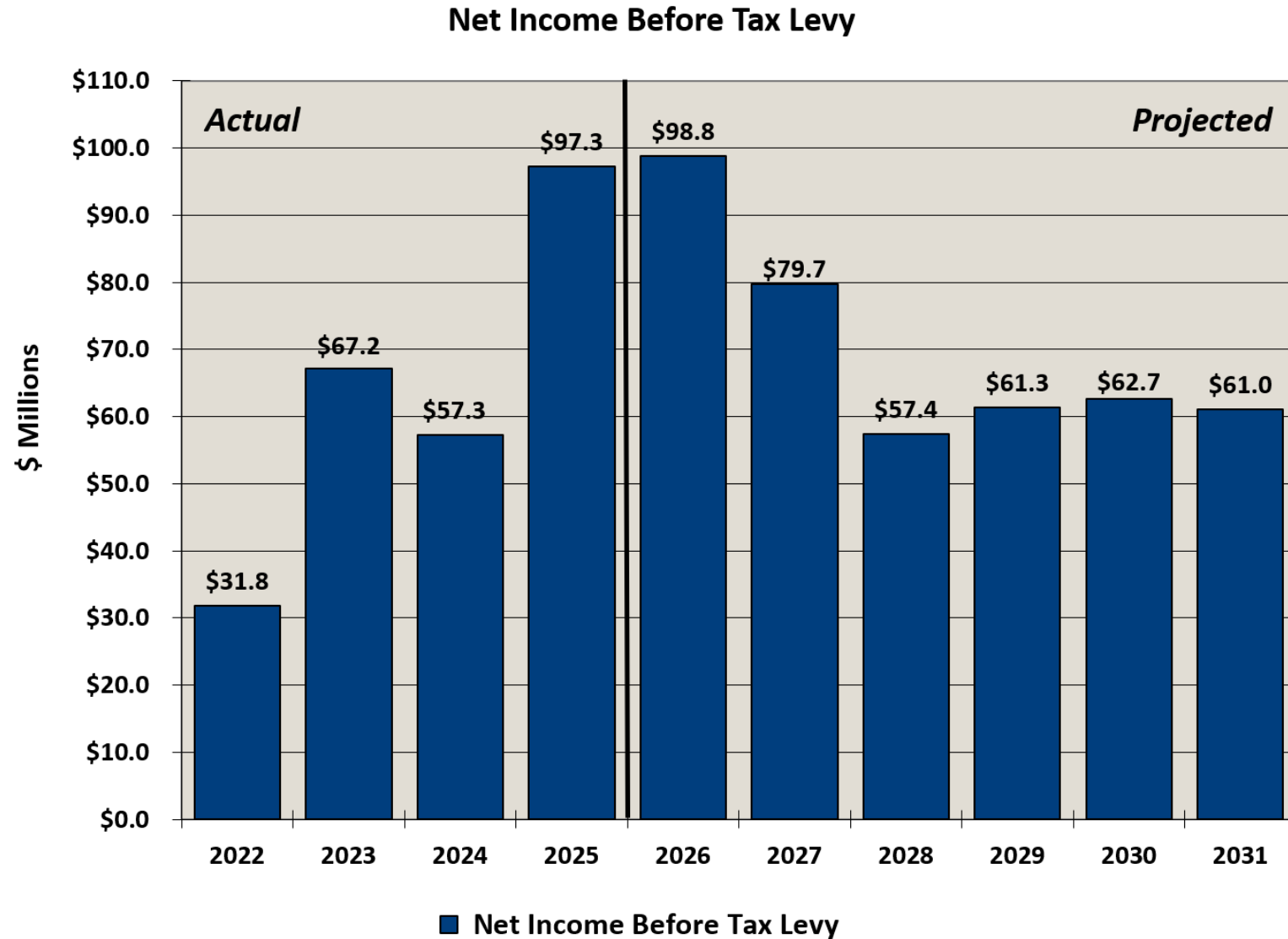
2027 Summary of Financial Capacity

(\$ Million)	2027	2028	2029	2030	2031	5-Year Change
Unvoted G.O. Bond Capacity	\$439.9	\$454.8	\$470.3	\$491.7	\$513.9	
Revenue Bond Capacity	368.5	379.4	473.2	455.6	511.8	
Less: TECP Program Debt Outstanding	0.0	0.0	0.0	0.0	0.0	
Total Non-voted Debt Capacity	\$808.4	\$834.2	\$943.4	\$947.3	\$1,025.6	\$217.3
<i>(Capacity cannot be less than zero)</i>						
Remaining G.O. Bond Capacity - <u>Voted</u>	1,061.4	1,075.0	1,088.8	1,113.8	1,139.3	
Total Voted Debt Capacity	\$1,869.8	\$1,909.2	\$2,032.2	\$2,061.0	\$2,165.0	\$295.2

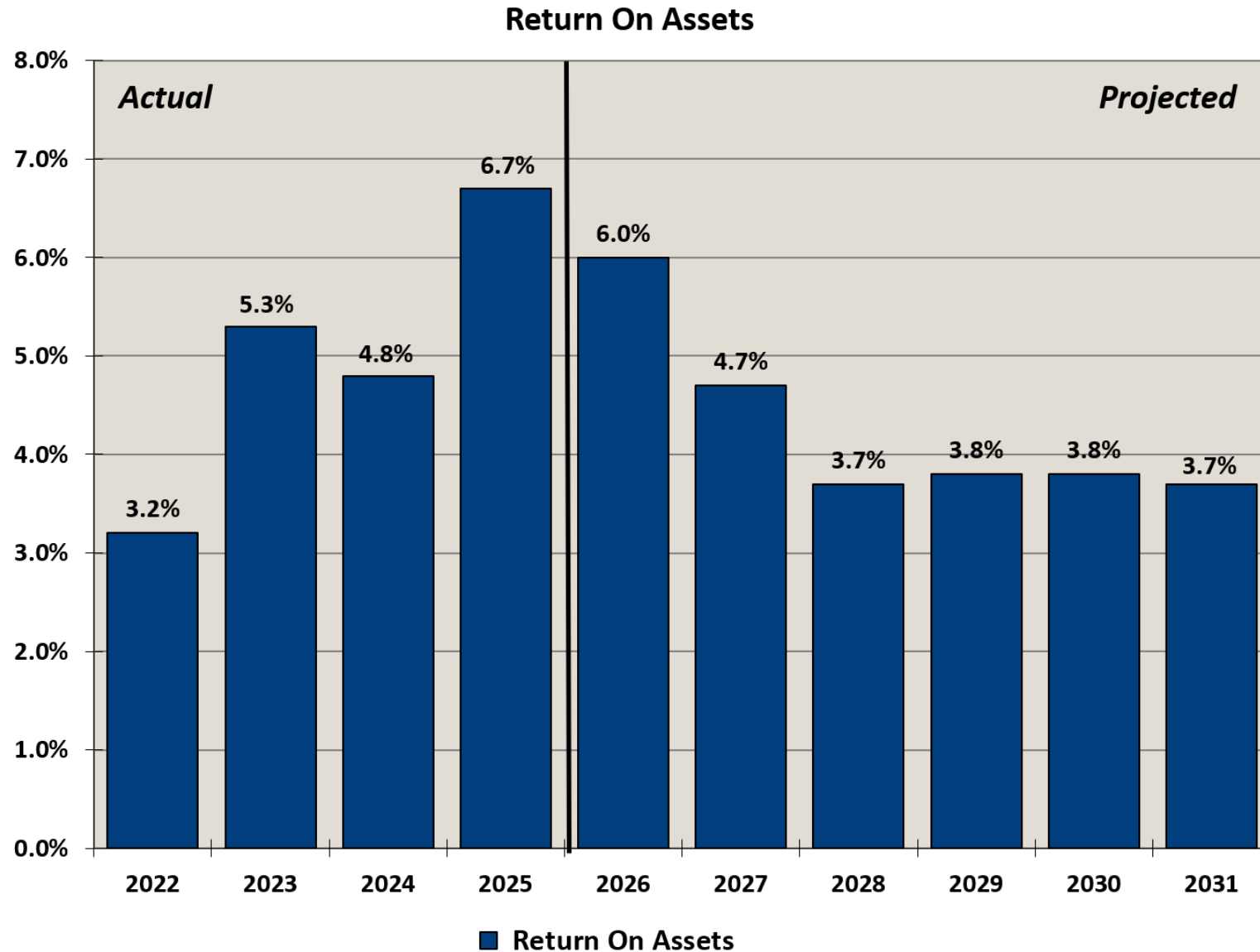
Financial Measure: Net Income



Financial Measure: Net Income before Tax Levy

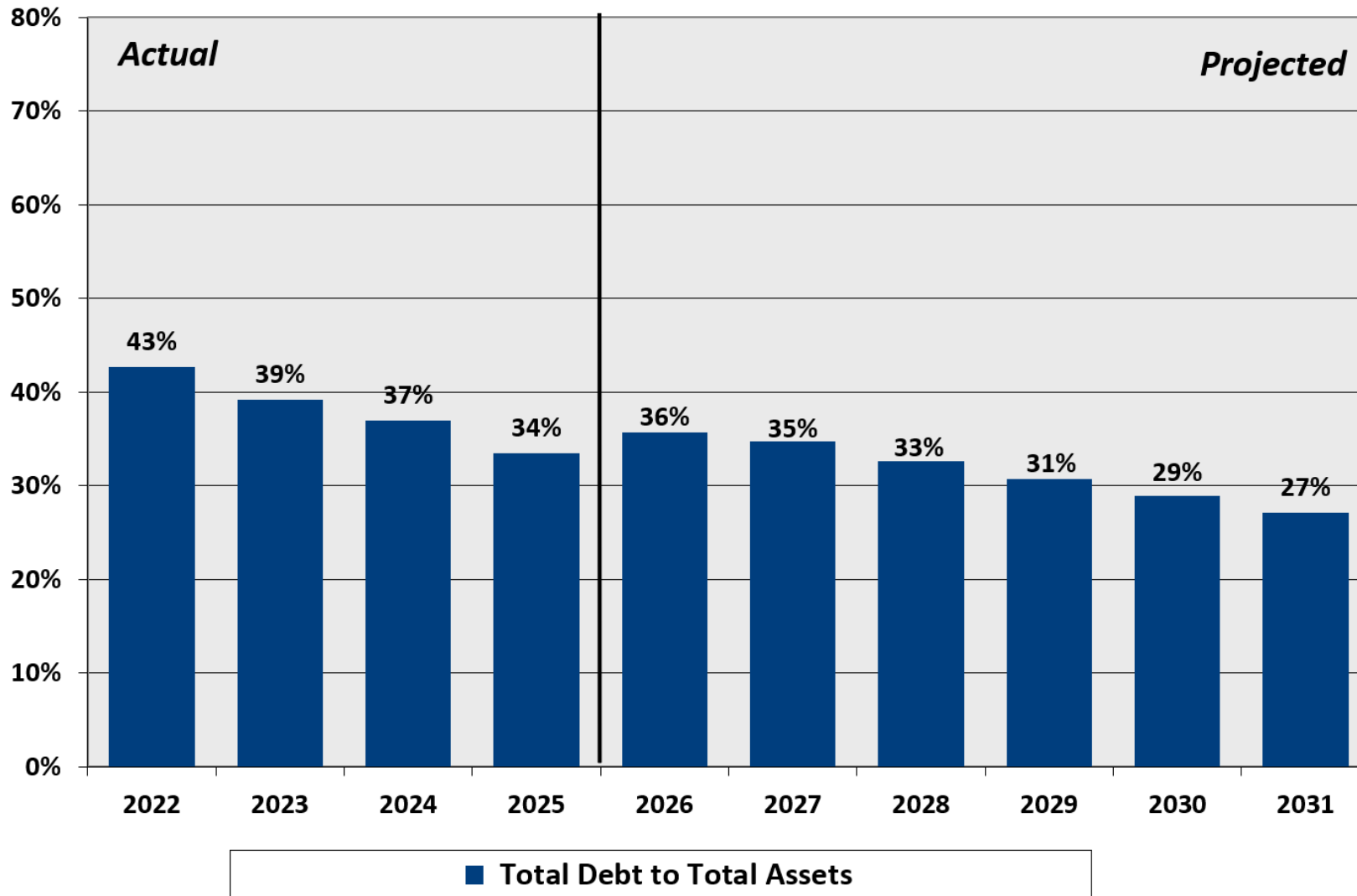


Financial Measure: Return on Assets



Financial Measure: Debt to Asset Ratio

Projected - Total Debt to Total Assets Ratio



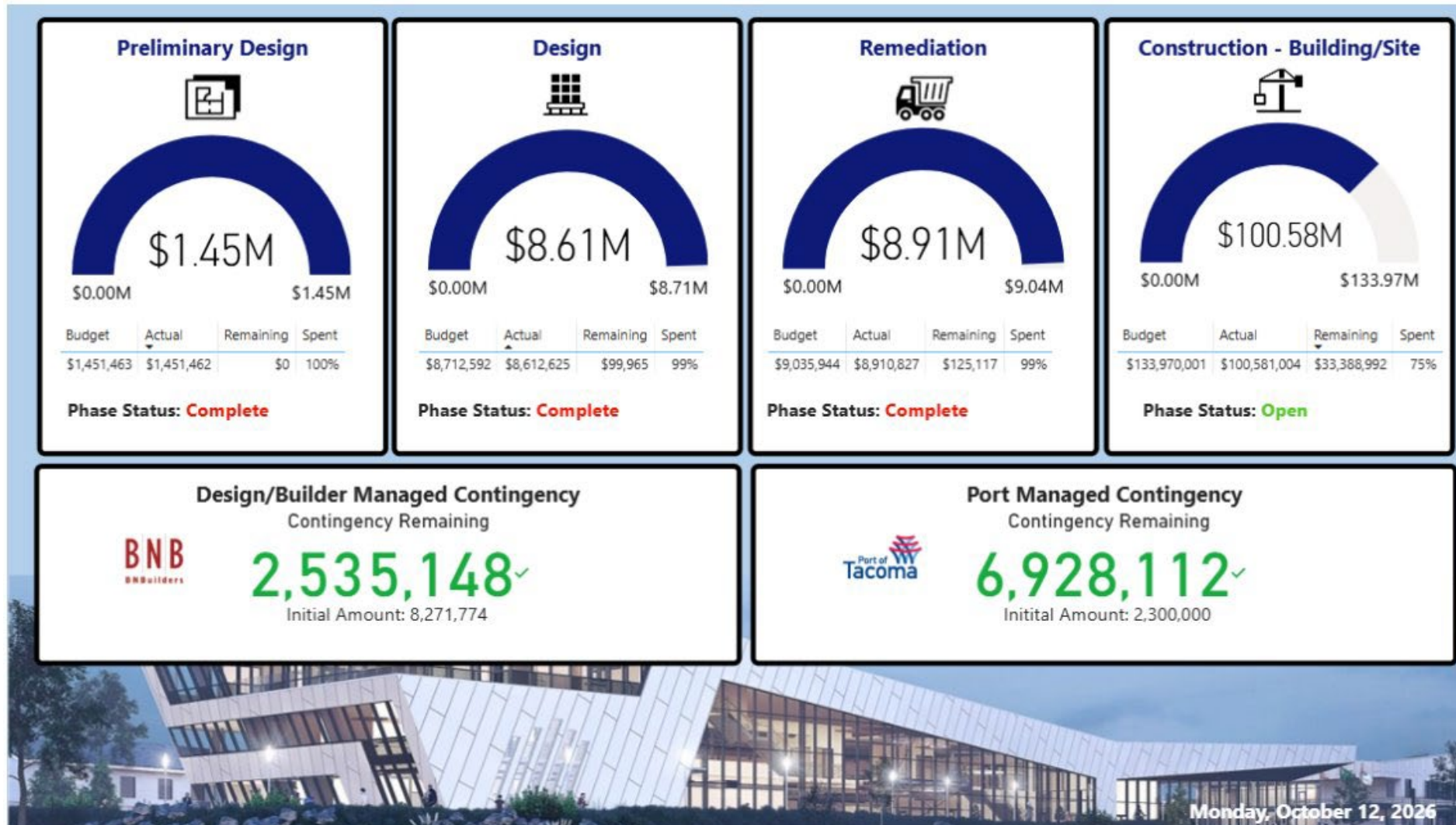
2027 Key Budget Messages

- The Port will continue to produce solid financial returns while maintaining its commitment to reduce long-term debt
- Revenue across all business lines project a stable outlook
- Operating and Administration expenses include major reinvestments in Port physical and technology assets
- Continued financial support for key Port strategic goals (workforce development, environmental remediation)
- Grant income will offset portions of the cost to place property back into productive use
- Expect to receive HMT funds

Future Home



Maritime Center Spending





Thank You

Questions & Discussion



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