

Item: 4A

Date: 10/31/2024

2025 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 31, 2024



Budget Schedule

2024 Key Messages and Forecast Update

2025 Key Messages

2025 – 2029 Budget

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

October 31 – Study Session

- 2024 Forecast Update Summary
- 2025–2029 Capital Investment Plan
- 2025 Tax Levy
- 2025 Operating Budget
- 2025 Statutory Operating Budget
- 2025–2029 Plan of Finance

November 19 – Public Hearing

- Adopt 2025 Statutory Operating Budget & 2025 Tax Levy
- Approve annual service agreements ILA

2024 Forecast

- Real estate revenues are higher than budget as the Port sees market adjustments with several leases.
- Environmental costs are higher than budget due to remediation of parcel 94 (Port Maritime Center).
- Direct operating expenses are below budget due to projects shifting to 2025.
- Administration costs are below budget due in part to a change in accounting treatment for investments in technology.

2025 Budget Overview

- The 2025 operating and capital budgets balance modest income growth with critical investments in Port assets.
- HMT funding planned for the next five years.
- Significant grant funding supports key development.
- Proposed tax levy has minimal impact on taxpayers.
- The five-year outlook anticipates limited short-term use of commercial paper.

2024 POT Forecast

(\$ millions)

	2023 Actual	2024 Budget	2024 Forecast	Forecast vs Budget Better / (Worse)
Operating Revenues				
NWSA	\$57.7	\$57.1	\$57.9	\$0.7
Container	3.6	4.0	4.0	0.0
Non Container	7.0	8.0	8.3	0.3
Real Estate	30.0	30.6	31.1	0.5
Total Operating Revenues	98.3	99.8	101.3	1.5
Total Direct Expenses	9.6	19.8	16.7	3.1
Administration	8.2	12.0	11.0	1.1
Security	2.3	2.4	2.5	(0.1)
Environmental	1.9	5.6	15.8	(10.2)
Total Operating Expense before Depreciation	22.0	39.8	45.9	(6.1)
Depreciation	22.0	21.4	19.3	2.1
Total Operating Expense	44.0	61.2	65.2	(4.1)
Operating Income	\$54.3	\$38.6	\$36.1	(2.5)
<i>Return on Revenue</i>	55.2%	38.7%	35.6%	
Non Operating Income (Expense) - without HMT	9.5	8.1	(1.7)	(9.8)
Income before Tax Levy and Expense	63.8	46.7	34.4	(12.3)
Ad Valorem Tax Levy	25.3	26.0	25.9	(0.1)
GO Interest	(3.9)	(3.7)	(3.7)	(0.0)
Net Tax Levy	\$21.4	\$22.3	\$22.2	-\$0.1
Net Income Before Special Item	\$85.2	\$69.0	\$56.6	-\$12.4
Harbor Maintenance Tax Funds	3.4	3.4	28.9	25.5
Net Income	\$88.6	\$72.4	\$85.4	\$13.1

May not foot due to rounding.

- Auto business stronger than budget.
- Environmental activities accelerated from future years.
- Increased security activities.
- Significant grant income has shifted to 2025.
- Received HMT funds in 2024.

Capital Investment Plan



Five Year Planned CIP 2025-2029

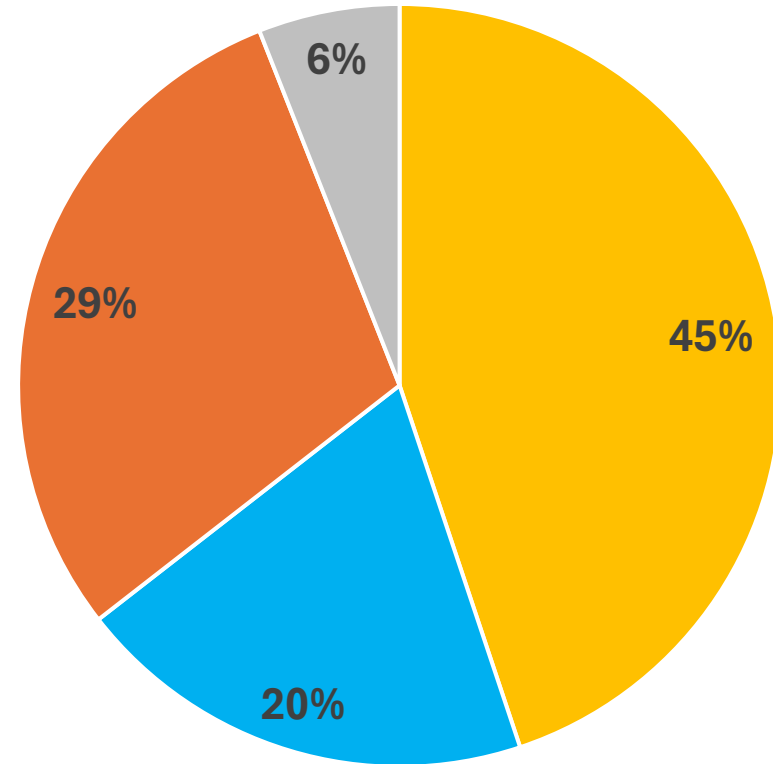
\$ Million POT Only	2024 Forecast						2025 - 2029
		2025	2026	2027	2028	2029	Totals
Capitalized	\$33.8	\$140.3	\$128.9	\$83.2	\$35.1	\$22.9	\$410.4
Operating Expense	21.8	15.2	23.1	14.1	7.0	4.3	63.7
Non-Operating Expense	3.7	1.5	1.3	1.3	1.4	1.3	6.8
Grand Total - POT Only	\$59.3	\$157.0	\$153.3	\$98.7	\$43.5	\$28.5	\$481.0

\$ Million POT + 50% NWSA	2024 Forecast						2025 - 2029
		2025	2026	2027	2028	2029	Totals
Capitalized	\$66.7	\$215.3	\$193.5	\$130.9	\$54.6	\$26.1	\$620.4
Operating Expense	27.5	24.7	30.8	20.6	10.8	7.2	94.1
Non-Operating Expense	7.9	1.9	1.3	1.3	1.4	1.3	7.2
Grand Total - POT + 50% NWSA	\$102.1	\$241.9	\$225.7	\$152.9	\$66.7	\$34.6	\$721.7

- Notes:
- Includes \$107.8M for Port Maritime Center (new building, dock replacement, technology purchases), \$21.6M is expected to have been spent through 12/31/24
 - Includes \$49.5M Tribal Cutback/Dredge Commitment
 - Over the past 5 years CIP spend is averaging 45% 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

2025 CIP by Strategic Plan Goal

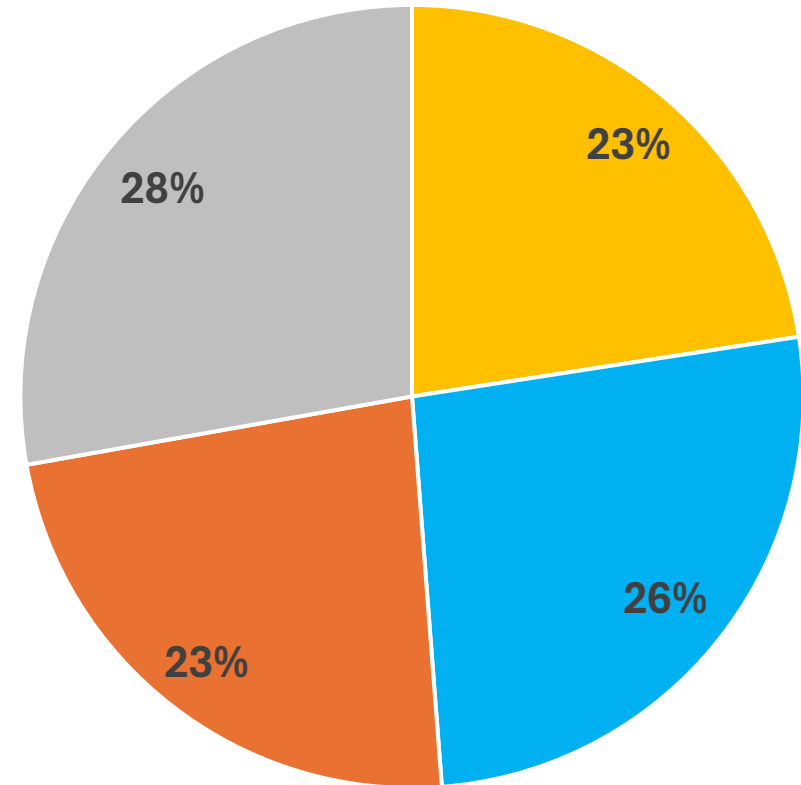
- Economic Vitality
- Environmental Leadership
- Organizational Success
- Transportation Advocacy



Strategic Goal	Capitalized Projects	Expensed Projects	2025 Total (\$ million)
Economic Vitality	\$ 68,516	\$ 1,940	\$ 70,456
Environmental Leadership	18,265	12,508	30,773
Organizational Success	45,300	1,050	46,350
Transportation Advocacy	8,188	1,218	9,406
Community Connections	-	-	-
Total	\$ 140,269	\$ 16,716	\$ 156,985

2025-2029 CIP by Strategic Plan Goal

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



Strategic Goal	Capitalized Projects	Expensed Projects	2025-2029 Total (\$ million)
Economic Vitality	\$ 98,595	\$ 9,930	\$ 108,525
Environmental Leadership	76,435	49,684	126,119
Organizational Success	107,900	4,764	112,664
Transportation Advocacy	127,484	6,198	133,682
Community Connections	-	-	-
Total	\$ 410,414	\$ 70,576	\$ 480,990

2025 Port of Tacoma CIP Spending

(Does not include NWSA CIP)

\$ millions



Type	2025 Budget	Major Projects
Building and Land (including remediation)	\$52.1	Land acquisitions, Sitcum Admin building improvements, decant facility, EBC (building demolitions, new building design, temporary improvements for tenant relocations)
Port Maritime Center	\$45.2	New building and technology purchases
Terminal Development & Dredging	\$41.5	Thorne Road off-dock container support facility
Other	\$6.7	Equipment, Finance & HR software systems, building demolitions
Habitat/Mitigation Development	\$4.0	East Commencement (parcel 83), parcel 12
Environmental	\$3.1	Remediation & habitat monitoring, stewardship, water quality programs, air quality & sustainability programs
Rail	\$1.8	Replace switches in the Banana Rail Yard, construct SR509 support tracks
Contingency for Emergent Projects	\$1.5	Unanticipated non-capitalizable projects
Roadway Contribution	\$1.0	Roadway infrastructure funding
Total	\$157.0	

2025-2029 Port of Tacoma CIP Spending

(Does not include NWSA CIP)

\$ millions



Type	2025-2029 Budget	Major Projects
Building and Land (including remediation)	\$154.7	Land acquisitions, Sitcum Admin building improvements, Arkema Manufacturing interim remedial actions, improvements at Progress Rail site, parcel 1b (EBC) remediation, TWAAFA remedial investigation, EBC (building demolitions, new building design, temporary improvements for tenant relocation)
Terminal Development & Dredging	\$150.3	Thorne Road off-dock container support facility, Husky & WUT channel dredging and Blair Tribal dredge
Port Maritime Center	\$107.8	New building, dock replacement and technology purchases
Rail	\$16.8	Construct SR509 support tracks
Other	\$15.2	Equipment, Finance & HR software systems, building demolitions
Environmental	\$13.5	Remediation & habitat monitoring, stewardship, water quality programs, air quality & sustainability programs
Habitat/Mitigation Development	\$10.2	East Commencement (parcel 83), parcel 12
Contingency for Emergent Projects	\$7.5	Unanticipated non-capitalizable projects
Roadway Contribution	\$5.0	Roadway infrastructure funding
Total	\$481.0	

2025 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	\$ 7,408,000
General Obligation Bond Interest	\$ 4,886,130
Arkema Mfg Area Interim Action	\$ 3,075,000
Parcel 12 Habitat Development	\$ 3,350,000
Rail Improvements/ Support Tracks	\$ 1,000,000
Electrical/ Stormwater Improvements	\$ 2,870,000
Port Administration Bldg Improvements	\$ 8,600,000
POT Maritime Center	\$ 43,000,000
Maritime Center Technology	\$ 2,200,000
Blair Channel Dredging Design/ Construction	\$ 6,500,000
Tide Gate Replacement and Access Pad	\$ 1,000,000
Land Acquisitions	\$ 10,000,000
Tax Levy Potential Uses in 2025	\$ 93,889,130

- Propose a flat 3.0% increase over prior year
 - \$737,690 increase to \$26,845,952
 - Continue to bank excess tax levy capacity
- Per current maximum allowable by law, Port could increase levy by 13.7% or additional \$3.6M
- Assessed property values (base plus new construction rose 5.8% in 2024 vs 2023)
 - Average residential home values grew approximately 6.2% in 2024

2025 Tax Levy

	2024 Forecast	2025 Budget
Assessed Valuation*	\$191,634,741,724	\$202,825,377,377
Target Millage Rate (per \$1,000 valuation)	\$0.13601	\$0.13236
Total Port Tax Levy **	\$26,064,031	\$26,845,952
Debt Service on G.O. Bonds	\$12,243,292	\$12,294,130
Remainder for Governmental Projects	\$13,820,739	\$14,551,822

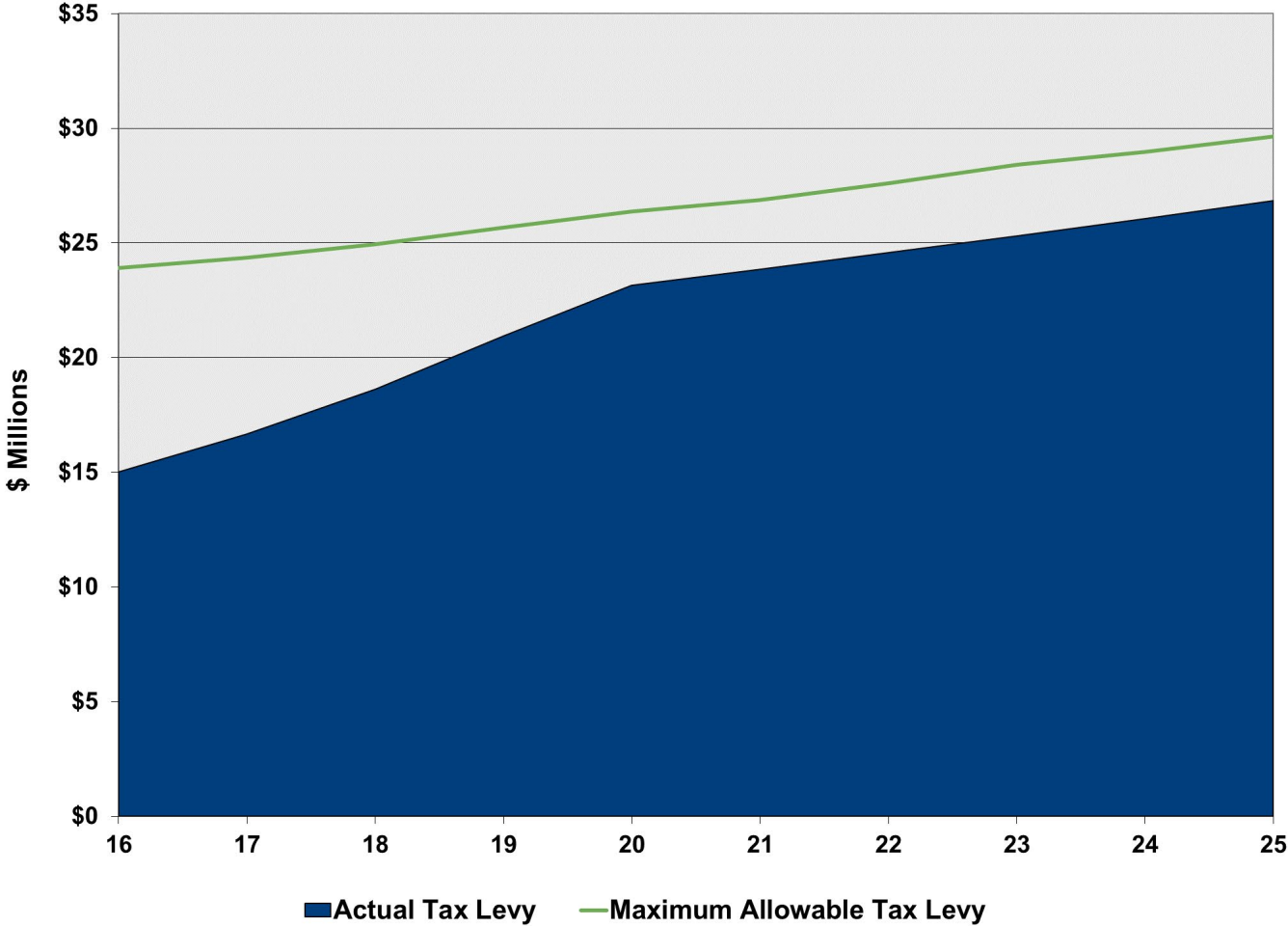
* Will impact growth of ceiling in future years

Tax Collection Year	2021	2022	2023	2024	2025
Avg. Assessed Value	\$ 405,459	\$ 474,204	\$ 568,840	\$ 554,465	\$ 588,806
Port Millage Rate (per \$1,000)	0.17302	0.15426	0.13236	0.13601	0.13236
Annual Tax Levy	\$ 70.15	\$ 73.15	\$ 75.29	\$ 75.41	\$ 77.93
Monthly Tax Levy	\$ 5.85	\$ 6.10	\$ 6.27	\$ 6.28	\$ 6.49
Tax Levy if at Maximum Rate	\$ 79.06	\$ 82.20	\$ 84.50	\$ 83.80	\$ 86.02
Monthly Tax Levy at Max Rate	\$ 6.59	\$ 6.85	\$ 7.04	\$ 6.98	\$ 7.17

* Based on 2025 preliminary valuations (as of September 2024) and targeted millage rate

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

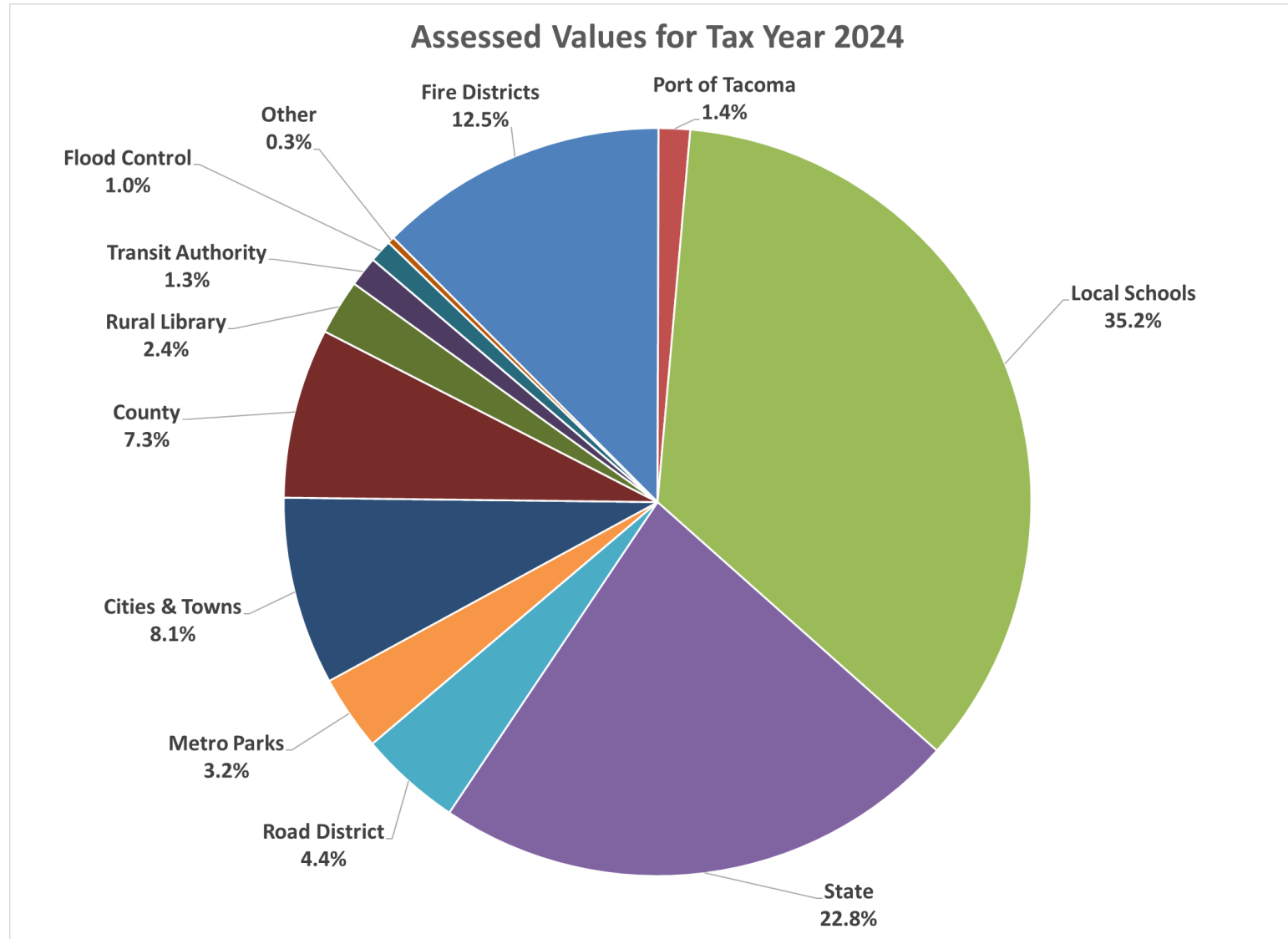
Tax Levy History



* 2025 Preliminary assessed valuations as of September 2024

** Based on 2025 preliminary valuations and targeted millage rate

2025 Taxing District's % of Total



2025 Operating Budget



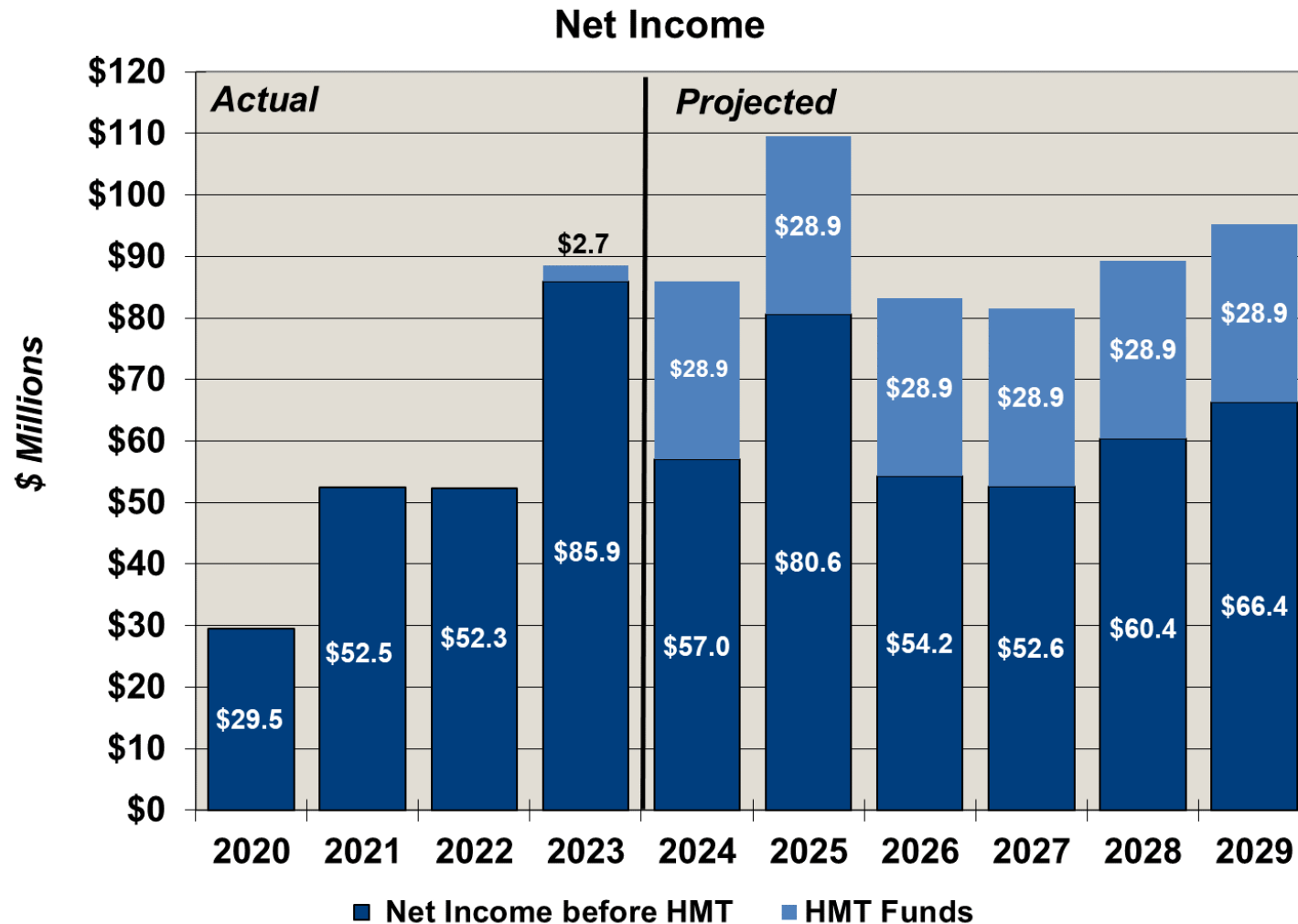
Revenues are based on NWSA, POT real estate and other POT businesses

- 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
- Continued costs associated with reinvesting in Port technology to support critical systems
- Anticipated building demolition projects in 2025 will be capitalized

POT Net Income



BARS POT Net Income

(\$ millions)	2023 Actual	2024 Budget	2024 Forecast	2025 Budget
Operating Revenues				
NWSA	\$57.7	\$57.1	\$57.9	\$58.3
Container	3.6	4.0	4.0	4.4
Non Container	7.0	8.0	8.3	8.7
Real Estate	30.0	30.6	31.1	31.1
Total Operating Revenues	98.3	99.8	101.3	102.5
Total Direct Expenses	9.6	19.8	16.7	14.8
Administration	8.2	12.0	11.0	13.2
Security	2.3	2.4	2.5	2.8
Environmental	1.9	5.6	15.8	12.2
Total Operating Expense before Depreciation	22.0	39.8	45.9	42.9
Depreciation	22.0	21.4	19.3	18.7
Total Operating Expense	44.0	61.2	65.2	61.6
Operating Income	\$54.3	\$38.6	\$36.1	\$40.9
<i>Return on Revenue</i>	55.2%	38.7%	35.6%	39.9%
Non Operating Income (Expense) - without HMT	9.5	8.1	(1.7)	16.5
Income before Tax Levy and Expense	63.8	46.7	34.4	57.4
Ad Valorem Tax Levy	25.3	26.0	25.9	26.8
GO Interest	(3.9)	(3.7)	(3.7)	(3.5)
Net Tax Levy	\$21.4	\$22.3	\$22.2	\$23.3
Net Income Before Special Item	\$85.2	\$69.0	\$56.6	\$80.6
Harbor Maintenance Tax Funds	3.4	3.4	28.9	28.9
Net Income	\$88.6	\$72.4	\$85.4	\$109.5

May not foot due to rounding.

- Port anticipates continued growth in auto business and real estate.
- NWSA growth in containerized cargo.
- Administrative costs reflect amortization of technology expense.
- Accounting services agreement modification and increased contracts staffing.
- Significant grant income has shifted to 2025.

POT Staffing History

Department	2017	2018	2019	2020	2021	2022	2023	2024	2025
Real Estate	6	6	6	6	6	6	6	6	6
Customer Service	9	9	9	9	9	9	10	10	11
Strategic Projects, Risk & Safety	2	2	2	1	0	0	0	0	0
Security	19	20	18	19	20	20	20	21	24
TSO Security	12	12	12	10	10	11	12	12	13
Environmental Admin	10	10	10	9	8	8	8	9	9
Engineering	14	18	15	16	13	14	14	14	13
Equipment Maintenance	48	49	48	50	47	47	46	45	45
Facility Maintenance	38	37	41	36	36	36	36	37	38
Executive	0	1	1	1	4	4	6	7	7
Information Technology	21	23	23	23	22	21	22	24	24
Finance	20	20	20	20	19	18	20	19	19
Contracts	9	9	9	9	9	9	8	8	9
Human Resources	4	4	4	3	4	4	5	5	5
Government Affairs	4	4	3	3	3	3	4	4	4
Communications	5	5	5	6	6	6	6	5	5
Total	221	229	226	221	216	216	223	226	232

2024 vs 2025 Salaries & Benefits Comparison

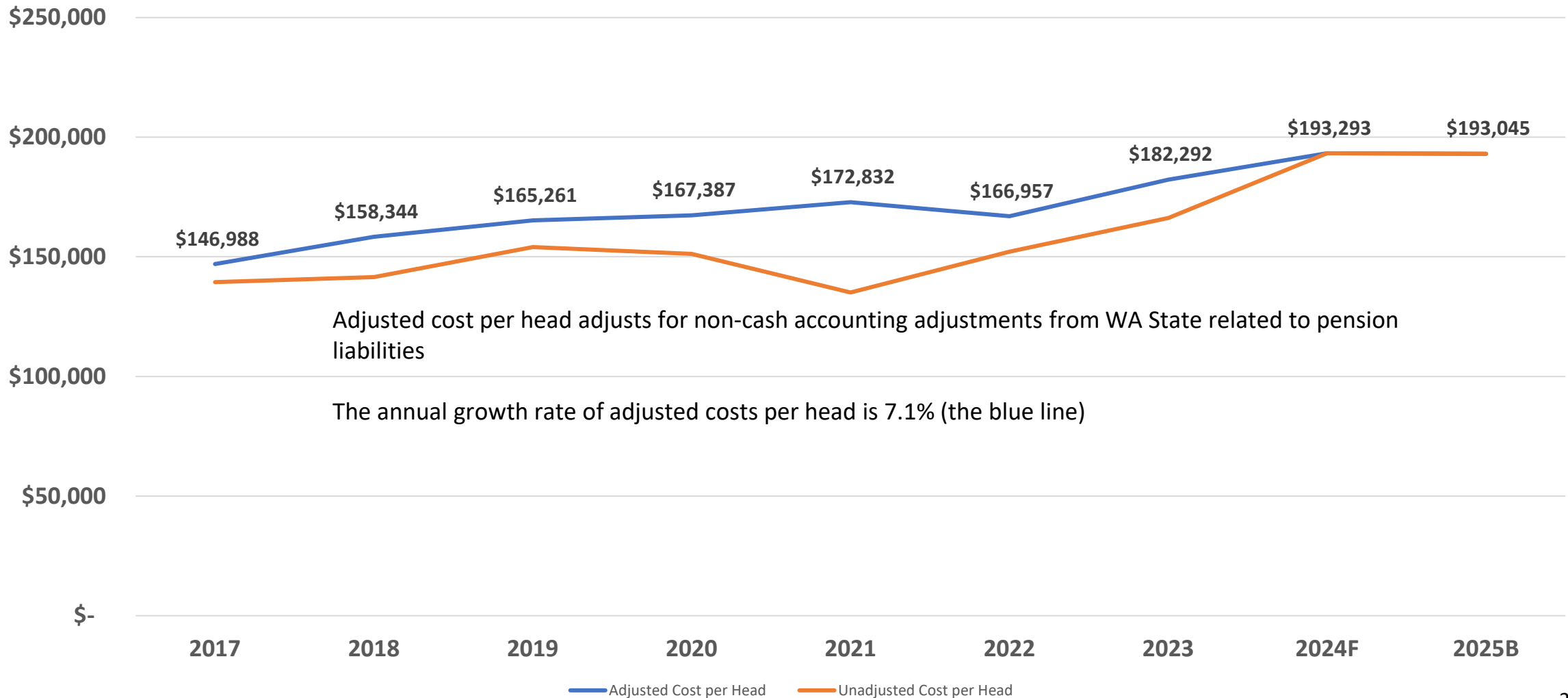
	2023	2024 Budget	2024 Forecast	2025 Budget	Var from Forecast	% Var	Var from Prior Budget	%Var
Salary Wages	10,748,339	11,038,461	11,443,817	12,002,597	558,780	5%	964,136	9%
Hourly Wages	14,653,384	16,350,104	16,301,611	17,762,444	1,460,833	9%	1,412,340	9%
OT Wages	2,038,837	1,673,848	1,617,961	1,713,139	95,178	6%	39,291	2%
Total Wages	27,440,560	29,062,413	29,363,389	31,478,180	2,114,791	7%	2,415,767	8%
F.I.C.A.	2,083,417	2,170,195	2,254,414	2,370,364	115,950	5%	200,169	9%
S.U.I.	111,066	128,869	101,245	138,356	37,111	37%	9,487	7%
Medical Benefits	7,176,282	7,348,282	7,395,416	8,016,924	621,508	8%	668,642	9%
Employee Pension	2,540,505	2,540,172	2,608,515	2,764,725	156,210	6%	224,553	9%
Other Benefits	(3,056,128)	1,133,365	1,024,314	1,078,579	54,265	5%	(54,786)	-5%
Total Benefits	8,855,142	13,320,883	13,383,904	14,368,948	985,044	7%	1,048,065	8%
<i>Benefits % of Total</i>	32.3%	45.8%	45.6%	45.6%				
Port Salaries & Benefits	36,295,702	42,383,296	42,747,293	45,847,128	3,099,835	7%	3,463,832	8%

May not foot due to rounding

- Average annualized salary is \$129,469 (includes all non-represented staff except Executive Director)
- Budgeted salary pool for non-represented staff positions
 - Annual increases are \$352,160
 - Employee recognition is \$31,073
 - Potential salary market adjustments are \$62,145

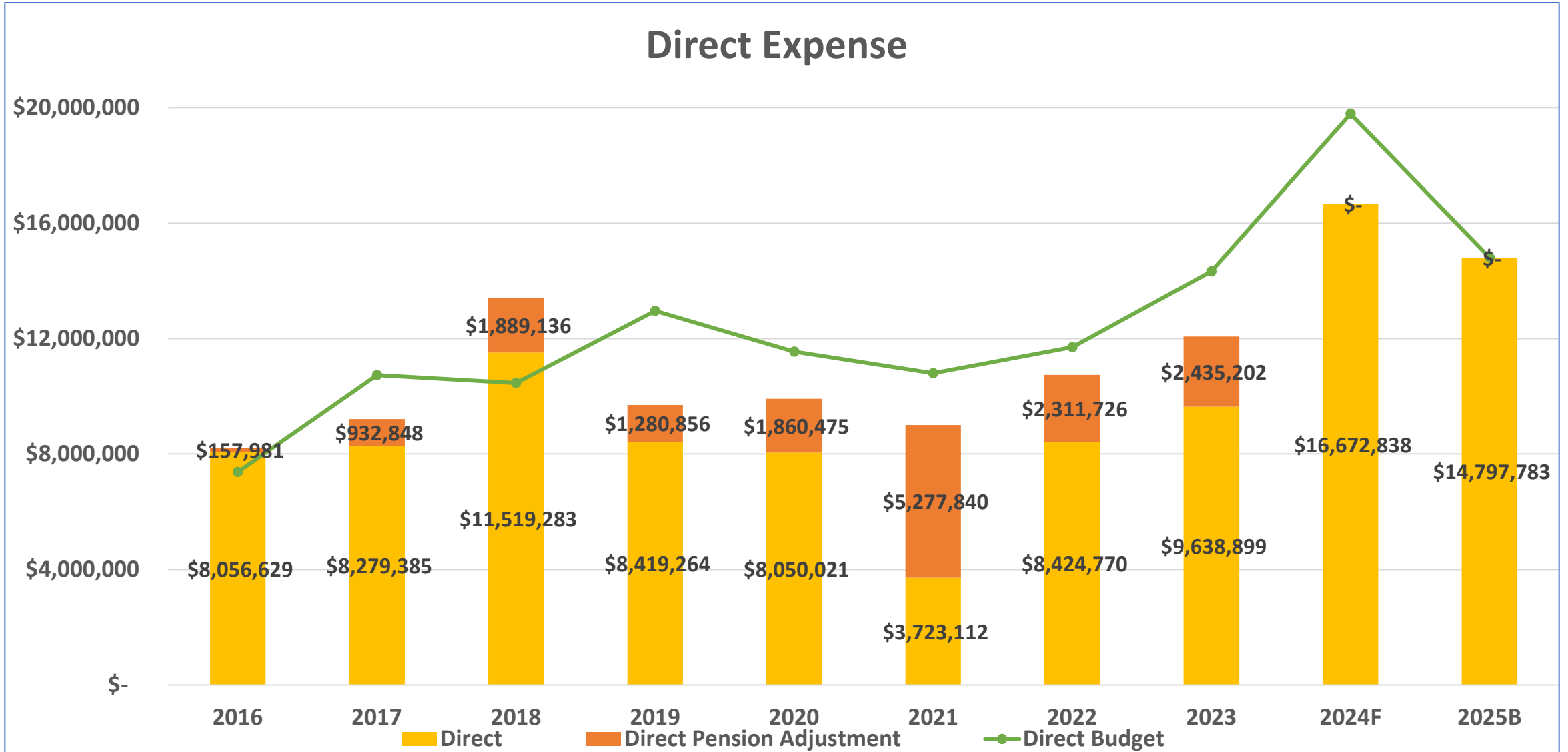
POT Staffing Cost

Total Compensation Cost Per FTE

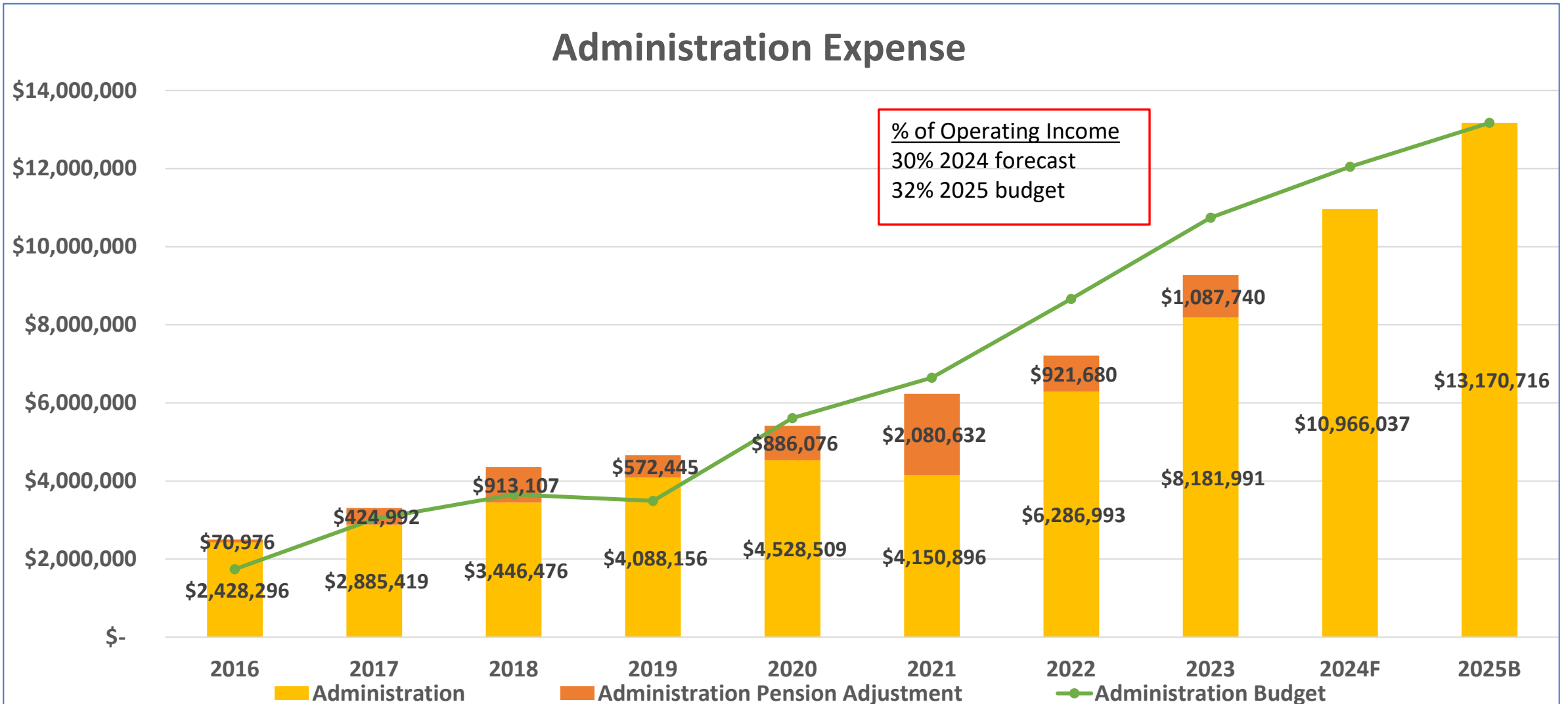


Direct Expense

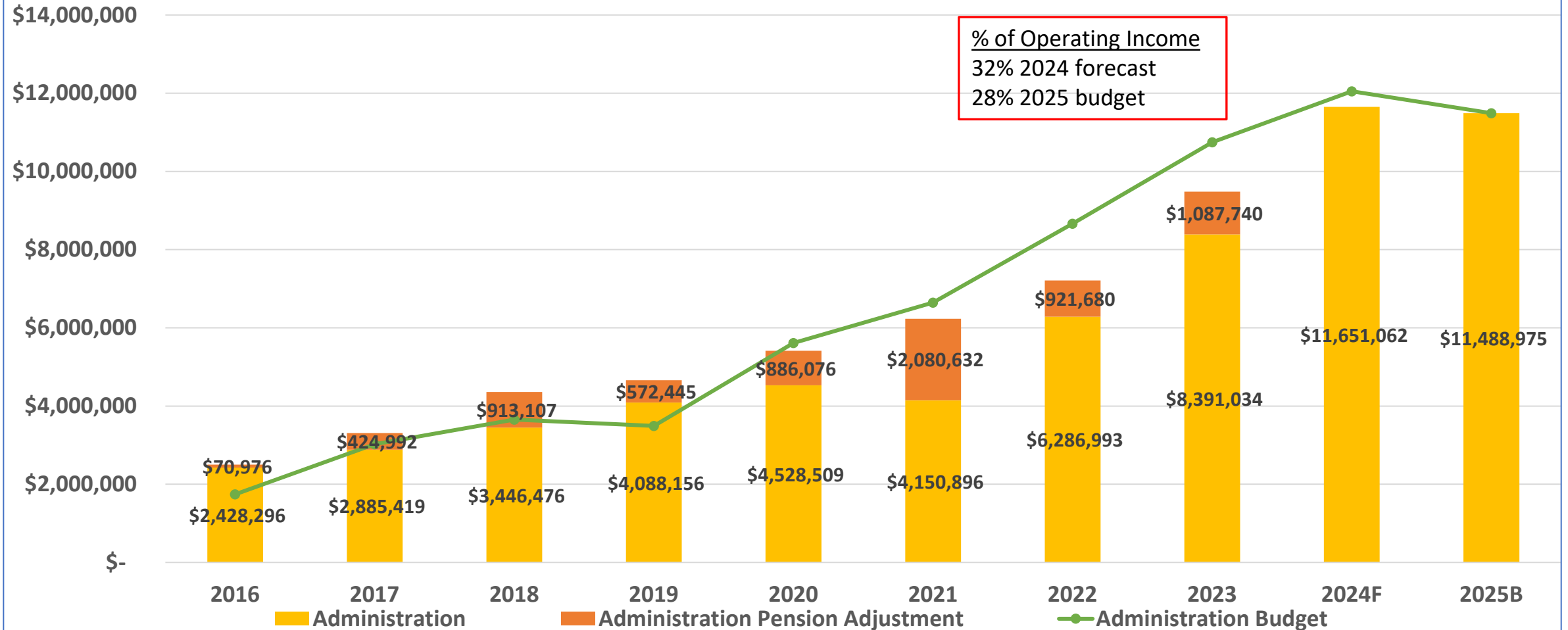
Direct Expense



Administration Expense

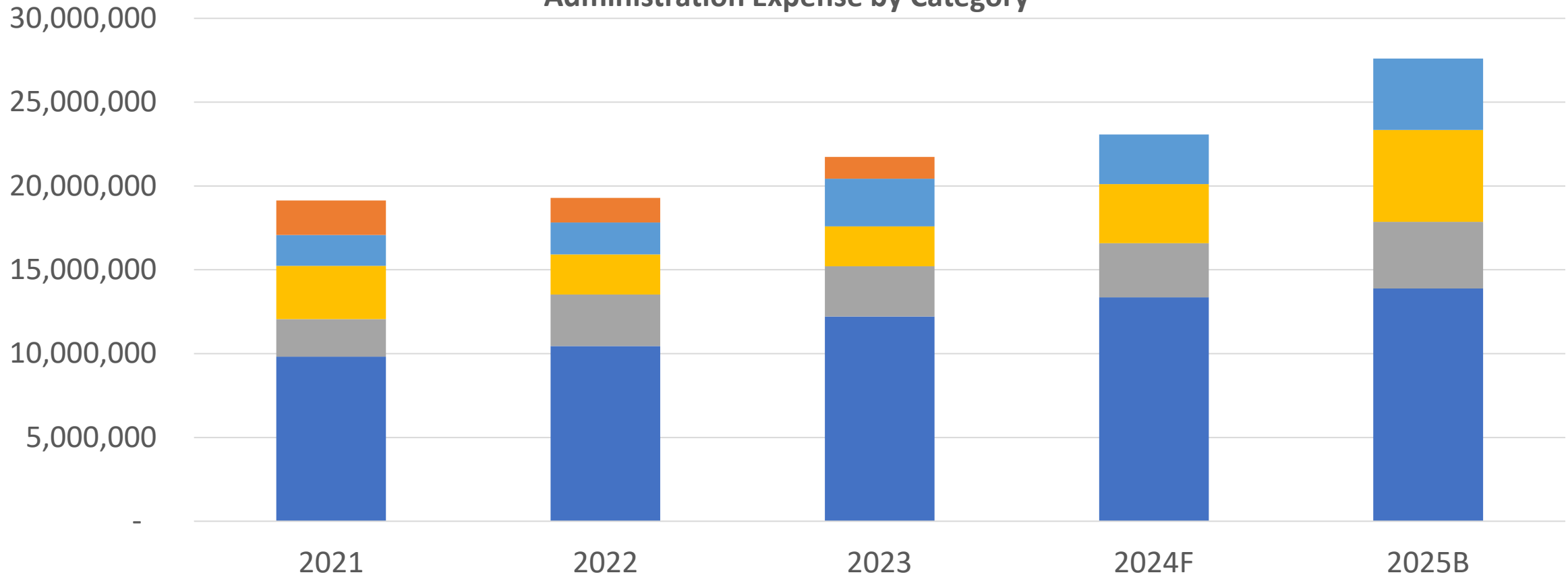


Administration Expense without GASB 96 SBITA



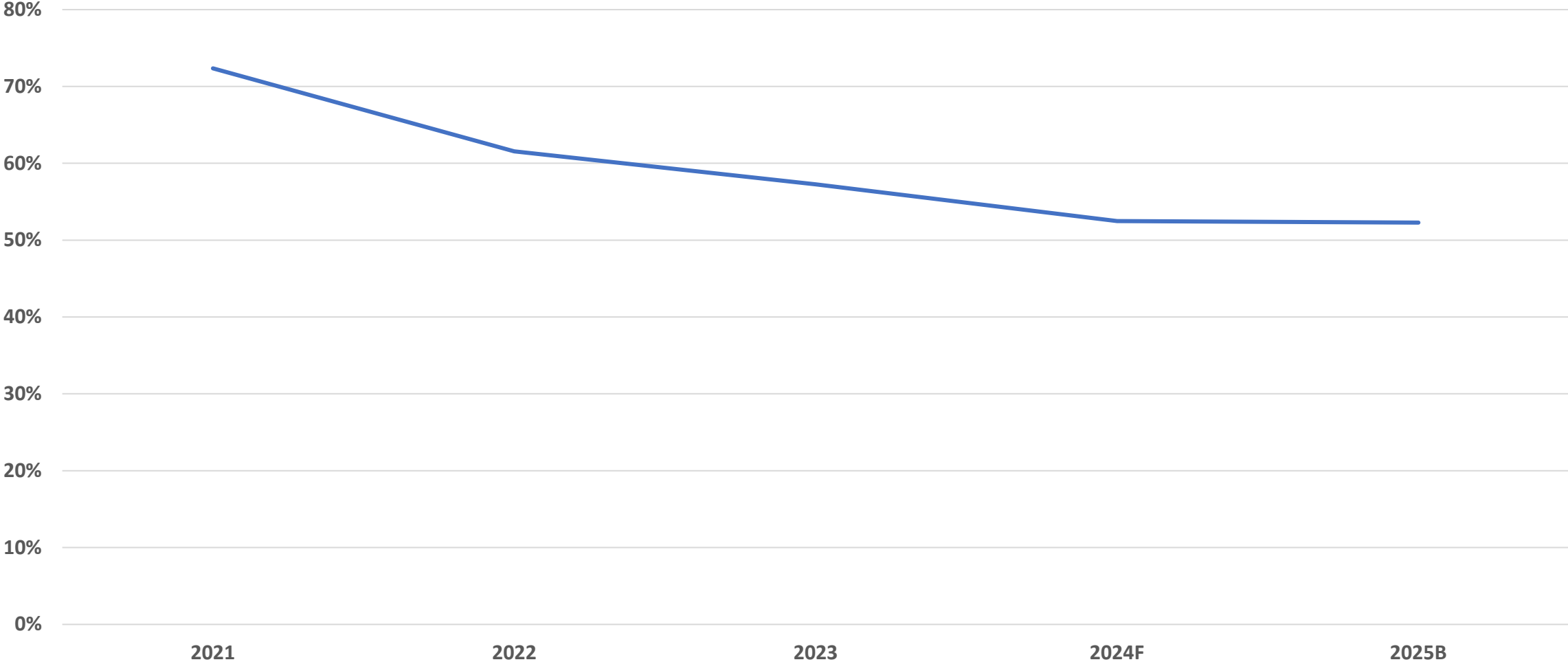
Administration

Administration Expense by Category



■ Salaries & Benefits ■ Recurring IT Services ■ Outside Services ■ Other ■ Pension & Other Benefits Adjustment

Allocation % to NWSA



2025 budget reflects a \$2.2M increase vs 2024 forecast

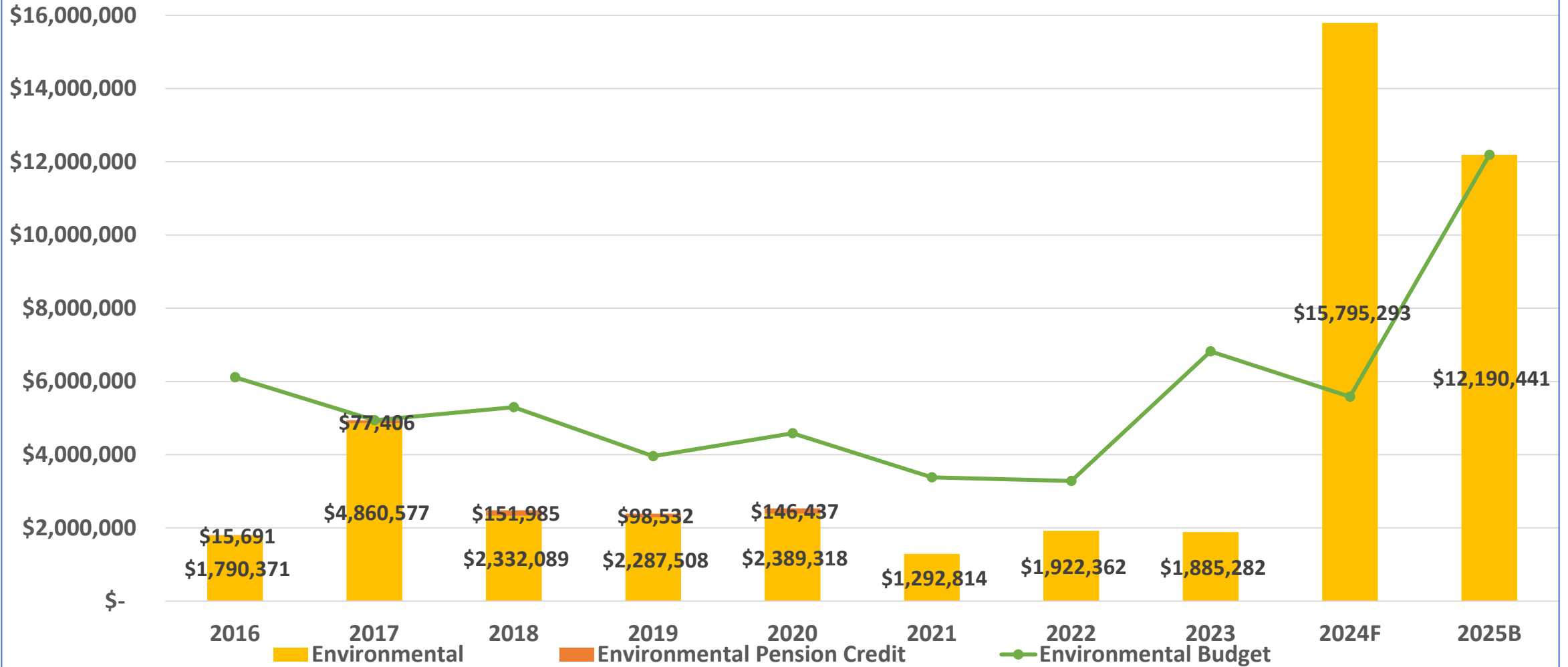
- \$1.1M to enhance new Dynamics 365 Finance and Procurement ERP and D365 system migration assessments.
- \$800K for new accounting regulation GASB 96 requiring amortization of new Finance and Procurement ERP (originally budgeted as 2024 expense).

- Rail crossing elimination study for \$100K
- Modification of accounting service agreement for \$363K
- Open positions and support salary increases for administrative staff of \$389K

(A portion of these costs are charged to the NWSA as part of the service agreements)

Environmental

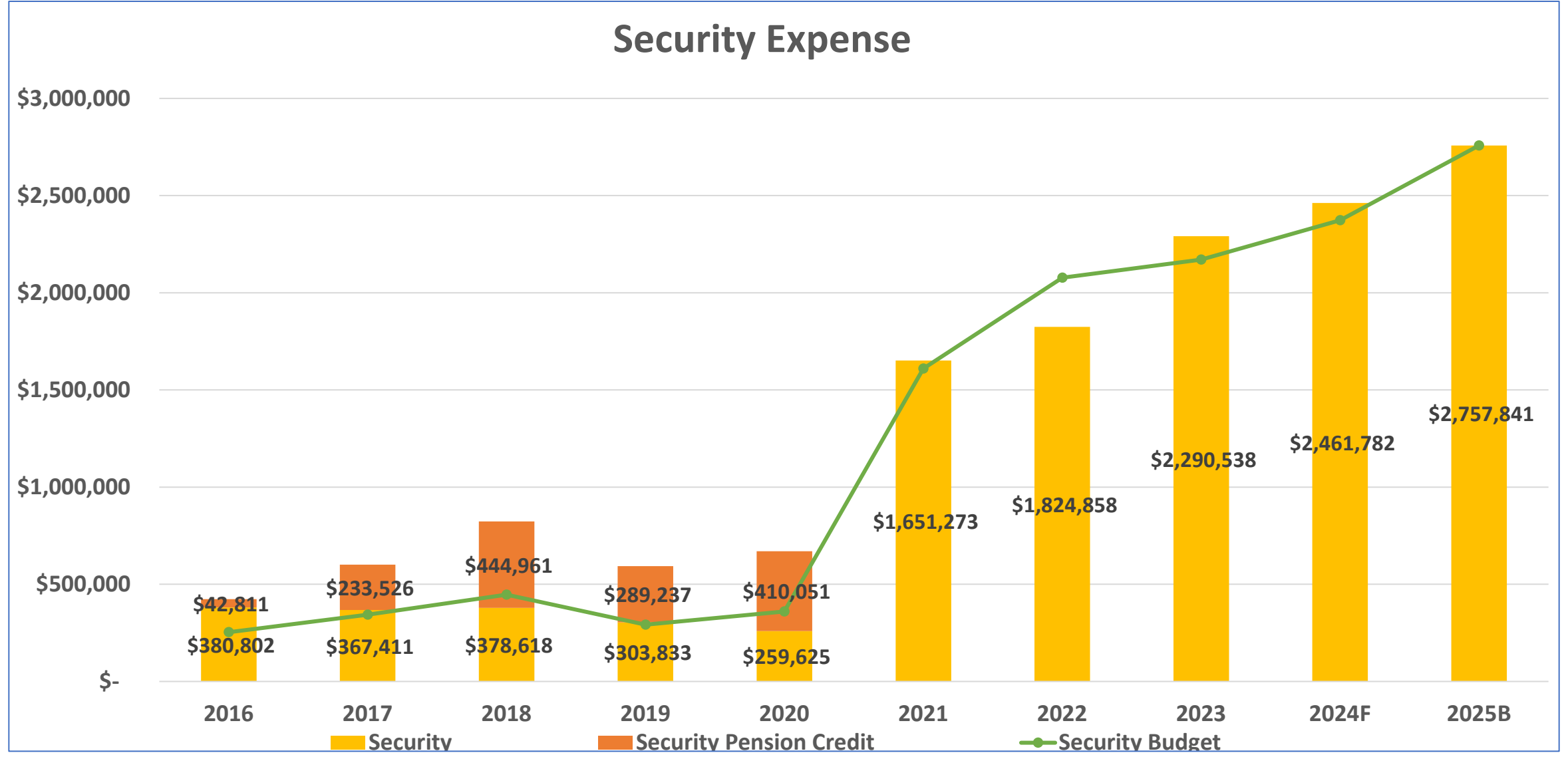
Environmental Expense



2025 budget reflects a \$3.6M decrease vs 2024 forecast

- \$12M decrease for remediation at parcel 94/Port Maritime Center accelerated to 2024.
- Increase of \$3.2M for parcel 15 stormwater system repairs associated with environmental cap.
- Parcel 1b (EBC) Remediation increase of \$2.5M.

- Parcel 76 Remediation Investigation increase of \$500K.
- TWAAFA Remediation Investigation increase of \$400k.
- Increase of \$830K in programmatic staff charges that won't be charged to CIP projects.



2025 budget reflects a \$296K increase vs 2024 forecast

- \$338k for 2 additional full-time patrol officers which will reduce overtime costs and a non-patrol staff position.
- Tideflats evacuation plan & exercise \$129K.
- Shipboard firefighter training \$50K.

(A portion of these costs are charged to the NWSA as part of the service agreements)

Non-Operating

<i>\$ millions</i>	2024 Budget	2024 Forecast	2025 Budget	Chg from CY Budget	Chg from CY Frcast
Interest Income	\$8.9	\$10.8	\$12.1	\$3.1	\$1.3
Premium Discount	\$0.5	\$0.7	\$0.7	\$0.2	\$0.1
Investment Gain Loss	0.0	2.8	0.0	0.0	(2.8)
Capital Grant Income	17.4	0.9	23.0	5.6	22.1
Non-Capital Grant Income	1.5	0.4	0.5	(1.0)	0.1
Other Non Operating Income	1.6	30.2	26.9	25.4	(3.3)
Non Operating Revenue	30.0	45.8	63.2	33.3	17.5
Revenue Bond Interest Expense	15.4	14.7	15.0	0.4	(0.3)
Election Expense	0.0	0.0	1.0	(1.0)	(1.0)
Other Non Operating Expense	3.1	3.9	2.0	1.2	1.9
Non Operating Expense	18.5	18.6	17.9	0.6	0.7
Non Operating Revenues (Expense)	\$11.5	\$27.2	\$45.3	\$33.9	\$18.2
Non Operating Revenue and Expenses	\$11.5	\$27.2	\$45.3		

May not foot due to rounding

2025 Memberships over \$10k

Memberships	2024 Budget	2025 Budget	Comments
Washington Public Ports Association	\$ 215,000	\$ 215,000	
Puget Sound Regional Council	54,000	59,000	
Manufacturing Industrial Council	25,000	25,000	
Tacoma Pierce County Chamber of Commerce	24,740	24,740	
All other memberships \$10,000 or under	35,936	36,722	22 memberships
Total Memberships	\$ 354,676	\$ 360,462	

- Other Port memberships \$10,000 or less per year
- Membership costs subject to small variations based on fees tied to 2024 actual results

2025 Major Community Contracts

Contract	2024 Budget	2025 Budget
World Trade Center	\$ 122,500	\$ 122,504
Economic Development Board	130,000	135,000
Total Contracts	\$ 252,500	\$ 257,504

RCW 53.36.120 & 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

	2023 Actual	2024 Forecast	2025 Budget
POT Promotional Hosting	\$ 4,660	\$ 16,988	\$ 19,912
50% of NWSA Promotional Hosting	70,146	118,904	130,938
Total Promotional Hosting	\$ 74,806	\$ 135,892	\$ 150,850

Statutory limit is \$281,245 based on \$102.5M in revenue

2025-2029 Plan of Finance



2025 Statutory Cash Budget

<i>(\$ Million)</i>	<u>2025</u>
Beginning Cash & Investments	\$272.6
 <u>Projected Sources of Funds</u>	
Revenues	102.5
Expenses	(42.4)
Memberships	(0.4)
Promotional hosting and Items POT	(0.0)
Promotional hosting NWSA (POT share)	(0.1)
Funds Provided by Operations	<u>59.6</u>
Interest Income	12.8
NWSA Depreciation Cash	14.5
HMT Funds	28.9
Other Non-Op (net)	20.4
Other Contributions	0.0
Ad valorem tax revenue (net)	26.8
Projected Sources of Funds	<u>162.9</u>
 <u>Projected Uses of Funds</u>	
Investment in Northwest Seaport Alliance	75.0
Debt Payments (Principal and Interest) - GO Bonds	12.3
Debt Payments (Principal and Interest) - Revenue Bonds	29.6
Debt Payments (Principal and Interest) - Commercial Paper	-
Capital Spending - Planned Projects	140.3
Projected Uses of Funds	<u>257.2</u>
 <u>Projected Borrowing</u>	
Commercial Paper Borrowing	0.0
Total Borrowing	<u>0.0</u>
 Projected Ending Cash & Investments	 <u><u>\$178.3</u></u>

Operating Revenues

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

Operating Expenses

- Inflation 3.5%.
- Real Estate & operating expenses, mainly fixed costs.

Non-Operating

- Revenue & GO bond interest expense.
- Investment income.
- Grant income.
- HMT funds.
- Road and bridge contributions.
- Demolition of buildings and asset disposal.
- Election expenses (odd numbered years).

Harbor Maintenance Tax

- Includes HMT revenue of \$28.9M per year over five-year period.

Capital projects spending \$620.4M

- Includes POT specific capitalized projects of \$410.4M.
- Includes POT portion of NWSA CIP of \$210M.

SR 167 contribution of \$16M cash set aside in budget (expense recognized in previous years)

Debt Management

- All eligible bonds have been refunded that can economically be refunded.
- Normally scheduled GO and Revenue bond debt payments.

2025-2029 Cash Flow Forecast

Cashflow Forecast

(\$ Million)

	2025	2026	2027	2028	2029
Beginning Cash & Investments	\$272.6	\$178.3	\$95.5	\$91.9	\$125.4
Projected Sources of Funds					
Revenues	102.5	106.3	109.1	110.9	110.6
Expenses	(42.9)	(50.0)	(41.4)	(35.5)	(33.9)
Funds Provided by Operations	59.6	56.2	67.7	75.4	76.6
Interest Income	12.8	5.7	3.1	2.5	2.5
NWSA Depreciation Cash Add back	14.5	21.9	23.9	26.0	27.3
HMT Funds	28.9	28.9	28.9	28.9	28.9
Other Non-Op (net)	20.4	2.3	(2.8)	(1.9)	(2.8)
Ad valorem tax revenue (net)	26.8	27.6	28.4	29.3	30.1
Projected Sources of Funds	162.9	142.7	149.3	160.2	162.6
Projected Uses of Funds					
Investment in Northwest Seaport Alliance	75.0	64.6	47.7	19.5	3.2
Debt Payments (Principal and Interest) - GO Bonds	12.3	12.3	12.3	12.3	12.3
Debt Payments (Principal and Interest) - Revenue Bonds	29.6	29.5	29.3	29.2	27.8
Debt Payments (Principal and Interest) - Commercial Paper	0.0	0.1	0.4	0.6	0.0
Additional Retirement of Commercial Paper	0.0	0.0	0.0	30.0	0.0
Capital Spending - Planned Projects	140.3	129.1	83.2	35.1	22.9
Projected Uses of Funds	257.2	235.6	172.9	126.7	66.2
Projected Borrowing					
Commercial Paper Borrowing	0.0	10.0	20.0	0.0	0.0
Total Borrowing	0.0	\$10.0	\$20.0	\$0.0	\$0.0
Projected Ending Cash & Investments					
Projected Ending Cash & Investments	\$178.3	\$95.5	\$91.9	\$125.4	\$221.9
Minimum Cash	\$91.9	\$95.5	\$91.2	\$88.2	\$87.3
Sr. Lien Rev. Bond Debt Service Coverage					
Sr. Lien Rev. Bond Debt Service Coverage	6.14	5.98	6.68	7.26	8.10
Fully Diluted Revenue Bond Debt Service					
Fully Diluted Revenue Bond Debt Service	3.43	3.35	3.74	4.06	4.47

2025 Minimum Cash Calculation

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

<u>Minimum Port of Tacoma Cash & Investments</u>	<u>(\$ Millions)</u>
Port cash and investments to cover 6 months operating expenses	\$21.5
Prorated revenue bond payments	2.5
Prorated G.O. bond payments	1.0
Revenue bond reserves	65.6
Industrial insurance reserve	0.4
Self insurance reserve	1.0
Minimum Port of Tacoma cash & investment balance	<u>\$92.0</u>

2025 Debt Outstanding at Year End

(\$ Million)

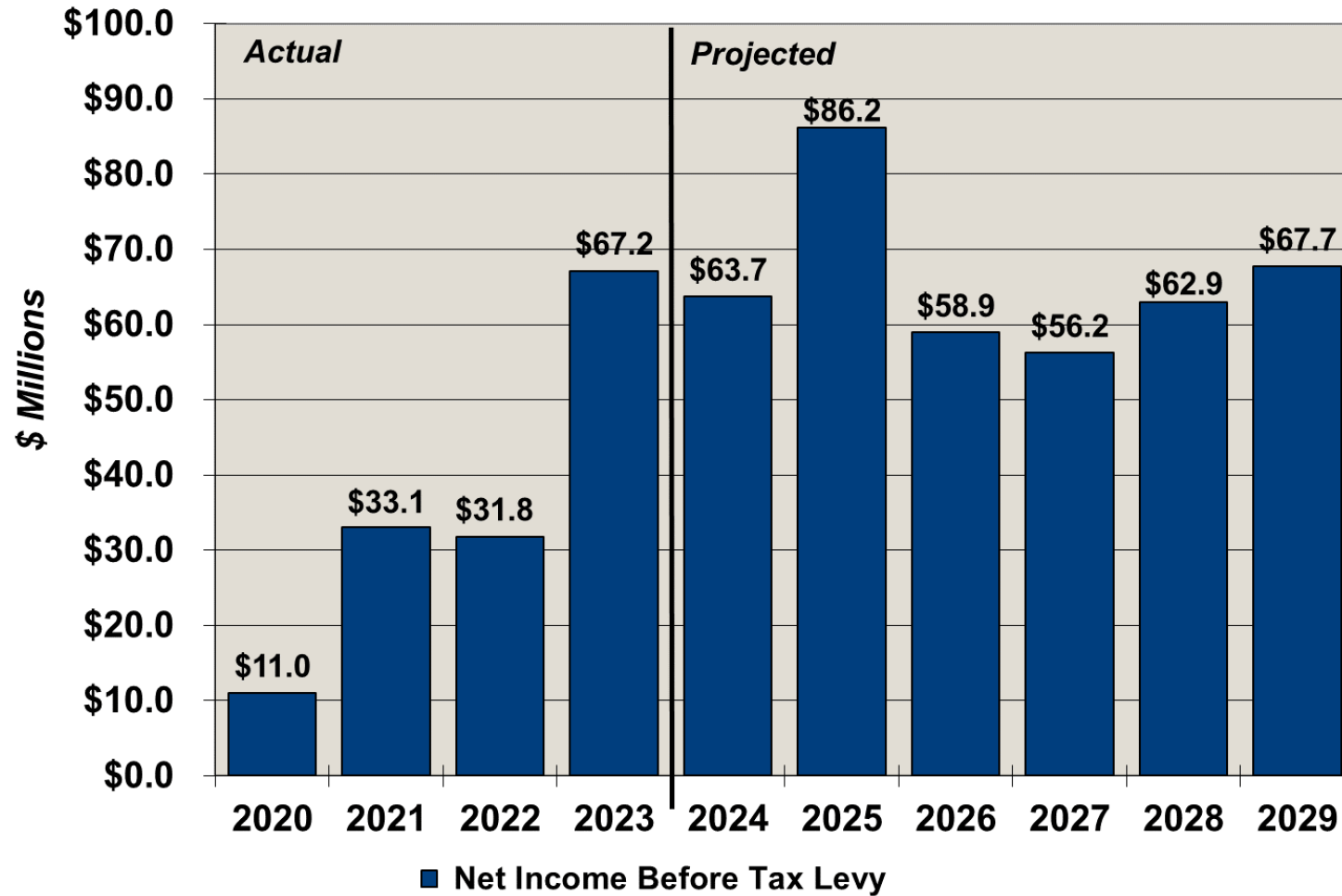
Debt Outstanding at year end	2024	2025	2026	2027	2028	2029
Un-voted <u>G.O. Bond</u> , Fixed Rate	\$114.7	\$107.2	\$99.6	\$91.8	\$83.5	\$74.8
<u>Senior Revenue Bond</u> , <u>Fixed Rate</u>	163.3	154.3	145.0	135.3	125.2	116.0
<u>Subordinate Rev Bond</u> , <u>Variable Rate</u>	205.8	202.1	198.2	194.1	189.9	185.5
Commercial Paper, Variable Rate	0.0	0.0	10.0	30.0	0.0	0.0
Total Debt Outstanding	\$483.8	\$463.7	\$452.9	\$451.2	\$398.6	\$376.4

2025 Summary of Financial Capacity

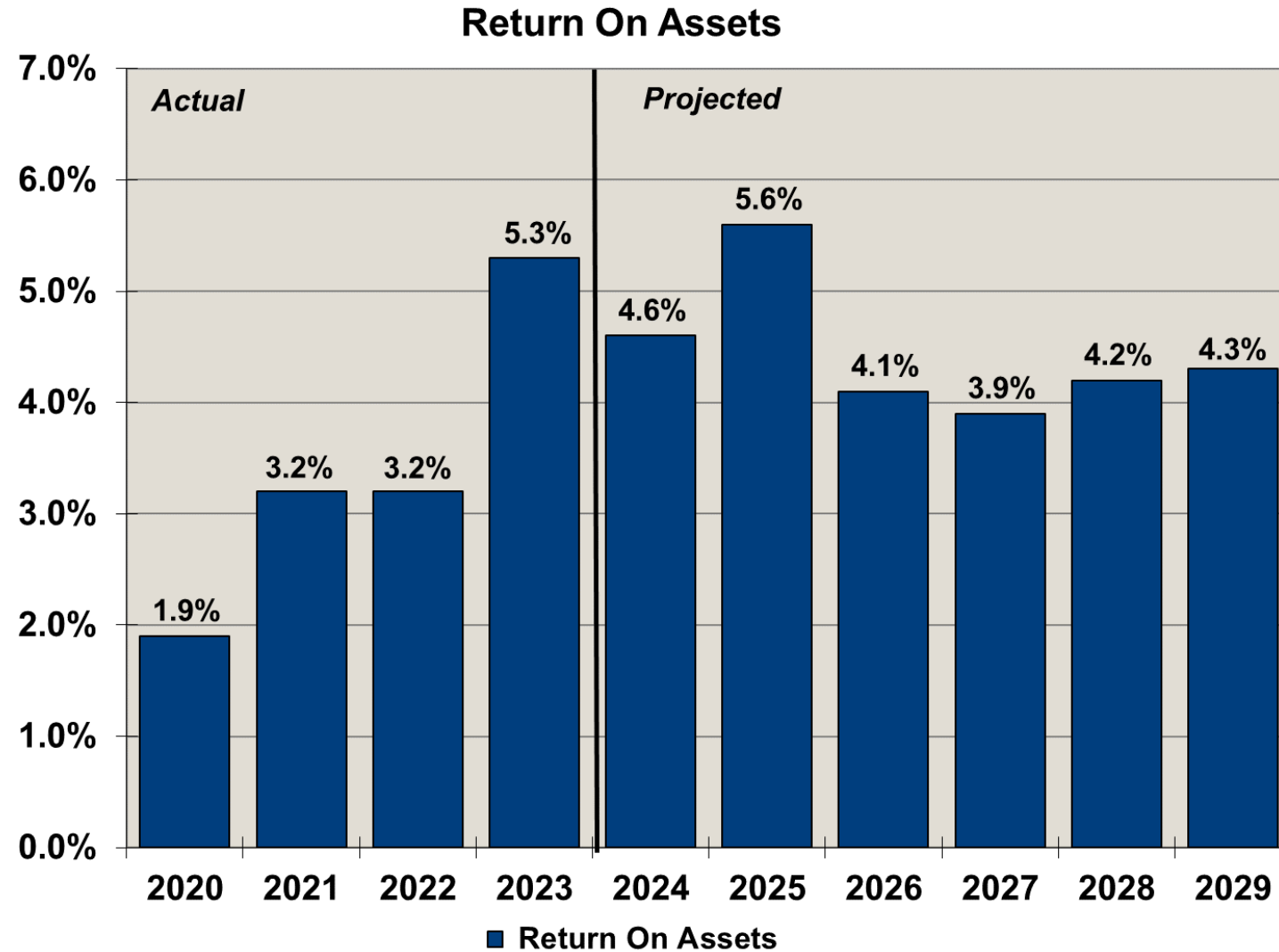
(\$ Million)	2025	2026	2027	2028	2029	5-Year Change
Unvoted G.O. Bond Capacity	\$399.8	\$414.9	\$430.3	\$451.5	\$473.4	
Revenue Bond Capacity	357.1	338.5	436.8	556.1	615.8	
Less: TECP Program Debt Outstanding	0.0	(10.0)	(30.0)	0.0	0.0	
Total Non-voted Debt Capacity	\$756.9	\$743.3	\$837.0	\$1,007.6	\$1,089.3	\$332.4
<i>(Capacity cannot be less than zero)</i>						
Remaining G.O. Bond Capacity - <u>Voted</u>	1,014.1	1,029.0	1,044.1	1,070.0	1,096.5	
Total Voted Debt Capacity	\$1,771.1	\$1,772.3	\$1,881.1	\$2,077.6	\$2,185.8	\$414.8

Financial Measure: Net Income before Tax Levy

Net Income Before Tax Levy

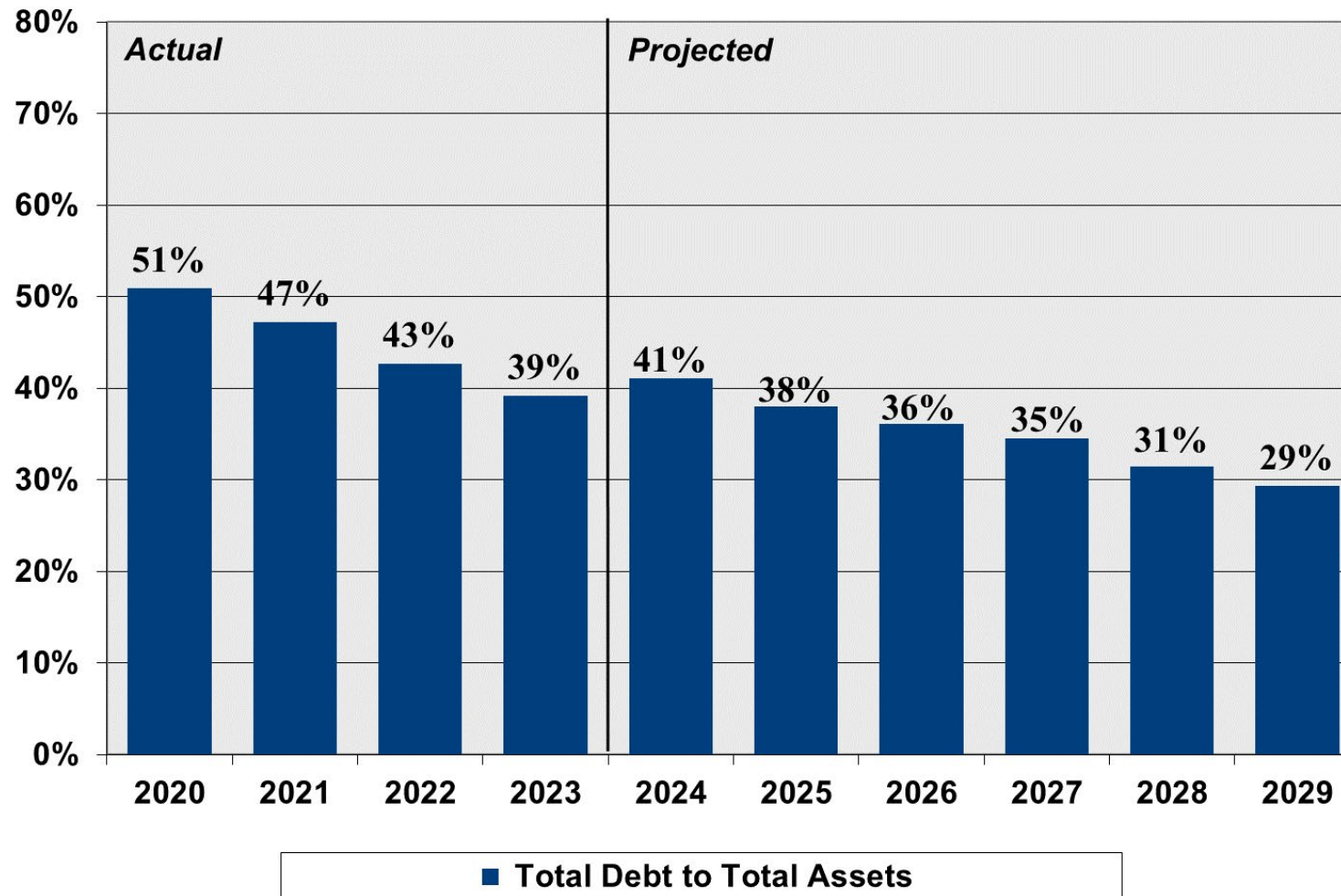


Financial Measure: Return on Assets



Financial Measure: Debt to Asset Ratio

Projected - Total Debt to Total Assets Ratio



2025 Key Budget Measures

The Port will produce solid operating results in a year that will experience significant capital reinvestments.

- Revenue growth in auto business.
- Operating and Administration expenses include significant reinvestment in Port physical and technology assets.
- Includes resources to support key Port strategic goals (workforce development, DEI, community outreach)
- Significant grant income will offset portion of the costs to place property back into productive use.
- Additional staffing in security and contracting will support key business growth.



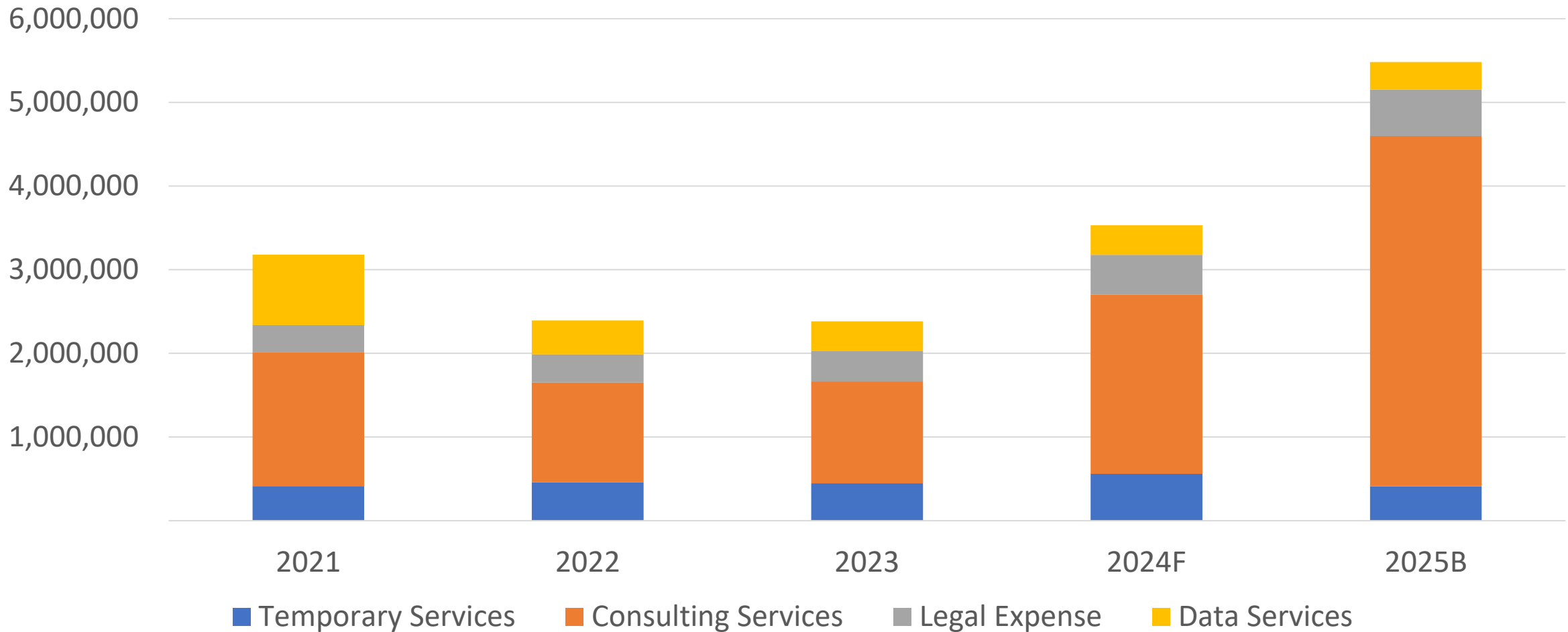
Thank You

Questions & Discussion

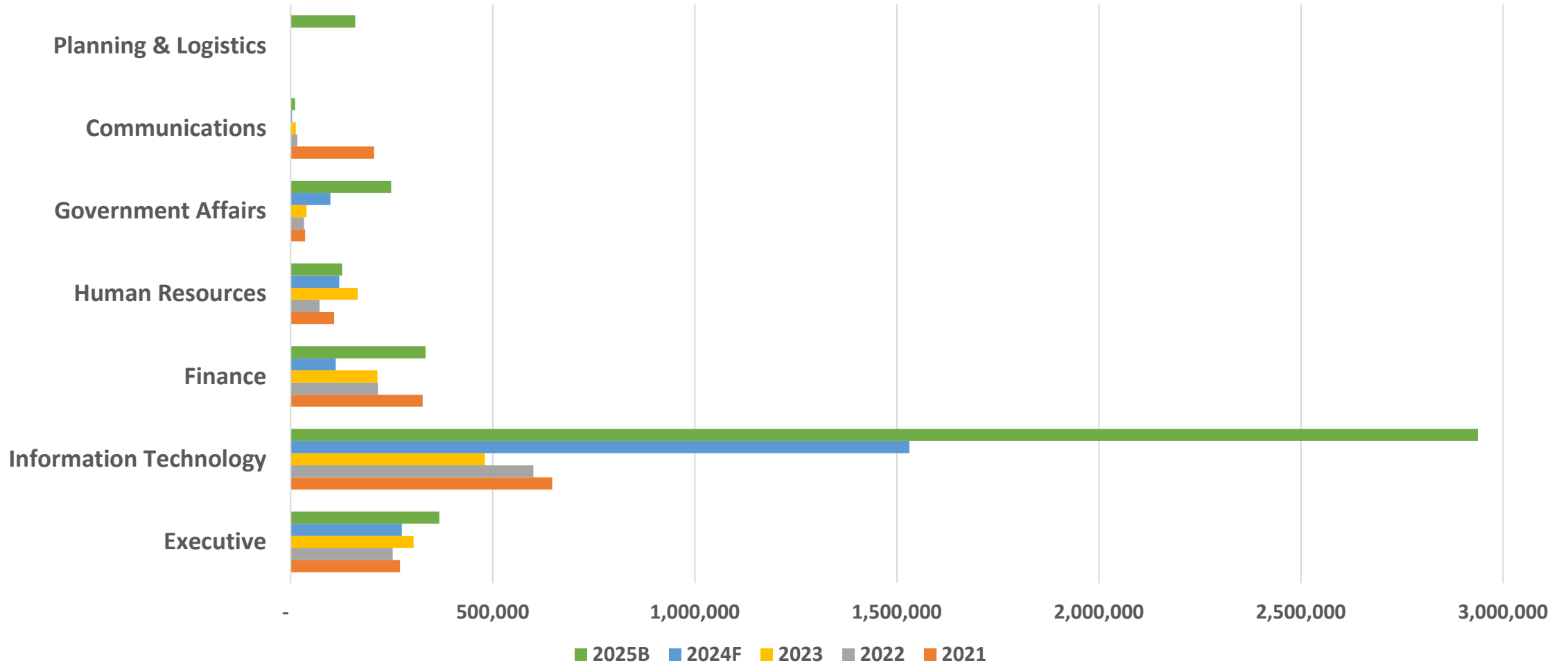


Erin Galeno
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Administration Outside Services



Consulting Services by Department



Average Administration Headcount

