

Item No. 7b_supp _____

Meeting Date: Sept. 13, 2016




Incentive Pay Program Status Update

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September 13, 2016

Incentive Pay Program Status Rating

Legend	
	Solid plan in place and on schedule
	Solid plan in place; slightly behind schedule
	Significantly behind; mitigation plan developed


Traffic Light Legend

Incentive Pay Program Status

Goal	Status	Traffic Light
1. Customer Satisfaction:		
Aviation: Achieve a minimum of 4.13 score on ASQ survey for 2016 from 4.07 in 2015.	ASQ score through June 2016 is 4.08; Need to achieve 4.18 for balance of year; mitigation plans being developed.	
Maritime and Economic Development: Quantitatively and qualitatively assess customer satisfaction of Maritime and Economic Development Divisions' customers to measure satisfaction with Port services and facilities; and identify areas for improvement.	Customer surveys developed and received on August 12 th .	


Strong mitigation plan is being developed to address ASQ challenge

Incentive Pay Program Status

Goal	Status	Traffic Light
1. Customer Satisfaction:		
Public Affairs: Assess within our jurisdiction and other local government understanding of the Port and our role in the regional and local economy.	<p>Focus groups were conducted on July 18th as part of the work to develop a “campaign” to build a coalition and raise visibility around public policy actions that advance the preservation and growth of middle-class jobs in this region. Public impressions of Port were also examined.</p> <p>August: PRR will conduct focus groups to gather qualitative data and more deeply explore the results of the public opinion research regarding SAMP and airport expansion. Information about general public perceptions will also be gleaned.</p>	


Public Affairs has a solid plan and is executing to it

Incentive Pay Program Status

Goal	Status	Traffic Light
<p>1. Customer Satisfaction:</p> <p>By November 1, 2016, provide a report to the Commission that includes:</p> <ul style="list-style-type: none">i. Benchmarks for future goal setting to improve satisfaction with Port services and facilities.ii. Strategies to improve the ASQ.iii. High impact actions and programs to improve public and other local government understanding of the Port and our role in the regional and local economy	<p>Will be developed by November 1st, after analysis is completed</p>	



To be completed by November 1st

Incentive Pay Program Status

Goal	Status	Traffic Light
<p>2 (a). Small and Women/Minority Business: Increase small business contracting participation Port-wide to 35% including sub-goal of a 50% increase (over 2015) of certified Washington State Office of Minority and Women's Business Enterprises to 5.1%.</p> <p>(b). Develop and ensure Port-wide implementation of a small and WMBE business participation scorecard that measures the Port's small and WMBE business participation and that will serve to guide and monitor efforts in all Port operating divisions and non-operating departments.</p> <p>(c). By November 1, 2016, assess all Port efforts geared to promoting small and WMBE business participation and provide a scorecard to the Commission rating the effectiveness of each and providing specific recommendations for improvements for Commission consideration.</p>	<p>(a) Small Business at 26.4% and WMBE at 3.5% thru June 2016. Will need to achieve 43% (SBE) and 6.7% (WMBE) for balance of year to achieve goal. Very high risk.</p> <p>(b) New processes in development that will have impact on 2017 results with a scorecard measuring Port-wide participation.</p> <p>(c) Assessment will be completed by Nov. 1 with a scorecard rating effectiveness and improvement recommendations.</p>	

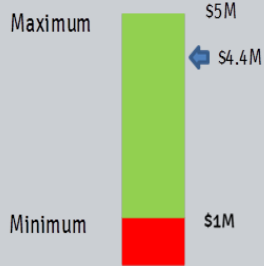
SBE/WMBE at high risk due to change in spend profile

Incentive Pay Program Status

Goal	Status	Traffic Light
<p>3. Environmental Stewardship:</p> <p>(a) Develop and ensure Port-wide implementation of an environmental scorecard that measures the Port environmental footprint and that will serve to guide and monitor reduction efforts in all Port operating divisions and non-operating departments.</p> <p>(b) By November 1, 2016, assess potential opportunities for increasing the use of renewable energy and reducing GHG emissions at Port owned facilities and report findings and recommendations to the Commission for consideration.</p>	<p>(a) Plan in place; Draft scorecard developed.</p> <p>(b) Potential opportunities to be identified by September 30th.</p>	<p></p> <p></p>

Environmental has solid plan and execution

Incentive Pay Program Status

Goal	Status	
<p>4. Financials: Based on modeling assumptions, an estimated \$2 million positive year-end variance to budget is necessary to fund the plan. Maximum funding is \$5 million in 2016.</p>	<p>As of June 30th, the projected year-end positive variance is \$4.4M (no payout unless 2 of the 3 non-financial goals are achieved).</p>	 <p>The chart displays a vertical bar with a red base and a green top. The red base is labeled 'Minimum \$1M' and the green top is labeled 'Maximum \$5M'. A blue arrow points to the top of the green section, which is labeled '\$4.4M'.</p>

Forecasting \$4.4M year end positive variance

Appendix

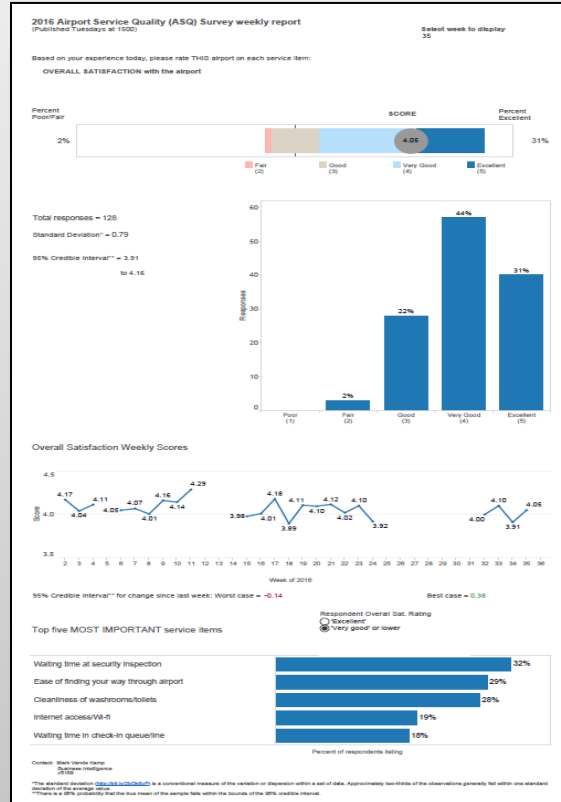


Incentive Pay Plan Forecast

<i>(in \$ thousand)</i>	YTD Actual	YTD Budget	Bud Variance	2016 Forecast	2016 Budget	Fcst/Bud Variance
Non-Aeronautical Revenues	161,658	152,274	9,384	344,494	327,135	17,359
Total Port O&M Expenses	147,874	168,621	20,747	336,642	335,943	(699)
Total Positive Budget Variance (a)			30,131			16,660
Adjustments:						
1) Litigated Injuries & Damages	1,235	-	(1,235)	1,235	-	(1,235)
2) Environmental Remediation Liability	82	3,398	3,316	6,383	3,448	(2,935)
3) Contingencies	150	250	100	400	2,000	1,600
4) Excluded Major Budget Initiatives/Programs	-	1,800	1,800	-	4,000	4,000
5) Prior-Year Capital Project Write-offs	-	-	-	-	-	-
6) Major Accounting Changes	-	-	-	-	-	-
Total Adjustments (b)	1,467	5,448	3,981	8,018	9,448	1,430
Adjusted Total Positive Variance (ATPV=a-b)			26,150			15,230
Payout Pool (50% of ATPV)			13,075			7,615
Pro-Rated for 7 Months in 2016			7,627			4,442

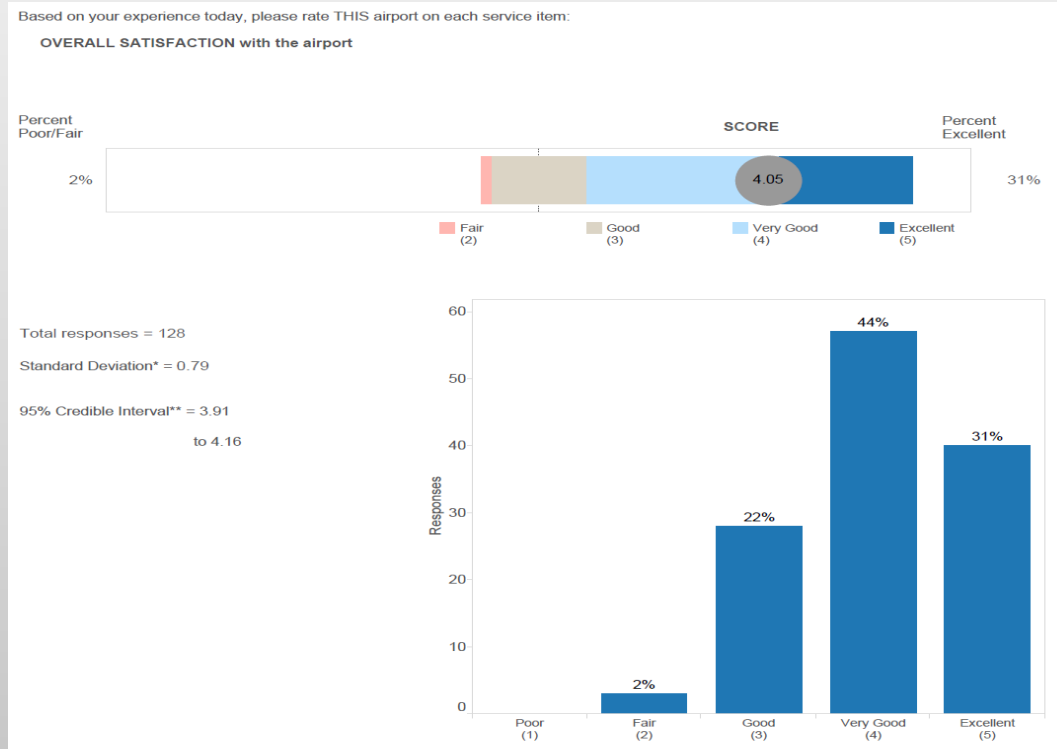
Meeting financial goal

Weekly Update of Key ASQ Results



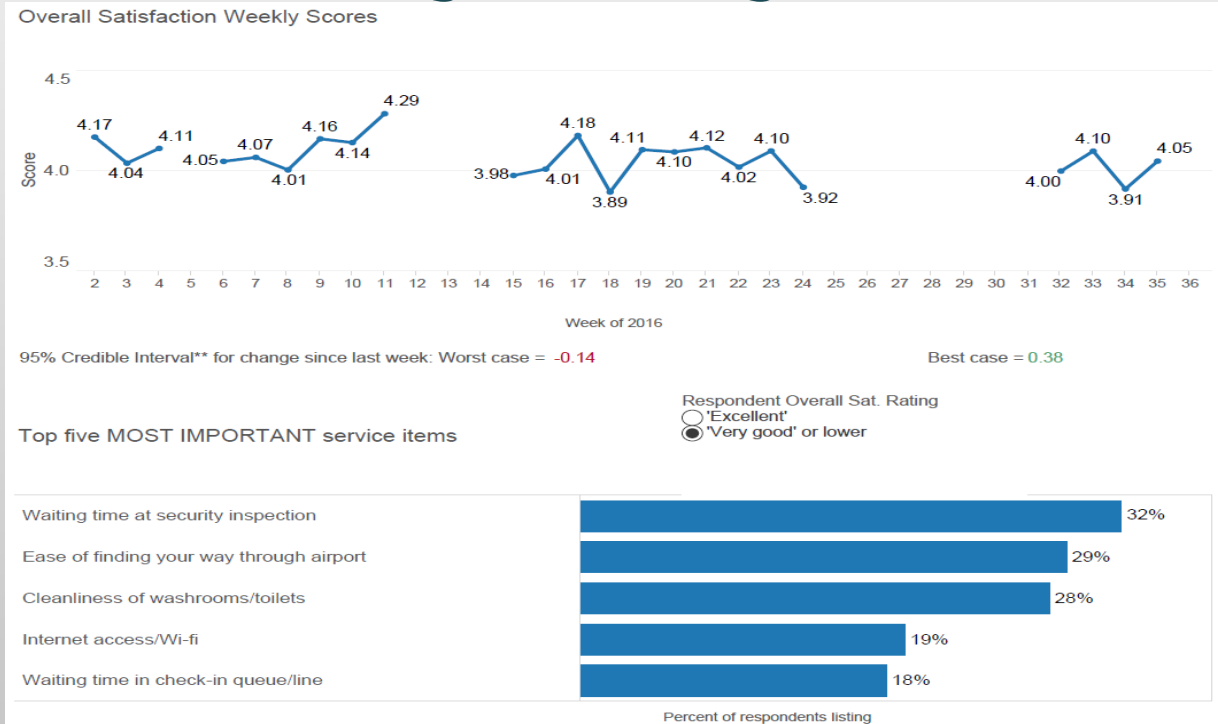
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Rating % Breakdown: From Poor to Excellent



Need to Drive Ratings: “Goods” to “Very Goods” and Very Goods to “Excellent”

Weekly trends and Most Important Service Items for Passengers rating us 4 or less



3Ws and a "C": Wait Times; Way Finding; WiFi ;Cleanliness