

Port of Seattle 2013 Budget Process Briefing

July 10, 2012

Agenda

- 2013 Budget Process Overview
- 2013 Budget Calendar
- Total Rewards

2013 Budget Process Overview

- Assess business environment and industry conditions
- Develop key assumptions, drivers and targets
- Issue budget calendar and guidelines
- Update business plans, incorporating Century Agenda
- Prepare operating and capital budgets
- Develop funding plans
- Review and approve budgets
- File Statutory Budget

2013 Budget Calendar

August

- Commission briefing on Q2 performance on 8/7
- Commission briefing on budget assumptions on 8/7
- Approve Century Agenda on 8/14
- Commission workshops on division business and capital plans on 8/14
- Formal budget entries on 8/20

2013 Budget Calendar - Con't.

September

- Prepare preliminary operating & capital budgets
- Internal budget reviews by each department & division
- Executive preliminary budget reviews (9/19 – 9/21)

2013 Budget Calendar - Con't

October

- Commission capital budgets briefing on 10/2
- Commission operating budget briefing on 10/9
- Commission Draft Plan of Finance briefing on 10/23
- Preliminary budget document available to the Commission on 10/23
- Release 2013 Preliminary Budget to the public on 10/25

2013 Budget Calendar - Con't.

November

- First reading of budget resolution(s) on 11/6
- Second reading of budget resolution(s) on 11/27

December

- File statutory budget by 12/5
- Release the 2013 Final Budget and Draft Plan of Finance to the public by 12/14

Payroll Assumptions

- Preliminary assumptions will be developed in late summer, refinements may occur during budget development in the fall
- Includes merit pay adjustments, health benefit costs, retirement contributions, wage rates, etc.
- Will be consistent with Total Rewards Philosophy

Total Rewards

- Total Rewards Philosophy specifies the ideal relationship between the Port's pay and benefits programs and the market
- Survey data is necessary to assess the market
- Market comparisons, as well as the Port's financial situation inform the direction and budget for pay and benefits on an annual basis

Total Rewards – Con't

- Total Rewards Philosophy includes two sets of principles
 - All principles guide management of Total Rewards as well as decisions about the plans and programs that comprise Total Rewards at the port
- Overarching Principles
 - Apply to the entire Total Rewards Package
- Core Principles
 - Guide each of the Total Rewards Categories

Total Rewards – Con't

- Overarching Principles include
 - Purpose, Values, Strategy : reflect the Port's mission, values, business strategies and nurture our culture
 - Sustainability: design and manage programs in a fiscally responsibly way that is sustainable overtime

Total Rewards – Con't

- Core Principles include
 - Pay at market average
 - Pay increases should be market competitive
 - Overall benefits package slightly better than average
 - Health care benefits between the 50th and 75th percentile
 - Employees should share in the cost of their health care

Total Rewards – Con't

- Next Steps
 - Communicate Total Rewards
 - Complete and summarize Gap Analysis
 - Develop Health Care Strategy to establish future direction of health plans
 - Incorporate Gap Analysis and Health Care Strategy into work plans

The background is a dark blue image. On the left, there is a silhouette of a large cargo ship docked at a pier with a crane. On the right, there are silhouettes of people walking in an office or public space, with one person in the foreground talking on a mobile phone. The overall scene is dimly lit, suggesting an industrial and business environment.

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