

Aviation Division 2013 Preliminary Operating Budget

Commission Briefing
October 9, 2012

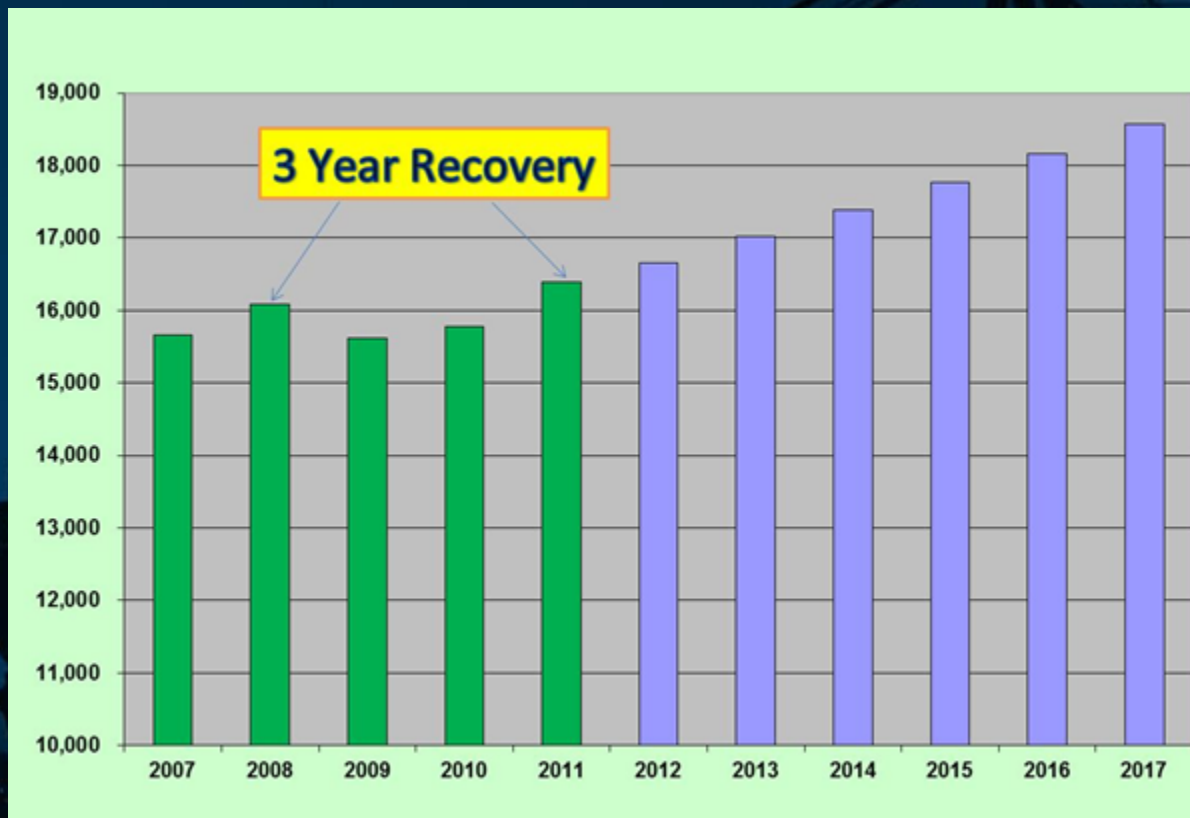
Industry Status/Trends

- Summarizing key points from business plan presentation in August:
 - Airline industry is profitable in 2012 in spite of:
 - Weak economic trends/indicators in US
 - Continued economic uncertainty in Europe
 - Cost of oil is relatively high, and volatile
 - Airlines successfully focusing on profit rather than market share
 - Sea-Tac will likely see moderate growth in spite of economic uncertainty
 - SEA is a large hub, has international connections, and has limited competition
 - Alaska Airlines is profitable and growing

Sea-Tac Enplanements

- YTD enplanement growth through August 2012:
 - + 1.8%
 - International +5.8%
 - Maintaining 2012 forecast of 1.5% growth
- Forecasting growth of 2.2% for 2013
 - Consistent with long-term growth forecast
 - Will require increased seat capacity as load factors are at all-time high, thus some risk

Enplaned Passengers



- Traffic dropped 3% in recent recession, pointing out resiliency of market demand
- Faster recovery than after 2001
- Assumptions:
 - 2012: 1.5%
 - 2013: 2.2%
 - 2014+: 2.2%

Figures in 000's	Aug-11 YTD	Aug-12 YTD	% Variance	2012 Budget	2013 Budget	% Variance
Enplanements	11,034	11,232	1.8%	16,650	17,017	2.2%
Landed Weight	13,564	13,430	-1.0%	20,444	20,444	0.0%

Financial Goals

- Aeronautical side of business revenues based on cost-recovery formulas
 - Focus is on managing costs, so CPE is primary measure
- Non-aeronautical side of business is focused on generating cash flow, so NOI is primary measure
- Total airport:
 - Increase cash flow after debt service
 - Maintain debt service coverage $> 1.25x$
 - Maintain unrestricted cash balance > 10 months O&M expenses

Budget Targets

- Targets tied to financial goals
- Aeronautical: limit growth of O&M to 3.0%, excluding :
 - Airline realignment
 - Regulated materials (RMM) tied to capital projects
 - Grant funded items
- Non-Aeronautical: grow net operating income, excluding:
 - Surplus of CFC operating revenues over CFC funded operating expenses

- Make Sea-Tac Airport the west coast “Gateway of Choice” for international travel and double the number of international flights and destinations:
 - Increase in 2013 to international incentive program for commitments to Emirates and ANA
- Meet the region’s air transportation needs at Sea-Tac Airport for the next 25 years
 - Sustainability master plan
- Meet all increased energy needs through conservation and renewable sources:
 - Energy conservation balance technician (consultant)
 - Terminal lighting conservation projects

Budget Drivers: Airport Strategies

1. Operate a world-class international airport by:
 - Ensuring safe and secure operations
 - Meeting needs of our tenants, passengers and the region's economy
 - Managing our assets to minimize the long-term total cost of ownership
2. Become one of the top ten customer service airports in the world by 2015 (measured by the ACI ASQ index)
3. Lead the airport industry in environmental innovation and minimize the airport's environmental impacts
4. Reduce airline costs (CPE) as far as possible without compromising operational and capital needs

Budget Drivers: Airport Strategies

5. Maximize non-aeronautical net operating income (NOI) consistent with current contracts, appropriate use of airport properties and market demand
6. Continually invest in a culture of employee development, organizational improvement, and business agility
7. Develop valued community partnerships based on mutual understanding and socially responsible practices

Budget Drivers: Other

- Expenses driven by:
 - Payroll and contractual increases
 - Full year of rental car facility / busing service
 - Airline realignment– peak year of spending
 - Multiple capital projects in process
 - \$17 million in operating budget, drives increase in 2013 airline costs (CPE)
 - New initiatives tied to Century Agenda/Airport Strategies
- Revenues driven by:
 - Airline revenues assume one-year extension of current airline agreement
 - Revenue increase due to recovering costs for airline realignment
 - Non-airline revenues:
 - Increase in CFC – full year at \$6.00 (but no increase in 2013)
 - Concessions growth, particularly anticipated new duty free
 - Parking – adding valet service, new pricing, new revenue control system

Aviation Expense Summary

- Cost increases:
 - Compensation: \$3.6 million
 - Contractual: \$579K
- Rental car facility / busing – (see Appendix A)
- Airline realignment will total \$17 million (increase of \$8.8M).
 - Port project oversight of tenant projects
 - Tenant reimbursement
- Environmental remediation expense driven by capital projects:
 - North Star \$1M
 - Cargo 5 Hardstand contaminated soil \$1M
 - Vertical conveyance \$740K
 - GSE Electrical charge stations \$350K
 - MT So Low Voltage Sys Upgr \$350K

	\$000s	%
2012 Budget	160,969	
Cost increases (compensation, contractual)	4,171	2.6%
Rental Car Facility & Busing	1,815	1.1%
Increase in Airline Realignment	8,800	5.5%
Increase in Regulated Materials	1,519	0.9%
Subtotal	16,304	10.1%
Budget Requests	5,537	
One-time items/savings	(5,284)	
Subtotal	253	0.2%
Total increase	16,557	10.3%
2013 Budget	177,526	

New Requests Summary

New Requests:	<u>\$000s</u>
Safe/Secure Airport	404
Customer Needs/Capacity	1,929
Asset Management	175
Total	<u>2,508</u>
Customer Service	289
Environmental Innovation	270
Airline Cost Management	200
Non-Aero Revenue Development	
Costs offset by new revenues	570
Future revenue development costs	1,180
Employee Development	157
Community Partnerships	145
Total	<u>2,811</u>
Other	<u>217</u>
Total New Requests	<u><u>5,536</u></u>

New Requests

Safe/Secure Airport

Description	\$000s
Pest Control	215
SCBA Replacement	130
Tarmac Delay Monitor Description	39
Safety Risk Assessments	15
Emergency Management College Intern	5
	<u>404</u>

Customer Needs/Capacity

Description	\$000s
Sustainability Master Plan	1,750
Joint Marketing Fund	179
	<u>1,929</u>

Asset Management

Description	\$000s
CUSE/CUSS/FIMS Maintenance Materials	75
Asset Management Estimator (Consultant)	100
	<u>175</u>

- Pest control contract will be able to treat previously unavailable areas within the Main Terminal
- SCBA (self-contained breathing apparatus) units for Fire Dept. will replace existing units that are nearing the end of useful life, to be spread over 2 years
- \$250K of Master Plan costs are grant funded by FAA
- Joint marketing costs committed to Emirates and ANA in 2013

New Requests

Customer Service

Description	\$000s
Kone Enhanced Escalator/Elevator Service	254
South Satellite Node Refurbishment	20
Music Initiative Development	15
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	289
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Environmental Innovation

Description	\$000s
Wetland Delineation	250
Greenhouse Gas Reporting	20
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	270
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- Kone elevator/escalator service provides for five days/week of repair staffing as opposed to two days/week
- Wetland Re-Delineation and Greenhouse Gas Reporting items are regulatory requirements

New Requests

Airline Cost Management

Description	\$000s
Energy Conservation Balance Technician (Consultant)	100
Terminal Lighting Conservation	100
	<u>200</u>

Employee/Organizational Development

Description	\$000s
Continuous Process Improvement Consultant	140
Host for 2013 Western Region Property Managers Conference	10
Planning Graduate Intern Hourly Rate increase	4
Internal Intern program	3
	<u>157</u>

- Energy conservation projects to study and implement most efficient use of Sea-Tac power/lighting systems
- CPI initiative already in motion; intended to maximize productivity of Port staff time by streamlining processes

New Requests: Non-Airline

Description	<u>\$000s</u>
Offset by New 2013 Revenues	
Valet Management Contract	525
Search Engine Optimization	36
In-Terminal Advertising for Conference Center	9
Subtotal	<u>570</u>
Future Revenue Development Costs	
Concessions Leasing Consultant	800
Land Development: Brokerage Fee	200
Land Development Planning	120
Parking Consultant Costs	60
Subtotal	<u>1,180</u>
Total Non-Aero Requests	<u><u>1,750</u></u>

New Requests

Community Partnerships

Description	\$000s
Part 150 Noise Compatibilty Study	125
28th Ave Development	15
Community Development High School Intern	5
	<u>145</u>

Other Requests

Description	\$000s
Land Appraisals	120
Maintenance Uniform dry cleaning increase	40
Landside Parking Audit Assistant	30
Landside Ops Assistant Manager	2
Miscellaneous Support Services (Appraisals, Survey, Title Work)	20
Building Dept (Office equipment, ICC eCodes subscription)	5
	<u>217</u>

- Part 150 implementation shall conclude in 2013; \$87K grant funded
- Landside Parking Audit Assistant and Landside Operations Assistant Manager positions are re-purposing of funded and vacant FTEs within the Operations department; the amount in the request reflects the net change in budget

Aeronautical Target

\$ in 000's	2012	2013	2013 / 2012 Budget Chg	
	Budget	Budget	\$	%
Airport Costs	86,717	89,166	2,449	2.8%
Utilities Internal Billing	17,052	15,021	(2,031)	-11.9%
Utilities Other	122	123	0	0.3%
Total Airport Costs	103,892	104,310	418	0.4%
Corporate Direct Charges & Allocations	31,696	32,390	694	2.2%
Capital Development and Other	5,669	6,658	989	17.4%
Total Corporate and other Divisions	37,365	39,048	1,683	4.5%
Total Aeronautical before Exceptions	141,257	143,358	2,101	1.5%
Airline Realignment	8,200	17,000	8,800	107.3%
Regulated Materials	2,072	3,555	1,484	71.6%
Aero Operating Costs net Non-aero	151,529	163,913	12,385	8.2%

- Utilities for 2013 budget accounted for surplus from 2011 backup power.
- Excluding these savings, total Aeronautical costs before exception is up 2.9%.

Aeronautical Business

\$ in 000's	2011	2012	2012	2013	2013 / 2012 Budget Chg	
	Actual	Budget	Forecast	Budget	\$	%
Revenues requirement:						
Capital Costs	81,507	91,876	89,720	95,331	3,454	3.8%
Operating Costs net Non-Aero	133,083	143,329	147,688	146,914	3,585	2.5%
Airline Realignment	-	8,200	5,400	17,000	8,800	107.3%
Total Costs	214,590	243,405	242,807	259,244	15,839	6.5%
FIS Offset	(7,000)	(8,000)	(8,000)	(8,000)	-	0.0%
Other Offsets	(15,417)	(14,895)	(14,461)	(15,467)	(571)	3.8%
Net Revenue Requirement	192,173	220,510	220,346	235,778	15,268	6.9%
Other Aero Revenues	15,590	15,711	15,742	14,721	(989)	-6.3%
Total Aero Revenues	207,763	236,221	236,088	250,499	14,279	6.0%
Less: Non-passenger Airline Costs	14,944	15,390	15,421	14,927	(463)	-3.0%
Net Passenger Airline Costs	192,819	220,831	220,667	235,572	14,741	6.7%

- Capital costs increased \$3.5M due to scheduled start of principal payments of 2003B bonds (\$7.9M), capital interest of 2010B bonds exhausted in 2012 (\$2.7M) and allocation from roadway CIPs (\$2.0M) offset by refunding of bonds, use of reserve fund interest to offset airfield debt service and lower variable rate interest.
- Operating costs excluding airline realignment increased \$3.6M due to payroll baseline increases, sustainability master plan and environmental remediation liability.
- Airline realignment increased by \$8.8M.
- Maintaining FIS offset at \$8M.

Aeronautical Key Indicators

	2011 Actual	2012 Budget	2012 Forecast	2013 Budget	2013 / 2012 Budget Chg	
					\$	%
Cost Per Enplanement:						
Capital Costs / Enpl	4.97	5.52	5.39	5.60	0.08	1.5%
Operating Costs / Enpl	8.12	8.61	8.87	8.63	0.03	0.3%
Airline Realignment / Enpl	-	0.49	0.32	1.00	0.51	102.9%
FIS/Other Offsets	(1.37)	(1.38)	(1.35)	(1.38)	(0.00)	0.3%
Other Aero Revenues	0.95	0.94	0.95	0.87	(0.08)	-8.3%
Non-passenger Airline Costs	(0.91)	(0.92)	(0.93)	(0.88)	0.05	-5.1%
Passenger Airline CPE	11.76	13.26	13.25	13.84	0.58	4.4%

- Airline realignment increase of \$8.8M had incremental impact on CPE of \$0.51.
- Environmental remediation liability increase of \$1.5M had incremental impact on CPE of \$0.09.

Non-Airline Budget Target

\$ in 000's	2013/2012 Budget			
	2012 Budget	2013 Budget	Change \$	%
Non-Aero Revenue	140,955	149,109	8,155	5.8%
CFC Operating Revenue (CFC)	8,576	11,418	2,842	33.1%
Total Non-Aeronautical Revenue	149,531	160,528	10,997	7.4%
Baseline Non-Aero Operating Expense (AV)	37,625	38,493	868	2.3%
Internal Utility Billing (AV)	(16,501)	(14,470)	2,031	-12.3%
Other Utilities Expenses (AV)	16,731	17,239	508	3.0%
Regulated Materials	1,025	1,060	35	3.4%
Non-Aero Operating Expense (Corporate)	20,974	21,569	595	2.8%
Non-Aero Operating Expense (CDD/RE/SP)	6,226	4,881	(1,345)	-21.6%
RCF Operating Expenses (CFC)	7,469	7,439	(30)	-0.4%
Non-Aero Requests Driven by New Revenue		570	570	n/a
Non-Aero Requests Driven by Future Revenues		1,180	1,180	n/a
Allocation of Division-Wide Requests to Non-Aero		1,249	1,249	n/a
Total Non-Aero Operating Expense	73,549	79,211	5,661	7.7%
Non-Aeronautical Net Operating Income	75,982	81,317	5,335	7.0%
Adjusted NOI:				
Non-Aeronautical Net Operating Income	75,982	81,317	5,335	7.0%
Less CFC Surplus	(1,107)	(3,979)	(2,872)	259.4%
Adjusted Non-Aero Net Operating Income	74,875	77,338	2,463	3.3%

Non-Airline Business

\$ in 000's	2011	2012	2012	2013	2013 / 2012 Budget Chg	
	Actual	Budget	Forecast	Budget	\$	%
Revenues:						
Rental Cars	29,969	26,580	28,359	26,737	157	0.6%
CFC Operating Revenues (RCF)	778	8,576	7,083	11,418	2,842	33.1%
RCF Reimbursable Revenue	-	477	477	1,486	1,009	211.4%
RCF Subtotal	30,746	35,633	35,919	39,641	4,007	11.2%
Public Parking	49,996	52,480	51,512	53,744	1,264	2.4%
Ground Transportation	7,704	7,519	7,419	7,267	(252)	-3.4%
Concessions	35,404	35,659	37,107	40,763	5,104	14.3%
Other	19,109	18,240	18,974	19,113	873	4.8%
Total Non-Airline Revenues	142,959	149,531	150,930	160,528	10,997	7.4%
RCF Operating Expense	852	8,150	6,858	9,121	972	11.9%
Other Operating Expense	58,692	66,490	65,366	68,423	1,933	2.9%
Share of terminal O&M	17,610	18,698	18,900	18,768	70	0.4%
Less utility internal billing	(18,369)	(19,789)	(19,789)	(17,102)	2,686	-13.6%
Net Operating & Maint	58,786	73,549	71,336	79,210	5,661	7.7%
Net Operating Income	84,173	75,982	79,594	81,317	5,335	7.0%

- Public Parking revenues increase due to new valet parking to begin services in July and anticipated growth in 1-4 Day and 4+ Day parking transactions.
- Concession revenues increase due to continued growth in concessions revenue performance in retail, in-flight kitchen, food and beverage plus addition of new tenants and a new duty free operator.
- Rental Car Facility (RCF) operating expenses increase due to full year of operations.
- Other operating costs increase due to payroll baseline increases, outside service contractual increases and environmental remediation liability.
- Internal utilities for 2013 budget account for surplus from 2011 backup power.

Non-Airline Key Indicators

	2011 Actual	2012 Budget	2012 Forecast	2013 Budget	2013 / 2012 Budget Chg	
					\$	%
Revenues Per Enplanement						
Parking	3.05	3.15	3.09	3.16	0.01	0.2%
Rental Cars (excludes CFCs)	1.83	1.60	1.70	1.57	(0.03)	-1.6%
Ground Transportation	0.47	0.45	0.45	0.43	(0.02)	-5.4%
Concessions	2.16	2.14	2.23	2.40	0.25	11.9%
Other	1.21	1.64	1.59	1.88	0.24	14.8%
Total Revenues	8.72	8.98	9.06	9.43	0.45	5.0%
Primary Concessions Sales / Enpl	10.30	10.42	10.60	11.25	0.83	8.0%

Division Summary

\$ in 000's	2011	2012	2012	2013	2013 / 2012 Budget Chg	
	Budget	Budget	Forecast	Budget	\$	%
Revenues:						
Aeronautical Revenues	207,763	236,221	236,088	250,499	14,279	6.0%
Non-Aeronautical Revenues	142,959	149,531	150,930	160,528	10,997	7.4%
Total Revenues	350,721	385,751	387,018	411,027	25,275	6.6%
Operating Expenses:						
Baseline Airport Expenses	134,185	149,673	150,478	155,911	6,239	4.2%
Airline Realignment	-	8,200	5,400	17,000	8,800	107.3%
Environmental Remediation Liability	1,428	3,096	4,913	4,615	1,519	49.0%
Total Airport Expenses	135,612	160,969	160,791	177,526	16,557	10.3%
Corporate	32,407	35,566	35,161	37,208	1,642	4.6%
Police Costs	15,804	16,964	16,892	16,891	(73)	-0.4%
Capital Development/Other Expenses	8,046	11,579	11,579	11,499	(79)	-0.7%
Total Allocated Expenses	56,257	64,109	63,632	65,598	1,489	2.3%
Total Operating Expenses	191,869	225,078	224,423	243,124	18,046	8.0%
Net Operating Income	158,852	160,674	162,595	167,903	7,229	4.5%
Key Measures:						
Non-Aero NOI (\$ in 000s)	84,173	75,982	79,594	81,317	5,335	7.0%
Passenger Airline CPE	11.76	13.26	13.25	13.84	0.58	4.4%
Debt / Enplaned Passenger	161.46	152.17	152.17	143.78	(8.40)	-5.5%
Debt Service Coverage	1.47	1.34	1.39	1.35	0.00	0.4%
Traffic:						
Enplanements	16,397	16,650	16,650	17,017	366	2.2%
Landed Weight	20,123	20,444	20,444	20,444	-	0.0%

Expense Summary by Department

\$ in 000's	2011	2012	2012	2013	2013 / 2012 Budget Chg	
	Actual	Budget	Forecast	Budget	\$	%
Airport Operations:						
Aeronautical Operations	24,542	25,018	24,813	25,693	676	2.7%
Airline Realignment	-	8,200	5,400	17,000	8,800	107.3%
Landside Operations	8,031	8,639	8,058	8,943	304	3.5%
Rental Car Facility (RCF)	730	6,511	5,219	8,297	1,786	27.4%
Subtotal	33,303	48,368	43,490	59,933	11,566	23.9%
Business Development	4,365	5,464	5,274	6,073	608	11.1%
Utilities	15,133	12,923	13,650	13,214	291	2.3%
Aviation Director's Office	1,388	1,804	1,929	1,548	(256)	-14.2%
Fire Department	12,600	11,749	12,307	12,185	436	3.7%
Aviation Planning	2,109	1,898	1,902	3,282	1,383	72.9%
Aviation Finance & Budget	716	864	864	834	(31)	-3.6%
Facilities & Infrastructures	1,566	1,884	1,710	1,882	(1)	-0.1%
Sign Shop	539	458	425	489	31	6.9%
Airport Building Dept	332	389	388	402	12	3.1%
Airport Office Building Mgmt	1,155	1,210	1,475	1,504	295	24.4%
Aviation Environmental Group	3,418	3,847	3,758	3,887	40	1.1%
Aviation Maintenance	49,729	55,379	55,615	56,807	1,428	2.6%
Community Partnership	1,415	1,499	1,467	1,293	(205)	-13.7%
Airport Security	6,044	6,254	6,652	5,715	(540)	-8.6%
Other (Excluding AVPMG)	372	3,883	4,973	3,864	(19)	-0.5%
Baseline O&M	134,185	157,873	155,878	172,911	15,039	9.5%
Environmental Remediation Liability	1,428	3,096	4,913	4,615	1,519	49.0%
Total Airport Expenses	\$ 135,612	\$ 160,969	\$ 160,791	\$ 177,526	\$ 16,557	10.3%

- Payroll baseline increase of \$4.8M
- Outside services increase of \$9.6M due to airline realignment, sustainability master plan and concessions leasing and planning
- Other airport expenses increase of \$1.4M due primarily to RCF
- Environmental remediation liability increase of \$1.5M

Expense Summary by Accounts

\$ in 000's	2011	2012	2012	2013	2013 / 2012 Budget Chg	
	Budget	Budget	Forecast	Budget	\$	%
Payroll	80,012	93,871	92,735	97,842	3,970	4.2%
Outside Services	25,224	29,204	27,803	29,978	774	2.6%
Utilities	13,202	12,458	13,054	12,425	(33)	-0.3%
Supplies	4,928	4,425	5,292	4,284	(141)	-3.2%
Other Airport Expenses	10,820	9,713	11,594	11,382	1,669	17.2%
Baseline Airport Expenses	134,185	149,673	150,478	155,911	6,239	4.2%
Airline Realignment	-	8,200	5,400	17,000	8,800	107.3%
Environmental Remediation Liability	1,428	3,096	4,913	4,615	1,519	49.0%
Total Airport Expenses	135,612	160,969	160,791	177,526	16,557	10.3%

Payroll variances include:

- 2013 baseline increase of \$4.8M
- Offset by \$817.8K decrease due to the elimination of 12.0 FTEs airfield terminal access controllers

Non-payroll variances include:

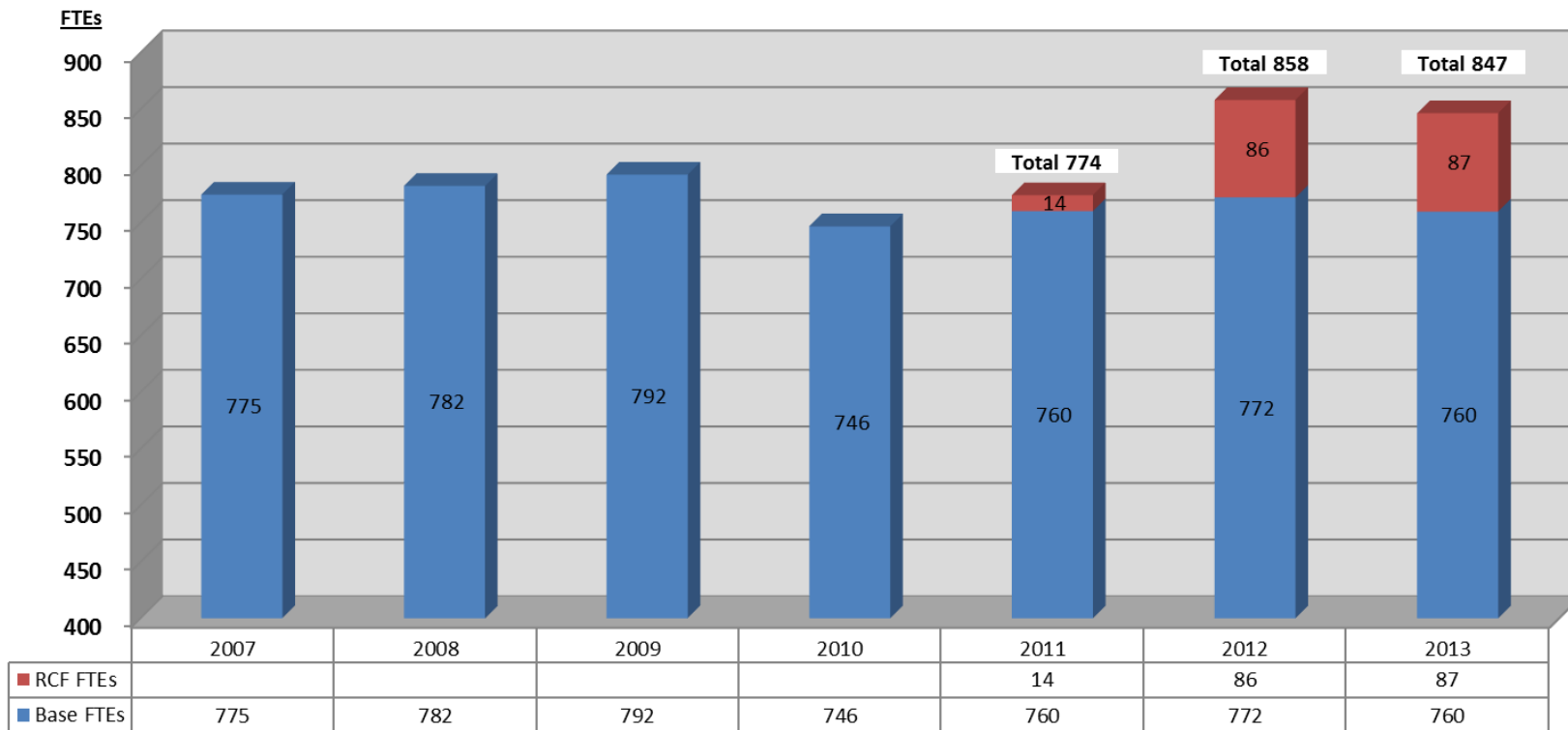
- Airline realignment increase of \$8.8M
- Sustainability master plan increase of \$1.3M
- Concessions leasing and planning increase of \$500K
- RCF other airport expenses increase of \$1.6M, of which \$1.5M are RAC reimbursable
- Environmental remediation liability driven by capital projects increase of \$1.5M

FTEs

2013 Proposed Budget FTEs	FTEs	%
2012 Approved Budget	860.02	
Customer Service Pathfinders	(4.00)	
Senior Planner	1.00	
Airport Office Building On-call Receptionist	0.12	
On-call Concessions Marketing Coordinator	0.20	
Other	0.75	
2012 Baseline	858.09	
2013 Budget Changes:		
AF Security Terminal Access Controllers	(12.00)	
Five Vacant 0.2 Tour Group Coordinator FTEs	(1.00)	
Landside Ops Assistant Manager	1.00	
Vacant Parking Cashier	(1.00)	
Landside Parking Audit Assistant	1.00	
Community Partnership High School Intern	0.33	
Emergency Management College Intern	0.33	
Subtotal	(11.34)	
2013 Budget Proposed FTEs	846.75	-1.3%

FTE Rollforward	2011 Actual	2012 Budget	2012 Revised	2013 Budget Requests	2013 Proposed Budget	% Change 2013 Bud - 2012 Bud
Airport Operations						
Aeronautical	108.00	110.00	106.75	-	106.75	0.0%
Landside	86.50	136.50	136.50	-	136.50	0.0%
	194.50	246.50	243.25	-	243.25	0.0%
Business Development	20.00	20.75	20.95	-	20.95	0.0%
Aviation Services	200.52	200.77	197.65	(11.34)	186.31	-5.7%
Facilities	28.00	31.00	35.24	-	35.24	0.0%
Maintenance	331.00	361.00	361.00	-	361.00	0.0%
Total Aviation Division	774.02	860.02	858.09	(11.34)	846.75	-1.3%

Aviation FTEs: 2007 – 2013



■ Base FTEs ■ RCF FTEs

Key Non-operating Revenues

\$ in 000's	2011	2012	2012	2013	2013 / 2012 Budget Chg	
	Budget	Budget	Forecast	Budget	\$	%
Customer Facility Charges (Operating)	778	8,576	7,083	11,418	2,842	33.1%
Customer Facility Charges (Non-operating)	23,669	21,333	22,826	20,148	(1,185)	-5.6%
Total CFC Revenue	24,447	29,909	29,909	31,566	1,657	5.5%
Passenger Facility Charges (PFC)	62,358	63,448	63,448	64,844	1,396	2.2%
Capital Grants & Donations	19,565	28,982	28,982	16,230	(12,751)	-44.0%
Non-Capital Grants & Donations	1,463	1,479	1,479	1,269	(211)	-14.2%

- CFCs split between non-operating revenues (pays for debt service) and operating revenues
- 90% of PFCs used to pay debt service on PFC eligible projects
- Grants tied to specific projects approved for grant funding by FAA

Risks & Opportunities

- Risks:
 - Airline agreement expires 12/31/12. Budget based on extending current agreement on month-to-month basis in 2013
 - RCF bus drivers contract negotiation may affect costs
 - Economic uncertainty, airline profitability and seat capacity in Seattle market
 - Parking competition
 - Environmental costs for Lora Lake
 - Pending labor settlements vs. baseline budget assumptions
- Opportunities:
 - Terminal concessions: adding new tenants such as McDonalds, new duty free operator so growth may exceed forecast
 - New international service?

Financial Forecast

\$ in 000's	2012 Bud	2013	2014	2015	2016	2017
Airline Revenue	236,220	250,499	246,741	269,824	288,798	303,433
Non-Airline Revenue	149,531	160,528	172,311	180,341	186,850	191,055
Total Revenue	385,751	411,027	419,052	450,165	475,648	494,488
Operating Expense	225,078	243,124	234,301	239,469	246,499	252,877
Net Operating Income	160,673	167,903	184,751	210,696	229,149	241,610
Non-Operating Income	5,251	5,795	3,643	3,303	3,243	3,294
CFC Excess*	(903)	(3,892)	(4,974)	(3,636)	(3,775)	(3,000)
Available for Debt Service	165,021	169,806	183,420	210,363	228,616	241,904
Debt Service	(179,902)	(179,229)	(184,034)	(203,169)	(222,541)	(241,289)
Debt Service Paid by CFCs	19,683	19,201	19,575	20,177	21,462	22,820
Debt Service Paid by PFCs	37,103	33,800	33,800	33,800	33,800	33,800
Net Cash Flow	41,905	43,577	52,761	61,171	61,337	57,235
Key Measures						
Total Airport Coverage	1.34	1.35	1.40	1.41	1.37	1.31
Passenger Airline CPE	13.26	13.84	13.31	14.29	15.00	15.42
Debt per Enplaned Passenger	152.17	143.78	146.63	150.84	165.27	164.42
* CFC collections in excess of CFC debt service/O&M are restricted and cannot be used for other revenue bond debt service.						

Appendix A: Summary of RCF/Busing

\$ in 000's	<u>2012 Budget</u>	<u>New Costs</u>	<u>2013 Budget</u>
<i>Expenses:</i>			
Payroll	5,011	395	5,406
Other	2,165	1,420	3,585
Total Aviation	<u>7,176</u>	1,815	<u>8,991</u>
Corporate	127	(106)	21
Capital Development	847	(847)	-
Subtotal Other	<u>974</u>	<u>(953)</u>	<u>21</u>
Total RCF Expenses	8,150	862	9,012
<i>Expenses not CFC covered:</i>			
30% Allocable to Employee Parking	(145)	58	(87)
Ops Mgr 25% to Employee Parking	(59)	59	-
Total ADF funded	<u>(204)</u>	<u>117</u>	<u>(87)</u>
RCF Reimbursable	<u>(477)</u>	<u>(1,009)</u>	<u>(1,486)</u>
Total CFC funded	<u>7,469</u>	<u>(30)</u>	<u>7,439</u>
<i>New revenues:</i>			
RCF Reimbursable	477	1,009	1,486
CFC Op Rev (a)	8,576	2,842	11,418
Total new revenues	<u>9,053</u>	<u>3,851</u>	<u>12,904</u>
Total Surplus/(Deficit)	<u><u>903</u></u>	<u><u>2,989</u></u>	<u><u>3,892</u></u>

(a) Assumes \$6.00 per day transaction.

<u>CFC</u>	<u>\$000s</u>
Revenues	11,418
Costs	<u>7,439</u>
Surplus/(Deficits)	3,979
<i>Reimbursable</i>	
Revenues	1,486
Costs	<u>1,486</u>
Surplus/(Deficits)	-
<i>Employee Parking (ADF)</i>	
Revenues	-
Expenses	<u>87</u>
	(87)
Total Surplus	<u><u>3,892</u></u>

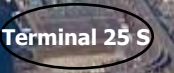
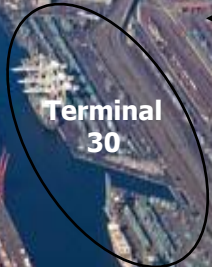
All CFC-eligible costs paid by CFC operating revenues

Seaport Division 2013 Preliminary Operating Budget

The background of the slide is a dark blue image. On the left, the bow of a large ship is visible. In the center and right, there are silhouettes of people, including one person in the foreground talking on a mobile phone. The overall scene is a busy port environment.

Commission Briefing

October 9, 2012



Terminal 91

Pier 86

Pier 66

Terminal 46

Terminal 30

Terminal 25 S

T-18 On-Dock Rail

T-5 On-Dock Rail

Terminal 18

Terminal 5

BNSF (SIG - North)

BNSF (SIG - South)

UPRR (ARGO)

In 2011, the Seaport's three Strategic Initiative Teams developed long term Seaport Strategies:

1. Commercial Business
2. Asset Stewardship
3. Green Gateway

For 2013, Seaport will advance these strategies in alignment with the Commission's Century Agenda, the CEO's Goals and Key Corporate Initiatives.

Key Revenue Assumptions

- TEU volume at 1.66 million, a 17% decrease from 2012 Budget
- Cruise forecasts 851,000 passengers a 3% decrease from 2012 Budget
- Grain volume at 3.4 million metric tons. Due to Midwest drought and favorable prices in South America forecasted to be at levels last seen in 2003.

Expense Issues

- Continuation of Asset Condition Assessments
- Maintenance Dredging
- Stormwater
- NW Ports Clean Air Strategy
- Utility Increases
- Alaskan Way Viaduct monitoring related costs
- Environmental Remediation Liability

Org Revenues By Group

Seaport Division Only

\$'s Thousands	2011	2012	2012	2013	'13-'12 Bud Chg	
	Actual	Budget	Forecast	Budget	\$	%
Revenue						
Lease & Asset Management	82,599	81,000	92,543	92,562	11,562	14.3%
Cruise & Maritime Ops	15,668	15,554	16,594	17,133	1,580	10.2%
Operating Revenue	98,267	96,553	109,136	109,695	13,142	13.6%
Security Grants	394	1,598	2,708	173	(1,425)	-89.1%
Total Revenues	98,661	98,151	111,844	109,869	11,717	11.9%

Org Revenues Lease & Asset Management

\$'s Thousands	2011	2012	2012	2013	'13-'12 Bud Chg	
	Actual	Budget	Forecast	Budget	\$	%
Revenue						
Containers	63,643	60,435	73,951	73,040	12,605	20.9%
Grain	5,611	6,088	3,843	3,653	(2,435)	-40.0%
Industrial Properties	13,345	14,476	14,748	15,869	1,393	9.6%
Operating Revenue	82,599	81,000	92,543	92,562	11,562	14.3%

Org Revenues Cruise & Maritime Operations

\$'s Thousands	2011	2012	2012	2013	'13-'12 Bud Chg	
	Actual	Budget	Forecast	Budget	\$	%
Revenue						
Cruise	12,197	11,718	12,718	12,800	1,082	9.2%
Docks	3,470	3,836	3,876	4,333	497	13.0%
Operating Revenue	15,668	15,554	16,594	17,133	1,580	10.2%
Security Grants	394	1,598	2,708	173	(1,425)	-89.1%
Total Revenues	16,062	17,152	19,302	17,307	155	0.9%

Org Expenses By Group

Seaport Division Only

\$'s Thousands	2011	2012	2012	2013	'13-'12 Bud Chg	
	Actual	Budget	Forecast	Budget	\$	%
Org Expenses						
Lease & Asset Mgmt	7,005	8,061	6,600	8,156	94	1.2%
Cruise & Maritime Ops	3,160	3,985	4,286	3,897	(87)	-2.2%
Commercial Strategy	1,551	1,841	1,679	1,895	54	3.0%
Environmental Services	2,631	2,828	2,953	3,123	295	10.4%
Planning	367	447	394	434	(13)	-2.9%
Seaport Finance	951	1,012	940	1,040	28	2.8%
Seaport Admin	574	758	521	783	24	3.2%
Contingency	0	0	0	0	0	NA
Capital to Expense	14	0	0	0	0	NA
Total Operating Expense	16,254	18,932	17,372	19,328	396	2.1%
Security Grants	474	1,476	2,634	0	(1,476)	-100.0%
Envir Remediation Liability	(633)	0	32	1,170	1,170	NA
Total Expenses	16,095	20,408	20,038	20,498	90	0.4%

Seaport Org Expense Budget

Seaport Division Expenses Only

\$'s Thousands	2012	2013	13-'12 Change		COMMENTS
	Budget	Budget	\$	%	
Baseline Budget					
Salaries	5,053	5,404	350	6.9%	Less charged to Env Remed Liability
Benefits	1,598	1,692	94	5.9%	Less charged to Env Remed Liability
Wages & Benefits	0	0	0	NA	
OPEB	35	32	(3)	-7.7%	
Salaries & Wages to Cap/Non-Op/ERL	1,113	902	(211)	-19.0%	Amt charged to Env Remed Liability
Total Payroll Costs	7,800	8,030	230	3.0%	In line with Corporate Guidelines
Non-Payroll Costs					
Charges to Capital/Non-Op/ERL	(1,521)	(1,263)	258	-17.0%	
Utilities	5,014	5,751	737	14.7%	Primarily Surf Water & Sewer (offset by Tenant Reim)
Contract Watchmen	597	526	(71)	-12.0%	Fewer SCCT Events/Less Demand for TWIC
Other O&M	4,086	4,079	(6)	-0.1%	Other
Total Baseline Budget	15,975	17,123	1,148	7.2%	
Initiatives					
T5 Phase II Maintenance Dredge	500	1,000	500	100.0%	
Pile Cap (Pilot & Commence Full)	1,200	0	(1,200)	-100.0%	
Prep to remove IHI Cranes	0	128	128	NA	
T46 Cranes Potential Repairs	25	0	(25)	-100.0%	
Tribal Mitigation	340	351	11	3.2%	
RFID Expenses	276	164	(112)	-40.4%	Contract Costs & Subscrip fees only, labor in Maint Bud
FF&E - CTA Allowance Usage	134	0	(134)	-100.0%	
T91 slope stabilization survey	35	0	(35)	-100.0%	
10-Yr Container Terminal Access Study	0	125	125	NA	
Traffic Studies	100	100	0	0.0%	
Planning Studies	155	145	(10)	-6.5%	
Terminal Credential & Certifications	75	75	0	0.0%	
Artifact Permanent Storage	118	117	(1)	-0.4%	
Total Initiatives	2,957	2,205	(752)	-25.4%	
Total Operating Expenses	18,932	19,328	396	2.1%	
Security Grant Expenses	1,476	0	(1,476)	-100.0%	Third Party Grants completed in 2012
Envir Remediation Liability	0	1,170	1,170	NA	
Total Expenses	20,408	20,498	90	0.4%	

Initiatives

\$'s in Thousands

Initiatives - Proposed for 2013 Budget

Maintenance Dredging

T-5 maintenance dredging (phase 2) 1,000

Crane Removal

Prep to remove IHI cranes from Terminal 18 128

RFID Implementation Costs (\$100 grant funded)

164 Plus Marine Maint Wage Costs

Tribal Mitigation

Contractual Payment 351

Artifact Storage

117

Transportation & Planning Studies

10 Yr Container Terminal Access Study 125

Transportation 100

Planning Studies 145

370

Terminal Efficiency Initiative

Terminal Credential & Certification 75

Total 2013 Seaport One-Time Expenses

2,205

2013 Projects/Work Budgeted in CDD

T5 and T18 Dredging 180

Holgate to King St. Design Services 10

Tunnel Monitoring 20

210

Northwest Ports Clean Air Initiatives and Envir Remediation Liability Classified as Non-Operating Expense

\$'s Thousands	2013
<u>Non-Operating Expense</u>	<u>Budget</u>
PSCAA	
ABC Fuels	\$625
Trucks	325
Cargo Handling Equip	100
Envir Remediation Liability -Sea	3,050
Envir Remediation Liability -RE	1,750
Total	<u>\$5,850</u>

Full-Time Equivalents (FTEs)

	<u>FTE's</u>
2012 Budget	59.9
<u>2012 Changes</u>	
Staff Upgrade:	
Seaport Finance Staff upgrade	0.0
Staff Addition:	
Vacant Property Mgr FTE incr to full time	0.1
Adjusted 2012	<u>60.0</u>
<u>2013 Budget</u>	
No Changes	0.0
Subtotal	<u>0.0</u>
Proposed FTE's for 2013	<u><u>60.0</u></u>

Full-Time Equivalents (FTEs) Summary

<u>Seaport FTE Summary</u>	2008 Bud	2009 Bud	2010 Bud	2011 Bud	2012 Bud	2013 Bud
Total Seaport	64.9	61.8	60.4	60.4	59.9	60.0
Less: Interns	(2.8)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)
Adjusted Seaport	62.1	59.6	58.2	58.2	57.7	57.8

Century Agenda – Linkages

\$ 000's Description	2013 Seaport Org Operating Budget
Planning Study – New Regional IY	\$25
Planning Study – Dredging	\$50
Planning Study – Bulk Opportunities	\$20
NW Cruise Itinerary Project (\$30K in 2012)	\$20
T5 Phase II Maintenance Dredge	\$1,000
Energy Efficiency Assessments	\$50
Environmental Services – Air Programs	\$230
Environmental Services – Stormwater	\$1,105
Total	\$2,500

** Also Non-Operating PSCAA

Seaport Budget Summary

Inclusive of Direct Charges & Allocations from Corporate, CDD, & Other Divisions

\$'s Thousands	2011	2012	2012	2013	'13-'12 Bud Chg	
	Actual	Budget	Forecast	Budget	\$	%
Revenues						
Operating Revenues	98,910	96,980	109,563	110,110	13,129	13.5%
Security Grants	394	1,598	2,708	173	(1,425)	-89.1%
Total Revenues	99,304	98,578	112,271	110,283	11,705	11.9%
Expenses						
Seaport Expenses (excl env srvs)	12,899	15,236	13,800	15,385	149	1.0%
Envir Services & Planning	2,127	2,289	2,289	2,675	386	16.9%
Maintenance Expenses	4,608	5,817	5,556	6,360	543	9.3%
P69 Facilities Expenses	506	531	531	526	(5)	-0.9%
Other RE Expenses	180	300	300	353	54	17.9%
CDD Expenses	3,539	4,388	5,588	3,584	(804)	-18.3%
Police Expenses	3,578	4,167	4,141	4,271	104	2.5%
Corporate Expenses	11,177	12,332	12,176	12,728	396	3.2%
Security Grant Expenses	481	1,476	2,634	0	(1,476)	-100.0%
Envir Remed Liability	(633)	0	0	1,170	1,170	NA
Operating Expenses	38,463	46,536	47,015	47,053	517	1.1%
Net Operating Income	60,842	52,042	65,256	63,230	11,188	21.5%

Containers

\$'s Thousands	2011	2012	2013	'13-'12 Bud Chg	
	Actual	Budget	Budget	\$	%
Revenues					
Container Revenues	63,643	60,435	73,040	12,605	20.9%
Maintenance Reimbursable	471	300	300	0	0.0%
Total Revenues	64,114	60,735	73,340	12,605	20.8%
Expenses					
Seaport Expenses (excl env srvs)	5,998	7,724	7,748	24	0.3%
Envir Services & Planning	1,237	1,222	1,612	390	31.9%
Maintenance Expenses	1,546	1,546	1,983	437	28.3%
P69 Facilities Expenses	313	336	333	(3)	-0.9%
Other RE Expenses	8	20	121	100	493.8%
CDD Expenses	2,774	2,939	2,519	(420)	-14.3%
Police Expenses	951	1,093	1,179	87	8.0%
Corporate Expenses	6,498	7,115	7,485	370	5.2%
Operating Expenses	19,325	21,995	22,980	985	4.5%
Net Operating Income	44,789	38,740	50,360	11,619	30.0%

Grain Budget Summary

Inclusive of Direct Charges & Allocations from Corporate, CDD, & Other Divisions

Grain

\$'s Thousands	2011	2012	2013	'13-'12 Bud Chg	
	Actual	Budget	Budget	\$	%
Revenues					
Grain Revenues	5,611	6,088	3,653	(2,435)	-40.0%
Maintenance Reimbursable	2	1	1	0	0.0%
Total Revenues	5,613	6,089	3,654	(2,435)	-40.0%
Expenses					
Seaport Expenses (excl env srvs)	277	261	283	21	8.1%
Envir Services & Planning	3	1	10	9	1707.2%
Maintenance Expenses	34	40	54	15	36.6%
P69 Facilities Expenses	28	31	31	(0)	-0.7%
Other RE Expenses	0	0	0	0	NA
CDD Expenses	89	181	138	(43)	-23.8%
Police Expenses	207	228	221	(6)	-2.8%
Corporate Expenses	536	615	713	98	15.9%
Operating Expenses	1,175	1,357	1,450	93	6.9%
Net Operating Income	4,439	4,732	2,204	(2,528)	-53.4%

Industrial Properties

\$'s Thousands	2011	2012	2013	'13-'12 Bud Chg	
	Actual	Budget	Budget	\$	%
Revenues					
Industrial Properties Revenues	13,345	14,476	15,869	1,393	9.6%
Maintenance Reimbursable	37	9	9	0	0.0%
Total Revenues	13,382	14,486	15,878	1,393	9.6%
Expenses					
Seaport Expenses (excl env srvs)	3,220	3,395	3,435	40	1.2%
Envir Services & Planning	562	655	606	(49)	-7.5%
Maintenance Expenses	997	1,342	1,461	120	8.9%
P69 Facilities Expenses	84	83	82	(1)	-0.9%
Other RE Expenses	137	191	166	(25)	-13.1%
CDD Expenses	372	605	475	(131)	-21.6%
Police Expenses	910	1,000	965	(36)	-3.6%
Corporate Expenses	1,800	1,912	1,972	60	3.2%
Operating Expenses	8,081	9,183	9,161	(21)	-0.2%
Net Operating Income	5,301	5,303	6,717	1,414	26.7%

Cruise Budget Summary

Inclusive of Direct Charges & Allocations from Corporate, CDD, & Other Divisions

Cruise

\$'s Thousands	2011	2012	2013	'13-'12 Bud Chg	
	Actual	Budget	Budget	\$	%
Revenues					
Cruise Revenues	12,197	11,718	12,800	1,082	9.2%
Maintenance Reimbursable	90	97	81	(16)	-16.1%
Total Revenues	12,287	11,815	12,881	1,067	9.0%
Expenses					
Seaport Expenses (excl env srvs)	836	1,198	1,100	(98)	-8.2%
Envir Services & Planning	220	227	229	2	0.8%
Maintenance Expenses	925	1,649	1,618	(31)	-1.9%
P69 Facilities Expenses	56	55	55	(1)	-0.9%
Other RE Expenses	15	47	1	(46)	-97.7%
CDD Expenses	209	448	286	(162)	-36.2%
Police Expenses	1,055	1,345	1,422	77	5.7%
Corporate Expenses	1,366	1,423	1,450	26	1.8%
Operating Expenses	4,682	6,392	6,160	(232)	-3.6%
Net Operating Income	7,605	5,422	6,721	1,299	23.9%

Docks - Budget Summary

Inclusive of Direct Charges & Allocations from Corporate, CDD, & Other Divisions

Docks

\$'s Thousands	2011	2012	2013	'13-'12 Bud Chg	
	Actual	Budget	Budget	\$	%
Revenues					
Docks Revenues	3,470	3,836	4,333	497	13.0%
Maintenance Reimbursable	43	21	24	3	14.6%
Total Revenues	3,513	3,856	4,357	500	13.0%
Expenses					
Seaport Expenses (excl env srvs)	2,214	2,239	2,456	217	9.7%
Envir Services & Planning	105	184	219	35	18.9%
Maintenance Expenses	1,092	1,233	1,234	1	0.1%
P69 Facilities Expenses	24	26	25	(0)	-1.4%
Other RE Expenses	20	42	66	24	57.0%
CDD Expenses	93	200	161	(38)	-19.2%
Police Expenses	455	501	483	(18)	-3.6%
Corporate Expenses	590	675	702	27	4.0%
Operating Expenses	4,595	5,100	5,347	247	4.8%
Net Operating Income	(1,082)	(1,244)	(990)	254	-20.4%

Risks

- U.S. and Global economic uncertainties - Potential impact on Container and Cruise volumes
- Competitive Pressures
- Traffic congestion due to construction
- Unexpected Repairs
- Environmental Remediation Liabilities

Real Estate Division 2013 Preliminary Operating Budget

Commission Briefing
October 9, 2012

Key Assumptions

- Recreational marina occupancy rate 92% compared to 94% in 2012 Budget
- Fishing & Commercial occupancy rates FT 78% and MIC 70% compared to FT 84% and MIC 72% in 2012 Budget
- Commercial Properties target 95% occupancy at year-end 2013. 2012 Budget target was 90%

Key Assumptions (continued)

- Conference and Event Centers
 - New management agreement in place effective June 1, 2012
 - Number of BHICC guests down from 2012 Budget. Revenue per guest budgeted to increase
- Ownership of Eastside Rail Corridor transferred to King County by December 31, 2012
- Execution of Deferred Maintenance Plan continues with \$2.9 million of projects budgeted for 2013

Org Revenues By Group

Real Estate Division Only

\$'s Thousands	2011	2012	2012	2013	13-'12 Bud Chg	
	Actual	Budget	Forecast	Budget	\$	%
Revenue						
Harbor Services	11,503	11,633	11,433	11,611	(22)	-0.2%
Portfolio Management	18,887	19,820	18,561	19,877	57	0.3%
Commercial	9,388	9,807	9,523	10,153	346	3.5%
Conf & Event Centers	9,498	10,013	9,038	9,724	(289)	-2.9%
Development & Planning	914	812	919	850	39	4.7%
Eastside Rail	85	22	22	7	(15)	-69.3%
Facilities & Maintenance	826	542	542	586	44	8.2%
Total Revenue	32,214	32,828	31,476	32,930	102	0.3%

Org Expenses By Group

Real Estate Division Expenses Only

\$'s Thousands	2011	2012	2012	2013	13-'12 Bud Chg	
	Actual	Budget	Forecast	Budget	\$	%
Operating Expenses						
Harbor Services	4,347	4,614	4,680	4,854	240	5.2%
Portfolio Management	12,131	12,441	12,042	12,843	402	3.2%
Commercial	4,470	4,558	4,921	5,201	643	14.1%
Conf & Event Centers	7,661	7,882	7,121	7,642	(240)	-3.1%
Development & Planning	725	799	750	854	55	6.9%
Eastside Rail Corridor	1,585	203	257	177	(26)	-12.7%
Maintenance	12,621	16,459	14,526	17,350	890	5.4%
Facilities	1,382	1,521	1,580	1,482	(39)	-2.6%
Division Admin	404	378	387	396	17	4.6%
Contingency	0	0	0	500	500	NA
Capital to Expense	68	0	0	0	0	NA
Environ Remed Liability	0	0	0	80	80	NA
Total Operating Expenses	33,264	36,416	34,223	38,536	2,120	5.8%

Real Estate Org Expense Budget

Real Estate Division Expenses Only

\$'s Thousands	2012	2013	Incr (Decr)		Explanation
	Budget	Budget	Change	%	
Baseline Budget					
Salaries	6,120	6,527	407	6.7%	Pay incr, net new FTE's
Benefits	2,237	2,414	177	7.9%	Increase and net new FTE's
Wages & Benefits	8,458	8,155	(303)	-3.6%	Expected efficiency improvements
Salaries & Wages to Cap, Non-op, ERL	1,400	836	(564)	-40.3%	Less Maintenance capital work
Total Payroll Costs	18,215	17,933	(283)	-1.6%	
Charges to Cap/Non-Op/ERL	(2,044)	(1,338)	706	-34.5%	Less Maintenance charge to capital
Utilities	3,627	3,799	173	4.8%	Primarily Surface Water & Water Costs
Conf & Event Activity Op Expense	6,944	6,709	(235)	-3.4%	Less activity
Conf & Event Activity Management Fee	927	681	(246)	-26.6%	New agreement
Print Shop Cost Transfers	(216)	(14)	202	-93.3%	Net Print Shop transfer to non-RE groups
RE Print Shop Costs (Supplies, Equip Rent)	215	94	(121)	-56.1%	Print shop closure
Other O&M	5,482	5,726	244	4.5%	\$214K is net Maintenance Increase
Total Baseline Budget	33,148	33,588	440	1.3%	
Initiatives					
Tenant Improve, Broker Fees, Space Plan	256	722	466	181.9%	Leasing up
Conf & Event Centers - Cap Allow (exp)	0	240	240	NA	Capital Allowance not qualifying for capital
Deferred Maint Salaried Staff	158	274	116	73.6%	
Deferred Maint Wages, Materials Outside Srv	2,337	2,394	58	2.5%	Deferred Maint work concludes in 2013
Net Sheds (included in Deferred Maint)	250	250	0	0.0%	Work separate from code compliance project
Maint Consultants Maximo, Benchmark Analysis	0	210	210	NA	
CAD Drawings Related to Propw orks Upgrade	50	50	0	0.0%	
SBM Dock Inspection Consultant	0	75	75	NA	
Eastside Rail Corridor-Outside Services	192	152	(40)	-20.8%	
FT 25 Year Plan	25	0	(25)	-100.0%	
Contingency	0	500	500	NA	To cover potential maint increase
Total	3,268	4,867	1,600	49.0%	
Total Operating Expenses	36,416	38,456	2,040	5.6%	
Envir Remediation Liability	0	80	80	NA	Relates to planned capital proj at FT
Total Expenses	36,416	38,536	2,120	5.8%	

2013 Deferred Maintenance Projects

\$'s Thousands

Deferred Maintenance Projects

	<u>2013 Budget</u>
P69 carpet replacement	800
P66 fender panel repair	150
T102 asphalt overlay courtyard & roadway	150
T102 asphalt sealcoat to extend life	50
FT C15 Building paint exterior	300
Wood foundation cap on West Wall Build	100
Maximo mobility and integration	150
Contingency	300
Salaries & Benefits to support Deferred Maint	274
T91 Building M19 envelope repair	55
T91 SWPPP wetlands tital valve replace	35
P66 redo Anthony's deck area	85
FT Bldg C10 Paint exterior	35
FT Bldg I8 Paint exterior	40
T5 Park repair	50
Other	95
Subtotal per schedule	<u>2,668</u>
Maint Net Shed related work	250
Total Deferred Maintenance Projects	<u>2,918</u>

Real Estate Projects Budgeted in CDD

\$'s in Thousands

2013 Real Estate Projects Budgeted in CDD

FT Net Sheds Code Compliance Option 1	\$1,000
SBM Paving Condition Assessment	70
SBM Site Plan	50
	<hr/>
	<u><u>\$1,120</u></u>

Full-Time Equivalents (FTEs)

<u>2012 Budget</u>	165.8
<u>2012 Changes</u>	
Maintenance - Upgrade Purchasing Staff	0.0
Facilities - Delete Gen Srvs Specialists (print shop closure)	(4.0)
Facilities - Add Facility Specialist	1.0
Adjusted 2012	<u>162.8</u>
<u>2013 Budget</u>	
Staff Additions:	
Harbor Services-Admin, Half-time	0.5
Maintenance - 4 Planners	4.0
Net Change	<u>4.5</u>
Proposed 2013 Budget	<u><u>167.3</u></u>

Real Estate Budget Summary

Inclusive of Direct Charges & Allocations from Corporate, CDD, & Other Divisions

\$'s Thousands	2011	2012	2012	2013	'13-'12 Bud Chg	
	Actual	Budget	Forecast	Budget	\$	%
Revenues						
Operating Revenues	22,051	22,372	21,995	22,776	404	1.8%
Conf & Event Ctr Revenue (BHICC & WTC)	9,518	10,029	9,054	9,740	(289)	-2.9%
Total Revenues	31,569	32,401	31,049	32,516	115	0.4%
Expenses						
Real Estate Exp (excl Maint, P69, C&E)	9,698	9,908	10,321	10,800	892	9.0%
Real Estate Conf & Event (BHICC & WTC)	7,661	7,882	7,121	7,642	(240)	-3.1%
Eastside Rail Corridor	1,585	203	257	177	(26)	-12.7%
Maintenance Expenses	7,192	9,687	8,063	9,630	(56)	-0.6%
Real Estate Contingency	0	0	0	500	500	NA
P69 Facilities	150	198	213	178	(21)	-10.5%
Envir Services & Planning	871	987	987	882	(104)	-10.6%
Seaport Expenses (excl env srvs)	359	421	421	386	(35)	-8.3%
CDD Expenses	917	1,266	1,266	2,166	900	71.1%
Police Expenses	1,301	1,442	1,433	1,412	(30)	-2.1%
Corporate Expenses	5,018	5,229	5,177	5,151	(78)	-1.5%
Envir Remediation Liability	7	0	0	80	80	NA
Operating Expenses	34,758	37,224	35,260	39,005	1,781	4.8%
Net Operating Income	(3,189)	(4,823)	(4,211)	(6,489)	(1,666)	-34.5%

Fishing & Commercial

\$'s Thousands	2011	2012	2013	'13-'12 Bud Chg	
	Actual	Budget	Budget	\$	%
Revenues					
Operating Revenues	2,549	2,667	2,764	97	3.6%
Total Revenues	2,549	2,667	2,764	97	3.6%
Expenses					
Real Estate Exp (excl Maint,P69,C&E)	1,757	1,847	1,882	35	1.9%
Real Estate Conf & Event (BHICC & WTC)	0	0	0	0	NA
Maintenance Expenses	1,435	1,828	1,723	(105)	-5.8%
Real Estate Contingency	0	0	83	83	NA
P69 Facilities	23	33	30	(3)	-10.2%
Envir Services & Planning	277	309	299	(10)	-3.2%
Seaport Expenses (excl env srvs)	67	70	71	0	0.4%
CDD Expenses	198	225	1,207	982	436.7%
Police Expenses	465	519	508.07	(11)	-2.1%
Corporate Expenses	866	964	939.33	(25)	-2.6%
Envir Remediation Liability	0	0	0	0	NA
Operating Expenses	5,090	5,795	6,742	946	16.3%
Net Operating Income	(2,541)	(3,129)	(3,978)	(849)	-27.1%

Recreational Boating Budget Summary

Inclusive of Direct Charges & Allocations from Corporate, CDD, & Other Divisions

Recreational Boating

	2011	2012	2013	'13-'12 Bud Chg	
	Actual	Budget	Budget	\$	%
\$'s Thousands					
Revenues					
Operating Revenues	8,960	8,974	8,924	(50)	-0.6%
Total Revenues	8,960	8,974	8,924	(50)	-0.6%
Expenses					
Real Estate Exp (excl Maint,P69,C&E)	2,684	2,803	3,052	250	8.9%
Real Estate Conf & Event (BHICC & WTC)	0	0	0	0	NA
Maintenance Expenses	1,543	2,145	2,131	(14)	-0.6%
Real Estate Contingency	0	0	205	205	NA
P69 Facilities	61	81	73	(8)	-10.0%
Environmental Services & Planning	280	274	263	(11)	-4.0%
Seaport Expenses (excl env svcs)	67	70	72	2	2.9%
CDD Expenses	349	412	580	167	40.6%
Police Expenses	372	415	407	(8)	-2.0%
Corporate Expenses	1,813	1,881	1,925	44	2.4%
Envir Remediation Liability	0	0	0	0	NA
Operating Expenses	7,170	8,081	8,709	628	7.8%
Net Operating Income	1,790	893	215	(677)	-75.9%

Portfolio Management

\$'s Thousands	2011	2012	2013	'13-'12 Bud Chg	
	Actual	Budget	Budget	\$	%
Revenues					
Operating Revenues	9,487	9,894	10,225	331	3.3%
BHICC & WTC Seattle Revenue	9,518	10,029	9,740	(289)	-2.9%
Total Revenues	19,005	19,923	19,965	42	0.2%
Expenses					
Real Estate Exp (excl Maint,P69,C&E)	4,404	4,336	4,922	586	13.5%
Real Estate Conf & Event (BHICC & WTC)	7,661	7,882	7,642	(240)	-3.1%
Maintenance Expenses	3,809	5,220	5,237	17	0.3%
Real Estate Contingency	0	0	184	184	NA
P69 Facilities	58	72	65	(7)	-10.3%
Environmental Services & Planning	168	236	228	(8)	-3.6%
Seaport Expenses (excl env srvs)	186	201	202	1	0.5%
CDD Expenses	312	556	319	(237)	-42.6%
Police Expenses	463.284	507.906	497.181	(11)	-2.1%
Corporate Expenses	1,872.466	1,978.022	1,967.554	(10)	-0.5%
Envir Remediation Liability	0	0	0	0	NA
Operating Expenses	18,934	20,989	21,263	273	1.3%
Net Operating Income	71	(1,066)	(1,298)	(232)	-21.7%

Eastside Rail Corridor

	2011	2012	2013	'13-'12 Bud Chg	
	Actual	Budget	Budget	\$	%
\$'s Thousands					
Revenues					
Operating Revenues	85	22	7	(15)	-69.3%
Total Revenues	85	22	7	(15)	-69.3%
Expenses					
Real Estate Exp (excl Maint,P69,C&E)	1,752	389	343	(46)	-11.8%
Real Estate Conf & Event (BHICC & WTC)	0	0	0	0	NA
Maintenance Expenses	46	64	0	(64)	-100.0%
Real Estate Contingency	0	0	0	0	NA
P69 Facilities	0	0	0	0	NA
Environmental Services	30	60	46	(14)	-22.8%
Seaport Expenses (excl env srvs)	0	0	0	0	NA
CDD Expenses	12	8	3	(5)	-59.5%
Police Expenses	0	0	0	0	NA
Corporate Expenses	196	101	21	(80)	-79.5%
Envir Remediation Liability	0	0	0	0	NA
Operating Expenses	2,037	621	413	(208)	-33.5%
Net Operating Income	(1,952)	(599)	(406)	193	32.2%

Re Dev & Plan Budget Summary

Inclusive of Direct Charges & Allocations from Corporate, CDD, & Other Divisions

RE Development & Planning

\$'s Thousands	2011	2012	2013	'13-'12 Bud Chg	
	Actual	Budget	Budget	\$	%
Revenues					
Operating Revenues	918	812	853	42	5.1%
Total Revenues	918	812	853	42	5.1%
Expenses					
Real Estate Exp (excl Maint,P69,C&E)	686	737	779	42	5.7%
Real Estate Conf & Event (BHCC & WTC)	0	0	0	0	NA
Maintenance Expenses	308	427	536	109	25.6%
Real Estate Contingency	0	0	28	28	NA
P69 Facilities	6	11	10	(1)	-9.4%
Environmental Services & Planning	115	108	46	(61)	-57.0%
Seaport Expenses (excl env svcs)	38	80	42	(38)	-47.9%
CDD Expenses	46	65	57	(8)	-12.7%
Police Expenses	(0)	0	0	0	NA
Corporate Expenses	269	305	298	(7)	-2.3%
Envir Remediation Liability	0	0	0	0	NA
Operating Expenses	1,469	1,733	1,796	63	3.6%
Net Operating Income	(551)	(922)	(943)	(21)	-2.3%

Risks

- Potential higher vacancies in commercial properties and recreational marinas
- Eastside Rail Corridor
- Deferred maintenance costs
- Outside legal costs
- Tenant improvement allowances

Capital Development Division 2013 Preliminary Operating Budget

Commission Briefing
October 9, 2012

Priority CDD Goals

- Deliver projects to operating division customers on time, within budget, meeting agreed scope, and with minimal and mutually-agreed impacts on operations
- Support divisions beyond projects: including budget plan development; business planning; asset management and reporting; community outreach; negotiations; and technical support and assistance.
- Provide contracting services.
- Be prepared for emergencies.
- Develop the talent, capabilities, motivation and well-being of CDD employees.
- Keep Port staff and contractor personnel working safely.

CDD 2012 & 2013 Budgets

	2012 Budget	2013 Budget
FTE	255.75	265.5
Total Salaries & Benefits	\$ 29,510,754	\$ 30,989,009
On-site consultants	\$ 2,575,595	\$ 3,709,032
Small Works Constr Contracts	\$ 992,000	\$ 348,420
Total Before Capital Charges	\$ 36,581,419	\$ 39,352,922
Sal/Wag to Capital	\$ 14,072,691	\$ 14,932,455
Capital Projects Overhead	\$ 5,198,222	\$ 6,832,411
On-site consultants to Capital	\$ 1,794,896	\$ 2,443,257
Total Charges to Capital	\$ (21,065,809)	\$ (24,208,123)
Total Operating Expense	\$ 15,515,609	\$ 15,144,799

CDD 2013 by Department

O9000: Capital Development	ENG	PCS	AVPMG	SPMG	CPO	CDD Admn	All CDD Total
FTE	111.5	50	48	17	37	2	265.5
Payroll to Capital Projects	7,135,893	3,420,664	2,574,479	827,077	974,343		14,932,456
Total Salaries & Benefits	12,607,014	5,517,750	5,982,451	2,386,308	4,129,999	365,487	30,989,009
64140 On-site Consultants	1,285,000	5,000	2,419,032				3,709,032
Total Before Capital Charges	14,903,825	6,618,313	8,875,317	3,841,463	4,731,786	382,218	39,352,922
Total Charges to Capital Projects	(10,674,528)	(4,352,542)	(6,178,231)	(1,471,654)	(1,531,168)		(24,208,123)
TOTAL OPERATING EXPENSE	4,229,298	2,265,771	2,697,085	2,369,809	3,200,618	382,218	15,144,799

CDD 2013 New FTEs

Dept.	Position	FTE
ENG	Construction Manager	1.0
ENG	Construction Coordinator	1.0
ENG	Construction Coordinator	1.0
ENG	College Intern	(0.25)
PCS	Construction Hire	1.0
PCS	Construction Hire	1.0
PCS	Construction Hire	1.0
AVPMG	Capital PM II – Airfield	1.0
AVPMG	Capital PM III – Electrical Engineer (Systems)	1.0
AVPMG	Capital PM III – TI & Actvtn (NorthSTAR)	1.0
AVPMG	Capital PM III – Mechanical Engineer (Baggage)	1.0

Corporate 2013 Preliminary Operating Budget

Commission Briefing

October 9, 2012

- Overall increase of 2.8% vs. 2012 budget
- Key Expense Drivers:
 - Baseline payroll increases
 - Less payroll to capital
 - Higher insurance premiums
 - Century Agenda support
 - Economic Impact Study
 - Contractual funding increase for Port Jobs
 - Systems upgrade, Cloud Computing shift to expense
- Decline in Corporate Cost as a percent of total operating revenues and expenses

Corporate Expense Summary

(in \$ 000's)	Amount	Notes
2012 Approved Budget	76,535	
Less: 2012 One time Items	(638)	ICT performance audit, Towers Watson consultant, etc.
2012 Baseline Budget	75,897	
Expense Changes		
Salaries & Benefits (Baseline)	1,313	Per budget guidelines
Wages & Benefits (Baseline)	(111)	Reduce overtime by Police
Less Payroll to Capital	812	ICT and PLA program
Insurance Premiums	175	Higher premiums due to new RCF and other assets
Commission Contingency	(250)	Reduced from \$500K to \$250K
Other Reductions	(663)	Eliminated FTEs and reduced other costs
Subtotal	1,276	
Increase above 2012 Budget	1.7%	
New Budget Requests		
Century Agenda	559	\$359K for Comm. Office and \$200K for Tourism
Increase funding for Port Jobs	210	Contractual increase for Port Jobs
Economic Impact Study	185	Estimated cost for the study
Systems upgrade/replacement	182	Cloud computing - shift to expense
Two New FTEs	182	Commission Policy Analyst and Sr Investigator (Legal)
Contracted Services for ICT Audit	75	For ICT risk assessment follow-up
Other Requests	75	
Subtotal	1,469	
2013 Preliminary Budget	78,642	
Increase above 2012 Budget	2.8%	

2013 Corporate Budget

(in \$ 000's)	2011	2012	2012	2013	'13-'12 Bud Change	
	Actual	Budget	Forecast	Budget	\$	%
TOTAL REVENUES	1,559	151	-	155	4	2.4%
EXPENSES						
Executive	1,487	1,539	1,539	1,552	13	0.8%
Commission	738	980	962	1,483	502	51.2%
Legal	2,975	2,901	2,928	3,012	111	3.8%
Risk Management	2,614	2,959	2,809	3,186	227	7.7%
Health & Safety	1,053	1,060	1,040	1,138	78	7.4%
Public Affairs	6,087	5,815	5,660	5,946	131	2.2%
Human Resources & Development	4,921	5,484	5,388	5,468	-16	-0.3%
Labor Relations *	941	961	1,111	1,198	237	24.7%
Information & Communications Tech. *	19,132	20,194	20,194	20,805	612	3.0%
Finance & Budget	1,435	1,543	1,533	1,762	219	14.2%
Accounting & Financial Reporting	5,776	6,853	6,797	7,055	202	3.0%
Internal Audit	1,080	1,496	1,491	1,311	-186	-12.4%
Office of Social Responsibility	1,349	1,476	1,431	1,702	226	15.3%
Contingency	105	700	500	450	-250	-35.7%
Police	21,154	22,574	22,478	22,574	1	0.0%
Total Corporate Costs	71,418	76,535	75,862	78,642	2,107	2.8%

* Increases due to shift of payroll from capital to expense.

2013 Budget Major Changes

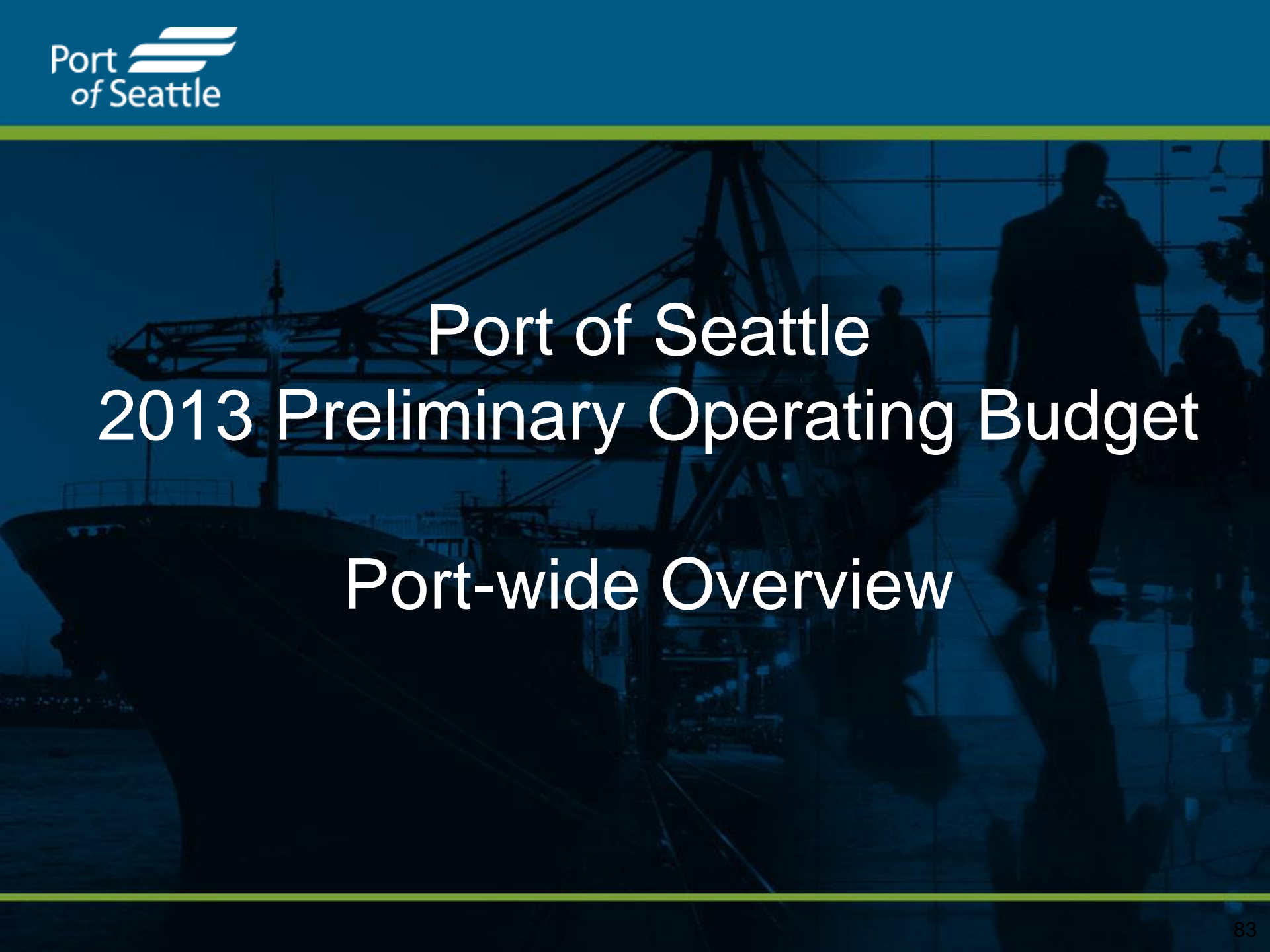
(\$ in 000's)	2012 Budget	2013 Budget	'13-'12 Bud Chg		Explanations
			\$	%	
Payroll Costs change					
Salaries	27,009	28,387	1,378	5.1%	Pay increase, new FTEs & OH change
Benefits	9,070	9,458	388	4.3%	
Wage & Benefits	20,183	20,071	(111)	-0.6%	Police reduce overtime
Payroll to Capital Projects	3,320	2,508	(812)	-24.5%	Salaries charged to capital projects
Total Payroll Costs	59,582	60,425	843	1.4%	
Non-Payroll Changes					
Equipment Expense	1,219	1,479	259	21.3%	
Supplies & Stock	648	629	(19)	-3.0%	
Outside Services	10,930	11,179	249	2.3%	Economic Impact Study and other
Travel & Other Employee Expense	2,583	2,743	159	6.2%	Century Agenda support
Promotional Expense	268	400	133	49.6%	Century Agenda support
Telecommunications	815	665	(151)	-18.5%	
Insurance Expense	2,125	2,300	175	8.2%	Increase in insurance premiums
Charges to Capital Projects	(3,320)	(2,508)	812	-24.5%	Less charge to capital projects
Commission Contingency	500	250	(250)	-50.0%	
Other	1,184	1,081	(103)	-8.7%	
Total Non-Payroll Expenses	16,953	18,217	1,264	7.5%	
TOTAL	76,535	78,642	2,107	2.8%	

	<u>FTE's</u>
2012 Approved Budget	452.2
Changes in 2012:	
Public Affairs deleted a Limited Duration and a .5 Intern	-1.5
HR&D deleted a Limited Duration position	-1.0
ICT added Limited Duration FTE for FMLA backfill	1.0
2012 Baseline	<u>450.7</u>
2013 Proposed New FTEs:	
Public Affairs transferred a Century Agenda Liaison to Commission	-1.0
Commission added a Policy Analyst and a transfer from PA	2.0
Legal added a Sr. Investigator	1.0
LR deleted a PLA Compliance Manager and added a .5 Staff Adm.	-0.5
Accounting (AFR) deleted 2 Business Tech and a Record Specialist	-3.0
Change in FTEs for 2013	<u>-1.5</u>
2013 Budget Proposed FTEs	<u><u>449.2</u></u>

Corporate Cost Analysis

(\$ in 000's)

	2011 Budget	2011 Actual	2012 Budget	2012 Forecast	2013 Budget
Corporate Cost	75,008	71,418	76,535	75,862	78,642
Total Revenue	492,798	483,172	516,882	531,299	553,981
Total Expense	285,844	267,416	309,844	309,673	330,347
Corporate Cost as % of Revenues	15.2%	14.8%	14.8%	14.3%	14.2%
Corporate Cost as % of Expenses	26.2%	26.7%	24.7%	24.5%	23.8%



Port of Seattle 2013 Preliminary Operating Budget Port-wide Overview

Preliminary Payroll Assumptions*

- Average pay for performance increases by 3.0%
- Market based salary range increases by 2.0% (minimal cost impact)
- Medical and dental costs increase is 2.2%
- Employer's PERS contribution increases from 7.21% to 9.1% (the blended rate is 8.16% for 2013).

* Only for non-represented employees

2013 Preliminary Budget

(\$ in '000s)	2011	2012	2013	'13-'12 Bud Chg		Explanations
	Actual	Budget	Budget	\$	%	
Operating Revenues						
Aeronautical	207,763	236,221	250,499	14,279	6.0%	Higher terminal realignment and debt svc costs
Non-Aeronautical	142,959	149,531	160,528	10,997	7.4%	\$5.1M for Concessions and \$3.8M for RCF
Aviation	350,722	385,751	411,027	25,275	6.6%	
Seaport	99,304	98,578	110,283	11,705	11.9%	T-18 special facility bond refunding
Real Estate	31,569	32,401	32,516	115	0.4%	
CDD	16	-	-	-	n/a	
Corporate	1,561	151	155	4	2.4%	
Other Operating Revenues	132,451	131,131	142,954	11,823	9.0%	
Total	483,172	516,882	553,981	37,099	7.2%	
Operating Expenses						
Aviation	135,612	160,969	177,526	16,557	10.3%	Terminal Realignment, RCF and other
Seaport	16,090	20,408	20,498	90	0.4%	
Real Estate	33,270	36,416	38,536	2,120	5.8%	Deferred Maintenance program
CDD	11,026	15,516	15,145	-371	-2.4%	See note (1)
Corporate	71,418	76,535	78,642	2,107	2.8%	
Total	267,416	309,844	330,347	20,503	6.6%	
Net Operating Income	215,756	207,039	223,634	16,596	8.0%	

Note (1): Total costs including capital increase from \$36.6M in 2012 budget to \$39.4M in 2013 budget.

2013 Preliminary Budget

(\$ in 000's)	2012	2013	'13-'12 Bud Chg		Explanations
	Budget	Budget	\$	%	
Payroll Costs change					
Salaries	71,493	76,170	4,677	6.5%	Pay increase, new FTEs & OH change
Benefits	24,881	26,056	1,175	4.7%	
Wage & Benefits	91,254	92,251	997	1.1%	Contractual increase and reduced OT
Payroll to Capital Projects	22,481	22,683	202	0.9%	
Total Payroll Costs	210,110	217,161	7,051	3.4%	
Non-Payroll Changes					
Equipment Expense	5,960	5,864	(95)	-1.6%	
Utilities	21,181	22,056	875	4.1%	Higher service water and sewer costs
Supplies & Stock	6,740	6,565	(175)	-2.6%	Reduce Maintenance Materials
Outside Services	62,397	73,007	10,610	17.0%	Terminal Realignment and other
Travel & Other Employee Expense	5,521	5,839	318	5.8%	Century Agenda support
Insurance Expense	2,142	2,316	174	8.1%	Increase in insurance premium
Third Party Mgmt Expense	7,434	7,302	(131)	-1.8%	
Miscellaneous Expense	3,744	5,567	1,822	48.7%	Add'l RCF pass-thru exp and RE Cont.
Business & Occupation Taxes	3,223	3,560	338	10.5%	Higher operating revenues
Environmental Remediation Exp	3,096	5,865	2,769	89.4%	
Charges to Capital Projects	(31,191)	(32,984)	(1,793)	5.7%	
Other	9,487	8,229	(1,258)	-13.3%	
Total Non-Payroll Expenses	99,734	113,186	13,452	13.5%	
TOTAL	309,844	330,347	20,503	6.6%	

Comprehensive Summary

(\$ in '000s)	2011	2012	2013	'13-'12 Bud Chg		Explanations
	Actual	Budget	Budget	\$	%	
Revenues						
1. Aeronautical Revenues	207,763	236,221	250,499	14,279	6.0%	Cost Recovery
2. Other Operating Revenues	275,410	280,662	303,482	22,820	8.1%	Seaport, R.E., Non-Aero & Corp.
3. Tax Levy	73,179	73,000	73,000	-	0.0%	
4. PFCs	62,358	63,448	64,844	1,396	2.2%	Increase in enplanements
5. CFC Revenue for Debt Service	23,669	21,333	20,148	(1,185)	-5.6%	Over-estimated in the 2012 budget
6. Fuel Hydrant	7,683	7,839	7,839	-	0.0%	
7. Non-Capital Grants and Donations	8,482	1,779	1,909	129	7.3%	
8. Capital Contributions	21,180	31,448	17,068	(14,380)	-45.7%	Less FAA & DHS grants
9. Interest Income	18,884	5,748	7,296	1,548	26.9%	Higher General and ADF fund balance
Total	698,608	721,477	746,084	24,608	3.4%	
Expenses						
1. O&M Expense	267,416	309,844	330,347	20,503	6.6%	
2. Depreciation	158,107	158,479	171,510	13,031	8.2%	More assets and bond refundings
3. Revenue Bond Interest Expense	127,579	135,806	129,314	(6,492)	-4.8%	Refunding of bonds & lower interest rates
4. GO Bond Interest Expense	15,774	14,926	13,291	(1,635)	-11.0%	Refunding of bonds & lower interest rates
5. PFC Bond Interest Expense	6,758	6,826	6,367	(459)	-6.7%	
6. Non-Op Environmental Expense	4,335	5,290	4,800	(490)	-9.3%	Due to superfund sites
7. Public Expense	18,703	7,722	4,469	(3,253)	-42.1%	Reduction of FAST I and II projects
8. Other Non-Op Rev/Expense	(7,814)	3,576	3,972	397	11.1%	
Total	590,858	642,469	664,070	21,601	3.4%	
Change In Net Assets	107,750	79,008	82,014	3,006	3.8%	

Port-wide FTEs Summary

	Aviation	Seaport	Real Estate	Capital Dev	Corporate	Totals
2012 Approved FTE's	860.0	59.9	165.8	255.8	452.2	1,793.7
Mid Year Approval	1.9	0.1	1.0	-	1.0	4.0
Eliminated	(4.0)	-	(4.0)	-	(2.5)	(10.5)
Transfers	-	-	-	-	-	-
Adjusted 2012 FTE's	857.9	60.0	162.8	255.8	450.7	1,787.2
2013 Budget						
Eliminated	(14.0)	-	-	(0.3)	(3.5)	(17.8)
Transfer	-	-	-	-	-	-
New FTE's	2.7	-	4.5	10.0	2.0	19.2
Total 2013 Changes	(11.3)	-	4.5	9.7	(1.5)	1.4
Proposed 2013 FTE's	846.6	60.0	167.3	265.5	449.2	1,788.6