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Item No.?: _11b_supp
Meeting Date: Sept. 27, 2022

2023 Central Services
Commission Briefing
Date: September 27, 2022

Overview

- Budget Timeline
- Strategy to Budget Process
- Key 2023 Budget Drivers
- 2023 Preliminary Portwide Operating Budget
- 2023 Baseline Budget
- 2023 New Budget Requests
- 2023 Proposed Operating Budget
- 2023 Proposed FTEs Summary
- 2023 Community Programs Summary
- 5-Year CIP
- Equity in Budgeting
- Remaining 2023 Budget Schedule

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2023 Budget Timeline

2023 Business 2023 Budget Budget Briefings First Reading & 2nd Reading &
Plan and CIP Development Public Hearing for Final Passage of
Development 2023 Budget 2023 Budget

(May/June) (June-Aug) (Sept/Oct) (Mid-November) (Late November)

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Strategy to Budget Process
Century Agenda
Vision/Goals 5- 10 Years
Strategic SWOT
Plan
Gap
Plan
Objectives & KPIs 3 – 5
Implementation Years
2023 Business Plan
2023 Budget Annual
2023 Performance Plans

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Century Agenda Drives Port Priorities and Budgets
? Position the Puget Sound Region as a
Premier International Logistics Hub
? Advance this Region as a Leading Tourism
Destination and Business Gateway
? Responsibly Invest in the Economic Growth
of the Region and all its Communities
? Be the Greenest and Most Energy Efficient
Port in North America
? Become a Model for Equity, Diversity and
Inclusion

? Be a Highly Effective Public Agency

Key 2023 Budget Drivers/Considerations

- Economic and pandemic uncertainties
- Strong business recovery
- Investment in workforce
- Balancing expenses with projected revenues
- General and construction cost inflation
- Investment in Environmental Sustainability, Workforce Development & Community Programs
- Ability to fill vacant/new FTEs
- Incorporating resiliency initiatives

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2023 Portwide Budget Summary

- Strong growth in Operating Revenues
 - Operating Revenues up \$192.7M or 25.1% from 2022 budget
 - Excluding Aeronautical Revenues, which are based on cost recovery, other Portwide operating revenues up \$82.9M or 22.3%
 - Strong growth in Airport Parking, Ground Transportation, Dining and Retail, and Maritime Cruise revenues
 - NWSA revenues not available yet
- Operating Expenses up \$74.0M or 14.8% from 2022 budget
- Net Operating Income before Depreciation up \$118.7M or 44.3% from 2022 budget

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2023 Portwide Budget Summary

Inc/(Dec) from 2022

2020 2021 2022 2023 Approved Budget

Proposed

	2020	2021	2022	2023	Approved Budget	Proposed	\$ Change	% Change
Operating Revenues (Sub)								
Aeronautical	297,909	317,513	394,963	504,817	109,854	27.8%		
Non-Aeronautical Rev	116,473	183,819	240,820	302,603	61,783	25.7%		
Aviation	414,382	501,332	635,783	807,420	171,638	27.0%		
Maritime	42,111	48,331	59,137	76,262	17,125	29.0%		
EDD	9,470	9,294	18,769	22,201	3,432	18.3%		
Joint Venture	37,563	54,842	47,899	48,144	245	0.5%		
Stormwater Utility	4,593	4,821	5,079	5,392	313	6.2%		
Central Services	2,709	3,401	186	155	-31	-16.8%		
Portwide Total	510,828	622,020	766,854	959,575	192,721	25.1%		
Operating Expenses (Sub)								
Aviation	343,787	341,679	397,622	460,377	62,754	15.8%		
Maritime	52,357	47,784	57,865	66,042	8,177	14.1%		
EDD	21,382	20,560	28,301	30,128	1,826	6.5%		
Joint Venture	1,268	2,390	1,727	2,138	411	23.8%		
Stormwater Utility	2,961	3,105	4,577	4,625	49	1.1%		
Central Services	4,149	6,854	9,053	9,839	786	8.7%		
Total (w/o Pension Credit)	425,904	422,372	499,146	573,149	74,003	14.8%		
Net Operating Income (w/o Pension Credit)	84,923	199,648	267,708	386,426	118,718	44.3%		
DRS Pension Credit	(17,223)	(57,716)	-	-	-	0.0%		
Net Operating Income (with Pension Credit)	102,147	257,364	267,708	386,426	118,718	44.3%		

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Central Services Preliminary 2023 Budget

- Central Services provides a number of essential services to the three operating divisions of the Port and to the Northwest Seaport Alliance (NWSA) per service agreements.
- Central Services departments are vital to the success of the operating divisions and the NWSA and benefit the public in general.

- Central Services include 20 departments, such as Accounting, Human Resources, External Relations, Legal, Police, Engineering, Port Construction Services, etc.
- Central Services expenses are allocated to the operating divisions and the NWSA, or in some cases funded by the Tax Levy

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Baseline Budget Development

- Start with 2022 Approved Budget
- Remove 2022 One-Time Items
- Adjust for 2022 mid-year approvals
- Adjust for known contractual and other increases
- Add payroll increase assumptions

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Central Services Operating Expense Budget Changes

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Baseline Budget Increase Drivers

- Investment in Workforce
 - 6.0% COLA and 3.0% Average Pay for Performance Increase
 - Invest in Employee development by fully restoring Travel & Other Employee Budget to pre-Covid levels
- Other payroll increases:
 - Annualized payroll for 2022 new FTEs
 - Annualized payroll for 14.0 mid-year approved new FTEs
- Contractual increases:
 - Property Insurance
 - ICT's Software License & Maintenance Agreement
 - Other Contractual Increases (Sea-Tac Court, STOC lease, etc.)

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2023 Baseline Budget Summary

Description (in \$000s)	Amount	%	Notes
2022 Approved Budget for Central Services	141,756		2022 Approved Budget for Central Services
Minus: 2022 One-Time Items	(1,390)	-1.0%	Exclude the one-time items
Add: Mid-Year Approvals	843	0.6%	Include 2022 mid-year approvals
Add: Contractual Increase	1,914	1.4%	Include 2023 planned contractual increases
Add: Other Adjustments	6,260	4.4%	Include other budget adjustments
Adjusted 2022 Baseline Budget	149,383	5.4%	Increase from 2022 approved budget
Mid-Year Approvals	843	0.6%	Include payroll & non-payroll O&M
Mid-Year Approvals (Payroll)	(805)	-0.6%	Exclude payroll for mid-year approved new FTEs
Contractual Increase	1,914	1.4%	
Other Adjustments	6,260	4.4%	Include charge to capital
Other Adjustments (Charged to Capital)	(4,502)	-3.2%	Exclude the estimated amount to capital
Non-Payroll Increase	3,710	2.6%	
Payroll Increase	12,435	8.8%	
2023 Baseline Budget	157,902	11.4%	As a percentage of the 2022 approved budget

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2023 New Budget Requests Summary

Description	Requested	Approved
Total # of Requests	83	49
Total Amount (incl. Charge to Capital)	\$11,240K	\$6,282K

Total O&M Amount \$10,301K \$5,555K
Payroll \$5,329K \$2,742K
Non-Payroll \$4,972K \$2,813K
No. of New FTEs 50.1 28.1
No. of Unfrozen FTEs 3.0 2.0

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2023 Key Initiatives/Budget Drivers
Category Purpose/Outcome 2023 Requests
Port's partnership with the Seattle Aquarium 1,000,000
New staff to support the alignment of Port investments in workforce development 239,797
New staff to assist with clean energy technology research, development and
144,094
deployment
Implement and support New staff to assist in addressing equity and environmental justice in Port
138,423
Century Agenda Goals operations
Community outreach and training program for potential Bus Drivers and Taxi Drivers
100,000
at SEA
Duwamish Valley Port Community Action Team (PCAT) and the Port's green jobs 100,000
Subtotal 1,722,314
Police funding for recruitment, Equity, Diversity & Inclusion (EDI) training, smart
parking enforcement platform, K9 Vet Insurance, and South Correctional Entity
(SCORE) partnership 845,283
Safety & Security Cyber Defense Strategy and Technology Infrastructure Resiliency 258,000
Resources to address resiliency issues for the Seattle Waterfront 60,000
Subtotal 1,163,283

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2023 Key Initiatives/Budget Drivers
Category Purpose/Outcome 2023 Requests
Resources to enhance the Port's engagement on tribal affairs 163,619
Regional Transportation Advisory Services to address changes for decarbonization,
Advance work on 100,000
equity and safety of the surface transportation system
regional economic
Industry coordination and engagement to support existing and new maritime
priorities and enhance 100,000
operations at Port of Seattle properties
engagement with
Facilitation services to strengthen engagement with impacted communities 80,000
surrounding
Support public engagement of Fishermen's Terminal and other Seaport major
communities 70,000
capital projects
Subtotal 513,619
New FTEs to support hiring needs and address equity, organizational capacity, and
1,784,678
necessary support for capital program
New positions in Engineering and PCS to support capital programs 271,245
Organizational Needs
Research State and Federal grants to potentially supplement existing funding for
and Division Priorities 50,000
both programs and capital investments
Funding for Insurance Certificate Tracking Platform for agreements and leases 50,000
Subtotal 2,155,923
Grand Total 5,555,139

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Tax Levy Funding

Dept New Approved Items funded by Tax Levy Amount
 Executive Seattle Aquarium Partnership 1,000,000
 Senior Environmental Justice Program Manager 138,423
 Office of Equity, Senior Manager Workforce Development Strategies 138,423
 Diversity, & WFD Contract Admin 101,373
 Inclusion NEW SEA Bus Drivers Program 50,000
 SEA Taxi Drivers Retraining 50,000
 External Relations Duwamish Valley Community Equity Program 100,000
 Grand Total 1,578,220

Dept Conversion of Existing Baseline Items to Tax Levy Amount
 Workforce Dept initiatives except for portion of Airport Employment
 Development * Center benefitting the Airport 686,386
 Human Resources High School Intern program (excluding some staff costs) 252,375
 Grand Total 938,761

*These represent new baseline items to be funded by the levy. Excludes added one-time Maritime High School.

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Central Services Preliminary Budget Highlights

- Total operating expense is \$162.8M, \$21.0M or 14.8% higher compared to the 2022 Budget
- Total Payroll budget increased by \$14.5M or 13.2% due to:
 - 6% COLA and 3% average Pay for Performance increases
 - 14.0 mid-year approvals
 - 28.1 new and 2.0 unfrozen FTEs
- Non-payroll increased by \$6.5M or 20.2% mainly due to:
 - Higher on-site consultant costs, Insurance Expense, Worker's Comp, and Travel and other employee expenses
 - Seattle Aquarium Partnership and increased funding for Community Programs

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2023 Preliminary Budget Summary

2020 2021 2022 2023 Inc/(Dec) from 2022

Proposed Approved Budget

(in \$000's)	Actual	Actual	Budget	Budget	\$ Change	% Change
Total Payroll Costs (w/o Pension Credit, with Capital)	117,380	116,320	130,102	147,387	17,285	13.3%
Total Non-Payroll Costs (with Capital)	41,609	39,337	46,852	57,156	10,304	22.0%
Total Costs (with Capital)	158,989	155,657	176,954	204,543	27,589	15.6%
Sal/Wage-Cap/Govt/Envrs Proj	(17,325)	(16,737)	(20,532)	(23,338)	2,807	-13.7%
Cap/Govt/Envrs Projects OH	(6,628)	(6,366)	(7,818)	(7,515)	(303)	3.9%
OnsiteConsult-Cap/Gov/Env Proj	(9,215)	(6,809)	(6,848)	(10,939)	4,092	-59.7%
Total Charges to Capital	(33,167)	(29,912)	(35,198)	(41,793)	6,595	-18.7%
Total Payroll Expenses (w/o Pension Credit)	100,056	99,583	109,570	124,048	14,478	13.2%
Non-Payroll O&M Expense	26,008	25,938	32,186	38,702	6,515	20.2%
Total O&M Expenses (w/o Pension Credit)	126,063	125,521	141,756	162,750	20,993	14.8%
DRS Pension Credit	(8,588)	(29,768)	-	-	-	0.0%
Total O&M Expenses (with Pension Credit)	117,476	95,753	141,756	162,750	20,993	14.8%

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2023 Central Services Proposed FTEs Summary

Description FTEs Notes

2022 Approved Budget 885.8

Changes in 2022:

Mid-Year Approvals 14.0 HR (2), Env & Sus (1), Police (1), PCS (10-1Non-rep, 9rep)

Eliminated 0.0

Transfer 0.0

2022 Baseline 899.8

2023 Budget Changes:

Transfer 0.0

Eliminated -10.1 HR (2.1), Police (1), Frozen Positions (7.0)
 New FTEs Approved 28.1
 Net Change 18.0
 2023 Proposed FTEs 917.8

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2023 Community Programs

2023 2023

2023 Inc/(Dec) from 2022 Budget Budget

2021 2022 Proposed Approved Budget Funded Funded

Program (in \$000) Budget Budget Budget \$ Change % Change by the levy by the levy

- 1) Energy & Sustainability Fund 373 160 120 (40) (33%) 120 100%
 - 2) Airport Community Ecology (ACE) Fund 212 135 40 (95) (238%) 40 100%
 - 3) South King County Community Impact Fund (SKCCIF) 2,000 2,195 2,214 19 1% 2,214 100%
 - 4) Duwamish Valley Community Equity Program 275 387 462 75 16% 462 100%
 - 5) EDD Partnership Grants 910 1,200 850 (350) (41%) 850 100%
 - 6) Tourism Marketing Support Program 2,481 1,750 1,830 80 4% 282 15%
 - 7) Airport Spotlight Ad Program 382 466 466 - - 466 100%
 - 8) City of SeaTac Community Relief 1,400 1,400 1,400 - - 1,400 100%
 - 9) Maritime Blue (formerly Maritime Innovation Center) 150 150 150 - - 150 100%
 - 10) Workforce Development 2,682 4,390 5,186 796 15% 3,785 73%
 - a. Youth Career Launch Program (formerly OY11) - 1,000 1,000 - - 1,000 100%
 - b. Airport Employment Center 926 1,096 1,517 421 28% 303 20%
 - 11) High School Internship Program 500 496 457 (40) (9%) 252 55%
 - 12) Diversity in Contracting 1,510 1,836 2,299 463 20% 300 13%
 - a. Small Bus. Accelerator under SKCCIF 2 180 250 250 - - 250 100%
 - b. DBE/ACDBE/WMBE Training Consultants & Outreach - - 50 50 100% 50 100%
 - 13) Equity, Diversity & Inclusion 1,062 1,366 1,717 352 20% 138 8%
 - 14) Sustainable Aviation Fuels & Air Emissions Program 250 200 100 (100) (100%) 100 100%
 - 15) Low Carbon Fuel Standard Initiative 75 110 150 40 27% - -
 - 16) Community Biz Connector (Regional Small Biz Partnerships) - 150 350 200 57% 350 100%
 - 17) Public Market Study - - 100 100 100% 100
 - 18) Seattle Aquarium Partnership - - 1,000 1,000 100% 1,000 100%
- Sub Total 14,081 16,142 18,641 2,499 13% 11,760 63%
- Payroll charged to the Levy 3 - 483 433 (49) (11%) 433 100%
- Grand Total 14,081 16,625 19,074 2,449 13% 12,193 64%

Notes:

- 1 \$2.0M budget for Youth Career Launch Prgm (OYI) was added in May 2021 (not shown on the table). Youth Career Launch Prgm budget rolls up to Workforce Development total (item 10).
- 2 \$250K Small Business Accelerator under Diversity In Contracting (DIC) is included in DIC total (Item 12) and SKCCIF (item 3).
- 3 2023 Payroll only for CPO (4.0 FTEs). Other payroll from HS Interns (11.5 FTEs), WFD (5.0 FTEs), & EDI (1.0 FTE) are included in the individual items above. 21

Uncertainties/Budget Risks

- Economic uncertainty
- Future inflation
- Potential Inflation Reduction Act Grant Revenues
- Equity Pay adjustments
- Ability to execute on a growing number of programs and initiatives
- Ability to hire large number of new staff in addition to normal turnover—5% vacancy rate assumed in budget

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Equity in Budgeting

September 27, 2022

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Summary of Equity in Budgeting Responses

- 1. Describe how you have applied equity, diversity, and inclusion principles in planning your

2023 strategies, objectives and initiatives.

- Continuing to look for opportunities for WMBE/DBE contracting and eliminate disparity of access to opportunity.
- Actively applying an equity lens when hiring, foster staff engagement in EDI-related development and training.
- Advancing regional workforce development in port-related industries to provide equitable access to quality careers.
- Allowing time for staff participation in EDI moments in department/team meetings.
- Asking for staff's input on EDI and other training and development opportunities.
- Emphasis on access to Port information through language and platform accessibility.

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Summary of Equity in Budgeting Responses

2. Are there specific areas or programs your department has added to or redirected funding from existing baseline budget that would advance equity considerations? If yes, describe the specific area(s) and how much funding was redirected.

- Multi-Cultural Community Capacity Building to support SKCF Environmental and Economic Recovery Grants.
- New SKCCIF community capacity building contract with WMBE firm.
- Increasing support for Environmental Engagement and Duwamish Valley Community Equity Program.
- Increasing equitable engagement and supporting customer experience.
- Supporting the Port's growing engagement with tribal governments and indigenous communities through a workshop and facilitated training for Commissioners and staff.
- Supporting business division initiatives with communications and outreach for SAMP, Cruise, OEDI on SKCCIF economic recovery grants, etc.

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Summary of Equity in Budgeting Responses

3. What steps have you taken to ensure that your 2023 strategies, objectives and initiatives do not cause disproportionate harm to any groups in our community, or perpetuate existing inequities?

- Many of the Community Programs supported by Central Services are addressing equity issues.
- Strengthening relationships and partnerships with community liaisons in near-port communities to foster direct input from impacted stakeholders (SKCCIF, DVCEP, StART).
- Making communications available and accessible by lowering technology barriers to entry and designing materials for mobile platforms.
- Making Port programs and opportunities more inclusive.
- Taking meaningful steps to eliminate inequities and advance a culture of belonging and inclusion.
- Lowering barriers that keep disadvantaged communities from attaining skills that will place them in quality port or port-related jobs.

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Summary of Equity in Budgeting Responses

4. What has your engagement with the staff in your team told you about the factors that advance equity in your 2023 strategies, objectives and initiatives?

- Equitable Engagement practices require relationship building, involvement of those most impacted in pre-planning, and additional time to engage stakeholders in ways most meaningful to them.
- Importance of full leadership engagement and leading by example.
- Staff have been directly involved in shaping the 2023 OEDI budget. The budget reflects the team's input and views on how OEDI can advance equity port-wide to the best of its ability.
- Staff has also been vigilant about using the 2021 Equity Assessment, Women of Color Assessment, and overlapping work with other departments (such as Human Resources and External Relations) to guide and inform our 2023 budget.

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Summary of Equity in Budgeting Responses

5. For departments interfacing with the community, describe how you have engaged with the overburdened communities and vulnerable populations in your planning process.

- Managing interactions with overburdened and vulnerable communities on an on-going basis for a number of Community Programs, such as Duwamish Valley, SKCCIF, High School Interns, WFD, etc.
- Prioritizing community input into Port engagement approach by addressing bureaucratic barriers and undue contracting burdens on community-based organizations.
- Creating and implementing workforce development programs and investments based on two main principles:
 - (1) Support in-demand jobs in port sectors.
 - (2) Ensure that women and BIPOC communities are fully represented in the outcomes of our programs.

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Central Services CIP
 September 27, 2022

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Central Services Capital Projects Summary
 2023-2027

Five Year Capital Plan (\$000's) * 2023 2024 2025 2026 2027 Total
Commission Authorized Projects 1,598 1,000 - - - 2,598
Projects Pending Authorization 9,558 10,410 6,293 2,500 31,261
Small Capital 6,411 5,095 4,858 4,716 4,953 26,033
CIP Cashflow Management Reserve (5,600) (2,700) 300 4,000 4,000 -
Total 11,967 13,805 11,451 11,216 11,453 59,892

* Excludes ICT projects budgeted within operating divisions as well as ICT portions of PMG led projects.

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Commission Authorized Projects
 2023-2027

Five Year Capital Plan (\$000's) * 2023 2024 2025 2026 2027 Total
Commission Authorized Projects
Office Wi-Fi Refresh U 1,077 1,000 - - - 2,077
Energy Management System N 340 - - - - 340
Phone System Upgrade U 120 - - - - 120
New Budget System U 61 - - - - 61
Total 1,598 1,000 - - - 2,598

* N = New System or Function U = System Upgrades or Replacements

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Projects Pending Authorization
 2023-2027

Five Year Capital Plan (\$000's) * 2023 2024 2025 2026 2027 Total
Projects Pending Authorization
IT Renewal/Replacement U - - 2,500 2,500 2,500 7,500
Enterprise Network Refresh U 2,004 2,000 1,500 5,504
ID Badge System Upgrade U 1,000 2,000 1,993 4,993
Public Safety Dispatch System U 2,004 1,900 3,904
Enterprise Firewall Refresh U 640 1,360 2,000
Physical Access Control System Refresh U 600 1,100 300 2,000
Microwave Radio Tower Loop U 1,000 960 1,960
Fleet Management Software N 400 450 850
Storage Area Network Refresh U 750 - 750

Specification Document Management Software N 210 390 600
Fire Alarm Monitoring System N 250 250 500
Contract Management System Replacement U 400 400
Conference Room Communications U 300 300
Total 9,558 10,410 6,293 2,500 2,500 31,261
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Small Capital Projects
2023-2027
Five Year Capital Plan (\$000's) 2023 2024 2025 2026 2027 Total
Small Capital
Technology Infrastructure 1,500 1,500 1,500 1,500 1,500 7,500
Technology Business Applications 1,500 1,500 1,500 1,500 1,500 7,500
Engineering/PCS Fleet Replacement 1,600 970 450 550 565 4,135
Corporate Fleet Replacement 1,274 725 748 766 748 4,261
Enterprise GIS Small Capital 250 250 250 250 250 1,250
Engineering Small Capital 187 50 310 50 190 787
Corporate Small Capital 100 100 100 100 200 600
Total - Small Capital 6,411 5,095 4,858 4,716 4,953 26,033
CIP Cashflow Management Reserve
CIP Reserve - Central Services (5,600) (2,700) 300 4,000 4,000 -

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Remaining 2023 Budget Schedule

- Operating division budgets briefing (10/11)
- 2023 Preliminary Budget Document Available to the Commission (10/18)
- 2023 Preliminary Budget Document Available to the Public (10/20)
- 2023 Tax Levy & Draft Plan of Finance Commission Briefing (10/25)
- Introduction and Public Hearing of the 2023 Budget (11/8)
- Commission Approval of the 2023 ILA between POS and the NWSA (11/8)
- NWSA Budget Adoption by Managing Members (11/8)
- Adoption of the 2023 Budget (11/29)
- Filing of 2023 Statutory Budget with King County Council & Assessor (12/1)
- Release of 2023 Budget to the Public (12/15)

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Appendix

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Port-wide SWOT Summary

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2023 Budget Guiding Principles

- Maintain continued vigilance on the health and safety of employees, customers and the public as pandemic uncertainties continue
- Ensure the efficient operation of Port business gateways with the potential for nearly full recovery in Port business volumes
- Support regional equitable economic recovery through advancing the Port's capital improvement plan and continued investment in community programs
- Continue to invest in employee recruitment, retention and development

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2023 New Budget Request by Dept

Request O&M

Approved New Budget Requests (in \$000s) Amount Amount

Commission Office 151 143

Executive Office 1,600 1,000

Legal 458 88

Risk 55 50

External Relations 1,227 761

OEDI 673 478

BI 179 -

HR 1,814 993

ICT 418 270

Info Sec 266 100

AFR 185 145

Internal Audit 122 116

F&B 47 -

OSI 484 -

ENV Admin 592 204

CPO 237 90

Core Central Services 8,507 4,439

Police 1,182 845

ENG 434 140

PCS 179 131

TOTAL 10,302 5,555

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2023 Budget Strategies

- Maintain expense growth in line with projected revenue growth
- Carefully evaluate the need for additional FTEs as current recruiting resources are stretched thin with a large backlog of new and replacement FTEs
- Incorporate expectations for continued high inflation into operating and capital plans
- Utilize realistic assumptions regarding the ability to execute our five-year CIP when estimating project completion dates and the timing of projected cash flows
- Continue to refine opportunities to incorporate an equity lens in developing and reviewing budgets and operational plans
- Strengthen the focus on sustainability and resiliency in spending and business plans

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Approved New Items Summary

- 49 new items added for a total of \$5.6M (O&M)
 - 30.1 New/Unfrozen FTEs: \$2.5M payroll and \$204K non-payroll expenses
 - \$1.0M Seattle Aquarium partnership
 - \$600K King County jail contract cost (Division Driven)
 - \$258K Technology Infrastructure Resiliency & Cyber Security Advisory Service
 - \$100K Duwamish Valley Community Equity Program
 - \$100K Regional Transportation Advisory Service \$100K Waterfront Strategy and Outreach (Division Driven)
 - \$100K Facilitation services for impacted community and Cruise Community Connection (Division Driven)
 - \$100K Fishermen's Terminal Capital Programs outreach and State and Federal Grant Consultation (Division Driven)
 - \$100K SEA Bus Drivers Program and SEA Taxi Drivers Retraining (Division Driven)
 - \$91K Smart Parking Enforcement Platform (Division Driven)
 - \$90K Police Recruitment and hiring
 - \$64K Police EDI training and K9 vet insurance
 - \$60K Resiliency Support Services for Seattle Waterfront (Division Driven)
 - \$50K Insurance Certificate Tracking Platform

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Approved New FTEs Summary

- Human Resources (6.0 FTEs): Talent Acquisition Coordinators (2.0), Talent Acquisition Representative, Learning Management System Technology Analyst, Sr. Administrative Staff Assistant, Health & Safety Program Manager
- Port-wide Internship Program (5.1 FTEs): College Interns (5.1)
- Engineering (5.0 FTEs): Construction Mgr. - Airfield/Noise (1.0), Resident Engineer II-Baggage, Civil Engineering Technician, Utility Locating Technician, Construction Safety Manager I
- Office of Equity, Diversity, & Inclusion (3.0 FTEs): Sr. Environmental Justice Program Manager, Sr. Manager Workforce Development Strategies, Workforce Development Contract Administrator
- PCS (2.0 FTEs): Construction Manager I; and Administrative Assistant,
- External Relations (2.0 FTEs: 1 New/1 unfrozen): Sr. Administrative Assistant, Sr. Manager, Tribal Relations
- Commission (1.0 FTE): Strategic Aide
- Legal (1.0 FTE): Public Disclosure Specialist
- Accounting & Financial Reporting (1.0 FTE): Accounting Supervisor, Capital Services
- Central Procurement Office (1.0 FTE): Contract Administrator III
- Environment & Sustainability (1.0 FTE): Clean Energy Planner/Coordinator
- Information & Communication Tech. (1.0 FTE): Enterprise Resource Planning Administrator
- Internal Audit (1.0 FTE: unfrozen): Staff Auditor (Concession Audits)

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Central Services Preliminary Budget by Account

2020 2021 2022 2023 Inc/(Dec) from 2022

Proposed Approved Budget

DESCRIPTION (in \$000's) Actual Actual Budget Budget \$ Change % Change Notes

TOTAL OPERATING REVENUE 2,505 (247) 186 155 (31) (16.8%)

OPERATING EXPENSE

Salaries & Benefits 71,672 71,603 79,169 90,244 11,075 14.0% 6% COLA and 3% PfP increase and new FTEs

Wages & Benefits 19,796 (1,787) 30,401 33,804 3,404 11.2% COLA increase and new FTEs

Payroll to Cap/Govt/Envrs Proj 17,325 16,737 20,532 23,338 2,807 13.7%

TOTAL SALARIES & BENEFITS 108,793 86,552 130,102 147,387 17,285 13.3% DRS pension credit: \$8.6M in 2020 and \$29.8M in 2021

Equipment Expense 2,219 1,627 3,159 2,804 (355) (11.2%)

Utilities 27 32 29 38 9 30.5%

Supplies & Stock 888 812 1,037 973 (63) (6.1%)

Outside Services 30,687 29,301 33,029 40,813 7,784 23.6% Contractual increase and more systems support

Travel & Other Employee Exps 1,437 1,038 2,767 3,422 655 23.7% Restore to 2020 budget level

Promotional Expenses 456 222 617 765 149 24.1%

Telecommunications 577 576 709 750 42 5.9%

Property Rentals 1,124 1,055 1,293 1,353 59 4.6% Increase rent in STOC lease

Worker's Compensation Expense 859 698 793 933 141 17.7% Increase in Worker's Compensation

General Expenses 3,336 3,977 3,420 5,305 1,885 55.1% Seattle Aquarium and increase in Property Insurance

Overhead Allocations - - () (81.5%)

TOTAL NON-PAYROLL EXPENSES 41,609 39,337 46,852 57,156 10,304 22.0%

TOTAL COSTS BEFORE CAPITAL CHARGES 150,402 125,890 176,954 204,543 27,589 15.6%

Charges to Cap/Govt/Envrs Projects (32,926) (30,136) (35,198) (41,793) (6,595) 18.7% More charges to capital

TOTAL OPERATING EXPENSE 117,476 95,753 141,756 162,750 20,993 14.8%

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Central Services Preliminary Budget by Dept

2020 2021 2022 2023 Inc/(Dec) from 2022

Proposed Approved Budget

Departments (in \$000's) Actual Actual Budget Budget \$ Change % Change Notes

O1100-Executive 2,263 2,051 2,738 3,678 941 34.4% Seattle Aquarium Partnership

O1200-Commission Office 1,755 1,773 2,486 2,905 419 16.8%

O1310-Legal 6,290 7,054 5,105 5,079 (26) (0.5%) Transferred Workplace Responsibility to HR

O1330-Risk Services 3,349 4,047 4,688 5,749 1,062 22.6% Increase in property insurance

O1400-External Relations 7,481 6,827 10,874 12,333 1,459 13.4% 2.0 new FTEs and more support for operating divisions

O1460-Equity, Diversity and Inclusion 4,676 4,937 5,756 6,903 1,147 19.9% 3.0 new FTEs for 2023 and contractual increase

O1500-Business Intelligence 1,181 904 1,953 2,072 118 6.0%

O1600-Engineering 4,959 1,626 7,428 9,498 2,070 27.9% 5.0 new FTEs and more projects support

O1700-Port Construction Services 4,138 3,321 4,906 6,980 2,074 42.3% More FTEs and small projects

O1800-Human Resources 8,380 8,675 13,126 16,049 2,924 22.3% 6.0 new FTEs and 5.1 college/graduate interns for 2023
 O1810-Labor Relations 1,286 1,110 1,444 1,600 156 10.8%
 O1900-Information & Comm. Technology 24,732 19,944 27,597 30,419 2,823 10.2% More system support and contractual increase
 O1980-Information Security 1,656 1,328 2,449 2,794 345 14.1%
 O2100-Finance & Budget 2,177 1,801 2,525 2,765 241 9.5%
 O2200-Accounting/Financial Reporting 8,165 6,967 9,418 10,344 925 9.8%
 O2280-Internal Audit 1,540 1,296 1,868 2,047 180 9.6%
 O2400-Offic of Strategic Initiatives 934 713 1,231 1,471 240 19.5%
 O2700-Environment & Sustainability 692 676 1,741 2,050 309 17.7%
 O2900-Corporate Contingencies (190) (123) (5,000) (6,579) (1,579) 31.6% Assume 5% of vacancy factor
 O4300-Police Department 27,538 17,194 32,746 36,570 3,825 11.7% Increase in payroll and jail costs
 O9200-Central Procurement Office 4,280 3,633 6,678 8,021 1,342 20.1% New FTEs and contractual increase
 TOTAL OPERATING EXPENSE 117,476 95,753 141,756 162,750 20,993 14.8%

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2022 One-Time Items

De partme nt De scription 2022

1100-Executive Innovations Implementation Fund Pilot 50,000
 Rational Decision Analysis Modeling Consultant 20,000
 Seattle Aquarium Design Work 100,000
 Tra ve l/Tra ining 5,000
 1200-Commission Office Shore Wind Study 50,000
 1310-Attorney Services New FTE Non-payroll costs 1,900
 1420-External Relations Accessibility Updates to Website and Social Media 15,000
 Domestic Ports Sustainability Mission 30,000
 New FTE Non-payroll costs 2,000
 Tribal Government and Indigenous Community Consultation Workshop 7,500
 1510-Business Intelligence J.D. Power North American Airport Survey 52,000
 New FTE Non-payroll costs 3,300
 1605-Engineering General Services New FTE Non-payroll costs 57,600
 1610-Design Services Tra ve l/Tra ining 10,405
 1700-Port Construction Services New FTE Non-payroll costs 3,600
 1850-Human Resources New FTE Non-payroll costs 12,940
 1854-Total Rewards PeopleSoft Consulting Services 44,000
 1910-Technology Delivery P69 Surface Hubs 82,000
 2100-Finance & Budget New FTE Non-payroll costs 3,700
 2210-AFR Core Services New FTE Non-payroll costs 3,560
 2280-Internal Audit Capital Audit Expert Consultant (IAF) 100,000
 External Peer Review ALGA 15,000
 GCCM Independent Audit per RCW 180,000
 GCCM Independent Audit per RCW (180,000)
 2350-Workforce Development Maritime High School 250,000
 2710-Envr & Sustainability Admin Kelp Restoration (Graduate Intern) 70,000
 New FTE Non-payroll costs 11,400
 4300-Police Department New FTE Non-payroll costs 239,520
 Implementation of 21CP Recommendations 150,000
 Grand Total 1,390,425

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2022 Mid-Year Approvals

Salary/ Non-Pay Total Charge to Total

Dept Position Title Benefits expenses Cost Capital O&M
 HR LR Compensation Analyst 60,242 4,465 64,707 0 64,707
 HR HR Communication Specialist 51,135 4,465 55,600 0 55,600
 Env & Sus Executive Assistant 54,015 0 54,015 0 54,015
 Police Police Records Manager 80,000 10,000 90,000 90,000
 PCS Field Crew (representative) 1,141,080 \$6,720 1,147,800 660,800 487,000
 PCS Construction Coordinator 70,000 4,000 74,000 20,000 54,000
 Legal Office 365 Premium eDiscovery 37,500 37,500 37,500
 Total 1,456,471 67,150 1,523,621 680,800 842,821

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2023 Contractual Increases Summary

Dept Account Amount Description

Risk 64150-Personal Services 30,000 \$30K Increase in Broker's Fee
Risk 67100-Insurance Expense 646,359 \$646K increase in Liability & Property Insurance Premium
Risk 67100-Insurance Expense 226,000 Increase in RFC & NWSA Reimbursements
Risk 64740-Software Lics & Maint. Agreemt 23,079 \$23K increase in Origami Annual Licensing
WFD 64150-Personal Services 412,476 Port Jobs increases in 2023 from flattening 5 year contract that was escalating
ICT 64150-Personal Services (37,000) Gartner Group Inc - Gartner Advisory
ICT 64370-Other Contracted Services (6,500) Data destruction/hardware recycling
ICT 64740-Software Lics & Maint. Agreemt 99,058 Multiple software increases/decreases with a net increase
ICT 64770-Contract Other Equip Maint 437,419 Multiple hardware increases/decreases with a net increase
ICT 64780-Network & Internet Connectivit 30,872 Lumen Network bandwidth and Dark Fiber
ICT 64790-Contr Telephone Equip Maint. (66,000) Cerium Monthly Telephone Maint Voice Over IP
Police 61750-Software Acquisitions 23,000 Body Worn Cameras
Police 64370-Other Contracted Services 95,000 Sea-Tac Court contract
Total 1,913,763

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2023 Other Budget Adjustments

Dept Account Amount Description

Exec 64740-Software Lics & Maint. Agreemt 8,000 Software license changed form one-time to limited term 2.
EDI 64150-Personal Services 90,000 Adjusted target for SKCF Assessment rollover from 2022
Engineering 64140-On-site Consultants 5,791,663 Increase due to projects. Will mostly be offset to Capital
Engineering 61600-Furn & Equip Acquisition Exp 10,000 Rollover from 2022
Engineering 61750-Software Acquisitions 30,000 Rollover from 2022
Engineering 61760-Computer & Telephone Acquisitn 34,000 Rollover from 2022
HR 65890-Teleworking Equipment Reimb 50,000 Restore to 2022 level instead of 2020 which was zero.
HR 67200-Advertising 10,000 Increased costs for competitive job market.
F&B 64740-Software Lics & Maint. Agreemt 21,760 Alteryx licenses for preapproved project
Police 61600-Furn & Equip Acquisition Exp 40,000 Carryover from prior year new budget request due to delay in hiring
Police 65600-Registration/Seminar Fees 75,000 Delays in implementation of the CP21 recommendations
CPO 64150-Personal Services 100,000 Approved SKCF related work not previously budgeted in 2022
Total 6,260,423

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Eliminated Frozen FTEs Details

Frozen FTEs Summary Eliminated 7 Frozen FTEs:

Frozen FTEs as of Jan 2022 10.0 • Commission (1.0)

Mid-Yr changes -1.0 • Human Resources (1.0)

• Office of Equity, Diversity and Inclusion (1.0)

2023 Apprv'd to Unfreeze -2.0

• Business Intelligence (1.0)

TTL remaining Fzn FTEs 7.0 • Information & Communication Tech. (3.0)

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