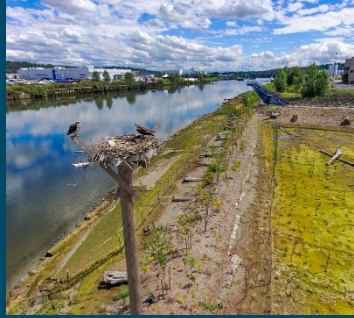


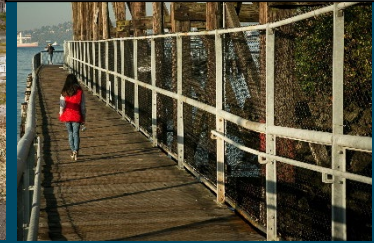


# Proposed 2024 Central Services Budget Commission Briefing

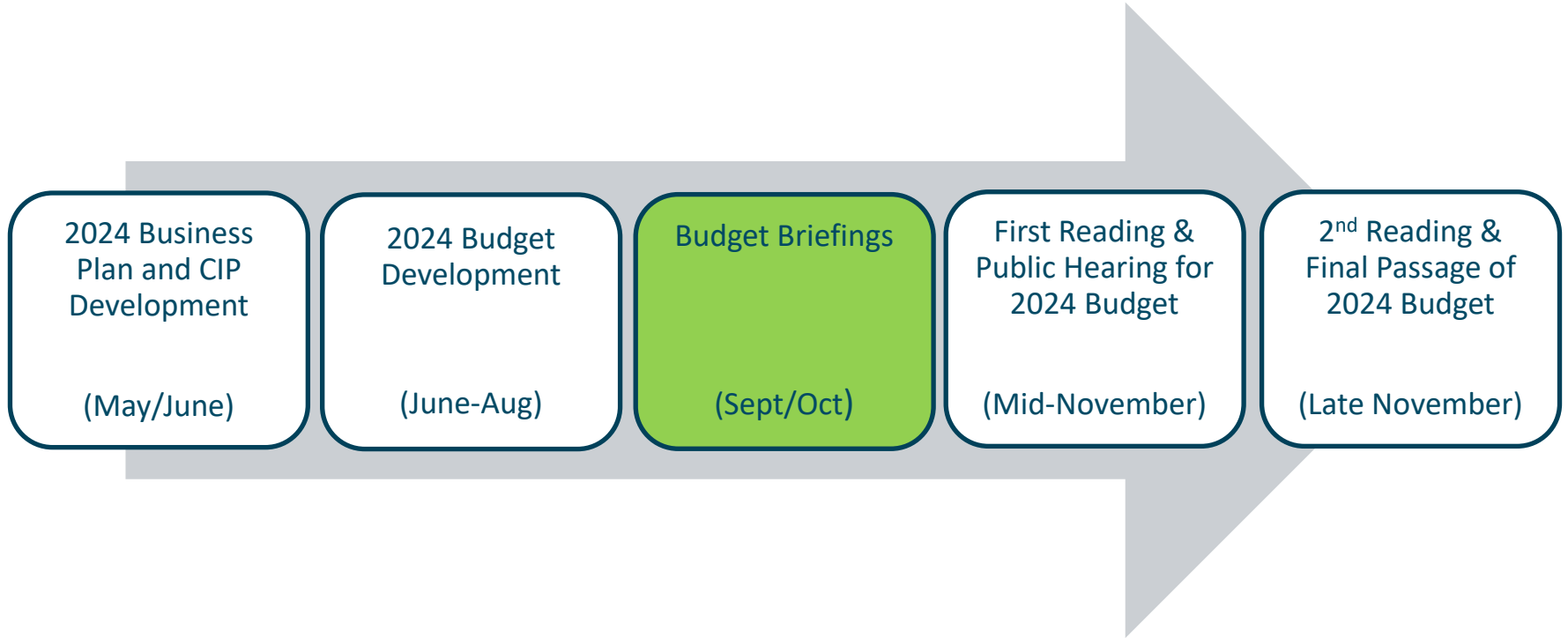
Date: September 26, 2023



Item No. 11a\_supp  
Date of Meeting: September 26, 2023



# 2024 Budget Timeline

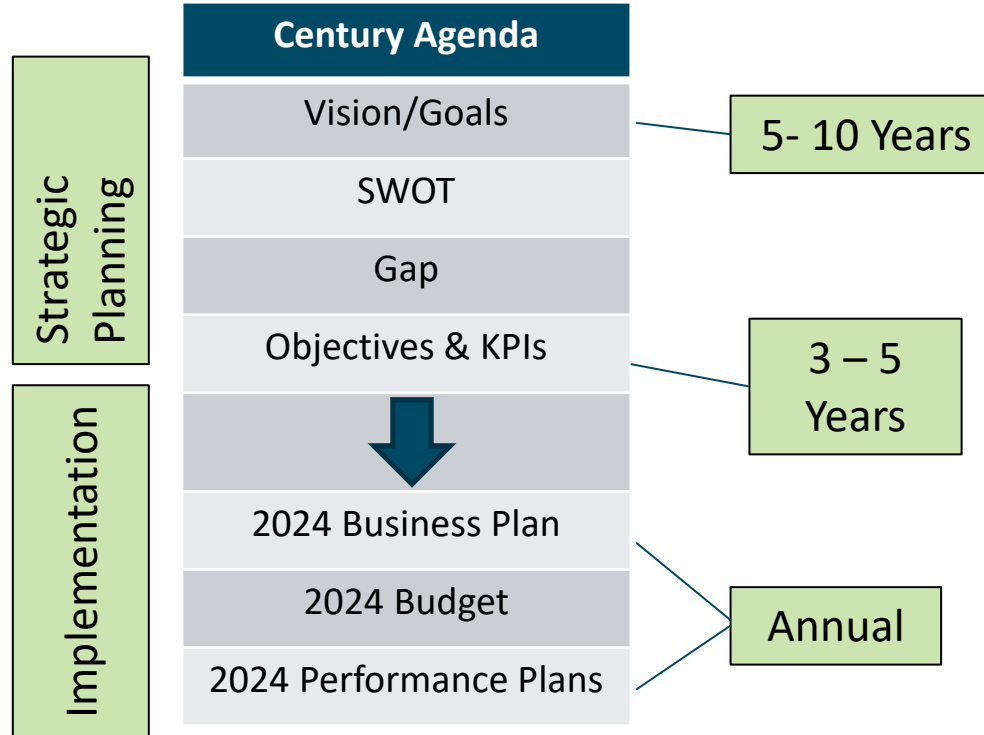


# Overview

- Strategy to Budget
- Key Budget Drivers & Considerations
- Port Wide Operating Budget
- Central Services Operating budget
- Equity in Budgeting
- Central Services CIP
- Remaining Budget Schedule



# Strategy to Budget Process



# Key 2024 Budget Drivers & Considerations

- Economic uncertainties
- Investment in workforce
- Growing operational needs and capital investment program
- Maintaining sustainable expense growth
- General and construction cost inflation
- Investment in Environmental Sustainability, Workforce Development & Community Programs
- Evolving public safety environment
- Focus on resiliency
- Incorporating ESAP Pilot/Equity in Budgeting into 2024 budget

# 2024 Port Wide Budget Summary

- Continued growth in Operating Revenues
  - Operating Revenues up \$75.0M or 7.9% from 2023 budget
  - Excluding Aeronautical Revenues, which are based on cost recovery, other Port wide operating revenues up \$51.9M or 11.6%
  - Strong growth in Airport Parking, Rental Cars, Dining and Retail, and Maritime Cruise revenues
- Operating Expenses up \$50.0M or 8.7% from 2023 budget
- Net Operating Income before Depreciation up \$25.0M or 6.6% from 2023 budget

# 2024 Portwide Budget Summary

	2020	2021	2022	2023	2024 Proposed	Inc/(Dec) from 2023 Approved Budget	
<b>Operating Revenues (Sub)</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>\$ Change</b>	<b>% Change</b>
Aeronautical	297,909	317,513	402,540	504,948	528,010	23,061	4.6%
Non-Aeronautical Rev	116,473	183,819	249,833	296,102	332,930	36,828	12.4%
Aviation	414,382	501,332	652,373	801,051	860,940	59,889	7.5%
Maritime	42,111	48,331	66,763	75,875	86,258	10,382	13.7%
EDD	9,470	9,294	17,138	22,201	21,542	-659	-3.0%
Joint Venture	37,563	54,842	55,381	49,010	53,727	4,717	9.6%
Stormwater Utility	4,593	4,821	5,150	5,392	6,039	647	12.0%
Central Services	2,709	3,401	1,112	155	163	8	5.3%
<b>Portwide Total</b>	<b>510,828</b>	<b>622,020</b>	<b>797,918</b>	<b>953,684</b>	<b>1,028,669</b>	<b>74,985</b>	<b>7.9%</b>
<b>Operating Expenses (Sub)</b>							
Aviation	343,787	341,679	394,990	460,535	502,380	41,845	9.1%
Maritime	52,357	47,784	59,556	66,121	72,639	6,518	9.9%
EDD	21,382	20,560	24,200	30,149	30,590	441	1.5%
Joint Venture	1,268	2,390	2,539	2,148	1,979	-169	-7.9%
Stormwater Utility	2,961	3,105	3,967	4,639	5,999	1,360	29.3%
Unallocated Central Services	4,149	6,854	6,125	9,839	9,801	-38	-0.4%
<b>Total (w/o Pension Credit)</b>	<b>425,904</b>	<b>422,372</b>	<b>491,377</b>	<b>573,431</b>	<b>623,387</b>	<b>49,956</b>	<b>8.7%</b>
<b>Net Operating Income (w/o Pension Credit)</b>	<b>84,923</b>	<b>199,648</b>	<b>306,541</b>	<b>380,253</b>	<b>405,282</b>	<b>25,029</b>	<b>6.6%</b>
<b>DRS Pension Credit</b>	<b>(17,223)</b>	<b>(57,716)</b>	<b>(15,638)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Net Operating Income (with Pension Credit)</b>	<b>102,147</b>	<b>257,364</b>	<b>322,178</b>	<b>380,253</b>	<b>405,282</b>	<b>25,029</b>	<b>6.6%</b>

# Central Services Proposed Budget





# Central Services Overview

- Central Services provides a large number of essential services to the Port's three operating divisions 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, including Accounting, Human Resources, External Relations, Legal, Police, Engineering, Port Construction Services, Information & Communication Technology, etc.
- Central Services expenses are allocated to the operating divisions and the NWSA, or in some cases unallocated and funded by the Tax Levy

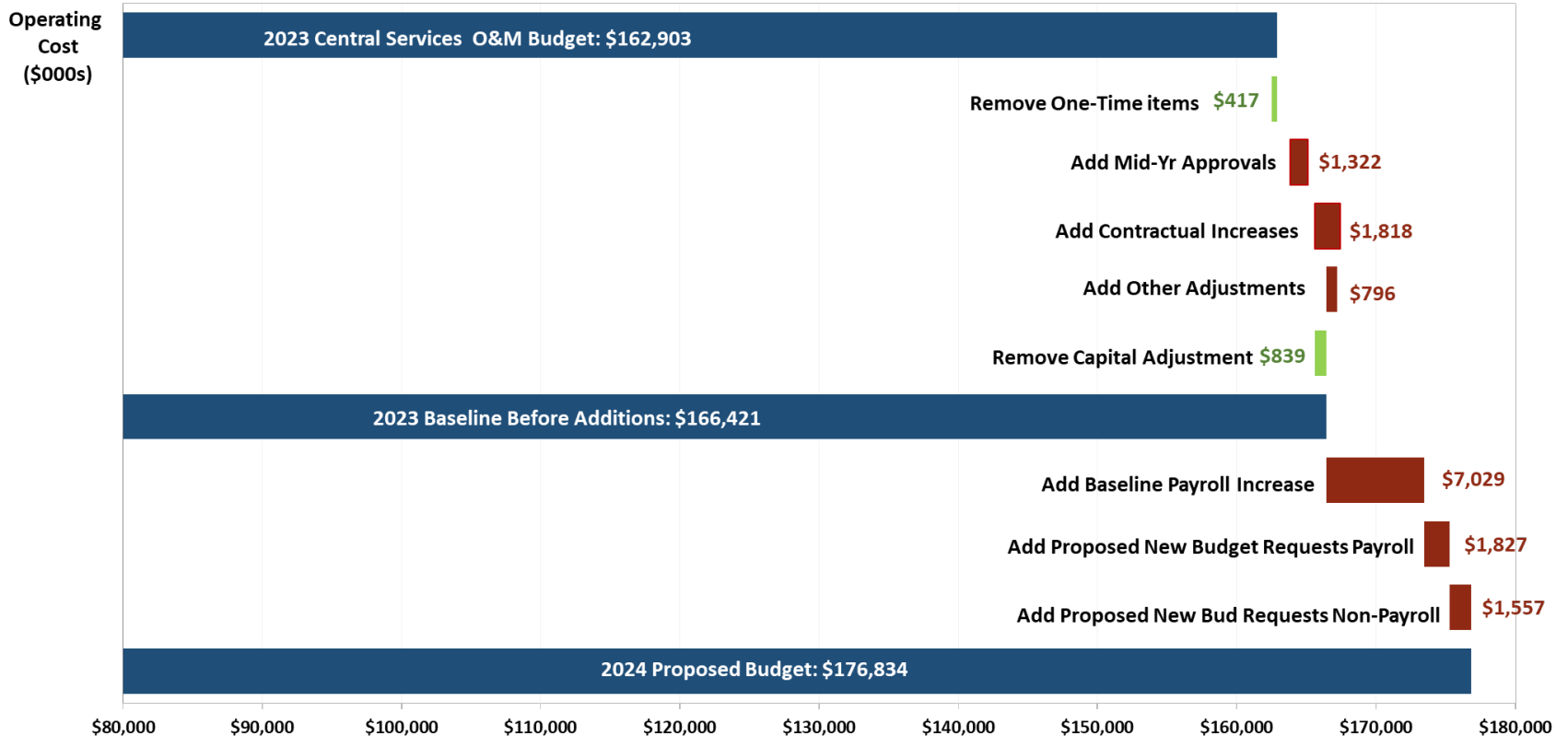
# 2024 Baseline Budget Development

- Start with 2023 Approved Budget
- Remove 2023 One-Time Items
- Adjust and annualize for 2023 new FTEs and mid-year approvals
- Adjust for non-discretionary contractual and other increases
- Add payroll and medical benefit cost increase assumptions

# Key Baseline Budget Drivers

- Investment in Workforce
  - 7% average Non-Represented pay increase
  - Represented pay increases based on negotiated contracts
  - 8% Port-sponsored medical benefit cost increase
- Other payroll increases
  - Annualized payroll for 2023 new FTEs
  - Annualized payroll for 11.5 mid-year approved new FTEs
- Non-discretionary contractual increases
  - Property Insurance
  - ICT Software License & Maintenance Agreements
  - Other Contractual Increases (Managed Print Services, SCCTV, etc.)

# 2024 Operating Expense Budget Changes

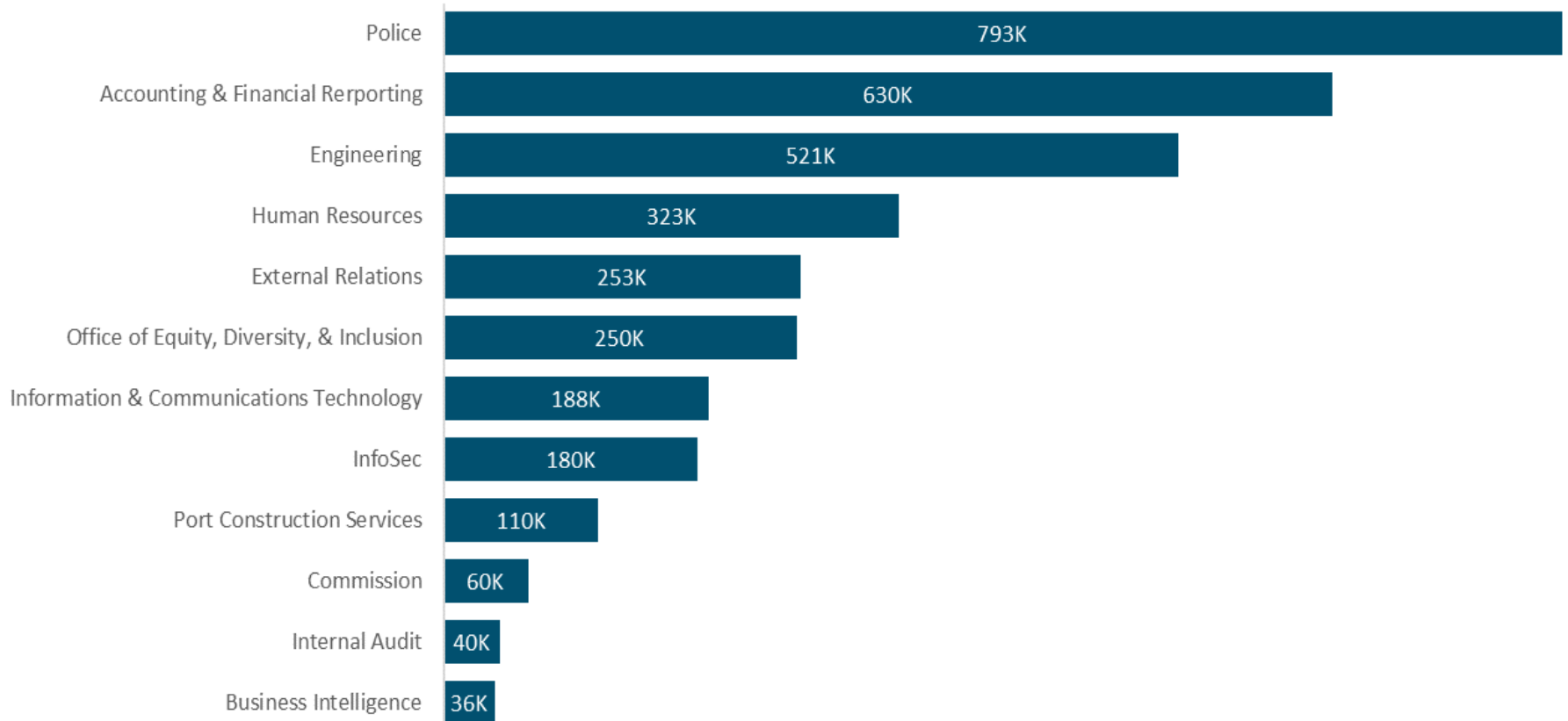


# 2024 New Budget Requests Summary

Description	Requested	Approved	%
Total # of Requests	81	37	45.7%
Total Amount (incl. Charge to Capital)	\$10,171 K	\$4,135 K	40.7%
Total O&M Amount	\$8,031 K	\$3,383 K	42.1%
Payroll	\$4,648 K	\$1,827 K	39.3%
Non-Payroll	\$3,384 K	\$1,557 K	46.0%
No. of New FTEs	53.5	17.0	31.8%

Note: Approved a total of 19.0 FTEs, including 2.0 FTEs as mid-year for 2023.

# 2024 Approved New Budget Requests by Dept (O&M)



# Selected Major Budget Additions

**Police: Public Safety** - \$450K for increased **South Correctional Facility (SCORE)** costs; \$283,000 additional staffing costs to support **911 Communications Center and Police administrative needs**

**AFR: Operational** - \$165K for additional Business Technology analyst to support growing **PeopleSoft system management needs**; \$208K for new E-Supplier Portal and staff support to improve **vendor management internal controls**; \$257K for Revenue Systems Analyst and Accountant to support **increased operational needs**

**Engineering: Capital Program** - \$521K additional staff to support **growing capital program**

**HR: Operational/Workforce** - \$258K for additional data analyst to **provide data/analytics** and additional business tech analyst **to support critical HR systems**; \$45K for **Port leadership conference**; \$20K additional **support for Employee Resource Groups**

**External Relations: Commission Priorities** - \$116K for new program specialist supporting administration of various **community impact/engagement programs**; \$75K for **Language Access Order** implementation

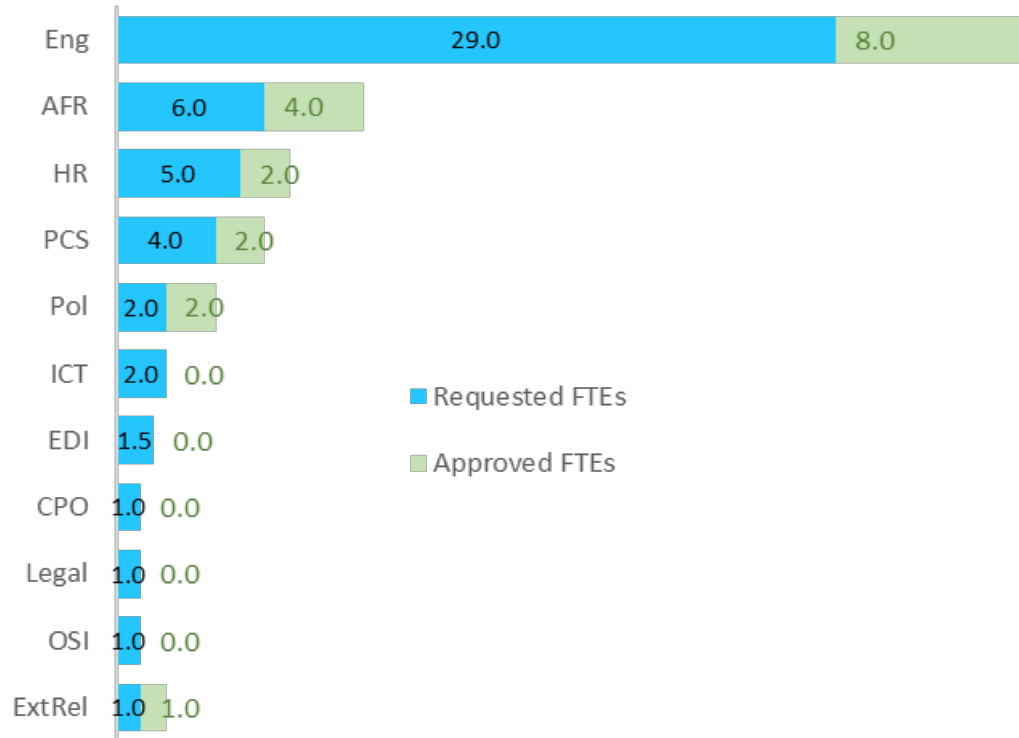
**OEDI: Commission Priorities** - \$250K investment in Maritime High School

**ICT/Information Security: Operational/Security** - \$168K improved **bandwidth and connectivity**; \$180K additional investment in **cybersecurity infrastructure**

**HR Compensation Project: Workforce** - \$2.2M placeholder for program implementation (\$6M Port wide)

# Approved New FTEs Summary

## Requested vs Approved FTEs





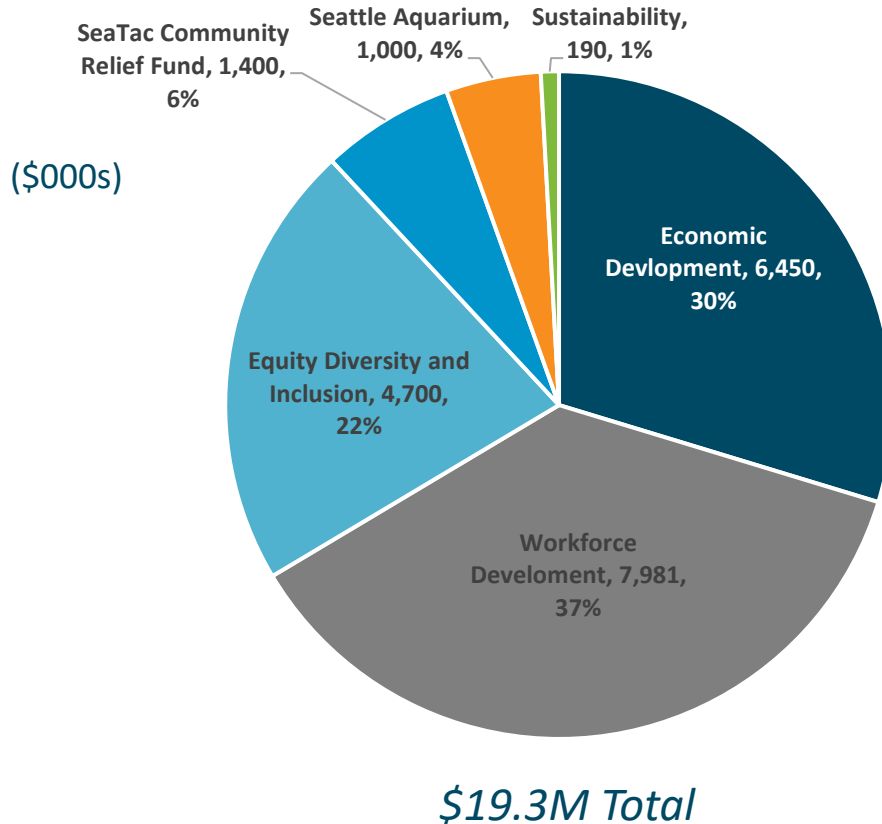
# 2024 Central Services Proposed FTEs Summary

<b>Description</b>	<b>FTEs</b>	<b>Notes</b>
<b>2023 Approved Budget</b>	<b>919.2</b>	
Changes in 2023:		
Mid-Year Approvals	11.5	Legal (3.0), Police (3.0), Eng (3.0), HR (1.0), Ext Rel (0.8), EDI (0.5), ICT (0.2)
Eliminated	0.0	
Transfer	-1.0	Ext Rel (1.0) transfer to AV
<b>2023 Baseline</b>	<b>929.7</b>	
<b>2024 Budget Changes:</b>		
Transfer	0.0	
Eliminated	-1.0	HR
New FTEs Approved	17.0	Approved 19.0 New FTEs, 2.0 FTEs (Eng) converted to mid-year
<b>Net Change</b>	<b>16.0</b>	
<b>2024 Proposed FTEs</b>	<b>945.7</b>	

# Central Services Preliminary Budget Highlights

- Total operating expense is \$180.5M, \$17.6M or 10.8% higher compared to the 2023 Budget
  - Total Payroll budget increased by \$14.7M or 11.9% due to:
    - 5.0% COLA and 2.0% Average Pay for Performance Increase
    - 8% Port-sponsored medical benefit cost increase
    - 11.5 mid-year approvals
    - 17.0 new FTEs
    - \$2.2 million placeholder for Compensation Project program implementation
  - Non-payroll increased by \$2.8M or 7.4% mainly due to:
    - Higher on-site consultant costs, Insurance Expense, Jail Costs, and other contractual increases

# 2024 Port Community Program Funding by Activity\*



## Economic Development

- Tourism Marketing Support - \$1.9M
- Spotlight Advertising - \$466K
- Community Business Connector - \$380K
- Diversity in Contracting - \$2.3M
- Maritime Blue - \$175K

## Workforce Development

- Workforce Development Department - \$5.1M
- High School Interns - \$486K

## Equity, Diversity & Inclusion

- South King County Fund - \$2.2M
- OEDI Department - \$2.0M
- Duwamish Community Equity program – \$471K

## SeaTac Community Relief

- \$1.4M

## Seattle Aquarium

- \$1.0M

## Sustainability

- Ace Fund - \$40K
- Low Carbon Fuel Standards- \$150K

\* Detailed list included in the Appendix.

# Uncertainties/Budget Risks

- Slowing economic growth/potential recession
- HR Compensation Project impacts
- Ability to execute on a growing number of programs and initiatives, including capital plan
- Anticipated large environmental remediation liabilities emerging on planning horizon
- Ability to hire large number of new staff in addition to normal turnover—5% vacancy rate assumed in budget

# ESAP/Budgeting With Equity Summary



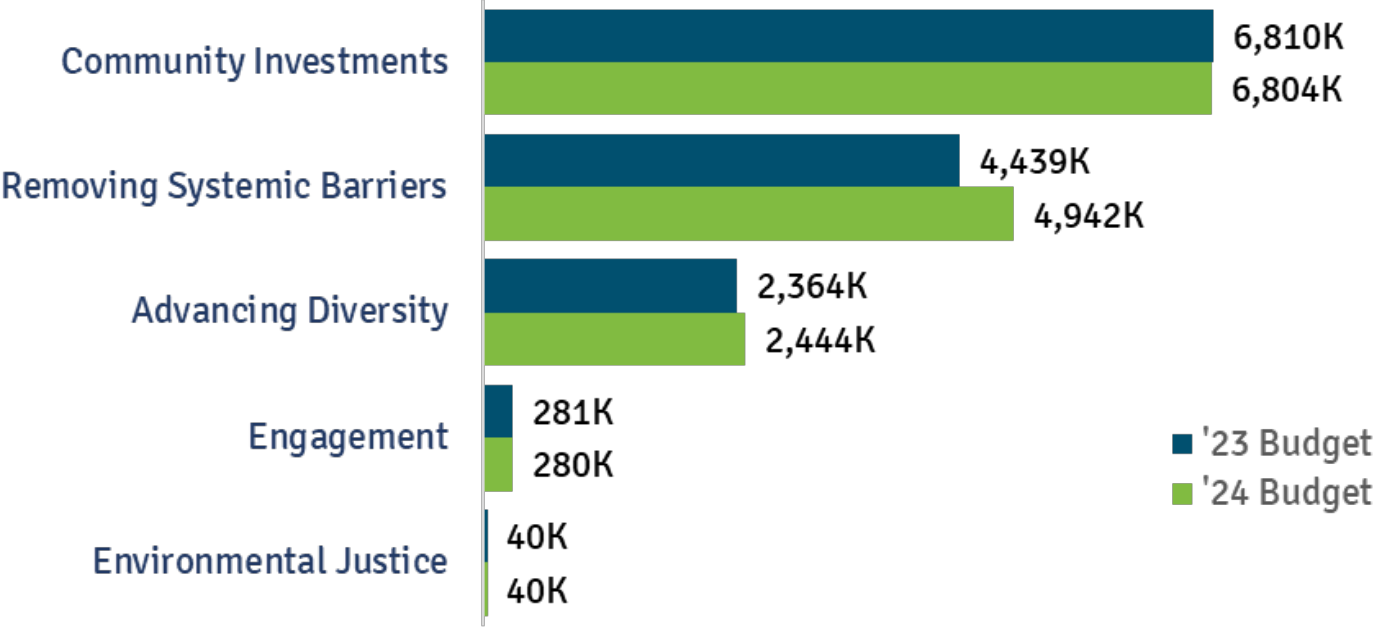
# 2024 Central Services Equity Spending\* Highlights

- Continue to support the workforce development programs (\$5,077K)
  - Airport Employment Center (1,517K)
  - Youth Career Launch Program (\$900K)
  - Construction Pre-Apprenticeship Program (650K)
  - Maritime High School (\$250K)
- Continue to fund South King County Community Impact Fund (\$2,214K)
- Continue to fund Seattle Aquarium Partnership (\$1,000K)
- Continue to fund High School Internship Program (\$486K)
- Continue to fund the Duwamish Valley Community Equity Program (\$471K)
- Added resources to support Employee Resource Groups (\$20K)

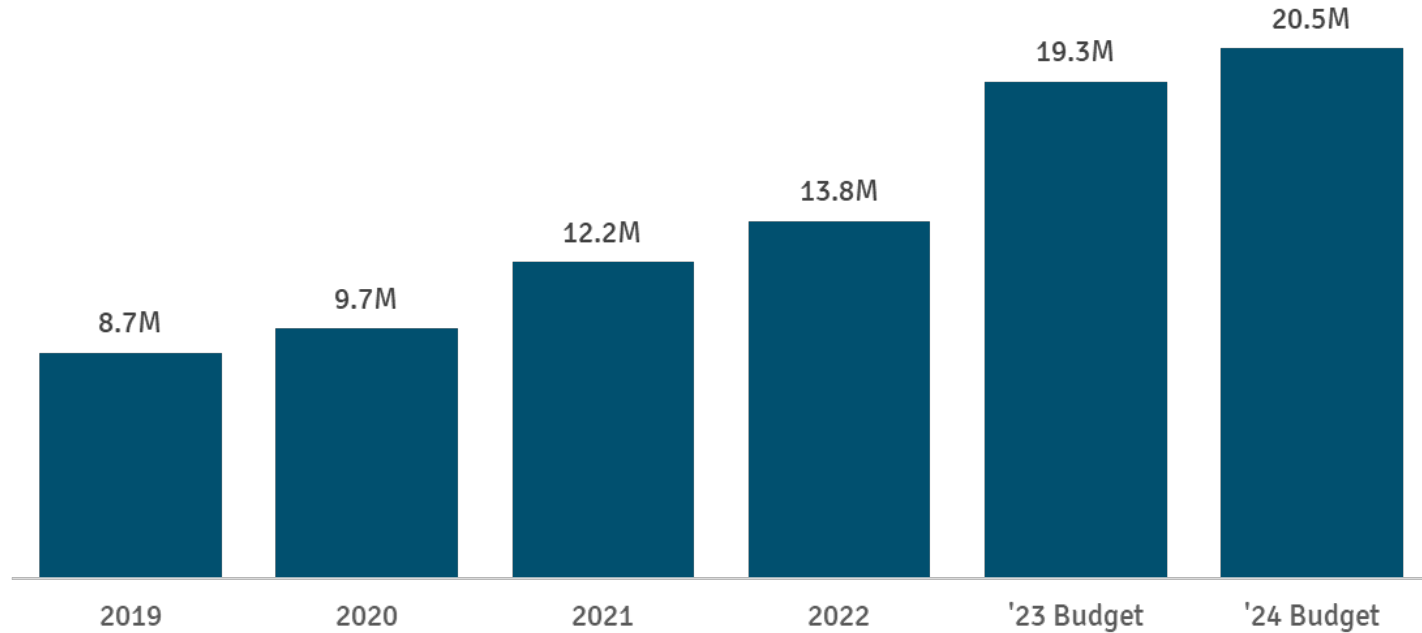
\* Equity spending definition and criteria included in Appendix

# 2024 Central Services Equity Spending

TOTAL AMOUNT by category

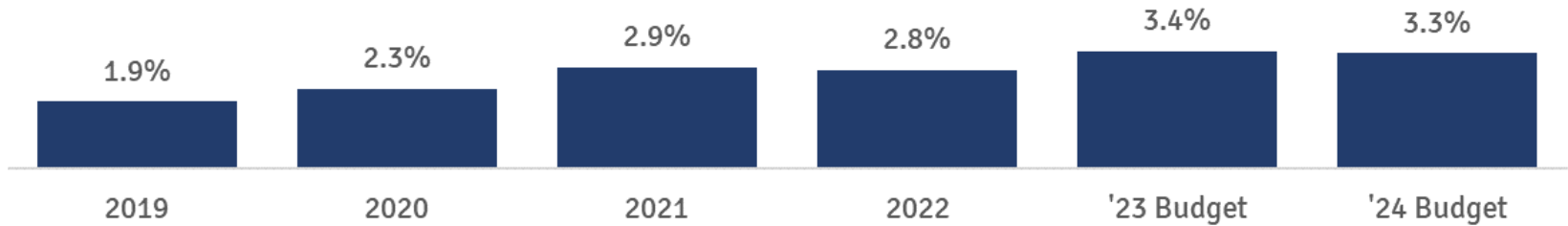


# Port Wide Equity Spending Trend





# Port Wide Equity Spending as a Percentage of Total Operating Expense





# Central Services CIP

September 26, 2023

# Central Services Capital Projects Summary

<b>Five Year Capital Plan (\$000's) *</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2024-2028 Total</b>
Commission Authorized Projects	11,118	4,012	-	-	-	15,130
Projects Pending Authorization	6,800	4,940	2,500	2,500	2,500	19,240
Small Capital	6,210	5,367	4,746	4,993	4,715	26,031
CIP Cashflow Management Reserve	(6,200)	(2,000)	2,733	2,733	2,733	-
<b>Total</b>	<b>17,928</b>	<b>12,319</b>	<b>9,979</b>	<b>10,226</b>	<b>9,948</b>	<b>60,401</b>

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

# Commission Authorized Projects

Five Year Capital Plan (\$000's)	*	2024	2025	2026	2027	2028	2024-2028 Total
<b>Commission Authorized Projects</b>							
ID Badge System Upgrade	U	2,550	2,387	-	-	-	4,937
Enterprise Network Refresh	U	2,600	1,625	-	-	-	4,225
Microwave Radio Tower Loop	U	1,973	-	-	-	-	1,973
Public Safety Dispatch System	U	1,720	-	-	-	-	1,720
Office Wi-Fi Refresh	U	1,000	-	-	-	-	1,000
GIS ESRI Refresh	U	740	-	-	-	-	740
Energy Management System	N	440	-	-	-	-	440
Environmental Management System	U	95	-	-	-	-	95
<b>Total</b>		<b>11,118</b>	<b>4,012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,130</b>

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

# Projects Pending Authorization

Five Year Capital Plan (\$000's)	*	2024	2025	2026	2027	2028	2024-2028 Total
<b>Projects Pending Authorization</b>							
IT Renewal/Replacement	U	-	-	2,500	2,500	2,500	7,500
PeopleSoft Financial System Upgrade	U	700	2,700	-	-	-	3,400
Physical Access Control System Refresh	U	1,100	600	-	-	-	1,700
Maximo Software System Replacement	U	600	1,000	-	-	-	1,600
Enterprise Firewall Refresh	U	1,460	-	-	-	-	1,460
Property Management System Upgrade	U	200	640	-	-	-	840
Fleet Management Software	N	650	-	-	-	-	650
Specification Document Management Software	N	590	-	-	-	-	590
Contract Management System Replacement	U	500	-	-	-	-	500
Fire Alarm Monitoring System	N	500	-	-	-	-	500
TierPoint SAN Refresh	U	500	-	-	-	-	500
<b>Total</b>		<b>6,800</b>	<b>4,940</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>19,240</b>

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

# Small Capital Projects

Five Year Capital Plan (\$000's)	2024	2025	2026	2027	2028	2024-2028 Total
<b>Small Capital</b>						
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	1,890	980	490	600	240	4,200
Corporate Fleet Replacement	920	748	766	748	900	4,082
Enterprise GIS Small Capital	250	250	250	250	250	1,250
Engineering Small Capital	50	289	140	195	125	799
Corporate Small Capital	100	100	100	200	200	700
<b>Total - Small Capital</b>	<b>6,210</b>	<b>5,367</b>	<b>4,746</b>	<b>4,993</b>	<b>4,715</b>	<b>26,031</b>
<b>CIP Cashflow Management Reserve</b>						
CIP Reserve - Central Services	(6,200)	(2,000)	2,733	2,733	2,733	-

# Remaining 2024 Budget Schedule

- Operating division proposed budget briefings (10/10)
- 2024 Tax Levy & Draft Plan of Finance Commission Briefing (10/24)
- 2024 Preliminary Budget Document Available to the Commission (10/24)
- 2024 Preliminary Budget Document Available to the Public (10/26)
- Introduction and Public Hearing of the 2024 Budget (11/14)
- Commission Approval of the 2024 ILA between POS and the NWSA (11/14)
- NWSA Budget Adoption by Managing Members (11/14)
- Adoption of the 2024 Budget (11/21)
- Filing of 2024 Statutory Budget with King County Council & Assessor (11/30)
- Release of 2024 Budget to the Public (12/8)

# Appendix





# Port-wide SWOT Summary

## Strengths

### Competitive advantage of Port facilities

- Diversity of locations and increased demand for real estate

### Superlative workforce expertise and dedication

- Knowledgeable, highly-trained, specialized staff port-wide

### External/Internal relationships and collaboration

- Long-term, strong ties across divs/depts and in the community

### Dedication to EDI, RAISE, sustainability and CPI

- Notable increase in investments in strengthening our value proposition

## Weaknesses

### Intra-departmental process, streamlining and integration

- Processes are siloed, analog and can hinder productivity

### Infrastructure and assets (digital and physical) need attention

- Aging infrastructure and deferred maintenance create risk of decline or failure

### Capacity is strained; new and existing priorities increase

- Retaining quality staff is difficult in a highly competitive labor market
- Onboarding challenges with strained staff and hybrid work environment

## Opportunities

### Inter-departmental systems integration

- Systemic integrations are a next step in strategic evolution

### Desire for new technologies in a digital world

- Virtual onboarding, AI in HR, AR in Construction, ChatGPT

### Capitalizing on climate change awareness

- Take advantage of momentum in climate awareness

### Pursuit of new grant funding opportunities

- Broad interest in environmental and infrastructure grants

### New community collaboration and messaging prospects

- Enlivened interest in the port creates new avenues

## Threats

### Staffing shortages, loss of veterans, shifting workforce

- Competitive salaries and workforce expectation

### Increased internal initiatives and policy changes

- Rapid change creating uncertainty; telework is a hot topic

### Unpredictable costs and pandemic recovery fluctuations

- Costs, labor and supply chain are unpredictable

### Increased public engagement

- Large increases in PDRs and public engagement on operations

### Cyber Security risk is ever present

- Cyber threat is persistent; increasingly hostile environment

# 2024 Budget Guiding Principles

- Take a **cautious and strategic approach** in budgeting due to economic uncertainties
- Ensure the continued **efficient operation** of Port business gateways
- Support regional **equitable economic growth** through a balanced approach of advancing the Port's capital improvement plan and continued investments in equity and community programs
- Continue to **invest in employee** recruitment, retention and development
- Continue to make **strategic investments focused on sustainability**

# 2024 Budget Strategies

- Incorporate sustainable expense growth assumptions into budgets and business plans
- Carefully evaluate the need for additional FTEs to manage expense growth and mitigate HR recruiting backlog
- Incorporate expectations for continued high inflation into operating and capital plans
- Utilize realistic assumptions regarding the ability to execute the five-year CIP when estimating project completion dates and the timing of projected cash flows
- Advance the use of an equity lens in developing and reviewing budgets and operational plans
- Continue to focus on resiliency in spending and business plans—identify specific initiatives in 2024 budget

# 2024 Key Initiatives/Budget Drivers

Category	Purpose/Outcome	Approved Amount
<b>Implement and support Century Agenda (CA) Goals</b>	New Engineering Staff (7.0 FTEs) and Construction Partnering program to support the 5-year Capital Improvement plan.	440,898
	New Port Construction Services Staff (2.0) to support Small Works capital and expense projects in support of the CA goal to advance this Region as a Leading Tourism Destination and Business Gateway.	109,563
	Provide support to Employee Resource Groups supporting the CA goal to become a model for equity, diversity, and inclusion.	20,000
	<b>Subtotal</b>	<b>570,462</b>
<b>Safety &amp; Security</b>	Increased funding for South Correctional Entity (SCORE) to support the goal of keeping the airport safe for the traveling public and employees.	450,000
	Police Specialist and Nonsworn Supervisor to provide essential public safety services to all Port of Seattle customers and stakeholders.	282,529
	IoT/OT Asset Intelligence and Security Platform to fortify our cybersecurity infrastructure and ensure the safety and reliability of our operations.	180,000
	Employee Wellness and computer aided dispatch (CAD) and records management system (RMS) Training for Police department.	60,000
	<b>Subtotal</b>	<b>972,529</b>

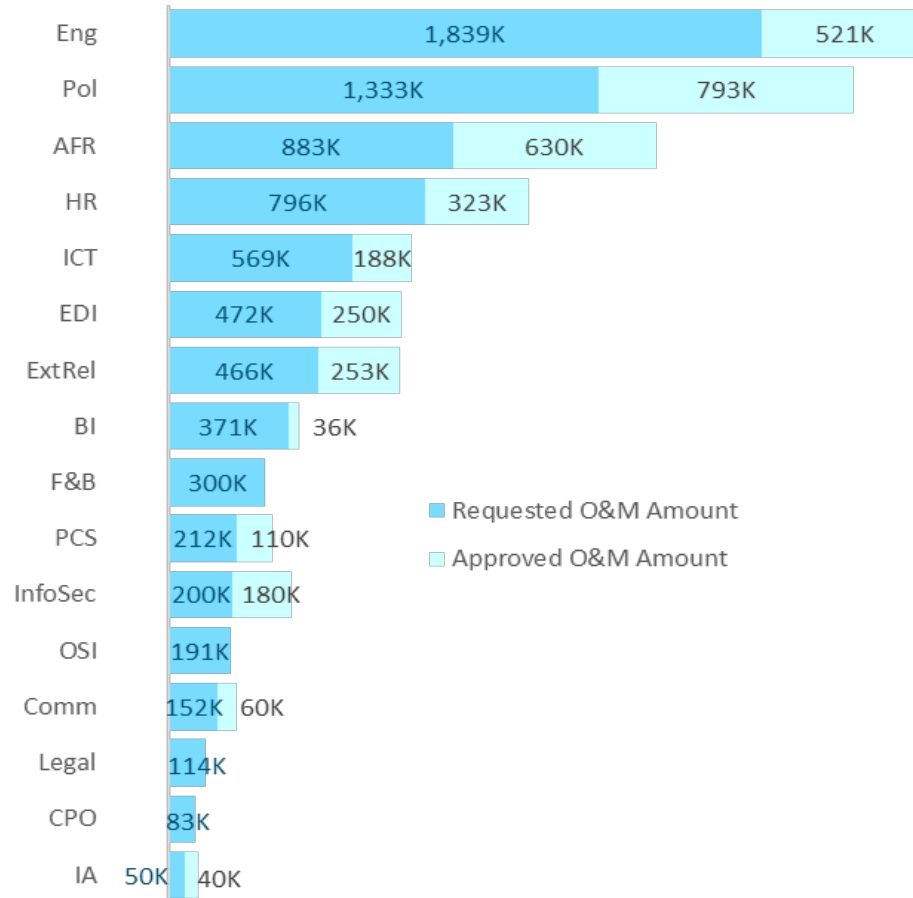
# 2024 Key Initiatives/Budget Drivers

Category	Purpose/Outcome	Approved Amount
<b>Advance work on regional economic priorities and enhance engagement with surrounding communities</b>	Support for Maritime High School.	250,000
	New Program Specialist to support community programs to return benefits to near-Port communities and foster strategic partnerships.	115,793
	Airport Anniversary Book Printing and Promotion; Web and document translation to support the Port's Language Access initiative that ensures inclusion of non or limited English speakers in the use of Port services and facilities.	112,500
	<b>Subtotal</b>	<b>478,293</b>

# 2024 Key Initiatives/Budget Drivers

Category	Purpose/Outcome	Approved Amount
Organizational Needs and Division Priorities	Business Technology staff to support PeopleSoft systems users and Accountant II to meet growing business requirements.	329,852
	HR Data Analyst to support several programs and processes; HR Business Tech Analyst to provide support to the implementation and administration of third-party systems; HR Leadership Conference to address the needs of the organization.	302,875
	Supplier Management Operations Supervisor and E-Portal to provide a secure way for Suppliers to enter their information and automate set-up.	208,038
	Windows Server 2012 Support and bandwidth capacity increase to meet the growing demands and ensure efficient connectivity across our organization.	168,000
	Business Systems Analyst to support the Port's online invoice/payment portal and implement changes to the revenue sub-systems.	92,302
	Engineering Invoice Specialist to support the operation of the Engineering department.	79,848
	Commission Office Consulting Contract for the assesment of the organizational culture; travel budget to meet increased commissioner engagement in state and federal associations and boards as well as invitations to speak to global audiences at various international conferences.	60,000
	Outside Temporary Services to support the Internal Audit team to fill in for staff on leave.	40,000
	Alteryx Training for users in an effort to to automate our business processes.	36,000
	East King County Community & Government Relations staff to foster relationships with 24 cities on the Eastside and support inititaves that promote Workforce Development, Small Business Outreach, Economic Development, Tourism, Government Relations, Community Engagement, and Transportation initiatives.	25,000
	Artificial Intelligence to improve efficiency and effectiveness of business operations.	20,000
	<b>Subtotal</b>	<b>1,361,915</b>
<b>Grand Total</b>		<b>3,383,197</b>

# 2024 New Budget Request by Dept



**Total Requested**  
**\$8,031K**

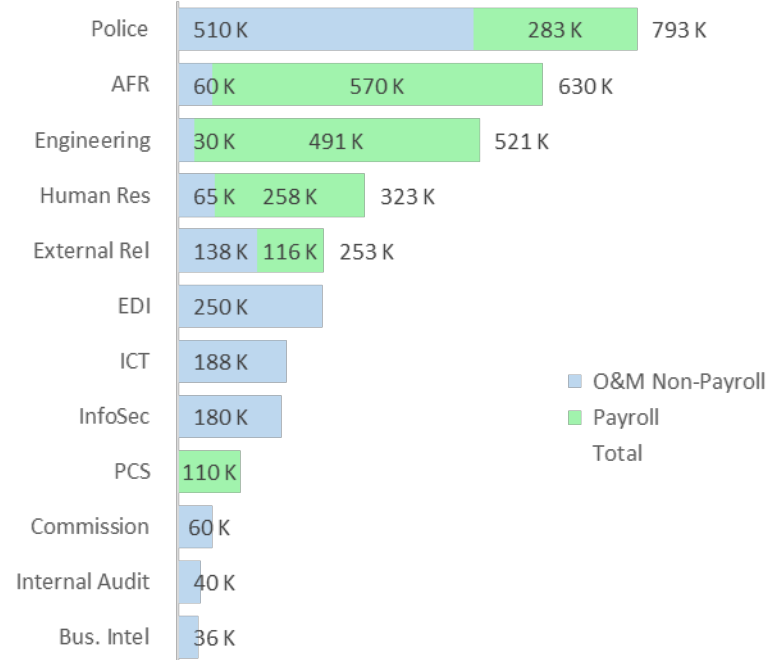
**Total approved**  
**\$3,383K**

# Approved New Items Summary

## 37 Items added for a total of \$3.4M (O&M):

- 19.0 FTEs (2.0 will be converted to mid-year FTEs): \$1.8M payroll and \$165 non-payroll expenses (PCS, External Rel, Human Res, Engineering, AFR, Police)
- \$450K Jail Costs increase (Police)
- \$250 Maritime High School (EDI)
- \$180K IoT/OT Asset Intelligence and Security Platform (InfoSec)
- \$120K Windows Server 2012 Support (ICT)
- \$75K Web and document translation (External Rel)
- \$60K Supplier Management E-Portal (AFR)
- \$48K Capacity Increase to the Port of Seattle's Internet Bandwidth (ICT)
- \$45K Leadership Conference (Human Res)
- \$40K Outside Temp Services (Internal Audit)
- \$40K Pulsiam Training (Police)
- \$38K Airport Anniversary Book Printing and Promotion (External Rel)
- \$36K Alteryx Training and Emblem (Bus. Intel)
- \$35K Commission Office Travel
- \$30K Construction Partnering Program (Engineering)
- \$25K East King County Community & Government Relations (External Rel)
- \$25K Commission Office Consulting Contract
- \$20K Employee Resource Group Support (Human Res)
- \$20K Employee Wellness (Human Res)
- \$20K Artificial Intelligence (ICT)

Approved Payroll & Non-payroll by Dept

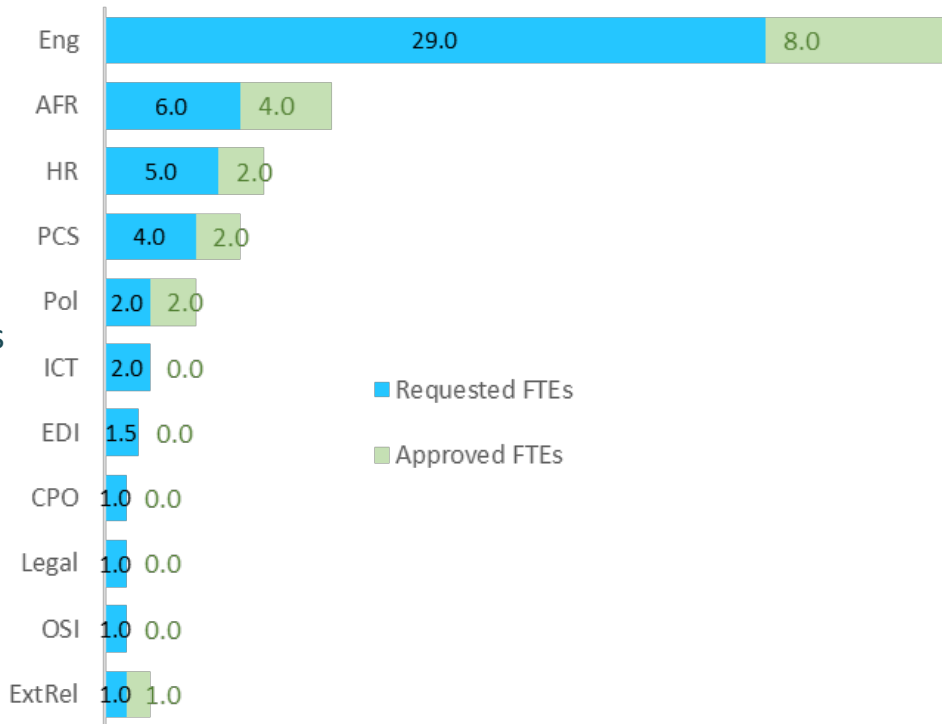




# Approved New FTEs Summary

- Engineering (8.0 FTEs, 2.0 converted to mid-year):** Assistant Resident Engineer - Terminal and Tenant, Construction Inspector 2 - Waterfront, Invoice Specialist, Project Assistant - Waterfront, Resident Engineer 5 - Infrastructure (IWTP), Senior BIM Technology Specialist. **Converted to mid-year:** Resident Engineer 3 - Terminal and Tenant, Senior Manager - Design Services
- Accounting & Financial Reporting (4.0 FTE):** AFR Business Technology Consultant, Accountant II, Supplier Management Operations Supervisor, Business Systems Analyst
- Human Resources (2.0 FTEs):** HR Business Tech Analyst, HR Data Analyst
- PCS (2.0 FTEs):** Construction Manager I, PCS Time Administrator/Admin
- Police (2.0 FTEs):** Nonsworn Supervisor FTE, Police Specialist FTE
- External Relations (1.0 FTEs):** Program Specialist, Community Impact Programs

Requested vs Approved FTEs



# 2024 Preliminary Budget Summary

(in \$000's)	2020	2021	2022	2023	2024	Inc/(Dec) from 2023	
	Actual	Actual	Actual	Budget	Proposed Budget	Approved Budget	\$ Change % Change
<b>Total Payroll Costs (with Capital)</b>	108,793	86,552	118,460	147,489	164,263	16,774	11.4%
<b>Total Non-Payroll Costs (with Capital)</b>	41,609	39,337	47,250	57,356	62,757	5,401	9.4%
<b>Total Costs (with Capital)</b>	<b>150,402</b>	<b>125,890</b>	<b>165,710</b>	<b>204,846</b>	<b>227,021</b>	<b>22,175</b>	<b>10.8%</b>
Sal/Wage-Cap/Govt/Envrs Proj	(17,325)	(16,737)	(16,628)	(23,338)	(25,381)	2,043	-8.8%
Cap/Govt/Envrs Projects OH	(6,628)	(6,366)	(7,172)	(7,665)	(8,634)	968	-12.6%
OnsiteConsult-Cap/Gov/Env Proj	(9,215)	(6,809)	(7,018)	(10,939)	(12,523)	1,584	-14.5%
<b>Total Charges to Capital</b>	<b>(33,167)</b>	<b>(29,912)</b>	<b>(30,818)</b>	<b>(41,943)</b>	<b>(46,537)</b>	<b>4,594</b>	<b>-11.0%</b>
<b>Total Payroll Expenses</b>	91,468	69,816	101,832	124,151	138,882	14,731	11.9%
<b>Non-Payroll O&amp;M Expense</b>	26,008	25,938	33,085	38,752	41,601	2,849	7.4%
<b>Total O&amp;M Expenses</b>	<b>117,476</b>	<b>95,753</b>	<b>134,917</b>	<b>162,903</b>	<b>180,483</b>	<b>17,581</b>	<b>10.8%</b>

\* Payroll Expenses include DRS pension credits in the 2020, 2021 and 2022 actuals.

# Central Services Proposed Budget by Account

DESCRIPTION (in \$000's)	2020	2021	2022	2023	2024	Inc/(Dec) from 2023		Notes
	Actual	Actual	Actual	Budget	Proposed Budget	\$ Change	% Change	
<b>TOTAL OPERATING REVENUE</b>	<b>2,512</b>	<b>(233)</b>	<b>2,538</b>	<b>155</b>	<b>163</b>	<b>8</b>	<b>5.3%</b>	
<b>OPERATING EXPENSE</b>								
Salaries & Benefits	71,672	71,603	78,779	90,244	102,290	12,046	13.3%	Pay/benefits increase and new FTEs
Wages & Benefits	19,796	(1,787)	23,053	33,907	36,592	2,685	7.9%	Contractual increase and new FTEs
Payroll to Cap/Govt/Envrs Proj	17,325	16,737	16,628	23,338	25,381	2,043	8.8%	
<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>108,793</b>	<b>86,552</b>	<b>118,460</b>	<b>147,489</b>	<b>164,263</b>	<b>16,774</b>	<b>11.4%</b>	
Equipment Expense	2,219	1,627	2,982	2,809	2,688	(121)	(4.3%)	Lower Equip Rental and Software Acq. Exp.
Utilities	27	32	33	38	35	(3)	(7.8%)	
Supplies & Stock	888	812	992	973	997	23	2.4%	
Outside Services	30,687	29,301	31,079	40,918	45,460	4,541	11.1%	Contractual increase and more systems support
Travel & Other Employee Exps	1,437	1,038	1,950	3,417	3,691	274	8.0%	
Promotional Expenses	456	222	540	1,808	1,855	46	2.6%	
Telecommunications	577	576	654	750	767	16	2.2%	
Property Rentals	1,124	1,055	478	1,355	673	(681)	(50.3%)	Lower rent for STOC
Worker's Compensation Expense	859	698	642	933	730	(203)	(21.7%)	Lower Worker's Comp
General Expenses	3,336	3,977	7,899	4,355	5,861	1,507	34.6%	Increase in Insurance expenses
<b>TOTAL NON-PAYROLL EXPENSES</b>	<b>41,609</b>	<b>39,337</b>	<b>47,250</b>	<b>57,356</b>	<b>62,757</b>	<b>5,401</b>	<b>9.4%</b>	
<b>TOTAL COSTS BEFORE CAPITAL CHARGES</b>	<b>150,402</b>	<b>125,890</b>	<b>165,710</b>	<b>204,846</b>	<b>227,021</b>	<b>22,175</b>	<b>10.8%</b>	
<b>Charges to Cap/Govt/Envrs Projects</b>	<b>(32,926)</b>	<b>(30,136)</b>	<b>(30,793)</b>	<b>(41,943)</b>	<b>(46,537)</b>	<b>(4,594)</b>	<b>11.0%</b>	More charges to capital
<b>TOTAL OPERATING EXPENSE</b>	<b>117,476</b>	<b>95,753</b>	<b>134,917</b>	<b>162,903</b>	<b>180,483</b>	<b>17,581</b>	<b>10.8%</b>	

# Central Services Proposed Budget by Dept

Departments (in \$000's)	2020	2021	2022	2023	2024	Inc/(Dec) from 2023		Notes
	Actual	Actual	Actual	Budget	Proposed Budget	Approved Budget	% Change	
O1100-Executive	2,263	2,051	2,029	3,678	3,632	(47)	(1.3%)	
O1200-Commission Office	1,755	1,773	2,206	2,905	3,485	580	20.0%	Transfer of SCCTV contract from ER
O1310-Legal	6,290	7,054	8,213	5,079	6,018	939	18.5%	3 mid-year approved new FTEs
O1330-Risk Services	3,349	4,047	5,078	5,749	6,777	1,028	17.9%	Increase in insurance cost
O1400-External Relations	7,481	6,827	8,651	12,333	12,839	506	4.1%	
O1460-Equity, Diversity and Inclusion	4,676	4,937	4,283	6,953	7,092	139	2.0%	
O1500-Business Intelligence	1,181	904	1,395	2,072	2,178	107	5.1%	
O1600-Engineering	4,959	1,626	5,053	9,497	11,739	2,241	23.6%	More capital support services
O1700-Port Construction Services	4,138	3,321	3,651	6,980	7,716	736	10.5%	More small work support
O1800-Human Resources	8,380	8,675	11,087	16,049	17,303	1,254	7.8%	
O1810-Labor Relations	1,286	1,110	1,085	1,600	1,621	21	1.3%	
O1900-Information & Comm. Technology	24,732	19,944	25,693	30,419	32,024	1,605	5.3%	Contractual increases
O1980-Information Security	1,656	1,328	1,571	2,794	2,886	92	3.3%	
O2100-Finance & Budget	2,177	1,801	2,279	2,765	3,036	271	9.8%	Gartner contract and pay adjustments
O2200-Accounting/Financial Reporting	8,165	6,967	7,914	10,344	11,646	1,302	12.6%	4 new FTEs and payroll increase
O2280-Internal Audit	1,540	1,296	2,406	2,047	2,224	176	8.6%	
O2400-Offic of Strategic Initiatives	934	713	893	1,471	1,508	37	2.5%	
O2700-Environment & Sustainability	692	676	763	2,050	2,192	142	6.9%	
O2900-Corporate Contingencies	(190)	(123)	(268)	(6,579)	(4,990)	1,588	(24.1%)	Net of 5% vacancy factor and Compensation Program
O2999-Corporate Capital to Expense	193	-	56	-	-	-	0.0%	
O4300-Police Department	27,538	17,194	35,064	36,673	40,538	3,865	10.5%	Payroll and contractual increases
O9200-Central Procurement Office	4,280	3,633	5,816	8,021	9,019	998	12.4%	Payroll increase, including equity pay adj.
<b>TOTAL OPERATING EXPENSE</b>	<b>117,476</b>	<b>95,753</b>	<b>134,917</b>	<b>162,903</b>	<b>180,483</b>	<b>17,581</b>	<b>10.8%</b>	

# 2024 Community Programs

Program (in \$000)	2022 Budget	2023 Budget	2024 Proposed Budget	2024 Budget Funded by the levy	% of the 2024 Budget Funded by the levy
1) Energy & Sustainability Fund	160	120	-	-	-
2) Airport Community Ecology (ACE) Fund	135	40	40	40	100%
3) South King County Community Impact Fund (SKCCIF)	2,195	2,214	2,214	2,214	100%
4) Duwamish Valley Community Equity Program	387	462	471	471	100%
5) EDD Partnership Grants	1,200	850	950	950	100%
6) Tourism Marketing Support Program	1,750	1,830	1,875	300	16%
7) Airport Spotlight Ad Program*	466	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	175	175	100%
10) Workforce Development	4,390	5,186	5,077	3,863	76%
a. Youth Career Launch Program (formerly OYI) <sup>1</sup>	1,000	1,000	900	900	100%
b. Airport Employment Center	1,096	1,517	1,517	303	20%
c. Construction Pre-Apprenticeship Program	600	629	650	650	100%
11) High School Internship Program	496	457	486	259	53%
12) Diversity in Contracting	1,836	2,299	2,304	300	13%
a. Small Bus. Accelerator under SKCCIF <sup>2</sup>	250	250	250	250	100%
b. DBE/ACDBE/WMBE Training Consultants & Outreach	-	50	50	50	100%
13) Equity, Diversity & Inclusion	1,366	1,767	2,015	203	10%
14) Sustainable Aviation Fuels & Air Emissions Program	200	100	-	-	-
15) Low Carbon Fuel Standard Initiative	110	150	150	-	-
16) Community Biz Connector (Regional Small Biz Partnerships)	150	350	380	380	100%
17) Public Market Study	-	100	-	-	-
18) Seattle Aquarium Partnership	-	1,000	1,000	1,000	100%
<b>Sub Total</b>	<b>16,142</b>	<b>18,691</b>	<b>18,753</b>	<b>11,772</b>	<b>63%</b>
<b>Payroll charged to the Levy <sup>3</sup></b>	<b>483</b>	<b>433</b>	<b>589</b>	<b>589</b>	<b>100%</b>
<b>Grand Total</b>	<b>16,625</b>	<b>19,124</b>	<b>19,342</b>	<b>12,361</b>	<b>64%</b>

**Notes:**

1 Youth Career Launch Prgm budget rolls up to Workforce Development total (item 10).

2 \$250K Small Business Accelerator under DIC is included in DIC total (Item 12) and SKCCIF (item 3).

3 2024 Payroll only for CPO & Ext. Rel. Other payroll from HS Interns, WFD, EDI are included in the individual items above.

\* Non-Operating Accounts

# Community Programs Funded by Tax Levy

Program (in \$000)	2023 Budget Funded by the levy	2024 Budget Funded by the levy	Inc/(Dec) from 2023 Proposed Budget	
			\$ Change	% Change
1) South King County Community Impact Fund (SKCCIF)	2,214	2,214	-	N/A
2) Duwamish Valley Community Equity Program	462	471	8	1.8%
3) EDD Partnership Grants	850	950	100	10.5%
4) City of SeaTac Community Relief*	1,400	1,400	-	N/A
5) Maritime Blue (formerly Maritime Innovation Center)	150	175	25	14.3%
6) Workforce Development	3,785	3,863	78	2.0%
a. Youth Career Launch Program (formerly OYI) <sup>1</sup>	1,000	900	(100)	-11.1%
b. Airport Employment Center	303	303	-	N/A
c. Construction Pre-Apprenticeship Program	650	650	-	N/A
7) High School Internship Program	252	259	7	2.7%
8) Diversity in Contracting	300	300	-	N/A
a. Small Bus. Accelerator under SKCCIF <sup>2</sup>	250	250	-	N/A
b. DBE/ACDBE/WMBE Training Consultants & Outreach	50	50	-	N/A
9) Equity, Diversity & Inclusion	138	203	65	31.9%
10) Community Biz Connector (Regional Small Biz Partnership)	350	380	30	7.9%
11) Seattle Aquarium Partnership	1,000	1,000	-	N/A
12) Other	1,108	806	(302)	-37.4%
<b>Total</b>	<b>11,760</b>	<b>11,772</b>	<b>12</b>	<b>0.1%</b>

**Notes:**

1 Youth Career Launch Program budget rolls up to Workforce Development total (item 10).

2 \$250K Small Business Accelerator under DIC is included in DIC total (Item 12) and SKCCIF (item 3).

\* Non-Operating Accounts

# 2023 One-Time Items

Department	Description	Budget 2023
1200-Commission Office	Cell Phone for new FTE	1,000
	Computer for new FTE	2,500
1311-Records	Cell Phone for New person 1311_23_01	1,000
	Laptop for New person 1311_23_01	2,500
1420-External Relations	Laptops and cell phones for two new positions	7,000
1460-Equity,Diversity and Inclusion	Cell Phone New FTE	1,000
	Laptop New FTE	2,500
1605-Engineering General Services	For 5 new FTEs, 2023 Budget approvals	28,200
1700-Port Construction Services	Cell Phone for new FTE	2,000
	Laptop for New FTE	5,000
1850-Human Resources	Cell phone for New FTE 1360	1,000
	Cell phone for New FTE 1850	1,000
	Cell phone for New FTE 1853_01	2,000
	Cell phone for New FTE 1853_02	1,000
	Cell phone for New FTE 1853_03	1,000
	Cell phone for New FTE 1854	1,000
	Ergonomic Chair	6,000
	new staff telephone - Internal Auditor	1,000
2350-Workforce Development	Cell Phones for New FTE	2,000
	Laptops for New FTE	5,000
	Maritime High School	250,000
2710-Envr & Sustainability Admin	Laptop/iPhone for new FTE	4,500
4300-Police Department	Software-gtechna LPRs ETICKET/LPR	25,704
9205-Central Procurement Office	2023 NEW FTE CA III - Service Agreements Apple iPhone	1,000
	2023 NEW FTE CA III - Service Agreements Dell Laptop, monitor & docking station	2,500
Grand Total		416,929

# 2023 Mid-Year Approvals

Dept	Position Title	Salary/ Benefits	Non-Pay expenses	Total Cost	Charge to Capital	Total O&M Expense
<b>FTE Approvals Summary</b>						
Police	Administrative Assistant	115,000	0	115,000	0	115,000
	Police Administrative Supvr	156,065	0	156,065	0	156,065
	Police Officer A (TAC Officer)	0	0	0	0	0
Legal	Sr Port Counsel	240,538	2,500	243,038	0	243,038
	Sr Port Counsel	240,538	2,500	243,038	0	243,038
	Paralegal	127,927		127,927	0	127,927
External Relations	DuwaRverCmntyHubCoor-LTD11/24	96,251	0	96,251	0	96,251
EDI	Program Assistant - LTD 2025	50,000	0	50,000	0	50,000
ICT	GIS Analyst	27,192	0	27,192	0	27,192
Eng	Const. Labor PH/Apprentist Specialist	70,318	2,900	73,218	0	73,218
HR	Total Rewards	111,106	2,500	113,606	0	113,606
	<b>Total (Payroll)</b>	<b>1,234,934</b>	<b>10,400</b>	<b>1,245,334</b>	<b>0</b>	<b>1,245,334</b>
<b>Non-Payroll Approvals Summary</b>						
ICT	Oracle JAVA Licensing for 2022-2023		66,000	66,000	0	66,000
Eng	Const. Labor PH/Apprentist Specialist		2,900	2,900	0	2,900
HR	Total Rewards		2,500	2,500	0	2,500
Legal	Sr Port Counsel Software (2 FTEs)		5,000	5,000	0	5,000
	<b>Total (Non-Payroll)</b>		<b>76,400</b>	<b>76,400</b>	<b>0</b>	<b>76,400</b>
	<b>TOTAL</b>					<b>1,321,734</b>



# 2024 Contractual Increases Summary

Dept	Account	Amount	Description
Risk	67100-Insurance Expense	1,146,935	Increase in Liability & Property Insurance Premium
Commission	Commission Meetings Streaming Contract	35,000	
ICT	Outside Services	179,179	Reviewed and approved by ICT Governance Board
CPO	Managed Print Service	68,000	
AFR	Outside Services	28,800	Concur and Cor360
Police	Contracted Law Enforcement Officers	360,000	Commission approved the contract after finalizing the 2023 budget
	<b>Total</b>	<b><u>1,817,914</u></b>	
	Less: Police	(360,000)	
	<b>Core Central Services</b>	<b><u>1,457,914</u></b>	

# 2024 Other Budget Adjustments

Dept	Account	Amount	Description
Engineering	On-site Consultants	3,816,639	Increase due to projects. Will mostly be offset to Capital
Engineering	On-site Consultants	(2,922,919)	Offset by the increase of Charges to OnsiteConsult-Cap/Gov/Env Proj.
Engineering	Personal Services	250,000	Increase due to projects
Engineering	Miscellaneous	(390,000)	Lower STOC rent and Equipment Expenses
ER	Commission Meetings Streaming Contract	(230,000)	Transfer from ER to Commission Office
Commission	Commission Meetings Streaming Contract	230,000	Transfer from ER to Commission Office
F&B	Gartner Consultant Contract	51,000	Approved but not included in the 2023 budget
CPO	67770-Intra-department Allocation	(85,490)	Lower STOC allocations
PCS	67770-Intra-department Allocation	(60,903)	Lower STOC allocations
ICT	Resiliency Increase in Year 2	140,000	Increase from Year 1
ICT	Equipment Expense	10,000	Reviewed and approved by ICT Governance Board
ICT	Worker's Comp	(12,332)	Misc Adjustment
	<b>Total</b>	<b>795,995</b>	
	Less: Engineering - Net	753,720	
	Less: PCS	(60,903)	
	Less: Police	-	
	<b>Core Central Services</b>	<b>103,178</b>	

# Equity Spending Criteria

If an investment meets one of the definitions, then it must also meet at least one of the key criteria:

- A. Advances diversity for the Port.
- B. Removes systemic barriers for BIPOC or structurally excluded communities to participate in the Port.
- C. Programs and funding that were developed through direct engagement with communities, and/or communities been consulted in design of the program.
- D. Has a demonstrable impact in quality of life for BIPOC or structurally excluded communities.
- E. Was intentionally designed to have a positive impact in BIPOC or structurally excluded communities .
- F. Achieves our environmental justice goals and removes barriers for BIPOC or structurally excluded communities to live and enjoy a healthy environment.

# Equity Spending Definition

The Port of Seattle defines *equity spending* as Port investments that:

- 1) Invest directly in targeted communities, either through grants, contracts, programs, sponsorships, or dedicated facilities; OR
- 2) Invests in businesses and individuals outside the Port to help us realize our internal and external equity priorities; OR
- 3) Invests in Port staff whose essential work functions were designed to primarily focused on advancing equity work.