

CORPORATE PROFESSIONAL & TECHNICAL SERVICES

A. 2006 BUDGET SUMMARY

TABLE VIII-1: 2006 BUDGET SUMMARY

(\$ in 000's)					
OPERATING RESULTS	Notes	2005 Budget	2006 Budget	Change 2006 Bud- 2005 Bud	% Change
Operating Revenue		\$235	\$235	(\$0)	-0.1%
Security Grant Revenue		1,459	1,297	(\$162)	-11.1%
Total Revenue		1,694	1,532	(\$163)	-9.6%
Professional & Tech. Services Dept.		58,212	64,095	5,883	10.1%
Security Costs			-	-	
Total P&TS Expense		58,212	64,095	5,883	10.1%
Excess of Revenue over Expense		(56,518)	(62,564)	(\$6,046)	10.7%
COMMITTED CAPITAL BUDGET	2	\$10,981	\$14,071	\$3,090	28.1%
EMPLOYMENT (TOTAL FTEs)		611.4	613.3	2.0	0.3%
		Budget	Budget	change	%
		2005	2006		
SUMMARY OF CHARGES TO AVIATION DIVISION					
Direct Charges to Business Groups		\$5,463	\$5,813	\$350	6.4%
Direct Charges to Division		2,363	2,778	415	17.6%
Allocated Charges to Business Groups	1	31,522	35,193	3,671	11.6%
Aviation Charges to Other Divisions		(420)	(481)	(61)	14.6%
TOTAL		\$38,928	\$43,303	\$4,374	11.2%
SUMMARY OF CHARGES TO SEAPORT DIVISION					
Direct Charges to Business Groups		\$4,064	\$4,182	\$118	2.9%
Direct Charges to Division		1,588	1,805	217	13.6%
Allocated Charges to Business Groups	1	12,689	13,702	1,013	8.0%
Seaport Charges to Other Divisions		(420)	(402)	17	-4.2%
TOTAL		\$17,921	\$19,286	\$1,365	7.6%
SUMMARY OF CHARGES TO ECONOMIC DEVELOPMENT DIVISION					
Direct Charges to Division		\$99	\$104	\$5	5.1%
Allocated Charges to Division	1	488	552	64	13.2%
Economic charges to other Divisions		0	0	0	
TOTAL		\$587	\$657	\$69	11.8%
Total of Corporate Charges to Divisions	3	\$57,437	\$63,246	\$5,809	10.1%

'admsum.xls

Notes:

- 1) Consists of remaining Corporate costs to be allocated to Business Groups after direct charges have been coded to Business Groups and Divisions or other costs allocated to Divisions. Most costs are allocated using a formula based on Expenses and Employees. For some departments specific allocation methodologies, such as employees for Human Resources & Development, are used.
- 2) See Section IX for details of Capital Budget.
- 3) Does not reconcile to Excess Revenue over Expense due to unallocated costs for International Tourism of \$614,899. Reconciles with Total Charges to Operating Divisions on page VIII-6.

B. MISSION STATEMENT

Corporate Professional and Technical Services will provide high quality and cost-effective professional and technical services to the operating divisions and support the overall corporate goals of the Port.

C. SERVICE PLANS

OVERVIEW

The three operating divisions of the Port are supported by a number of functional departments as well as service groups. These functional and service groups allocate their expenses according to the level of service they provide to the divisions. While many of the departments are vital to the success of operating divisions, providing essential services such as accounting, legal services, computer support and more, others are more a function of government organization. Their services benefit the public in general and play an indirect role in the success of the operating divisions. Examples are goodwill missions to other countries, trade promotion, and education programs. While they are not fundamental services to a business operation, they do serve the region in general by creating trade leads or other opportunities for area businesses. Others such as Engineering, Port Construction Services, Environmental and Police are demand driven and do not fall under a true administrative category.

The major initiatives and service plans for the Corporate Professional and Technical Services departments in 2006 are:

COMMISSION:

The Port Commission is the legally constituted governing body of the Port of Seattle. As a governing body of a special purpose municipal corporation, it is charged with the responsibility of fulfilling legislatively mandated purposes and objectives. The Commissioners are elected at large by the voters of King County and serve four-year terms in office. Among the Commission's responsibilities are: establishing broad policies; overall direction and long-term objectives for the Port; hiring a Chief Executive Officer to implement policies and administer the Port; determining the types of business activity in which the Port will engage; identifying short- and long-term business strategies for enhancement of the seaport, aviation, and economic development businesses; approving labor agreements; establishing financial policies for the Port and adopting the annual budget and salary resolution.

EXECUTIVE DEPARTMENT:

The Executive Department will concentrate leadership in several areas in 2006. We will work on expanding the Port's role in economic and trade development in the region while enhancing the sustainability of the Port's businesses with regard to environmental performance as well as working to transform the Port's culture to ensure long-term institutional vitality. We are working toward establishing and maintaining a long-term, symbiotic, mutually supportive relationship with regional labor in addition to ensuring the Port's long-term financial sustainability and efficient use of resources. We will provide leadership on key strategic issues in the operating divisions while improving cooperation among the region's ports.

ACCOUNTING AND PROCUREMENT SERVICES:

APS embraces the Port's vision to exist as a world-class facility and the best publicly owned catalyst for economic vitality in this region. APS's strategic direction ties directly with the Port's corporate strategies to "Be a High-Performance Organization" and "Ensure Airport and Seaport Vitality". APS is focused to achieve organizational excellence by proactively implementing continuous improvements to the Port's accounting & procurement business processes, leveraging web-enabled technology to transform the way we conduct business, and ensuring that centralized services and PeopleSoft systems meet the Port's evolving business needs. Additionally, APS is continuing to transform itself to broaden opportunities for all team members to develop as leaders and to take greater ownership toward the Port's success.

ENGINEERING:

Engineering Services shall provide high quality, timely and cost effective engineering and related technical consultant services, design, quality management, surveying, administrative support, contract administration, contract compliance, construction safety, and construction management services in partnership and consistent with the needs and desires of our customers and the Port's missions, goals and policies.

FACILITIES MANAGEMENT:

Facilities management handles daily operational services for Pier 69 corporate offices, and corporate off-site leased property, to include: janitorial, garbage, interior landscaping fire alarm services, HVAC, electrical system, and other building system maintenance. In addition to the building management, administration of the Commuter Trip Reduction program as well as the Pier 69 Motor Pool falls under the leadership of facilities management.

Management and operation of the Print Shop, Shipping & Receiving, Mail/Messenger and the Portside Café contract are also responsibilities of the facilities group.

FINANCE AND BUDGET:

The overall goal of the Finance department is to continuously improve the institution's management of its assets, resources and processes. The four main focus areas are debt management, financial asset management, strategic planning and budgeting. For 2006 the key initiatives are to support port-wide financial goals, through variance analysis, reporting and training, public presentations, annual report preparation, and economic impact analysis.

In addition, the department will manage the port-wide capital and operating budget development and approval process as well as debt management and financings, investment planning and management.

GOVERNMENT RELATIONS:

The multifaceted mission of Government Relations' (GR) is to provide leadership, strategy, coordination and consultation pertaining to the Port's relationship with other government's jurisdictions and agencies. GR is the Port's representative at local, state and federal legislatures and executive agencies and serves as the liaison for Seaport, Economic Development, Aviation and the corporate divisions to elected officials and key staff. GR works to build and enhance a positive Port image with officials in Olympia, Washington, DC and throughout the Puget Sound Region. The Year 2006 brings continued challenges as elections bring forward new office holders and personnel, along with executive agency personnel on the local level, continued work on the North Bay project, security and emergency preparedness at the seaport and airport, freight mobility projects and funding for the Alaskan Way Viaduct are some of the challenges faced by the GR staff. GR is committed through its goals and strategic issues to adhere to the overall Port's Business Strategies for 2006-2007.

HEALTH, ENVIROMENTAL, RISK and SAFETY:

The department's major activities include continued efforts to build relationships with permitting agencies and to streamline environmental permitting activities, in addition to the evaluation and implementation of more sophisticated risk management analyses and programs. The department places a continued emphasis on health and safety and employee wellness initiatives. In addition, to leading and implementing the Port's environmental stewardship strategy

INFORMATION AND COMMUNICATIONS TECHNOLOGY:

ICT's key responsibilities and services focus on effectively administering and managing the Port's Information and Communications Technology systems, services and resources. ICT's Operations support the following core Port-wide service requirements:

- ICT architecture planning
- Security management
- Capital project delivery
- Project management and consulting services
- Systems delivery and maintenance
- Service delivery
- Infrastructure management
- Desktop tools: phones, workstations, etc.
- Re-invention of ICT Department
- Facilitating Port-wide decision-making on technology investments

LABOR RELATIONS:

The Labor Relations department goal is fostering open communication which explores shared interests and values of; and enhances the cooperation and trust between; the Port, its represented employees, and organized labor. This is accomplished by inviting and internally communicating the views of organized labor concerning Port capital improvements, real estate use, real estate development projects, service changes, and economic development projects, so as to identify areas for mutual gain. Labor Relations promotes a High Performance Organization among represented employees through continuous education, employee development and employee recognition programs.

LEGAL:

The major goals for 2006 are to continue to assist in the implementation of the Port's strategic plan and to support the business needs of the operating divisions by providing legal services. The department is also pursuing continued implementation of the electronic Records and Document Management System and work related to its associated efficiencies, specifically converting paper document to electronic media, reduction in maintenance of duplicate documents/records; in addition to posting of Commission records, current and historical, on the Port's website for Port staff and public access.

HUMAN RESOURCES AND DEVELOPMENT:

In 2006, the HRD Department will concentrate on leadership in many areas. The department will work to ensure legal compliance in areas of staffing and employment as well as employee relations, investigations and resolutions of employee complaints. HRD will support labor contract negotiations, educational and learning programs. HRD will provide guidance for total compensation, job evaluations, performance reviews, and planning; in addition to human resources coaching and consulting. The department sponsors employee learning and performance programs, as well as leadership development and organization change. HRD provides strategies, consulting, coaching, and education in matters of diversity and corporate policy development. The department also manages the Port of Seattle Police Civil Service Commission and administers the retirement and Supplemental Savings Plan.

POLICE:

The Police Department continues its commitment to providing "Excellence in Public Safety" so that the Port of Seattle's community can live and work in an environment where the impact of crime and the fear of crime are minimal. The department try's to meet this goal, while maintaining organizational competency and efficiency while supporting the mission and values of the Port of Seattle.

The Police Department will provide all primary law enforcement and public safety services to Port of Seattle owned and operated property and implement responsive partnerships with internal and external customers as well as the community to both educate and prevent or minimize the impact of crime.

The department is responsible for recruiting, hiring, training and deploying sufficient police personnel to support public safety and the overall objectives of the Port of Seattle. In addition, the Port of Seattle Police share department resources with other Port of Seattle Departments, Police Departments and Public Safety agencies as needed to reduce the impact of cross-jurisdictional crime.

PORT CONSTRUCTION SERVICES:

This department manages the Port's Small Works program in a manner that reflects the goals, values, and principles of the Port of Seattle. Services include providing a quick and cost-effective means to accomplish small projects and provide contracting opportunities for small businesses, especially MBE and WBE firms. PCS constructs small capital projects, with in-house work crews in partnership with private contractors as required by the division customers.

The Regulated Materials Management Program (RMM) supports construction by performing necessary and required regulated building material surveys prior to construction. For the most part, this work is directly in support of capital construction. When regulated materials are known to exist in an area affected by construction or maintenance activity, the RMM program coordinates and manages removal of the material. Asbestos is the most prevalent regulated material encountered by the RMM program. While the vast majority of RMM work is in the air terminal, asbestos or other materials are encountered from time to time in all areas where the Port undertakes demolition, renovation or maintenance work.

PUBLIC AFFAIRS:

Enhancing and developing Corporate Communications programs and tools that educate the public about the Port's role as an economic engine for the region and contributor to this region's quality of life; providing Community and Educational Outreach programs that engage and inform the public about the Port's programs and activities; Strategic Communication Programs; communication issue management and tactical communication support for the Port's internal business units: Airport, Seaport, and Economic Development Divisions (Major activities include media relations, community outreach, advertising, Website and publications, communications planning.); promote international tourism to Seattle, King County and our region through media relations and travel industry relationships.

D. PROFESSIONAL & TECHNICAL SERVICES BUDGET SUMMARY

The following Tables VIII-2 & VIII-3 and Figures VIII-1 & VIII-2 illustrate the administrative expense for Corporate Professional & Technical Services by department and by account:

TABLE VIII-2: ADMINISTRATIVE EXPENSE BY DEPARTMENT

		(\$ in 000's)			% Change
By Department		2004 Actual	2005 Budget	2006 Budget	2006 Bud-2005 Bud
Commission		\$473	\$495	\$515	3.9%
Executive		1,550	1,648	1,393	-15.5%
Government Relations		808	876	911	4.0%
Labor Relations		533	647	673	4.0%
Legal		11,314	10,180	2,805	-72.5%
Health & Risk Services	1	0	0	7,561	
Public Affairs		3,231	3,807	4,013	5.4%
Engineering Services		814	1,127	890	-21.0%
Port Construction Services		1,843	1,304	1,214	-6.9%
Accounting & Procurement Services		4,223	4,959	5,586	12.6%
Finance & Budget		1,314	1,249	1,313	5.1%
Facilities Management		1,995	1,739	2,306	32.6%
Information Communication Technology		10,559	9,089	12,984	42.8%
Human Resources & Development		2,836	3,203	3,390	5.9%
Police		16,829	17,388	18,041	3.8%
Contingency		504	500	500	0.0%
Corporate Division Expenses		\$58,827	\$58,212	\$64,095	10.1%
Non-Allocated Expenses	2	0	(540)	(615)	13.9%
Revenues		(248)	(235)	(235)	-0.1%
Total Charges to Operating Divisions		\$58,579	\$57,437	\$63,246	10.1%

adminbud.xls

Notes:

- 1) Health and Risk Services became a separate department for 2006.
- 2) Tourism does not allocate to the operating divisions.

FIGURE VIII-1: ADMINISTRATIVE EXPENSE BY DEPARTMENT

(\$ in 000's)

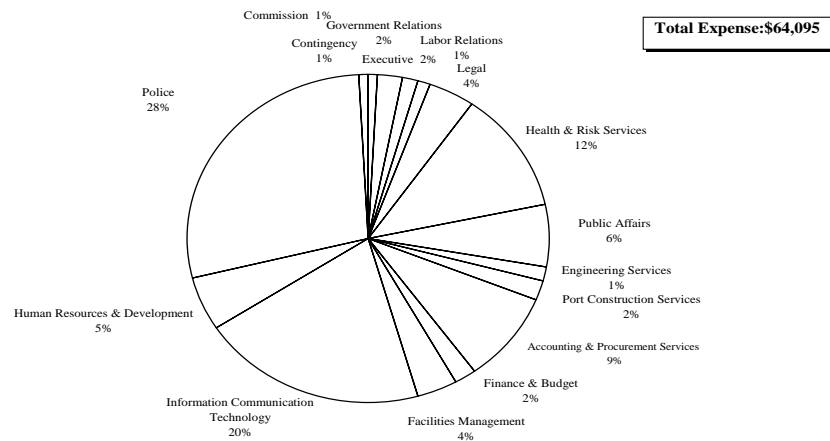


TABLE VIII-3: Revenues And Expenses By Account

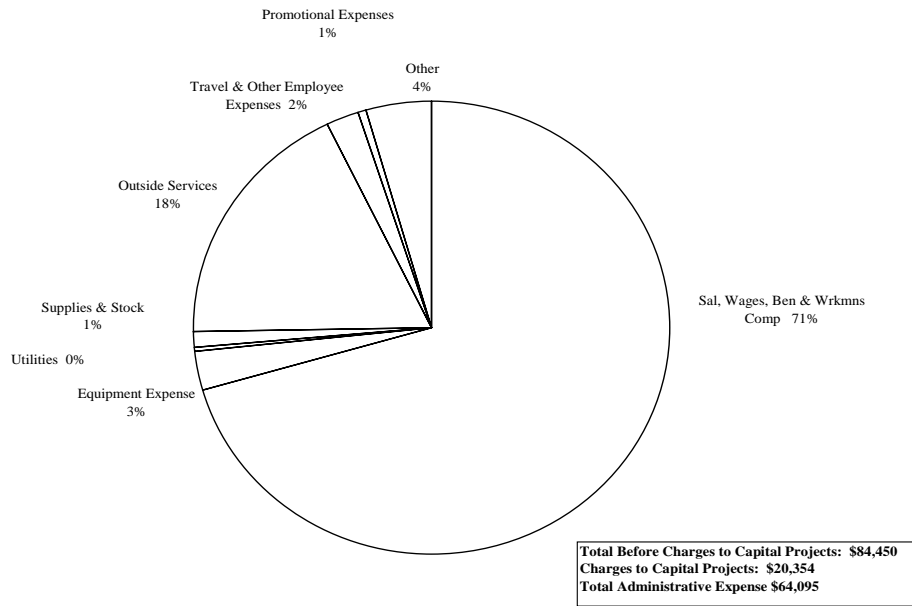
(\$ in 000's)		2004 Actual	2005 Budget	2006 Budget	% Change 2006 Bud- 2005 Bud
By Account					
Revenue					
Revenue		\$248	\$235	\$235	-0.1%
Security Grant		1,377	1,459	1,297	-11.1%
Total Administrative Revenue		\$ 1,624	\$ 1,694	\$ 1,532	-9.6%
Expense					
Salaries, Wages, Benefits & Workmans Comp		55,044	56,438	59,676	5.7%
Equipment Expense		1,625	1,619	2,222	37.2%
Utilities		314	280	264	-5.9%
Supplies & Stock		722	859	929	8.2%
Outside Services		12,930	12,594	15,362	22.0%
Travel & Other Employee Expenses		1,319	1,706	1,833	7.4%
Promotional Expenses		659	447	423	-5.5%
Other		5,181	4,455	3,741	-16.0%
Total Operating Expenses Before Charges to Capital		\$77,794	\$78,398	\$84,450	7.7%
Charges to Capital Projects		(18,967)	(20,187)	(20,354)	0.8%
Total Administrative Expense	1	\$58,827	\$58,212	\$64,095	10.1%

adminbud.xls

Notes:

- 1) Does not include adjustment for charges into Corporate SubClasses from Divisions.

FIGURE VIII-2: ADMINISTRATIVE EXPENSE BY ACCOUNT
(\$ in 000's)



E. STAFFING

The following Table VIII-4 depicts the proposed staffing requirements for 2005 by department for Corporate Professional & Technical Services:

TABLE VIII-4: CORPORATE PROFESSIONAL AND TECHNICAL SERVICES DIVISION STAFFING

STAFFING (Full-Time Equivalent Positions)					
BY DEPARTMENT	Notes	2005 Budget	2005 Est. Act.	2006 Budget	% Change 2006 Bud - 2005 Bud
Commission		3.0	3.0	3.0	
Executive Office		8.3	5.3	5.7	-31.3%
Legal Counsel		38.4	38.4	13.0	-66.1%
Health and Risk Services	2			28.0	
Government Relations		4.0	4.0	4.0	0.0%
Public Affairs	1	20.8	20.8	21.6	3.8%
Engineering		80.8	80.8	80.8	0.0%
Port Construction Services		26.0	30.0	29.0	11.5%
Facilities Development & Management		11.0	11.0	11.0	0.0%
Accounting & Procurement Services		57.0	61.0	60.0	5.3%
Finance & Budget		10.0	10.0	10.0	0.0%
Information Technology		92.6	93.0	94.0	1.5%
Labor Relations		5.0	5.0	5.0	0.0%
Human Resources & Development		24.4	24.4	25.4	4.1%
Police		139.0	139.0	141.0	1.4%
TOTAL PROFESSIONAL & TECHNICAL SERVICES DIVISION REGULARS		520.3	525.7	531.5	2.2%
Limited Duration		48.0	48.0	45.0	-6.3%
Ineligible Extended		0.0	0.0	0.0	
Temporary		31.0	27.0	26.0	-16.1%
Interns		7.1	7.3	5.8	-18.3%
On Call		0.0	0.0	0.0	
Commissioner		5.0	5.0	5.0	
TOTAL PROFESSIONAL & TECHNICAL SERVICES DIVISION		611.4	613.0	613.3	0.3%

FTE98-EA.XLS

Notes:

- 1) Tourism was transferred to Public Affairs from Economic Development Division in 2005.
- 2) Health and Risk Services became a separate department for 2006.

F. CAPITAL BUDGET

Corporate Professional & Technical Services has a total 2006 capital budget of \$14.0 million. For more detail refer to Capital Budget, Section IX.

TABLE VIII-5: CORPORATE PROFESSIONAL & TECHNICAL SERVICES CAPITAL BUDGET

(\$ in 000's)	2006 Budget	2006-2010 CIP	% of Total
Committed Capital Projects			
P&TS General	1,273	\$2,273	9.0%
IT Business Services	12,798	40,183	91.0%
Total	\$14,071	\$42,456	100.0%
		capsum.xls	

G. CORPORATE PROFESSIONAL & TECHNICAL SERVICES SUMMARY

TABLE VIII-6: CORPORATE PROFESSIONAL & TECHNICAL SERVICES SUMMARY

in 000's		Actual 2004	Budget 2005	Forecast 2005	Budget 2006	Growth 2005 Bud- 2006 Bud
OPERATING BUDGET	Notes					
Operating Revenue		\$1,624	\$1,694	1,694	\$1,532	-9.6%
Corporate Expense		41,997	40,824	42,818	46,054	12.8%
Law Enforcement Costs	1	16,829	17,388	17,088	18,041	3.8%
Total		58,827	58,212	59,906	64,095	10.1%
Income from Operations		(\$57,203)	(\$56,518)	(\$58,212)	(\$62,564)	10.7%
CAPITAL SPENDING		\$5,909	\$10,981	\$12,553	\$14,071	28.1%
TOTAL FTEs		624.5	611.4	613.0	613.3	0.3%
						admhist.xls