

CORPORATE PROFESSIONAL & TECHNICAL SERVICES

A. 2007 BUDGET SUMMARY

TABLE VIII-1: 2007 BUDGET SUMMARY

(\$ in 000's)		2006	2007	Change	
OPERATING RESULTS	Notes	Budget	Budget	2007 Bud- 2006 Bud	% Change
Operating Revenue		\$235	\$494	\$259	110.6%
Security Grant Revenue		1,297	1,140	(\$157)	-12.1%
Total Revenue		1,532	1,635	\$103	6.7%
Professional & Tech. Services Dept.		64,095	79,284	15,189	23.7%
Security Costs			-	-	
Total P&TS Expense		64,095	79,284	15,189	23.7%
Excess of Revenue over Expense		(62,564)	(77,650)	(\$15,086)	24.1%
COMMITTED CAPITAL BUDGET	2	\$14,071	\$13,907	(\$164)	-1.2%
EMPLOYMENT (TOTAL FTEs)		613.3	630.3	17.1	2.8%
		Budget 2006	Budget 2007	change	%
SUMMARY OF CHARGES TO AVIATION DIVISION					
Direct Charges to Business Groups		\$5,813	\$5,836	\$23	0.4%
Direct Charges to Division		2,778	12,737	9,959	358.5%
Allocated Charges to Business Groups	1	35,193	39,120	3,928	11.2%
Aviation Charges to Other Divisions		(420)	(441)	(21)	5.0%
TOTAL		\$43,364	\$57,252	\$13,888	32.0%
SUMMARY OF CHARGES TO SEAPORT DIVISION					
Direct Charges to Business Groups		\$4,182	\$2,429	(\$1,753)	-41.9%
Direct Charges to Division		1,805	2,410	605	33.5%
Allocated Charges to Business Groups	1	13,702	15,709	2,007	14.6%
Seaport Charges to Other Divisions		(420)	(400)	20	-4.7%
TOTAL		\$19,269	\$20,148	\$879	4.6%
SUMMARY OF CHARGES TO ECONOMIC DEVELOPMENT DIVISION					
Direct Charges to Division		\$104	\$227	\$123	117.7%
Allocated Charges to Division	1	552	566	13	2.4%
Economic charges to other Divisions		0	(26)	(26)	
TOTAL		\$657	\$767	\$110	16.8%
Total of Corporate Charges to Divisions	3	\$63,290	\$78,166	\$14,877	23.5%

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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 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 2007 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.

Beginning in 2007, the Commission added 1.0 FTE to its staff and one quarter of video taping of commission meetings. There is no increase in the budget and cost for the additional staff and video taping is to be accommodated within the submitted corporate budget.

EXECUTIVE DEPARTMENT:

The Executive Department will concentrate leadership in several areas in 2007. 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 and mapping, 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 is responsible for 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 of the Corporate Emergency Operations and Business Continuity Program, management and operation of the Print Shop, Shipping & Receiving, Mail/Messenger, and management of 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 2007 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:

Government Relations (GR) provides strategic consultation, coordination and leadership in building relationships with other governments, community organizations and elected officials at all levels to help advance the Port's central missions of trade, transportation and economic development. GR managers represent the Port in local, state and federal government arenas. They are the prime points of contact in inter-governmental relations. They advise commissioners and staff leaders about policies, trends and legislative process in their respective GR areas.

In the coming year, transportation funding issues, land use decisions and continued emphasis on security will drive major GR activities. Looming tasks including developing a funding plan for the additional cost of SR 519 and refining a position for potential POS participation in funding for the Alaska Way Viaduct Replacement. Local government work will concentrate on viaduct and other transportation issues as well as obtaining a zoning overlay for the Port's North Bay project. The recently announced plan with King County for a "purchase and swap" of an Eastside rail corridor for King County International Airport also will require additional outreach for local, state and federal GR. At the federal level, obtaining funding for security programs and for transportation projects important in international trade will continue to be top priorities.

HEALTH & SAFETY:

As part of the Port's High Performance Workplace strategy, the department places a continued emphasis on health and safety and employee wellness initiatives. Major 2007 activities include: a) continued emphasis on health and safety improvement through our safety evaluation process b) implementation of a comprehensive chemical management program c) pandemic flu planning and education and d) create conditions that foster health behaviors through a spirit and wellness program and explore policies and actions that begin to address escalating health care costs.

RISK

Risk Management's primary goal is to reduce the cost of risk to the Port (measured in risk costs/\$1000 of revenue) while minimizing exposure to catastrophic loss. Major Service areas include: claims management, contractual risk analysis, risk assessment, risk financing, and insurance purchasing.

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 Portwide 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.
- Business management: contracts, vendor and financial management
- 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. Additionally, Labor Relations negotiates and administers Collective Bargaining Agreements far in excess of 750 for employees with a combined payroll in excess of \$55 million.

LEGAL:

The major goals for 2007 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:

Human Resources and Development (HRD) engages and equips employees to achieve exceptional results. The department partners with others to sustain the Port of Seattle as a vital, high performing organization. To accomplish these ends HRD incorporates expertise in a range of disciplines including employment, compensation and benefits, employee development, diversity, equal employment opportunity, organizational development, and HR systems management. 2007 initiatives and priorities for HRD include substantial undertakings in each of these areas. For example, the department will implement an enhanced staffing strategy; roll out a new plan for reevaluating every non-represented position at least once every five years; extend on-line "Preventing Workplace Harassment" training to all employees; provide project leadership and organizational design consultation to a wide variety of internal clients; offer a robust calendar of internal learning opportunities; continue to foster the work of the Port's Employee Development and Diversity Council and engage executive sponsors in development and diversity; and upgrade or replace the existing Human Resources Management Information System.

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. 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

By Department		(\$ in 000's)			% Change
		2005 Actual	2006 Budget	2007 Budget	2007 Bud-2006 Bud
Commission		\$462	\$515	\$515	0.0%
Executive		1,643	1,393	1,669	19.8%
Government Relations		859	911	928	1.9%
Labor Relations		581	673	734	9.0%
Legal		2,577	2,805	2,796	-0.3%
Health, Environmental & Risk Services	1	13,308	7,561	0	-100.0%
Risk Services	2			3,310	
Health & Safety Services	2			1,021	
Public Affairs		3,940	4,013	4,224	5.3%
Engineering Services		726	890	1,073	20.5%
Port Construction Services		1,840	1,214	1,337	10.2%
Accounting & Procurement Services		4,939	5,586	7,336	31.3%
Finance & Budget		1,181	1,313	1,529	16.5%
Facilities Management		1,775	2,306	2,207	-4.3%
Information & Communication Technology		10,901	12,984	13,536	4.2%
Human Resources & Development		3,006	3,390	4,035	19.0%
Police		17,407	18,041	19,587	8.6%
Global Consulting Services	3			60	
Contingency		542	500	500	0.0%
OPEB Reserve*	4			12,886	
Corporate Division Expenses		\$65,687	\$64,095	\$79,284	23.7%
Non-Allocated Expenses	5		(615)	(624)	1.4%
Revenues			(235)	(495)	111.0%
Total Charges to Operating Divisions		\$65,687	\$63,246	\$78,166	23.6%

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Notes:

- 1) Environmental Services was transferred to the Seaport Division for 2007.
- 2) Health & Safety and Risk Services became separate departments for 2007.
- 3) Global Consulting Services budgeted in a separate Org for 2007.
- 4) Other Post Employment Benefits Accounting Reserve, which is allocated to the divisions.
- 5) Tourism does not allocate to the operating divisions.

FIGURE VIII-1: ADMINISTRATIVE EXPENSE BY DEPARTMENT

(\$ in 000's)

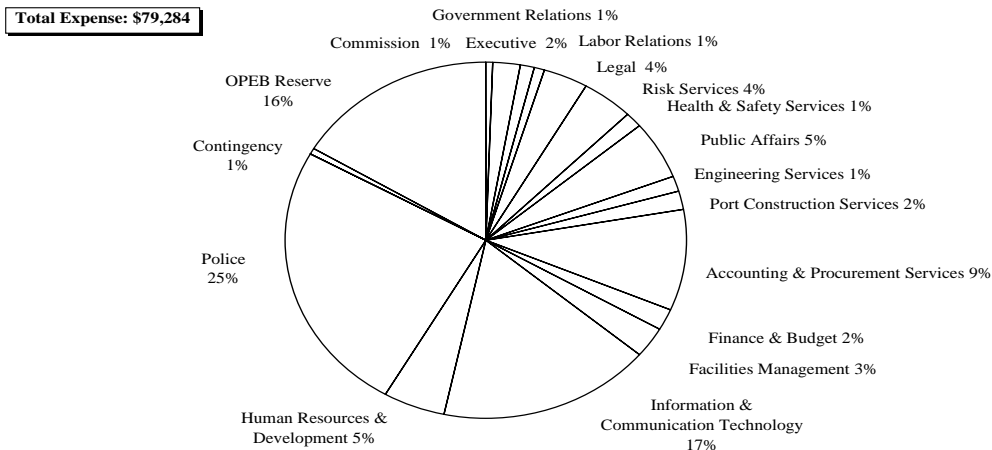


TABLE VIII-3: Revenues And Expenses By Account

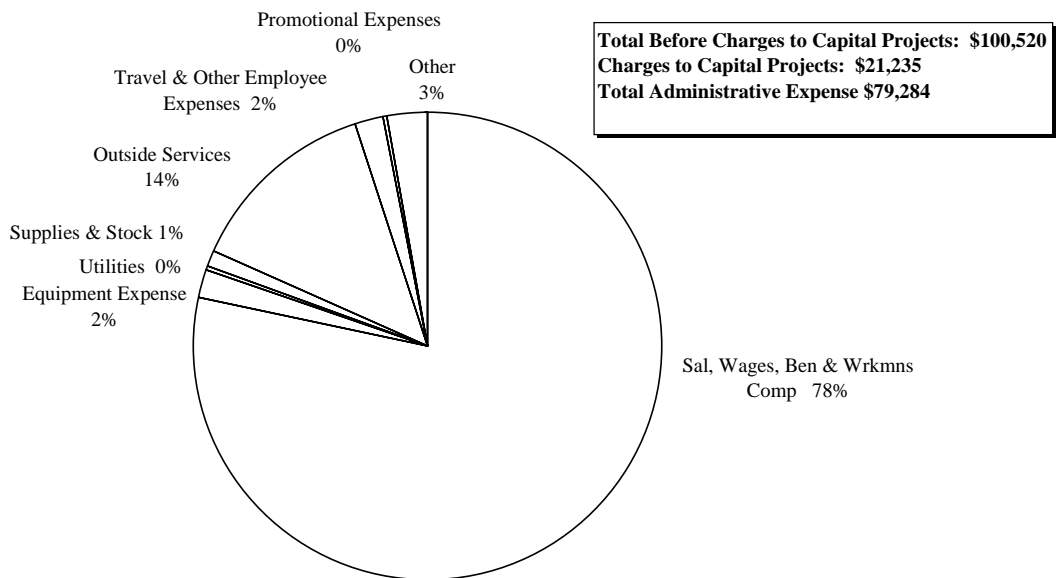
(\$ in 000's)		2005 Actual	2006 Budget	2007 Budget	% Change 2007 Bud- 2006 Bud
By Account					
Revenue					
Property Rental Revenue		\$308	\$235	\$494	110.6%
Security Grant		1,339	1,297	1,140	-12.1%
Total Administrative Revenue		\$ 1,647	\$ 1,532	\$ 1,635	6.7%
Expense					
Salaries, Wages, Benefits & Workmans Comp		53,477	59,676	78,699	31.9%
Equipment Expense		1,882	2,222	2,007	-9.7%
Utilities		230	264	275	4.1%
Supplies & Stock		764	929	992	6.7%
Outside Services		14,076	15,362	13,473	-12.3%
Travel & Other Employee Expenses		1,592	1,833	2,093	14.2%
Promotional Expenses		613	423	233	-44.8%
Other		10,675	3,741	2,749	-26.5%
Total Operating Expenses Before Charges to Capital		\$83,308	\$84,449	\$100,520	19.0%
Charges to Capital Projects		(17,621)	(20,354)	(21,235)	4.3%
Total Administrative Expense	1	\$65,687	\$64,095	\$79,284	23.7%

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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 2007 by department for Corporate Professional & Technical Services: Corporate is increasing by 17 FTEs from its 2006 budgeted total. Environmental Services, 17.3 FTEs, were transferred from Corporate to the Seaport Division. Health and Safety added an Administrative Assistant and a .3 Intern. Information & Communication Technology eliminated a Service Management Manager position and converted 21 contract positions to FTEs; Accounting and Procurement Services added 8 FTEs for Internal Auditing, Financial & General Accounting work; Human Resources & Development added a .6 Sr. Compensation Analyst, a Training Specialist and a .5 Intern; Legal added a Public Record Staff Support and Finance & Budget added a Debt Service Analyst and a .5 Intern.

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

STAFFING (Full-Time Equivalent Positions)					
BY DEPARTMENT	Notes	2006 Budget	2006 Est. Act.	2007 Budget	% Change 2007 Bud - 2006 Bud
Commission		3.0	3.0	3.0	
Executive Office		5.7	5.7	6.0	5.3%
Legal Counsel		13.0	13.0	14.0	7.7%
Health, Environmental and Risk Services	1 & 2	28.0	11.0	5.0	-82.1%
Health & Safety	3			7.0	
Government Relations		4.0	4.0	4.0	0.0%
Public Affairs		21.6	21.6	21.6	0.0%
Engineering		80.8	80.8	80.8	0.0%
Port Construction Services		29.0	29.0	29.0	0.0%
Facilities Development & Management		11.0	11.0	11.0	0.0%
Accounting & Procurement Services		60.0	62.0	69.0	15.0%
Finance & Budget		10.0	10.0	11.0	10.0%
Information & Communication Technology	4	94.0	94.0	115.0	22.3%
Labor Relations		5.0	5.0	5.0	0.0%
Human Resources & Development		25.4	25.4	26.4	3.9%
Police		141.0	141.0	141.0	0.0%
TOTAL PROFESSIONAL & TECHNICAL SERVICES DIVISION REGULARS		531.5	516.5	548.8	3.3%
Limited Duration		45.0	45.6	44.6	-0.9%
Temporary		26.0	26.0	26.0	0.0%
Interns		5.8	4.9	5.9	1.7%
On Call		0.0	0.0	0.0	
Commissioner		5.0	5.0	5.0	
TOTAL PROFESSIONAL & TECHNICAL SERVICES DIVISION		613.3	598.0	630.3	2.8%

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Notes:

- 1) Health, Environmental and Risk Services became a separate department for 2006 Budget.
- 2) Environmental Services (17.3 FTEs) were transferred from Health & Risk Services to the Seaport Division during 2006.
- 3) Health and Safety became a separate department for 2007 Budget and added an Administrative Assistant and a .3 Intern.
- 4) Information & Communication Technology eliminated a Service Management Manager and converted 21 contract positions to Regular FTEs for 2007.

F. CAPITAL BUDGET

Corporate Professional & Technical Services has a total 2007 capital budget of \$13.9 million. For more detail refer to Capital Budget, Section IX.

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

(\$ in 000's)	2007 Budget	2007-2011 CIP	% of Total
Committed Capital Projects			
P&TS General	\$2,100	\$2,900	15.1%
IT Business Services	11,807	53,471	84.9%
Total	\$13,907	\$56,371	100.0%
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G. CORPORATE PROFESSIONAL & TECHNICAL SERVICES SUMMARY

TABLE VIII-6: CORPORATE PROFESSIONAL & TECHNICAL SERVICES SUMMARY

in 000's		Actual	Budget	Forecast	Budget	Growth
	Notes	2005	2006	2006	2007	2006 Bud- 2007 Bud
OPERATING BUDGET						
Operating Revenue		\$1,647	\$1,532	1,628	\$1,635	6.7%
Corporate Expense		48,280	46,054	43,242	59,697	29.6%
Law Enforcement Costs		17,407	18,041	17,733	19,587	8.6%
Total		65,687	64,095	60,975	79,284	23.7%
Income from Operations		(\$64,039)	(\$62,564)	(\$59,347)	(\$77,650)	24.1%
CAPITAL SPENDING						
		\$4,845	\$14,071	\$10,781	\$13,907	-1.2%
TOTAL FTEs		613.0	613.3	598.0	630.3	2.8%

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