CORPORATE

A. 2015 BUDGET SUMMARY

TABLE VIII-1: 2015 BUDGET SUMMARY

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>OPERATING RESULTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Revenue</td>
<td>$6</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td></td>
</tr>
<tr>
<td>Other Revenue</td>
<td>$473</td>
<td>$155</td>
<td>$340</td>
<td>$185</td>
<td>119.1%</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$479</td>
<td>$155</td>
<td>$340</td>
<td>$185</td>
<td>119.1%</td>
</tr>
<tr>
<td>Corporate</td>
<td>$75,725</td>
<td>$80,168</td>
<td>$82,149</td>
<td>$1,981</td>
<td>2.5%</td>
</tr>
<tr>
<td>Total Corporate Expense</td>
<td>$75,725</td>
<td>$80,168</td>
<td>$82,149</td>
<td>$1,981</td>
<td>2.5%</td>
</tr>
<tr>
<td>Excess of Revenue over Expense</td>
<td>$(-75,247)</td>
<td>$(-80,013)</td>
<td>$(-81,809)</td>
<td>$(-1,796)</td>
<td>2.2%</td>
</tr>
<tr>
<td>COMMITTED CAPITAL BUDGET</td>
<td>$9,657</td>
<td>$8,656</td>
<td>$6,928</td>
<td>$(-1,728)</td>
<td>-20.0%</td>
</tr>
<tr>
<td>EMPLOYMENT (TOTAL FTEs)</td>
<td>450.0</td>
<td>453.4</td>
<td>450.6</td>
<td>(-2.8)</td>
<td>-0.6%</td>
</tr>
</tbody>
</table>

Notes:
1) 2014 Budget excludes the transfer of Construction Labor Group from Corporate to Capital Development Division.
2) Capital spending includes Capital Development Division. See Section X for details of Capital Budget.

B. CORPORATE MISSION STATEMENT

Corporate departments will provide high quality and cost-effective professional and technical services to the operating divisions and support the strategies and objectives of the Port.

STRATEGIES AND OBJECTIVES

PORTWIDE STRATEGY 1: Implement Century Agenda Strategies

- Position the Puget Sound region as a premier international logistics hub
  - Influence increased funding and policy support for freight mobility and transportation investments.
  - Influence land use policy decisions to protect and enhance industrial lands regionally, to further Port growth, increase jobs and manufacturing capacity.
- Advance this region as a leading tourism destination and business gateway
  - Advance Seattle and Washington State as a desirable tourism destination in targeted international markets with direct air service to Sea-Tac
    - Leverage tourism partnership with Washington Tourism Alliance.
    - Solidify relationships in Seattle and across the state.
    - Enhance presence in international tourism markets.
- Support national tourism leaders in advancing issues to encourage tourism.
  - Increase the economic impact of the cruise business
    - Raise visibility of the destination as an add-on to a cruise for international markets.
    - Research cruise ‘plus’ opportunities for Japan and Hong Kong markets.
    - Engage business and tourism communities in cruise opportunities.
  - Maintain the Port’s strong leadership role in the travel and tourism industry in the region
    - Position the Port as strong supporter of statewide tourism program.
    - Ensure adequate funding for international tourism program.
    - Develop and administer grant program.
    - Promote Seattle and Port properties in preparation for the Association of Airport Internal Auditors Annual conference in 2016.

- Use our influence as an institution to promote small business growth and workforce development
  - Support small business opportunities in our procurement and contracting opportunities.
  - Increase the proportion of funds spent by the Port with qualified small business firms on construction, goods and services.
  - Increase workforce training, job and business opportunities in port-related industries.

- Be the greenest and most energy efficient port in North America
  - Work with Fleet Management Oversight Team to ensure the Port purchases, maintains, and looks for green fleet opportunities.
  - Seek opportunities to utilize Port programs that support ‘green’ initiatives, such as commuting options, sustainable office supplies, and include environmental concerns/issues in our annual audit plan.
  - Support implementation of environmental initiatives and gain community consent.

PORTWIDE STRATEGY 2: Consistently live by our values through our actions and priorities

- Ensure that the port’s workforce is prepared for a data-driven future of rapid change, complex challenges and continuous improvement.
- High performance that honors the Port’s ethical values.
- Strengthen a high integrity, continuous improvement culture.
- Continue integrating development and diversity principles throughout the organization.
- Increase organizational and individual ownership for safe and secure work practices and healthy living. Ensure a safe workplace for employees, contractors, and the public.
- Review and select fair and cost efficient medical plan offerings that align with Port strategic healthcare objectives.
- Align leadership, people and systems with strategic priorities and plans.
- Communicate in a strategic, timely, respectful and coordinated way.
- Develop agile, highly skilled, and diverse work force to operate in dynamic environment with constantly changing needs.
- Increase Port staff participation in automatic payroll deduction and volunteerism activities in local and global programs.
- Heighten focus on future staffing and succession needs (at all levels of the organization).

PORTWIDE STRATEGY 3: Manage our Finances Responsibly

- Provide timely and accurate financial information for the Commission and Executive team for decision making.
- Provide ongoing debt management and regulatory compliance. Maintain revenue bond credit ratings consistent with financially strong U.S. airports and seaports.
- Develop strategic funding plans for future capital needs and maintain financial targets for leverage and liquidity.
- Maximize portfolio return in compliance with state statute and policy guidelines, and maximize port-wide cash mobilization. Outperform the benchmark for our treasury investments over time.
• Manage the Port’s banking contract effectively.
• Achieve continuous technology-leveraged solutions to maximize the Port’s major investment in the PeopleSoft Financials (PSFS), Human Capital Management (HCM) and other systems.
• Provide high level services in the area of claims management to help the Port reduce costs.
• Deliver ICT projects within budget and schedule expectations using repeatable processes.
• Maintain and refresh technology assets to maximize value and minimize total cost of ownership.
• Continue to develop and refine accounting, budget and financial management policies, procedures, and guidelines for the Port.

PORTWIDE STRATEGY 4: Exceed Customer Expectations

• Maintain excellent customer service and insure that staff meet or exceed customer expectations.
• Implement continual improvement of records management and public disclosure response procedures.
• Respond timely and respectfully to third party complaints/claims and ensure the public and customers are treated fairly and objectively.
• Increase collective bargaining efficiencies.
• Provide outstanding customer service to our business partners.
• Develop/maintain an investor relations program consistent with high quality organizations.
• Provide timely, accurate and relevant OSR Program Reports to Port staff and Executives.
• Create stronger community and business partnerships.
• Ensure high reliability and availability of all systems.
• Enhance our relations with our public safety partners.
• Establish shared accountability for mutual success between HRD and our customers.

PORTWIDE STRATEGY 5: Support port mission with implementation of port divisions’ business plans

• Influence progress for U. S. Army Corps deepening project, and direct Port stormwater resources to Port needs.
• Increase effectiveness of communications tools and continue building strength in social media communications.
• Reinforce the Police Department and the Port-wide commitment to maintaining the status as an accredited agency.
• Ensure high reliability and availability of all systems Information and Communications Technology.
• Implement systems redundancy and validate Business Continuity plans. Ensure high reliability and availability of all Information and Communications Technology/ICT systems.
• Ensure compliance with regulatory and legal requirements and ensure high reliability and availability of all systems.
• Partner with business leaders to ensure appropriate focus on critical business needs.
• Evaluate and deliver new technology solutions that fulfill business needs and enhance business processes, efficiently and effectively.
• Facilitate excellent individual and team performance throughout the port.
• Enable business process and enterprise communications to promote collaboration and provide access to information when and where it is needed.

C. KEY FUNCTIONS & RESPONSIBILITIES

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.
Many of the Corporate departments are vital to the success of the divisions and provide essential services such as accounting, legal services, computer support, etc. These services also benefit the public in general and play an indirect role in the success of the divisions.

The key functions for the Corporate departments in 2015 are:

**COMMISSION:**

The Port Commission is the legally constituted governing body of the Port of Seattle. Its primary duties are to establish policies on behalf of the community that guide the Port's future and maintain its global competitiveness and to execute its fiduciary responsibilities in overseeing the expenditure of public funds. As a governing body of a special purpose municipal corporation, the Commission is charged with fulfilling the law as the basis for appropriate policy, and establishing policy as the basis for appropriate practices, activities and procedures.

The Commission expresses its policy direction through the following mechanisms:

- Reviews the strategies that serve as the framework for the business divisions’ and corporate departments’ business plans. These strategies provide the grounding for prioritizing and allocating resources to programs and projects at the division level.
- Reviews and approves the annual budget. The budget is made available to the general public as required by RCW 53.35.010 and RCW 53.35.045. A Public Hearing in the First Budget Reading is held before the Second Reading and Final Passage of Budget, at which time the Port Commission adopts the budget.
- Adopted the “Century Agenda” strategic plan in 2012, which provides a mission, vision, strategies and objectives for the Port’s next quarter-century. The intent of the Century Agenda is to build upon the accomplishments of the past century with a visionary look forward to the emerging challenges and opportunities of the 21st century (see further description below).
- Sets additional long-term policy goals that are in keeping with its long-term mission of economic development and job creation at public Commission meetings through the passage by majority vote of Commission Resolutions, in accordance with RCW 53.08 and the Master Delegation of Authority.
- Reviews and approves in public session programs, projects, and select contracts through Commission motions that are introduced and seconded by Commission members, in accordance with the Master Delegation of Authority.
- Employs and retains a CEO to implement the goals, objectives and policy guidelines established by the Port Commission through majority vote at Commission meetings and by Commission approval of the CEO performance goals and objectives. These include policy goals and objectives related to achieving the Port’s financial and budgetary annual performance goals, and aligning budget priorities to the Port’s core mission, division goals and objectives that demonstrate that the CEO is holding his direct report managers accountable for division-level performance.
- Oversees the Internal Audit function of the Port of Seattle through the Audit Committee made up of two Port Commissioners and a third public member.

**EXECUTIVE:**

Achieve the operating and performance goals and objectives set by the Commission. Oversee the achievement of all divisions’ major goals and initiatives.

**LEGAL:**

**ATTORNEY SERVICES**

Provide legal analysis, advice, expertise, opinions and similar services, including: drafting, review and interpretation of contracts, agreements, statutes, regulations, judicial opinions and other legal materials and documents; prosecution and defense of claims and litigation; assistance with settlements and negotiations; representation in arbitration, mediations and other forms of dispute resolution; representation before hearings
boards and other administrative or legislative bodies. Receive and manage reported violations and monitor workplace investigations and outcomes.

Provide overall leadership and coordination of the Port’s ethics and compliance program. Publish and interpret the Code of Conduct, promote ethics awareness, provide ethics training, foster organization and individual commitment to the port’s ethical values, provide guidance on ethics and whistleblower issues, and oversee the Workplace Responsibility program. The Workplace Responsibility program receives and manages the process for responding to reported Code of Conduct and whistleblower violations.

**RECORDS**

Manage and provide public record administration, including public disclosure. Provide Port-wide assistance with regard to records management issues including retention scheduling, archiving and public disclosure. Manage Port records in accordance with State retention requirements.

**RISK MANAGEMENT:**

- Oversee Property/Casualty Insurance Program.
- Manage claims process/intake/settlement.
- Manage the driver safety program, including managing the drug testing requirements for commercial driver license holders.
- Conduct contractual reviews.
- Provide services in risk analysis, enterprise risk management, training, loss reporting, and reserve analysis.

**HEALTH & SAFETY:**

Provide Health and Safety, and Workers Comp services and expertise to enable customers to achieve the Port's zero-based health and safety goals (zero accidents, injuries, lost workdays, Workers Comp claims and regulatory citations and fines), and the substantial morale, productivity and financial benefits that accrue from achieving those goals. Promote employee health improvement and employee productivity through wellness program offerings.

**PUBLIC AFFAIRS:**

The Port’s Public Affairs department includes a number of key functions, including federal, state and local government relations, which include regional transportation technical and policy expertise; strategic communications; community engagement; and international tourism promotion.

**FEDERAL GOVERNMENT RELATIONS:**

- Collaborate with Port businesses (airport, seaport, real estate) to develop legislative funding and policy priorities.
- Communicate the port’s transportation and trade priorities to representatives from U.S. federal cabinet agencies, the state Congressional delegation, and associations of which we are a member.
- Build, maintain and strengthen the Port’s relationship with Washington’s Congressional delegation, federal agencies and other key stakeholders.
- Utilize memberships and activities in key associations to build coalitions and broaden political support for Port of Seattle federal priorities.
- Provide educational opportunities for key policy makers and Congressional delegation staff to learn about Port of Seattle’s business and operations through meaningful tours, briefings and responding to federal requests.
STATE GOVERNMENT RELATIONS:

- Communicate the port’s business, transportation and trade priorities to state legislators, state agencies and stakeholder.
- Foster effective relationships between port elected officials and senior port staff with elected officials and executives of state government to advance the port’s objectives and to represent regional and statewide interests to the Legislature and Executive branch.
- Develop partnerships with stakeholders in business, labor and community organizations in support of trade development, economic growth, transportation infrastructure investment and responsible environmental regulation.
- Coordinate port priorities as part of the statewide ports association, the state Chamber of Commerce, and other stakeholders engaged in state legislative work.
- Continue to advocate for policies and regulations that enhance and expand the ability of the port and related businesses to move people and commerce efficiently in a competitive global marketplace, and educate leaders on the impacts of adverse policy proposals.

LOCAL GOVERNMENT RELATIONS:

- Communicate the port’s Century Agenda business, transportation and trade priorities to local and regional government agencies.
- Foster effective relationships between port elected officials and senior port staff with elected officials and executives of local and regional governments to advance the port’s objectives.
- Effectively utilize memberships on local and regional government agencies and business associations to broaden awareness of port issues and support port objectives.
- Develop partnerships with stakeholders in business, labor and community organizations in support of trade development, freight mobility and environmental programs.
- Continue to advocate for policies, regulations and funding for port programs that enhance and expand the ability of the port and related businesses to move people and commerce efficiently in a competitive global marketplace.

REGIONAL TRANSPORTATION:

- Focus transportation policy analysis and strategies to support funding and freight mobility at local, regional, state and federal levels.
- Coordinate/collaborate with local jurisdictions, customers, stakeholders and other interested parties to ensure continued access to Port facilities.
- Advocate/protect/enhance access to Port facilities through key projects.
- Advance partnerships for rail planning and coalitions.

STRATEGIC COMMUNICATIONS:

- Develop messages and content that represents our Century Agenda strategies and serves the needs of port leaders, internal communications, public information programs and issue response.
- Create and maintain effective integrated communication strategies that reach our customers, tenants, business partners, employees and community using an appropriate mix of media tools and options targeted to specific audience needs.
- Define, manage and communicate the port brand through consistent graphics, messaging, tone and quality, and applying guidelines and requirements for design and production of port advertising, marketing and communication products.

COMMUNITY ENGAGEMENT:

- Protect the Port’s reputation as a public steward and advance business interests by engaging and informing stakeholders and forging strategic relationships.
Deliver programs, events and communications that strengthen the port’s relationships with its communities and stakeholders, and supports business objectives such as: Northwest Ports Clean Air Strategy and Clean Truck updates; new airport and seaport customers/service; the opening of new facilities; and results from economic impact studies that demonstrate the value of industry.

Strengthen strategic relationships within fence line communities such as Duwamish Valley neighborhoods to support clean air/Superfund projects and Seaport competitiveness and North Harbor neighborhoods to update on cruise, uplands development, and Ship Canal industry initiatives.

Develop targeted outreach opportunities for Commissioners and Executives to engage with area leaders and stakeholders on Century Agenda initiatives.

Engage King County-wide audiences through public education events such as Port 101, Seafood and Maritime101 promotional campaigns and working waterfront tours.

**INTERNATIONAL TOURISM PROMOTION:**

- Develop and implement growth strategies and plans in current and emerging markets to increase the economic impact of tourism and related services.
- Promote international tourism to Seattle, the region and state from markets in China, the United Kingdom, Japan, France and Germany in partnership with Washington Tourism Alliance and with industry partners across the state.
- Leverage the cruise program with promotion of pre and post tour options to increase economic impact of the cruise business through tourism.
- Continue leadership in the Washington Tourism Alliance to develop long term funding for a statewide tourism presence both domestic and international.

**HUMAN RESOURCES AND DEVELOPMENT:**

Apart from providing core services listed below, Human Resources and Development is also focused on broader issues such as attracting and retaining a diverse work force; succession preparation; process improvement; performance management aligned with values, strategies and business plans; and developing metrics that drive decisions.

The list that follows reflects services we provide daily, many of which also respond to the bigger picture, longer-term concerns described above.

- Talent acquisition/recruitment and employee onboarding services as well as outreach programs including Veterans Fellowships and high school and college internships.
- Management of Total Rewards programs consistent with the Total Rewards philosophy and the Healthcare Strategy.
- Learning and leadership development systems, strategies and programs.
- Employee relations, including guidance for managers and non-managers on a range of issues such as performance management; reasonable accommodations; conflict resolution; managing Port responses to employee complaints filed with external agencies.
- Coordination with Workplace Responsibility Office on a range of issues including policy administration, education, communication and investigation and resolution of employee complaints.
- Development of Port-wide diversity strategies.
- Organizational development consulting and facilitation services to a wide range of Port departments and enterprise-wide initiatives.
- Maintenance of accurate employee records; analysis of available HR data for purposes of measuring effectiveness of HR strategies and progress and to provide a basis for workforce planning.
- Employee communication regarding a wide range of human resource issues including policy, programs, total rewards, class offerings, etc.
- Development, review and updates and education about HRD policies.
• Assuring compliance with a range of local, state, and federal laws related to recruiting, hiring, employment, affirmative action and total rewards.
• Data gathering, analysis and costing to support collective bargaining processes and facilitate alignment with the Total Rewards Philosophy and Healthcare Strategy, as well as administration of negotiated labor agreements.

LABOR RELATIONS:
The purpose of the Labor Relations (LR) department is to support the Port of Seattle’s mission of creating economic vitality in King County by fostering an open, cooperative, and mutually supportive relationship with the Port’s employees, organized labor, and the business community.

• Take all of the necessary steps to prepare and negotiate the agreements with the employee representatives for the Port’s 28 bargaining units.
• Oversee the implementation and administration of labor agreements.
• Process grievances and disciplinary proceedings according to the agreements, and represent the Port in arbitration and PERC proceedings.
• Provide consultation to all Port-wide committees and all divisions on labor matters, including proposed changes in policy in a manner designed to avoid labor disputes.
• Provide input on any Port practices and procedures concerning labor relations and participation in Port oversight committees.
• Participate in labor management committees.

INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT):
ICT provides reliable, high-quality, cost-effective enterprise-wide infrastructure, hardware, applications, and technology services to support the Divisions and the Port’s strategies. ICT’s key responsibilities and services focus on effectively administering and managing the Port’s enterprise Information and Communications Technology systems, services, and resources in the most cost effective manner.

FINANCE AND BUDGET:
The overall goal of the Finance & Budget (F&B) department is to continuously improve the institution’s management of its debts, assets, budget, and resources. Key functions include:

BUDGET
• Plan, coordinate and manage the Port budget planning process.
• Maintain, enhance, and manage the Port’s budget system and its interfaces.
• Provide budget training, workshops, and MIS training to Portwide budget support staff.
• Review monthly variance reports and provide monthly Financial and Operational Indicators Report and Executive Summary Report to the Commission and Executive team.
• Plan, coordinate and manage the Port quarterly financial performance reporting process.
• Develop and refine budget policies and procedures for the Port.
• Provide budget consultation and support to the operating divisions and Corp/CDD depts.
• Manage the Port economic impact study and other ad-hoc economic impact analysis.

FINANCE & TREASURY
• Existing debt management – bond proceeds usage reconciliation; regulatory compliance and financial reporting; bad money analysis; arbitrage rebate calculations; provide financial updates to ratings agencies.
• Manage new debt issuance.
• Manage engagements with outside financial advisor, bond and disclosure counsel and underwriters.
• Coordination of short and long-term funding plans for future capital needs; development and monitoring of the Port’s annual Capital Budget and Plan of Finance; tax levy funds management.
• Industrial Development Corporation Administration.
• Treasury functions: Cash and Investment portfolio management; manage the Port’s banking contract.

ACCOUNTING AND FINANCIAL REPORTING:

The Accounting & Financial Reporting (AFR) department’s key functional emphasis:

• Administer the Port’s centralized accounting functions and financial reporting, and guide supporting Port business processes.
• Administer the functional operation of the PeopleSoft Financial (full accounting modules suite) and HCM (payroll & time entry modules) systems.
• Conduct cyclical Sarbanes Oxley Section 404 internal controls management due diligence reviews of the Port’s major processes including revenues, expenditures, capital assets, investments/debt, and payroll.
• Institute technology-leveraged and LEAN solutions to the Port’s broad financial processes and AFR’s internal business processes to realize efficiency improvements.

The department’s key operational responsibilities and services include:

• Port-wide core accounting and financial reporting services.
• Port accounting policies and procedures development and enforcement.
• Industry prescribed accounting & financial reporting standards compliance assurance.
• Annual Port financial statements preparation and issuance.
• Recurring fiscal management reporting.
• Disbursements/accounts payable administration.
• Payroll administration.
• Leases and customer billing administration.
• Accounts receivable and revenues administration.
• Credit and collection enforcement.
• General ledger administration.
• Capital projects costing and fixed assets accounting.
• Cash and debt accounting.
• Grants billing and reporting.
• Airport Passenger Facility Charge (PFC) accounting and reporting.
• Corporate credit cards and procurement cards administration.
• Employee expense claims and reimbursements.
• Business tax administration.
• External audits facilitation.

INTERNAL AUDIT:

Internal Audit provides an objective review and assessment of the strategies, processes, systems and other activities that management has implemented in order to achieve Port’s goals and objectives. Internal Audit conducts audits of Port activities to provide reasonable assurance over:

• Accountability/Transparency
• Fiscal integrity, including lease & concession and third-party arrangements
• Compliance
• Operations/Controls
• Performance
• Governance
Internal Audit’s key functions include:

- Conduct audits to provide reasonable assurance that Port operations are effective and efficient in achieving its goals and objectives.
- Conduct a Port-wide risk assessment, at least, annually to identify significant risks to the Port in operations, finance and compliance. Risks of significant impact to Port operations are examined yearly as part of the Audit Committee Annual Internal Audit Work Plan.
- Conduct Port-wide governance and program audits to ensure operations are achieving intended Port goals and objectives in an efficient manner. Make recommendations for continuous improvement as necessary.
- Conduct operational audits of various Port business units (e.g., departments) and activities to ensure: a) effectiveness and efficiency in operations, and 2) assess management control (e.g., processes) and make recommendations, as necessary, for continuous improvement.
- Conduct compliance audits to ensure Port activities are in compliance with applicable internal, federal, and state rules and regulations.
- Conduct lease compliance audits to ensure concessionaires are accountable for agreed-upon terms and conditions including complete and timely concession payments to the Port.
- Provide consulting services to Port management in order to continue improving Port operations.

**OFFICE OF SOCIAL RESPONSIBILITY (OSR):**

- Manage the Small Business and Inclusion Program to ensure access to business opportunities for all small businesses, including minority and women owned businesses, manage the goal setting process and utilization and reporting of the Disadvantaged Business Enterprise (DBE) Federal program, and manage the setting of requirements and tracking of Small Contractor and Suppliers (SCS) utilization.
- Ensure the efficient and cost-effective implementation, management and tracking of the Port’s Workforce Development Strategy, track and report the Apprenticeship Utilization in Port contracts, and manage the National Urban Fellows nine month fellowship and support all internships at the Port including high school and college internships and veterans fellowships.
- Provide and receive input related to Port procurement processes, participate in acquisition planning for projects, set small business utilization goals and/or requirements on Port projects and other procurement contracts on a case-by-case base, including Public Works and Category I, II and III procurements. Support workforce development programs that provide quality job-training, as well as job search assistance to ensure that all members of our community can access the jobs created by the port and its tenants. This support also includes providing training and available project opportunities to apprentices in the trades.
- Manage the Port’s Annual Community Giving Campaign and staff voluntarism efforts and support the Port’s Clean Trucks Program by providing training and outreach for drayage truckers that service port terminals.

**POLICE:**

- Support TSA and their screening processes at the SeaTac Airport.
- Provide security and support to the cruise ship operations (waterside and landside).
- Provide professional police services to our unique policing environment; to include criminal investigative follow up to crimes that occur in our jurisdiction.
- Protect the rights of individuals, prevent crime and build community partnerships.
- Serve as a regional asset to assist the Port of Seattle community by providing specialized police services.
- Serve as an integral part of the Airport and Seaport Continuity of Operations Plans while serving as the first responder to threats and/or incidents that occur within our jurisdiction.
- Serve as the liaison with federal, state, county and local law enforcement agencies to assist and support the Port of Seattle’s mission and serve the region.
D. CORPORATE BUDGET SUMMARY

Corporate continues to focus on managing cost in the 2015. Overall, the 2015 budget increases by $2.0 million or 2.5% from the 2014 budget mainly due to the following reasons:

- A 3.0% average pay increase for exempt and non-exempt employees’ salaries and a slightly higher benefit costs for 2015.
- Adding $500 thousand to Portwide Contingency for expected contracted services for Seaport Alliance.
- Adding $297 thousand to pay for Airport Jobs’ space rental at the Airport. It is worth to note that while this increases Corporate expense, the Airport is seeing a corresponding increase in both aeronautical and non-aeronautical revenues.
- Adding $100 thousand to Portwide Contingency for costs related to implementation of Resolution 3694 and contracted services for construction contracts audit.
- The budget increase is partially offset by eliminating $709 thousand one-time items in the 2014 budget and by the $549 thousand transfer of the Construction Labor Group from Corporate to Capital Development Division.

The following Tables VIII-2 & VIII-3 and Figures VIII-1 & VIII-2 illustrate the administrative expense for Corporate by department and by account:
### TABLE VIII-2: ADMINISTRATIVE EXPENSE BY DEPARTMENT

| BY DEPARTMENT | Notes | 2013 Actual | 2014 Budget | 2015 Budget | % Change 2015 Bud-
|---------------|-------|-------------|-------------|-------------|-----------------------
| EXPENSES BEFORE CHARGES TO CAP/GOV/ENVRS PROJECTS | | $1,013 | $1,645 | $1,545 | -6.1% |
| Commission | | 1,728 | 1,818 | 1,798 | -1.1% |
| Executive | | 1,172 | 850 | 1,024 | 20.4% |
| Labor Relations | | 3,636 | 3,306 | 3,188 | -3.6% |
| Legal | | 2,901 | 3,173 | 3,249 | 2.4% |
| Risk Services | | 1,078 | 1,190 | 1,190 | 0.0% |
| Health & Safety Services | | 5,890 | 6,069 | 5,937 | -2.2% |
| Public Affairs | | 5,901 | 7,081 | 7,350 | 3.8% |
| Accounting & Financial Reporting | | 1,201 | 1,422 | 1,552 | 9.2% |
| Finance & Budget | | 1,543 | 1,856 | 1,713 | -7.7% |
| Information & Communications Technology | | 22,877 | 23,748 | 24,456 | 3.0% |
| Human Resources & Development | | 5,259 | 5,655 | 5,958 | 5.4% |
| Office of Social Responsibility | | 1,644 | 2,187 | 2,312 | 5.7% |
| Police | | 22,458 | 22,658 | 22,879 | 1.0% |
| Contingency | | 266 | 450 | 1,050 | 133.3% |
| **Total Expenses Before Charges to Cap/Govt/Envrs Projects** | | **78,568** | **83,108** | **85,202** | 2.5% |
| CHARGES TO CAPITAL/GOV/ENVRS PROJECTS | | **(2,843)** | **(2,940)** | **(3,053)** | 3.8% |
| OPERATING & MAINTENANCE EXPENSE | | | | | |
| Commission | | 1,013 | 1,645 | 1,545 | -6.1% |
| Executive | | 1,728 | 1,818 | 1,798 | -1.1% |
| Labor Relations | | 1,151 | 850 | 1,024 | 20.4% |
| Legal | | 3,545 | 3,264 | 3,156 | -3.3% |
| Risk Services | | 2,901 | 3,173 | 3,249 | 2.4% |
| Health & Safety Services | | 1,078 | 1,190 | 1,190 | 0.0% |
| Public Affairs | | 5,890 | 6,069 | 5,937 | -2.2% |
| Accounting & Financial Reporting | | 5,724 | 7,081 | 7,350 | 3.8% |
| Internal Audit | | 1,201 | 1,422 | 1,552 | 9.2% |
| Finance & Budget | | 1,543 | 1,856 | 1,713 | -7.7% |
| Information & Communications Technology | | 20,323 | 20,850 | 21,435 | 2.8% |
| Human Resources & Development | | 5,259 | 5,655 | 5,958 | 5.4% |
| Office of Social Responsibility | | 1,644 | 2,187 | 2,312 | 5.7% |
| Industrial Development Corporation | | 3 | - | - | 0.0% |
| Police | | 22,458 | 22,658 | 22,879 | 1.0% |
| Contingency | | 266 | 450 | 1,050 | 133.3% |
| **Total Operating Expenses** | | **$75,725** | **$80,168** | **$82,149** | 2.5% |

Notes:
1) Does not include adjustment for charges into Corporate SubClasses from Divisions.
FIGURE VIII-1: ADMINISTRATIVE EXPENSE BY DEPARTMENT

- Commission: 1.9%
- Executive: 2.2%
- Labor Relations: 1.2%
- Legal: 4.0%
- Risk Services: 3.8%
- Health & Safety Services: 1.4%
- Public Affairs: 7.2%
- Accounting & Financial Reporting: 8.9%
- Internal Audit: 1.9%
- Finance & Budget: 2.1%
- Information & Communications Technology: 26.1%
- Police: 27.9%
- Office of Social Responsibility: 2.8%
- Human Resources & Development: 7.5%

Total Expense: $82,149
### TABLE VIII-3: REVENUES AND EXPENSES BY ACCOUNT

<table>
<thead>
<tr>
<th>BY ACCOUNT</th>
<th>2013 Actual</th>
<th>2014 Budget</th>
<th>2015 Budget</th>
<th>% Change 2015 Bud-2014 Bud</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Rental Revenue</td>
<td>$ 6</td>
<td>$ -</td>
<td>$ -</td>
<td>0.0%</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>473</td>
<td>155</td>
<td>340</td>
<td>119.1%</td>
</tr>
<tr>
<td><strong>Total Administrative Revenue</strong></td>
<td>479</td>
<td>155</td>
<td>340</td>
<td>119.1%</td>
</tr>
<tr>
<td><strong>Expense</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries, Wages, Benefits &amp; Workers Compensation</td>
<td>59,291</td>
<td>62,646</td>
<td>64,312</td>
<td>2.7%</td>
</tr>
<tr>
<td>Equipment Expense</td>
<td>1,992</td>
<td>1,215</td>
<td>1,136</td>
<td>-6.5%</td>
</tr>
<tr>
<td>Utilities</td>
<td>2</td>
<td>8</td>
<td>2</td>
<td>-78.4%</td>
</tr>
<tr>
<td>Supplies &amp; Stock</td>
<td>464</td>
<td>549</td>
<td>459</td>
<td>-16.5%</td>
</tr>
<tr>
<td>Outside Services</td>
<td>10,920</td>
<td>11,322</td>
<td>12,104</td>
<td>6.9%</td>
</tr>
<tr>
<td>Travel &amp; Other Employee Expenses</td>
<td>2,231</td>
<td>2,646</td>
<td>2,603</td>
<td>-1.6%</td>
</tr>
<tr>
<td>Promotional Expenses</td>
<td>378</td>
<td>463</td>
<td>346</td>
<td>-25.2%</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>3,291</td>
<td>4,260</td>
<td>4,240</td>
<td>-0.5%</td>
</tr>
<tr>
<td><strong>Total Operating Expenses Before Charges to Cap/Govt/Envrs Projects</strong></td>
<td>78,568</td>
<td>83,108</td>
<td>85,202</td>
<td>2.5%</td>
</tr>
<tr>
<td>Charges to Capital/Govt/Envrs Projects</td>
<td>(2,843)</td>
<td>(2,940)</td>
<td>(3,053)</td>
<td>3.8%</td>
</tr>
<tr>
<td><strong>Total Administrative Expense</strong></td>
<td><strong>$ 75,725</strong></td>
<td><strong>$ 80,168</strong></td>
<td><strong>$ 82,149</strong></td>
<td><strong>2.5%</strong></td>
</tr>
</tbody>
</table>

Notes:

1) Does not include adjustment for charges into Corporate SubClasses from Divisions.
2) 2014 Budget excludes the transfer of Construction Labor Group from Corporate to Capital Development Division.

### FIGURE VIII-2: ADMINISTRATIVE EXPENSE BY ACCOUNT

- Salaries, Wages, Benefits & Workers Compensation: 75.5%
- Equipment Expense: 1.3%
- Supplies & Stock: 0.5%
- Outside Services: 14.2%
- Travel & Other Employee Expenses: 3.1%
- Promotional Expenses: 0.4%
- Other Expenses: 5.0%

Total Before Charges to Capital/Govt/Envrs Projects: $85,202
Charges to Capital/Govt/Envrs Projects: $3,053
Total Administrative Expense: $82,149
E. STAFFING

The following TABLE VIII-4 depicts the proposed staffing requirements for 2015 by department for Corporate. Corporate is budgeting 450.6 FTEs, which is 2.8 lower than the 2014 budget. Please see the notes at the bottom of the table below for further explanations.

**TABLE VIII-4: CORPORATE STAFFING**

<table>
<thead>
<tr>
<th>BY DEPARTMENT</th>
<th>Notes</th>
<th>2013</th>
<th>2014</th>
<th>2014</th>
<th>2015</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Actual</td>
<td>Budget</td>
<td>Est. Act.</td>
<td>Budget</td>
<td>2015 Bud -</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2014 Bud</td>
</tr>
<tr>
<td>Commission</td>
<td>1</td>
<td>13.0</td>
<td>12.0</td>
<td>14.0</td>
<td>12.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Executive Office</td>
<td>2</td>
<td>6.0</td>
<td>6.0</td>
<td>6.0</td>
<td>5.0</td>
<td>-16.7%</td>
</tr>
<tr>
<td>Legal Counsel</td>
<td>3</td>
<td>16.5</td>
<td>16.5</td>
<td>15.5</td>
<td>15.5</td>
<td>-6.1%</td>
</tr>
<tr>
<td>Risk Services</td>
<td></td>
<td>6.0</td>
<td>6.0</td>
<td>6.0</td>
<td>6.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Health &amp; Safety</td>
<td></td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Public Affairs</td>
<td>4</td>
<td>26.0</td>
<td>26.5</td>
<td>25.5</td>
<td>25.5</td>
<td>-3.8%</td>
</tr>
<tr>
<td>Accounting &amp; Financial Reporting</td>
<td>5</td>
<td>55.2</td>
<td>55.4</td>
<td>55.4</td>
<td>55.6</td>
<td>0.4%</td>
</tr>
<tr>
<td>Finance &amp; Budget</td>
<td>6</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>11.0</td>
<td>10.0%</td>
</tr>
<tr>
<td>Internal Audit</td>
<td></td>
<td>9.2</td>
<td>9.2</td>
<td>9.2</td>
<td>9.2</td>
<td>0.0%</td>
</tr>
<tr>
<td>Office of Social Responsibility</td>
<td>7</td>
<td>5.3</td>
<td>6.0</td>
<td>6.5</td>
<td>6.5</td>
<td>8.3%</td>
</tr>
<tr>
<td>Information &amp; Communication Technology</td>
<td>8</td>
<td>121.0</td>
<td>125.0</td>
<td>124.0</td>
<td>126.0</td>
<td>0.8%</td>
</tr>
<tr>
<td>Labor Relations</td>
<td>9</td>
<td>8.5</td>
<td>8.5</td>
<td>9.5</td>
<td>6.0</td>
<td>-29.4%</td>
</tr>
<tr>
<td>Human Resources &amp; Development</td>
<td>10</td>
<td>34.3</td>
<td>34.3</td>
<td>34.3</td>
<td>36.3</td>
<td>5.8%</td>
</tr>
<tr>
<td>Police</td>
<td>11</td>
<td>131.0</td>
<td>130.0</td>
<td>128.0</td>
<td>128.0</td>
<td>-1.5%</td>
</tr>
<tr>
<td>TOTAL CORPORATE PROFESSIONAL &amp; TECHNICAL SERVICES DIVISION</td>
<td></td>
<td>450.0</td>
<td>453.4</td>
<td>451.9</td>
<td>450.6</td>
<td>-0.6%</td>
</tr>
</tbody>
</table>

Notes:

1) Commission added 2 FTEs, a Strategic Communications Manager and a Strategic Issues Manager; deleted the Century Agenda Liaison and the Policy Analyst positions.
2) Executive deleted the Executive Staff Assistant position.
3) Legal deleted the Work Place Responsibility Officer.
4) Public Affairs transferred the Advertising/Communications Specialist to Aviation.
5) Accounting and Financial Reporting deleted the Sr. Revenue Service Manager and added a new position in 2014 and were approved for a .2 College Intern for 2015.
6) Finance & Budget added a Financial Analyst I.
7) OSR added two new High School Interns.
8) ICT deleted a Sr. Manager, ICT Service Desk position and converted 2 contractor positions to regular full-time - IT Security Engineer/Analyst, and a Network Engineer.
9) Labor Relations received 1 Administrative Manager from Police and transferred the Labor Construction Group, 3.5 FTEs to Aviation Project Management.
10) Human Resources & Development deleted the .6 Sr. Total Compensation Analyst in 2014 and added an OD/ Metric Analyst and a Sr. Total Compensation Analyst Limited Duration position.
11) Police transferred the Administrative Manager to Labor Relations and reduced a Commissioned position.
F. CAPITAL BUDGET

Corporate has a total 2015 capital budget of $9.7 million, of which $1.6 million pertains to Capital Development Division. For more detail refer to the Capital Budget, Section X.

TABLE VIII-5 provides a summary of the Corporate 2015 capital budget.

TABLE VIII-5: CORPORATE CAPITAL BUDGET

<table>
<thead>
<tr>
<th></th>
<th>2015 Budget</th>
<th>2015-2019 CIP</th>
<th>% of 2015 Total Committed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Committed Capital Projects</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Development Division</td>
<td>$1,607</td>
<td>$4,428</td>
<td>23.2%</td>
</tr>
<tr>
<td>Corporate General</td>
<td>366</td>
<td>2,544</td>
<td>5.3%</td>
</tr>
<tr>
<td>ICT Business Services</td>
<td>4,955</td>
<td>16,030</td>
<td>71.5%</td>
</tr>
<tr>
<td>Total Committed</td>
<td>$6,928</td>
<td>$23,002</td>
<td>100.0%</td>
</tr>
<tr>
<td>Business Plan Prospective Projects</td>
<td>$2,800</td>
<td>$20,725</td>
<td></td>
</tr>
<tr>
<td>Total CIP</td>
<td>$9,728</td>
<td>$43,727</td>
<td></td>
</tr>
</tbody>
</table>

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G. CORPORATE SUMMARY

TABLE VIII-6: CORPORATE SUMMARY

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATING BUDGET</td>
<td></td>
<td>2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Revenue</td>
<td>$ 479</td>
<td>$ 155</td>
<td>$ 269</td>
<td>$ 340</td>
</tr>
<tr>
<td>Corporate Expense</td>
<td>53,267</td>
<td>57,510</td>
<td>57,212</td>
<td>59,270</td>
</tr>
<tr>
<td>Law Enforcement Costs</td>
<td>22,458</td>
<td>22,658</td>
<td>22,474</td>
<td>22,879</td>
</tr>
<tr>
<td>Total</td>
<td>1</td>
<td>75,725</td>
<td>80,168</td>
<td>79,686</td>
</tr>
<tr>
<td>Income from Operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ (75,247)</td>
<td>$ (80,013)</td>
<td>$ (79,417)</td>
<td>$ (81,809)</td>
<td>2.2%</td>
</tr>
<tr>
<td>CAPITAL SPENDING</td>
<td>2</td>
<td>$ 9,657</td>
<td>$ 8,656</td>
<td>$ 11,630</td>
</tr>
<tr>
<td>TOTAL FTEs</td>
<td></td>
<td>450.0</td>
<td>453.4</td>
<td>451.9</td>
</tr>
</tbody>
</table>

Notes:
1) 2014 Budget excludes the transfer of Construction Labor Group from Corporate to Capital Development Division.
2) Capital Spending includes Capital Development Division