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Meeting Date: [September 28, 2021](#)



# 2022 Central Services Preliminary Budget Briefing

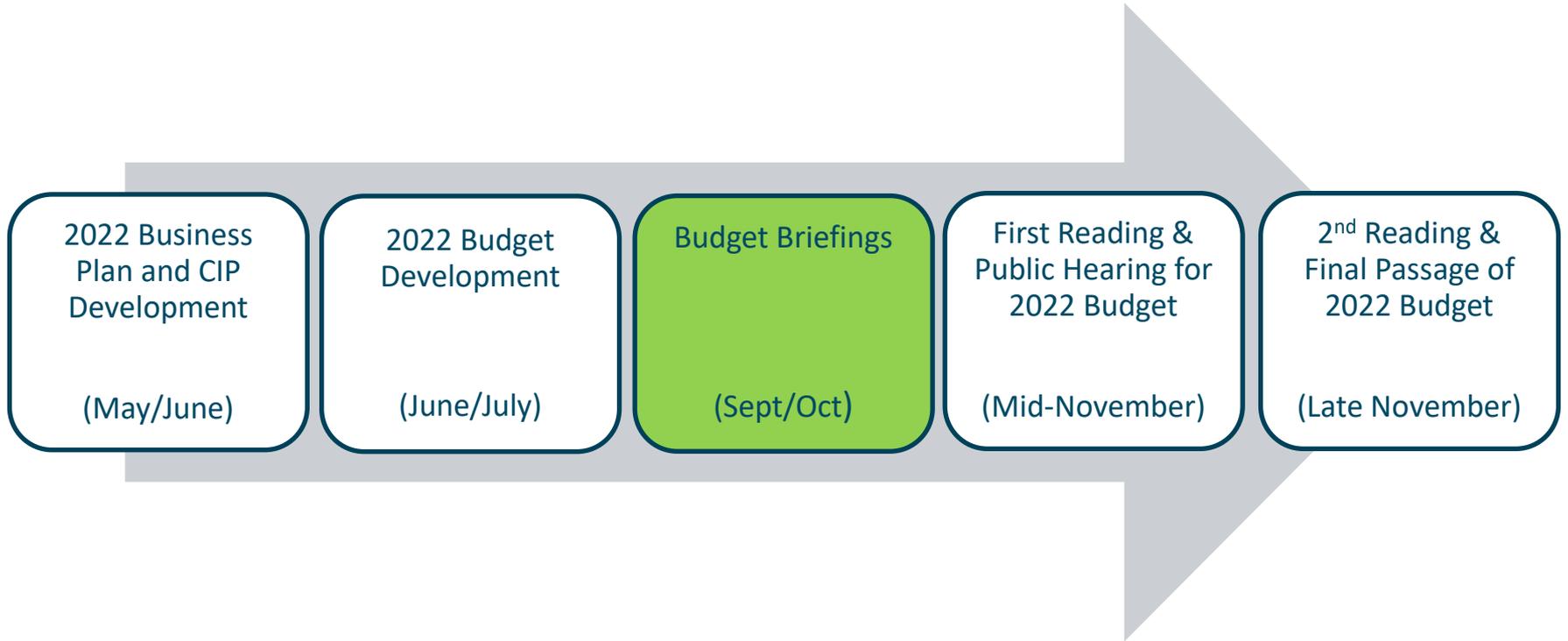
Date: September 28, 2021



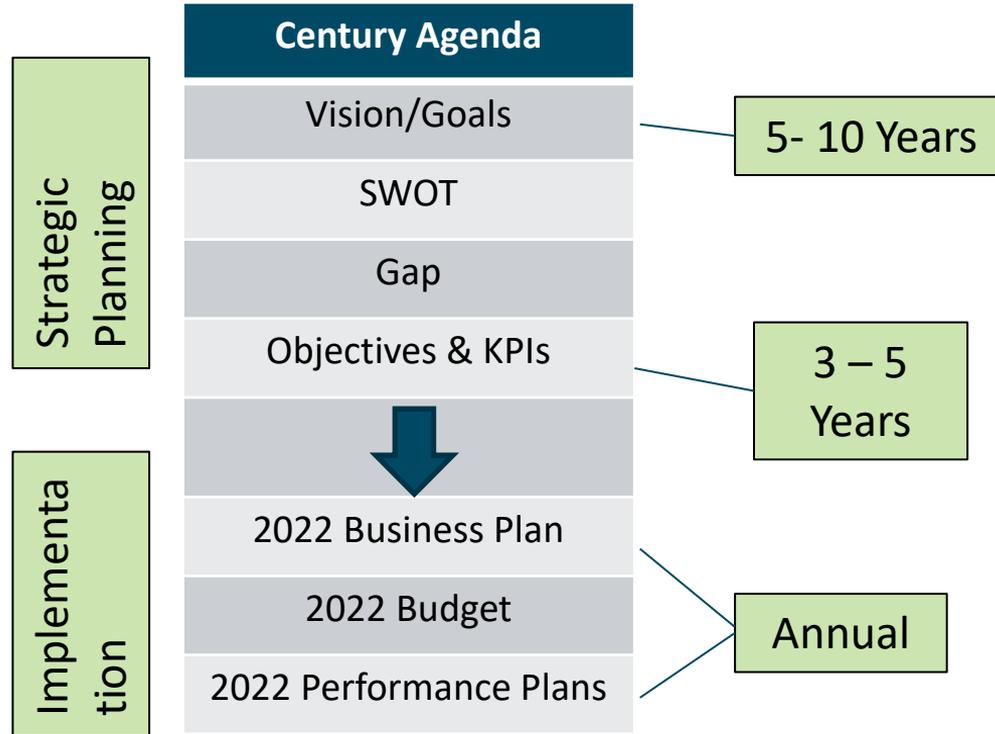
# Outline for the Presentation

- Strategy to Budget Process
- 2022 Budget Guiding Principles and Strategy
- 2022 Budget Target and Approach
- 2022 New Budget Requests
- 2022 Proposed Operating Budget
- 5 Year CIP (2022 – 2026)
- 2022 Preliminary Portwide Budget
- Remaining 2022 Budget Schedule
- Appendix

# 2022 Budget Timeline



# Strategy to Budget Process



# Century Agenda Drives Port Priorities and Budgets



- ★ Position the Puget Sound Region as a Premier International Logistics Hub
- ★ Advance this Region as a Leading Tourism Destination and Business Gateway
- ★ Responsibly Invest in the Economic Growth of the Region and all its Communities
- ★ Be the Greenest and Most Energy Efficient Port in North America
- ★ Become a Model for Equity, Diversity and Inclusion
- ★ Be a Highly Effective Public Agency

# SWOT Analysis

In 2020, the Port began assessing the overall health of the organization and overall strategic planning priorities through a **Port-wide SWOT analysis**.

Each Operating Division, COE and Central Services Department submits its **review of current Strengths, Weaknesses, Opportunities and Threats**.

They are then **synthesized into a high-level, comprehensive snapshot** of the factors that will **drive strategic planning and resource allocation for the organization**.

## 2021 SWOT Analyses are an important factor in 2022 Strategic Budget Requests an allocations

The Port-wide SWOTs conducted at the beginning of business planning are used to directly inform strategic goal setting and requests for additional resources.

Each division has used its own SWOT analysis to inform funding requests and changes.

Below are a few examples of SWOT results and their budget implications:

SWOT Analyses Results	Budget Request
Staff is overworked and under resourced	Need to unfreeze positions and add FTEs
Inequitable economic recovery	Investments SKFC/workforce development requests
Properties not designed for customer needs or volumes	Capitol Improvement Program requires significant resources
Cyber Security risks grew exponentially during COVID	Additional funding for protection against cyber threat may be required.

# Port-wide SWOT Summary

## Strengths

### Port has an adaptable knowledgeable workforce

- Knowledgeable, highly-trained, specialized staff

### Our diverse portfolio of assets and essential businesses

- SEA hub airlines are recovering well post-COVID; diverse valuable facilities

### Relationships, Reputation & Community Support

- Positive reputation, partnerships, relationships

### Adaptability

- Internal processes adapted quickly and effectively to pandemic

## Opportunities

### Leverage innovation to improve productivity & cust. exp.

- Comms/banking tech and automation

### Cruise

- Rebound of a more sustainable cruise industry
- Develop cruise terminal into multi-use facility

### COVID regional recovery has opened new doors

- More competitive construction costs; Increased real estate investment

### Telework opens new strategic possibilities

- Reduced commute time, emissions, costs to the Port

## Weaknesses

### Staffing Challenges

- Multiple vacancies, staff capacity at its limit

### Competing Priorities/Inefficient processes

- Lack of capacity for new projects and maintain existing
- Complex processes hinders external partnership

### Decreased/Uncertain Capital Capacity

- Lower debt svc coverage, cash balance, capital capacity

### Facility/Business growth capacity is diminishing

- SEA and MT properties not designed for customer needs or volumes

## Threats

### Staff, the Port's greatest asset, is under resourced

- Aging workforce, unexpected attrition, inability to hire

### Uncertain Costs and Revenue Projections

- Ongoing COVID related uncertainty, slower rebound of cruise/travel industry, inequitable economic recovery

### Climate Change moves inexorably forward

- Impact on fisheries from sea temperature changes and acidification

### Cyber Security must be a priority

- Cyber attacks are increasing; the port is more vulnerable

# 2022 Budget Guiding Principles

- Continue to focus on the **health and safety of employees, customers and the public** with increased utilization of Port facilities
- Ensure the **efficient operation of Port business gateways** as business volumes recover
- Support **regional equitable economic recovery** through advancing the Port's **capital improvement plan** and continued **investment in community programs**
- Assess the **longer-term effects of COVID-19 on Port operations** and facility needs
- Invest in **employee development, retention, and recruitment**
- Need to be **adaptable and flexible** to the changing business environment

# 2022 Budget Strategies

- Maintain expense growth in line with projected revenue growth
- Reassess staffing needs considering projected increases in business activity
- Restore merit pay increases for non-represented staff and increase expenditures for training and development
- Begin to incorporate an equity lens in developing and reviewing budgets and operational plans

# Budget Context

- The Port is on the path to recovery, but much uncertainty remains given COVID variants and lagging vaccination rates
- Resources have been severely constrained over the past two years; Central Services departments direct support business units and costs are not driven by business volumes
- Major budget drivers include the following:
  - Support a regional equitable recovery
  - Effectively operate the Port's business gateways
  - Support the Port's large and growing capital program
  - Invest in employees through restoring pay increases and employee enrichment programs
  - Support organizational effectiveness and division objectives including environmental sustainability and customer experience

# 2022 Non-Payroll Budget Targets

- Baseline Target: 75% of the 2020 Approved Budget for most non-payroll accounts (with exceptions for specific non-discretionary items)
- Key exceptions:
  - Property Rentals, Insurance, Utilities, and Telecommunications
  - Worker's Compensation
  - Contracted services including software licenses/maintenance, equipment maintenance
- Travel & Other Employee Expenses – Some discretion between Travel and Training

# Baseline Budget Increase Drivers

- Payroll Increases
  - 6.0% average Pay for Performance increase for non-represented employees
  - Increase for represented groups based on contracts
  - Approved 15 new mid-year FTEs, 5 unfrozen FTEs, and 1 overlap FTE
- Non-discretionary contractual and other increases
- Port wide employee enrichment programs
  - Reinstatement of funds for Tuition Reimbursement Program and employee/retiree recognition
  - Teleworking equipment reimbursement

# 2022 Budget Target Approach

- Approach distinguishes between Core Central Services (primarily administrative support functions) and Police, Engineering and Port Construction Services, which have different cost drivers
- Core Central Services budget target started with the 2020 Approved Budget (adjusted for one-time items), which was inflated by 3% per year to 2022 or 6.1% compounded increase above 2020 approved budget
- The difference between this amount and the 2022 Baseline budget created an amount available to fund new requests
- The Police budget was separately reviewed by operating divisions to determine agreed-upon service levels

# 2022 New Budget Requests Summary

	<u>Requests</u>	<u>Approved</u>
<b>Expense Items</b>		
Number	105	81
Amount (in \$000's)	11,915	8,467
<b>Number of FTEs</b>		
Unfreeze	33.8	24.8
New	39.0	34.0
<b>Total</b>	<u>72.8</u>	<u>58.8</u>

# Proposed New FTEs Details

Category	Description	Total
Regional Equitable Recovery	<b>6 New:</b> Apprentices (4); Contract Administrator, Service Agreements (2)	<b>6.0</b>
Business Gateways	<b>4 New:</b> Traffic Support Specialist (4) <b>Unfreeze 0.8:</b> Customer Research Field Worker	<b>4.8</b>
Capital Program	<b>6 New:</b> Assistant Manager Field Operations; Buyer II (2); Contract Administrator 5; Senior Construction Manager; Structure Engineer III <b>Unfreeze 11:</b> Construction Inspector II (4); Assist. Resident Eng (2); Project Assistant; Eng. Technician; Mechanical Eng III; Sr. Design Architect; Civil Eng II	<b>17.0</b>
Safety & Security	<b>11 New:</b> Info Sec Compliance and Risk Manager; Information Security Sr Engineer/Analyst; Health & Safety Program Manager; Police officer (6); Crisis Coordinator; Seaport Patrol Officer <b>Unfreeze 6:</b> Police Officer (4); Police Specialist; Police/Fire Comm Specialist	<b>17.0</b>
Organizational Effectiveness and Division Priorities	<b>7 New:</b> Investigation Specialist; Bus. Analyst; Sustainability Analyst for GHG emissions inventory; Env. Innovation and Performance Communications; Buyer III-P-Card; Sr. Treasury Analyst; Sr. FRC Analyst <b>Unfreeze 7:</b> Creative Services Manager; Employee Relations Consultant; Talent Acquisition Representative; Workers Compensation Claims Assistant; Test Engineer; System Engineer; Desktop Engineer	<b>14.0</b>
<b>Total</b>		<b>58.8</b>

# 2022 Central Services Proposed FTEs Summary

<b>Description</b>	<b>FTEs</b>	<b>Notes</b>
<b>2021 Approved Budget</b>	<b>845.5</b>	
Changes in 2021:		
Mid-Year Approvals	15.0	PCS (1), Legal (1), CPO (5), HR (3), OEDI (1), Eng (2), AFR (1), Ext Rel (1); excludes overlap in Legal
Eliminated	0.0	
Transfer	0.0	
<b>2021 Baseline</b>	<b>860.5</b>	
2022 Budget Changes:		
Transfer	0.0	
Eliminated	-8.7	F&B(.63), OSI (2), Ext. Rel (2), HS Interns (restructured prgm)
New FTEs Approved	<b>34.0</b>	
<b>Net Change</b>	<b>25.3</b>	
<b>2022 Proposed FTEs</b>	<b>885.8</b>	
<b>Frozen FTEs Summary</b>		
Frozen FTEs as of Jan 2021	43.8	
Mid-Yr Exemptions from HF	-5.0	
2022 Apprv'd to Unfreeze	<b>-24.8</b>	
Frzn FTEs to be eliminated	-4.0	Ext Relations (2), OSI (2)
<b>TTL remaining Fzn FTEs</b>	<b>10.0</b>	

- Original request **72.8 FTEs** (39 New & 33.8 Frzn)
- Approved **58.8 FTEs** (34 New & 24.8 Frzn)
- **10.0 Frzn FTEs** remain for 2022

# Major Non-Payroll Budget Additions Summary

- Computer Refresh Increase: \$500K
- Outside Legal Contract Increase: \$500K
- Sea Tac Court Service Agreement: \$445K
- Resiliency Initiative: \$250K
- Analytics Automation, SAAS Migration and P69 Surface Hubs \$373K
- Scope 3 Emissions: \$200K
- Implementation of Police Assessment Recommendations: \$150K
- Annual cloud services for Body Worn Camera: \$145K
- Information Security: \$128K
- South King County Fund Community Capacity Building Contract: \$125K
- East King County Work Locations and Conferencing Privileges: \$100K

# Central Services Preliminary Budget Highlights

- Total operating expense is \$140.3M, \$6.0M or 4.5% higher compared to the 2020 Approved Budget
  - Payroll budget increase by \$5.6M or 4.5% due to:
    - 6% average pay increase (for both represented and non-represented employees)
    - 15 mid-year approvals and 5 unfrozen FTEs
    - 34 new and 24.8 unfrozen FTEs
  - Non-payroll reduced by \$1.6M or 3.4% mainly due to:
    - Lower on-site consultant costs, travel and other employee exp.
    - Partially offset by higher Insurance Exp, Worker's Comp, and PC Refresh

# 2022 Preliminary Expense Budget Summary

(in \$000's)	2019	2020	2021	2022	Inc/(Dec)	
	Actual *	Budget	Budget	Proposed Budget	Change from 2020	
					\$	%
Core Central Services	76,059	90,323	85,678	95,177	4,854	5.4%
Police Department	27,793	31,444	28,317	32,746	1,302	4.1%
Engineering	5,696	8,765	5,580	7,428	(1,337)	(15.3%)
Port Construction Services	4,341	3,748	3,619	4,906	1,159	30.9%
<b>Total Central Services</b>	<b>113,891</b>	<b>134,279</b>	<b>123,194</b>	<b>140,256</b>	<b>5,977</b>	<b>4.5%</b>

\* The 2019 actual included a \$8.3M DRS pension credit.

# Central Services Preliminary Budget by Account

DESCRIPTION (in \$000's)	2019	2020	2021	2022	Inc/(Dec)		Notes
	Actual *	Budget	Budget	Proposed Budget	Change from 2020	%	
<b>TOTAL OPERATING REVENUE</b>	<b>1,282</b>	<b>40</b>	<b>181</b>	<b>186</b>	<b>146</b>	<b>366.0%</b>	
<b>OPERATING EXPENSE</b>							
Salaries & Benefits	66,708	73,710	72,029	79,169	5,460	7.4%	6% PfP increase and new/unfrozen FTEs
Wages & Benefits	20,358	30,411	26,802	30,401	(10)	(0.0%)	
Payroll to Cap/Govt/Envrs Proj	16,714	20,419	19,248	20,532	112	0.6%	
<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>103,779</b>	<b>124,540</b>	<b>118,079</b>	<b>130,102</b>	<b>5,562</b>	<b>4.5%</b>	
Equipment Expense	2,869	2,526	1,858	3,159	634	25.1%	Increase in PC refresh
Utilities	29	46	33	29	(17)	(36.7%)	
Supplies & Stock	1,369	1,302	876	1,037	(265)	(20.4%)	
Outside Services	26,553	33,753	28,465	31,559	(2,194)	(6.5%)	Reduced On-site Consultant costs
Travel & Other Employee Exps	2,548	3,343	1,378	2,767	(576)	(17.2%)	
Promotional Expenses	658	867	316	617	(250)	(28.8%)	
Telecommunications	611	679	616	709	30	4.4%	
Property Rentals	975	1,204	1,486	1,293	90	7.5%	Increase rent in STOC lease
Worker's Compensation Expense	622	375	621	793	417	111.2%	Increase in Worker's Compensation
General Expenses	3,169	2,839	3,122	3,390	551	19.4%	Increase in Insurance expenses
Overhead Allocations	(0)	25	(0)	(0)	(25)	(100.0%)	
<b>TOTAL NON-PAYROLL EXPENSES</b>	<b>39,402</b>	<b>46,958</b>	<b>38,770</b>	<b>45,352</b>	<b>(1,605)</b>	<b>(3.4%)</b>	
<b>TOTAL COSTS BEFORE CAPITAL CHARGES</b>	<b>143,181</b>	<b>171,498</b>	<b>156,849</b>	<b>175,454</b>	<b>3,956</b>	<b>2.3%</b>	
Charges to Cap/Govt/Envrs Projects	(29,291)	(37,219)	(33,655)	(35,198)	2,021	(5.4%)	Less Charges to Capital than 2020 budget
<b>TOTAL OPERATING EXPENSE</b>	<b>113,891</b>	<b>134,279</b>	<b>123,194</b>	<b>140,256</b>	<b>5,977</b>	<b>4.5%</b>	

\* The 2019 actual included a \$8.3M DRS pension credit.

# Risks/Issues

- Continued uncertainty regarding path of recovery. If recovery stalls and revenues fall short of budget, expense and other cuts may be required as in 2020/21
- Ability to execute on a growing number of programs and initiatives
- Ability to hire large number of new staff in addition to normal turnover—5% vacancy rate assumed in budget

# Central Services CIP

September 28, 2021

# Central Services Capital Projects Summary

<b>Five Year Capital Plan (\$000's) *</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2022-2026 Total</b>
Commission Authorized Projects	2,700	1,000	-	-	-	3,700
Projects Pending Authorization	4,540	6,870	2,300	1,000	1,000	15,710
Small Capital	5,854	5,030	5,170	4,778	4,356	25,188
CIP Cashflow Management Reserve	(3,900)	(3,125)	2,342	2,342	2,342	-
<b>Total</b>	<b>9,194</b>	<b>9,775</b>	<b>9,812</b>	<b>8,120</b>	<b>7,698</b>	<b>44,598</b>

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

# Commission Authorized Projects

<b>Five Year Capital Plan (\$000's)</b>	*	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2022-2026 Total</b>
<b>Commission Authorized Projects</b>							
POS Offices Wi-Fi	U	1,300	1,000	-	-	-	2,300
Phone System	U	1,000	-	-	-	-	1,000
Environmental Mgmt Info System	N	400	-	-	-	-	400
<b>Total</b>		<b>2,700</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,700</b>

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

# Projects Pending Authorization

Five Year Capital Plan (\$000's)	*	2022	2023	2024	2025	2026	2022-2026 Total
<b>Projects Pending Authorization</b>							
IT Renewal/Replacement	U	-	-	1,000	1,000	1,000	3,000
Public Safety Dispatch System	U	550	3,150	300	-	-	4,000
Microwave Radio Tower Loop	U	1,040	1,460	-	-	-	2,500
Enterprise Network Refresh	U	640	1,360	-	-	-	2,000
STIA Network Redundancy	N	-	500	1,000	-	-	1,500
Contract Management System Replacement	U	450	400	-	-	-	850
ID Badge System Upgrade	U	750	-	-	-	-	750
Conference Room Communications	U	510	-	-	-	-	510
Police - Bomb Disposal Robot Acquisition	N	350	-	-	-	-	350
Environmental Remediation System	N	250	-	-	-	-	250
<b>Total</b>		<b>4,540</b>	<b>6,870</b>	<b>2,300</b>	<b>1,000</b>	<b>1,000</b>	<b>15,710</b>

# Small Capital Projects

<b>Five Year Capital Plan (\$000's)</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2022-2026 Total</b>
<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
CDD Fleet Replacement	1,465	785	970	450	115	3,785
Corporate Fleet Replacement	645	713	725	748	766	3,597
Enterprise GIS Small Capital	250	250	250	250	250	1,250
Engineering Small Cap	394	182	125	230	125	1,056
Corporate Small Capital	100	100	100	100	100	500
<b>Total - Small Capital</b>	<b>5,854</b>	<b>5,030</b>	<b>5,170</b>	<b>4,778</b>	<b>4,356</b>	<b>25,188</b>
<b>CIP Cashflow Management Reserve</b>						
CIP Reserve - Central Services	(3,900)	(3,125)	2,342	2,342	2,342	-

# Portwide Rollup

September 28, 2021

# 2022 Preliminary Portwide Budget

(in \$000's)	2019	2020	2021	2022	Inc/(Dec)	
	Actual	Budget	Budget	Proposed Budget	Change from 2020	
					\$	%
<b><u>Operating Revenues (Subclass)</u></b>						
Aeronautical	357,598	401,342	386,668	413,527	12,185	3.0%
Non-Aeronautical Rev	269,037	283,167	189,548	241,146	-42,021	-14.8%
Aviation	626,636	684,510	576,215	654,673	-29,837	-4.4%
Maritime	59,289	62,938	45,280	59,375	-3,563	-5.7%
EDD	21,151	19,110	13,348	18,769	-341	-1.8%
Joint Venture	50,986	40,322	40,825	40,772	449	1.1%
Stormwater Utility	4,499	4,696	5,012	5,079	383	8.2%
Central Services	1,614	40	181	186	146	366.0%
<b>Portwide Total</b>	<b>764,174</b>	<b>811,616</b>	<b>680,861</b>	<b>778,855</b>	<b>-32,761</b>	<b>-4.0%</b>
<b><u>Operating Expenses (Subclass)</u></b>						
Aviation	355,245	377,306	339,908	398,560	21,254	5.6%
Maritime	48,644	54,396	50,243	57,815	3,419	6.3%
EDD	27,156	29,368	21,413	28,291	-1,077	-3.7%
Joint Venture	4,699	837	1,377	1,545	708	84.6%
Stormwater Utility	3,893	3,940	4,506	4,501	561	14.3%
Central Services	2,063	3,922	5,966	7,653	3,731	95.1%
<b>Total</b>	<b>441,700</b>	<b>469,769</b>	<b>423,412</b>	<b>498,365</b>	<b>28,596</b>	<b>6.1%</b>
<b>Net Operating Income (NOI)</b>	<b>322,474</b>	<b>341,847</b>	<b>257,448</b>	<b>280,490</b>	<b>-61,357</b>	<b>-17.9%</b>

# 2022 Community Programs

Program (in \$000)	2019 Actual	2020 Budget	2020 Revised Budget	2020 Actual	2021 Budget	2021 Q2 Actual	2022 Proposed Budget	2022 Proposed Budget Funded by the levy	% of the 2022 Proposed Budget Funded by the levy
1) Airport Community Ecology (ACE) Fund	260	522	522	168	212	46	135	135	100%
2) Duwamish Valley Community Equity Program	-	292	292	272	275	50	387	387	100%
3) South King County Support Program	-	1,500	1,500	80	2,000	235	2,195	2,195	100%
4) EDD Partnership Grants	763	960	960	865	910	-	1,000	1,000	100%
5) City of SeaTac Community Relief	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	100%
6) Airport Spotlight Ad Program	934	1,148	1,148	(327)	382	137	466	466	100%
7) Energy & Sustainability Fund	283	250	150	5	373	26	160	160	100%
8) Maritime Blue (formerly Maritime Innovation Center)	-	150	150	45	150	108	150	150	100%
9) Tourism Marketing Support Program	1,338	1,536	2,842	952	2,481	387	1,675	550	33%
10) Workforce Development	1,771	3,119	4,403	3,755	2,682	744	3,140	1,376	44%
a. Opportunity Youth Initiative (OYI) <sup>1</sup>	-	-	1,500	1,338	-	14	-	-	0%
11) Diversity in Contracting	883	1,520	1,331	1,025	1,510	592	1,986	10	1%
a. Small Bus. Accelerator (DIC) under SKCF				80	180	115	250	250	100%
12) High School Internship Program	529	657	632	295	500	158	496	-	0%
13) Equity, Diversity & Inclusion	565	1,346	925	919	1,062	564	1,366	-	0%
14) Sustainable Aviation Fuels & Air Emissions Program	-	40	40	-	250	-	200	200	100%
15) Low Carbon Fuel Standard/GHG Reduction Effort Support	-	150	105	118	75	36	110	-	0%
16) Orca Recovery Program	-	-	-	-	50	-	20	20	100%
<b>TOTAL</b>	<b>8,725</b>	<b>14,590</b>	<b>16,401</b>	<b>9,492</b>	<b>14,131</b>	<b>4,369</b>	<b>14,637</b>	<b>8,049</b>	<b>55%</b>

Note:

<sup>1</sup> \$2.0M budget for OYI was added for 2021 in May 2021.

# Remaining 2022 Budget Schedule

- Operating division budgets briefing (10/12)
- 2022 Preliminary Budget Document Available to the Commission (10/19)
- 2022 Preliminary Budget Document Available to the Public (10/21)
- 2022 Tax Levy & Draft Plan of Finance Commission Briefing (10/26)
- Introduction and Public Hearing of the 2022 Budget (11/9)
- Commission Approval of the 2022 ILA between POS and the NWSA (11/9)
- NWSA Budget Adoption by Managing Members (11/9)
- Adoption of the 2022 Budget (11/16)
- Filing of 2022 Statutory Budget with King County Council & Assessor (12/1)
- Release of 2022 Budget to the Public (12/15)

# Appendix

# 2022 New Budget Requests by Dept

<b>2022 New Budget Requests (in \$000s)</b>	<b>Request Amount</b>	<b>O&amp;M Amount</b>
Commission Office	-	-
Executive Office	143	143
Legal	1,642	1,567
External Relations	535	535
OEDI	438	438
BI	375	375
HR	852	852
ICT	2,638	2,341
Info Sec	494	490
AFR	95	95
Internal Audits	295	115
F&B	281	281
OSI	152	152
ENV Admin	595	595
CPO	774	652
<b>Core Central Support Services</b>	<b>9,308</b>	<b>8,631</b>
Police	2,614	2,614
ENG	1,407	519
PCS	211	151
<b>TOTAL</b>	<b>13,540</b>	<b>11,915</b>

# 2022 Preliminary Budget Summary

(in \$000's)	2019	2020	2021	2022	Inc/(Dec)	
	Actual *	Budget	Budget	Proposed Budget	Change from 2020	
					\$	%
<b>Total Payroll Costs (with Capital)</b>	103,779	124,540	118,079	130,102	5,562	4.5%
<b>Total Non-Payroll Costs (with Capital)</b>	39,402	46,958	38,770	45,352	(1,605)	-3.4%
<b>Total Costs (with Capital)</b>	<b>143,181</b>	<b>171,498</b>	<b>156,849</b>	<b>175,454</b>	<b>3,956</b>	<b>2.3%</b>
Sal/Wage-Cap/Govt/Envrs Proj	(16,714)	(20,419)	(19,248)	(20,532)	112	-0.6%
Cap/Govt/Envrs Projects OH	(5,587)	(5,772)	(5,974)	(7,818)	2,047	-35.5%
OnsiteConsult-Cap/Gov/Env Proj	(7,318)	(11,028)	(8,434)	(6,848)	(4,180)	37.9%
<b>Total Charges to Capital</b>	(29,619)	(37,219)	(33,655)	(35,198)	(2,021)	5.4%
<b>Total Payroll Expenses</b>	87,066	104,121	98,831	109,570	5,449	5.2%
<b>Non-Payroll O&amp;M Expense</b>	26,825	30,158	24,363	30,686	528	1.8%
<b>Total O&amp;M Expenses</b>	<b>113,891</b>	<b>134,279</b>	<b>123,194</b>	<b>140,256</b>	<b>5,977</b>	<b>4.5%</b>

\* The 2019 actual included a \$8.3M DRS pension credit.

# Central Services Preliminary Budget by Dept

Departments (in \$000's)	2019	2020	2021	2022	Inc/(Dec)		Notes
	Actual *	Budget	Budget	Proposed Budget	Change from 2020		
					\$	%	
O1100-Executive	2,018	2,355	2,285	2,638	283	12.0%	
O1200-Commission Office	2,022	2,292	2,169	2,436	145	6.3%	Approved mid-year new FTE in 2021
O1310-Legal	4,987	4,001	3,919	5,105	1,104	27.6%	Increase in Outside Legal expense and new FTE
O1330-Risk Services	3,137	3,438	3,939	4,688	1,250	36.4%	Increase in Insurance expense and unfrozen FTEs
O1400-External Relations	7,760	11,070	9,878	10,844	(226)	(2.0%)	Reduced outside services
O1460-Equity, Diversity and Inclusion	2,337	4,465	3,743	4,506	41	0.9%	
O1500-Business Intelligence	1,302	2,209	1,523	1,953	(255)	(11.6%)	Frozen FTE
O1600-Engineering	5,696	8,765	5,580	7,428	(1,337)	(15.3%)	Reduced On-site consultant cost
O1700-Port Construction Services	4,341	3,748	3,619	4,906	1,159	30.9%	Added new FTE and less charges to capital
O1800-Human Resources	9,187	11,690	11,385	13,126	1,436	12.3%	New and unfrozen FTEs
O1810-Labor Relations	1,230	1,386	1,346	1,444	58	4.2%	
O1900-Information & Comm. Technology	23,014	26,013	24,427	27,597	1,583	6.1%	New/unfrozen FTEs, PC Refresh, Resilient Initiative
O1980-Information Security	1,203	1,968	1,913	2,449	481	24.5%	Increase budget for cyber security
O2100-Finance & Budget	2,037	2,219	2,292	2,525	306	13.8%	Added a new FTE
O2200-Accounting/Financial Reporting	7,341	9,024	8,724	9,418	394	4.4%	Added new FTEs
O2280-Internal Audit	1,450	1,749	1,637	1,868	119	6.8%	Added a new consultant contract for IAF audit
O2400-Office of Strategic Initiatives	1,448	1,619	1,059	1,231	(389)	(24.0%)	One-time item in the 2020 budget
O2700-Environment & Sustainability	976	1,538	1,408	1,671	133	8.6%	Increase in outside consultant services
O2900-Corporate Contingencies	39	(2,702)	(1,502)	(5,000)	(2,298)	85.1%	Increase vacancy factor from 3% to 4%
O4300-Police Department	27,793	31,444	28,317	32,746	1,302	4.1%	COLA increase and new/unfrozen FTEs
O9200-Central Procurement Office	4,452	5,988	5,532	6,678	690	11.5%	New and unfrozen FTEs
<b>TOTAL OPERATING EXPENSE *</b>	<b>113,891</b>	<b>134,279</b>	<b>123,194</b>	<b>140,256</b>	<b>5,977</b>	<b>4.5%</b>	

\* The 2019 actual included a \$8.3M DRS pension credit.

# Approved FTEs New and Unfrozen

Category	Description	New FTEs	Unfrzn FTEs	Total
Regional Equitable Recovery	Construction/trades apprenticeship program for aviation, maritime and PCS	4.0		4.0
	Contract Administrator 2 – Service Agreements (New Position)	2.0		2.0
<b>Regional Equitable Recovery Total</b>		<b>6.0</b>		<b>6.0</b>
Business Gateways	Customer Research Field Worker (unfreeze existing FTE, Pos ID 00004072)		0.8	0.8
	Traffic Support Specialist-Updated per Police	4.0		4.0
<b>Business Gateways Total</b>		<b>4.0</b>	<b>0.8</b>	<b>4.8</b>
Capital Program	Assistant Manager Field Operations	1.0		1.0
	Buyer II – Evaluative Procurement Team (New Position)	1.0		1.0
	Buyer II – Low Bid; 3 Quotes; Direct Buy Team (New Position)	1.0		1.0
	Contract Administrator 5 – Construction (New Position)	1.0		1.0
	CM - Construction Inspector II, Infrastructure-Unfreeze 05144		1.0	1.0
	CM – Construction Inspector II, Airfield-unfreeze 04768		1.0	1.0
	CM – Construction Inspector II, Tenant Improvement-unfreeze 01010		1.0	1.0
	CM – Construction Inspector II, Night, Tenant Improvement-unfreeze 05569		1.0	1.0
	CM – Assistant Resident Engineer, Aviation-unfreeze 2747		1.0	1.0
	CM – Assistant Resident Engineer, Waterfront, unfreeze 04770		1.0	1.0
	CM – Project Assistant, Waterfront-Unfreeze 5925		1.0	1.0
	CM – Senior Construction Manager-New	1.0		1.0
	Design – Engineering Technician-Unfreeze 00005961		1.0	1.0
	Design – Mechanical Engineer III-unfreeze00000612		1.0	1.0
	Design – Structure Engineer III-New	1.0		1.0
	Design – Senior Design Architect-Unfreeze 00005563		1.0	1.0
	Design – Civil Engineer II-Unfreeze 00005962		1.0	1.0
<b>Capital Program Total</b>		<b>6.0</b>	<b>11.0</b>	<b>17.0</b>

# Approved FTEs New and Unfrozen cont'd.

Category	Description	New FTEs	Unfrzn FTEs	Total
Safety & Security	Information Security Compliance and Risk Manager	1.0		1.0
	Information Security Sr Engineer/Analyst	1.0		1.0
	Health & Safety Program Manager – Fall Protection	1.0		1.0
	Police Officer - New	6.0		6.0
	Crisis Coordinator New	1.0		1.0
	Police Officer -Unfreeze 00005266, 00006211, 00006212, 00006213		4.0	4.0
	Police Specialist - Unfreeze 5993		1.0	1.0
	Police/Fire Comm Spec - Unfreeze 6233		1.0	1.0
	Third Seaport patrol officer- New Updated per Police	1.0		1.0
<b>Safety &amp; Security Total</b>		<b>11.0</b>	<b>6.0</b>	<b>17.0</b>

# Approved FTEs New and Unfrozen cont'd.

Category	Description	New FTEs	Unfrzn FTEs	Total
<b>Organizational Effectiveness and</b>				
<b>Division Priorities</b>	Unfreeze Creative Services Manager-Pos ID 00004831		1.0	1.0
	Investigation Specialist-New	1.0		1.0
	Employee Relations Consultant-Unfreeze 5982		1.0	1.0
	Talent Acquisition Representative-Unfreeze 5981		1.0	1.0
	Workers Compensation Claims Assistant-unfreeze 5980		1.0	1.0
	Test Engineer (Frozen)-Unfreeze 00005985		1.0	1.0
	System Engineer (Frozen)-Unfreeze 00005141		1.0	1.0
	Desktop Engineer – Police Systems (Frozen)-Unfreeze 5827		1.0	1.0
	Business Analyst (New)	1.0		1.0
	Sustainability Analyst for GHG emissions inventory	1.0		1.0
	Environmental Innovation and Performance Communications	1.0		1.0
	Buyer III – P-Card Administrator (New Position)	1.0		1.0
	Senior Treasury Analyst-replace LTD	1.0		1.0
	Sr. FRC Analyst	1.0		1.0
<b>Organizational Effectiveness and Division Priorities Total</b>		<b>7.0</b>	<b>7.0</b>	<b>14.0</b>
<b>Grand Total</b>		<b>34.0</b>	<b>24.8</b>	<b>58.8</b>

# Unfrozen FTE Details

- **Engineering**-4 Construction Inspector II, 2 Assistant Resident Engineer, Project Assistant, Waterfront, Engineering Technician, Mechanical Engineer III, Senior Design Architect, and Civil Engineer II (**11.0 FTEs**)
- **Police**-4 Police Officer, Police Specialist, and Police/Fire Comm Spec (**6.0 FTEs**)
- **Human Resources**-Employee Relations Consultant, Talent Acquisition Representative, and Workers Compensation Claims Assistant- (**3.0 FTEs**)
- **Information & Communications Technology**-Test Engineer, System Engineer, and Desktop Engineer (**3.0 FTEs**)
- **External Relations**-Creative Services Manager (**1.0 FTE**)
- **Business Intelligence**-Customer Research Field Worker (**.75 FTE**)

# Proposed New FTEs Details

- **Police**-6 Police Officers, Seaport patrol officer, Crisis Coordinator, and 4 Traffic Support Specialist **(12.0 FTEs)**
- **Central Procurement Office**-2 Buyer II, Buyer III P-Card Administrator, 2 CA5 for Service Agreements, and CA5 for Construction **(6.0 FTEs)**
- **OEDI/Workforce Development**-4 Apprentices **(4.0 FTEs)**
- **Engineering**-Sr. Construction Manager & Design and Structure Engineer III **(2.0 FTEs)**
- **Environmental & Sustainability**-Environmental Innovation and Performance Communications & Sustainability Analyst for Greenhouse Gas emissions inventory **(2.0 FTEs)**
- **Information Security**-Compliance and Risk Manager and Sr Engineer/Analyst **(2.0 FTEs)**
- **Legal**-Investigation Specialist **(1.0 FTE)**
- **Human Resources**-Health & Safety Program Manager – Fall Protection **(1.0 FTE)**
- **Port Construction Services**-Assistant Manager Field Operations **(1.0 FTE)**
- **Information & Communications Technology**-Business Analyst **(1.0 FTE)**
- **Finance & Budget**-Sr. Treasury Analyst-replace LTD **(1.0 FTE)**
- **Accounting & Financial Reporting**-Sr. FRC Analyst **(1.0 FTE)**

# List of remaining Frozen FTEs in 2022

<b>Dept</b>	<b>Pos ID</b>	<b>Position Title</b>	<b>FTE</b>
Commission Office	00005935	FZN21-Bdgtd20 Wrting Comm Spec	1.0
External Relations	00005864	FZN21-Sr Admin Assistant	1.0
Office of Equity, Diversity and Inclusion	00005948	FZN21-EDI AV Program Mgr	1.0
Business Intelligence	00004832	FZN21-Principal BI Data Engineer	1.0
Human Resources	00005979	FZN21-Bdgtd 20 Talent Dev Spec	1.0
Information & Communication Tech.	00002655	FZN21-Sr Windows Server Eng	1.0
	00005984	FZN21-Lead Software Developer	1.0
	00005986	FZN21-Web Coordinator	1.0
Internal Audit	00003375	FZN21-Sr Internal Auditor	1.0
Port Construction Services	00005972	FZN21-Bdgtd 20 Admin Assistant	1.0
<b>Total</b>			<b>10.0</b>