



Agenda Item No: 11a_supp
Date of Meeting: September 23, 2025

Proposed 2026 Central Services Budget and Preliminary Port-wide Roll-up Commission Briefing

9/23/2025

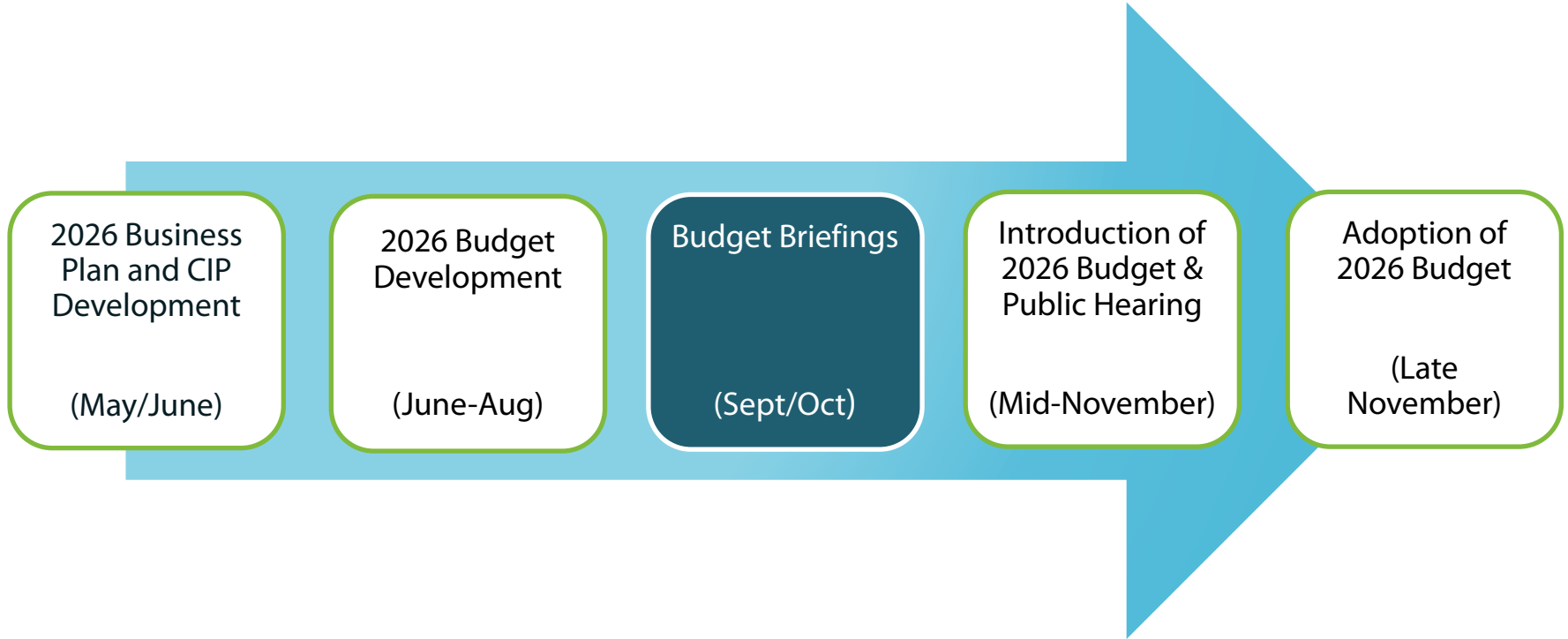




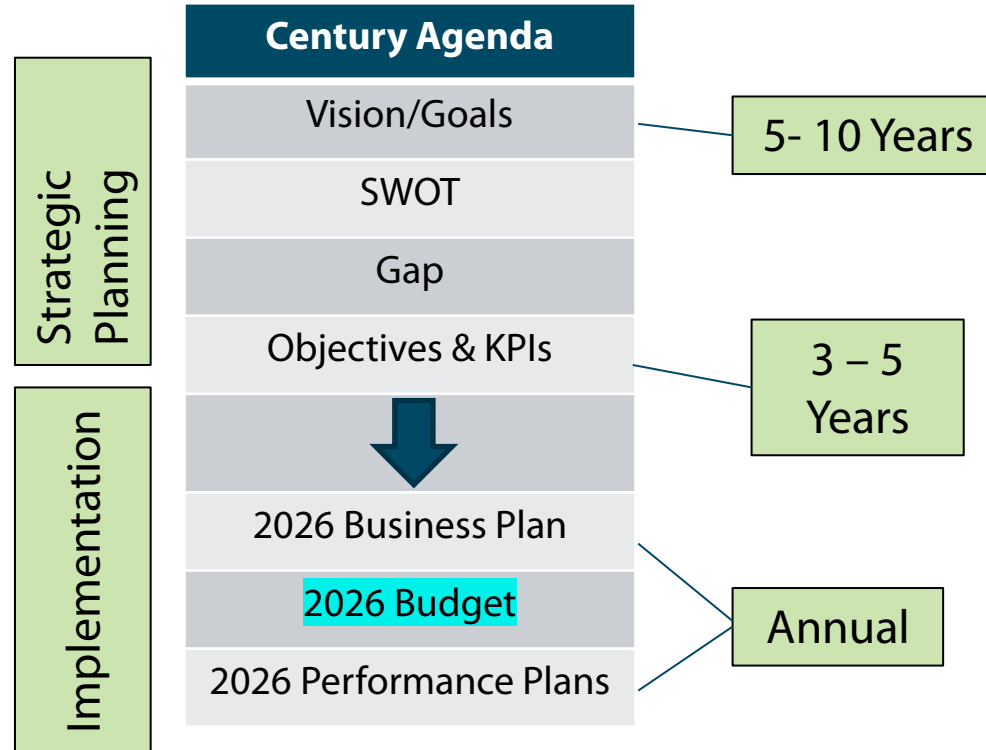
Overview

- 2026 Budget Timeline
- Strategy to Budget Process
- Key Budget Drivers & Considerations
- Portwide Budget Rollup
- Central Services Operating budget
- Equity in Budgeting
- Central Services CIP
- Remaining Budget Schedule

2026 Budget Timeline



Strategy to Budget Process



Long-term Success Requires Strategic Budgeting

- **Feedback Loop: Century Agenda drives budget development; financial results determine the Port's ability to achieve its goals**
- Approximately \$1 million of added expense = \$10 million less capital capacity
- Slow operating expense growth in order to build funding capacity
- Improve capital capacity to manage substantial known needs (environmental remediation and aging facilities) and shield from slower revenue growth

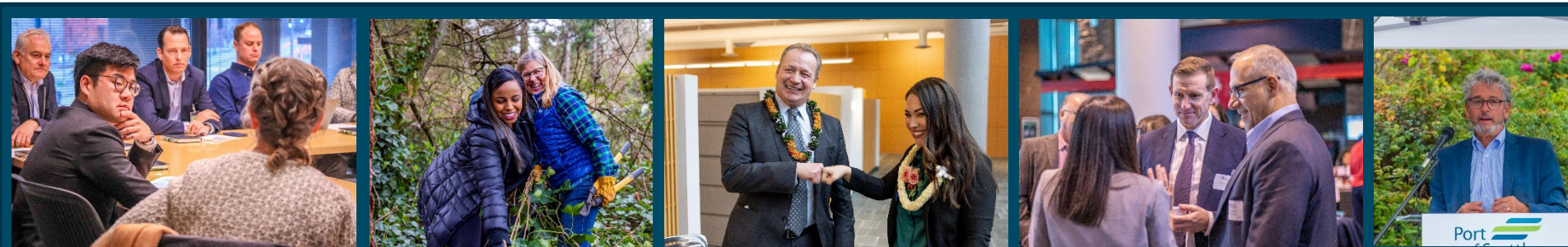
2026 Budget Guiding Principles

- ⊗ Take an **extremely conservative approach** to budgeting due to economic and political uncertainties and need to build capital
- ⊗ Safeguard the **efficient operation of mission critical business functions** to maintain regional economic activity
- ⊗ **Assess geopolitical, political and regulatory risks** on an ongoing basis
- ⊗ Identify, protect and **enhance operating and capital investments** focused on **asset preservation and long-term growth and revenue production**
- ⊗ Focus on **retaining key talent and developing staff** through training and upskilling
- ⊗ Prioritize **implementation of current programs and initiatives**

Key 2026 Budget Drivers & Considerations

Managing Expense Growth to Prepare for the Future

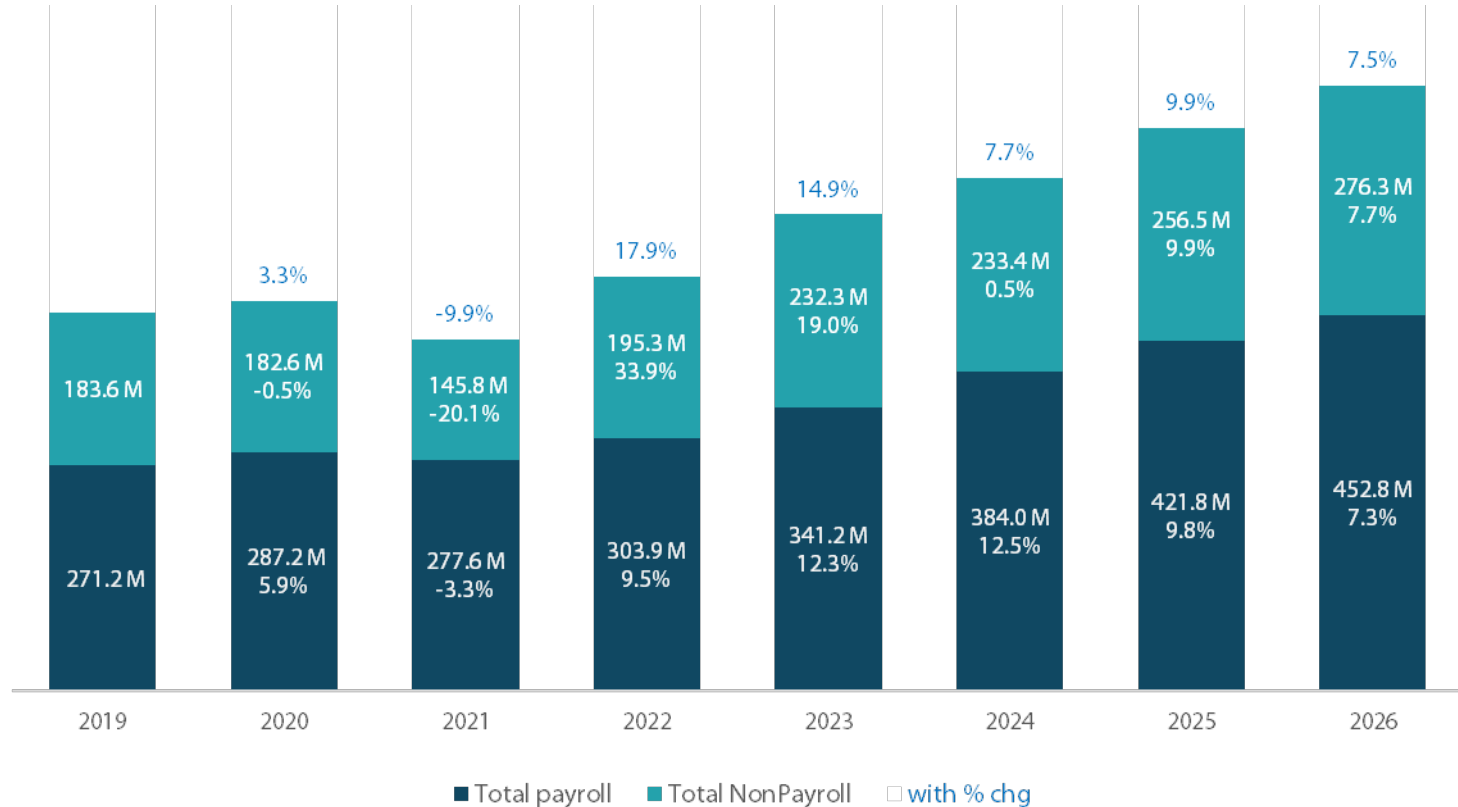
- Maintaining sustainable expense growth
- Economic and geopolitical uncertainties
- General and construction cost inflation
- Commission Priorities alignment
- Capital investment program and growing operational needs
- Investment in Environmental Sustainability, Workforce Development & Community Programs
- Equity Budgeting and Spending (ESAP)



2026 Port-wide Budget Rollup



2019-26 Port-wide O&M Budget Summary



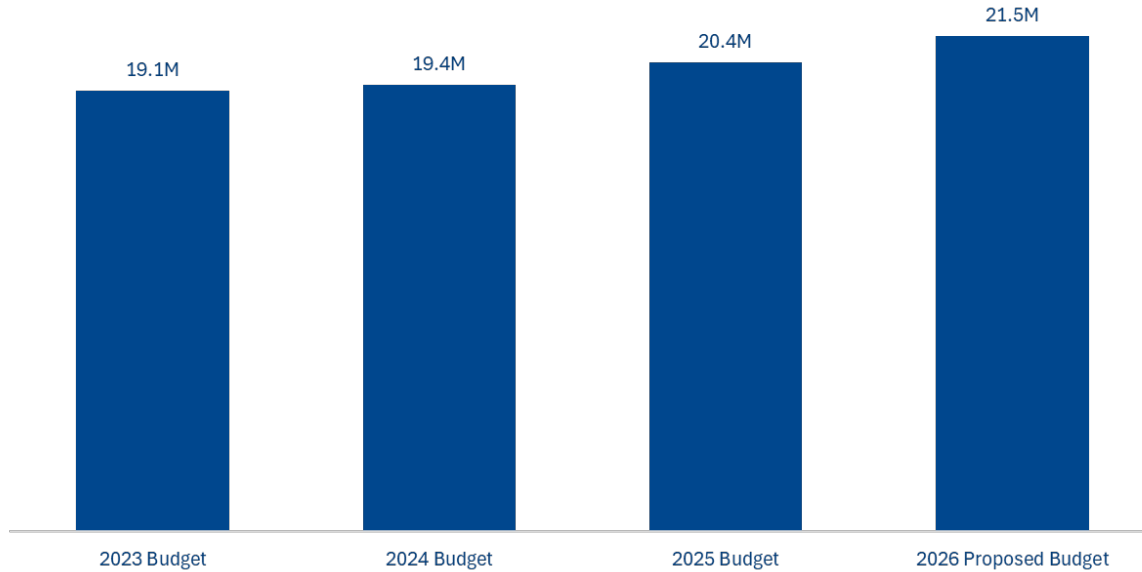
2026 Proposed Port-wide Budget Summary

	2023	2024	2025	2026	Inc/(Dec) from 2025	
DESCRIPTION (in \$000's)	Actuals	Actuals	Budget	Proposed Budget	Approved Budget \$ Change	% Change
Aeronautical Revenues	479,697	520,942	563,836	615,497	51,661	9.2%
Airport Non-Aero Revenues	326,592	348,212	372,280	366,493	(5,787)	(1.6%)
Seaport Revenues	162,991	174,395	183,476	173,495	(9,982)	(5.4%)
Operating Revenues	969,281	1,043,549	1,119,593	1,155,485	35,892	3.2%
Lease Interest Income ¹	0	0	0	24,791	24,791	0.0%
Operating Rev plus Lease Interest Income	969,281	1,043,549	1,119,593	1,180,276	60,683	5.4%
Operating Expenses ²	550,899	652,642	678,288	729,091	50,803	7.5%
Lease Interest Expense	98	74	17	7,915	7,898	
SBITA Interest Expense ³	578	932	412	606	194	47.0%
Operating Exp plus Lease Interest Exp	551,575	653,648	678,717	737,612	58,895	8.7%
Depreciation	256,740	277,917	267,028	308,110	41,082	15.4%
NOI w/o Lease Interest Income/Expense	161,642	112,990	174,277	118,283	(55,993)	(32.1%)
NOI with Lease Interest Income/Expense	160,965	111,984	173,848	134,553	(39,295)	(22.6%)

Notes:

1. Lease Interest Income actuals (under Non-Operating account) were \$15.7M and \$21.7M in 2023 and 2024, respectively.
2. Payroll Expenses include DRS pension credits in the 2023 and 2024 actuals.
3. SBITA (Subscription-Based IT Arrangement) is defined as a contract that conveys control of the right to use another party's IT software as specified in the contract for a period of time in an exchange or exchange-like transaction.

Port Community Programs



* Detailed list included in the Appendix.

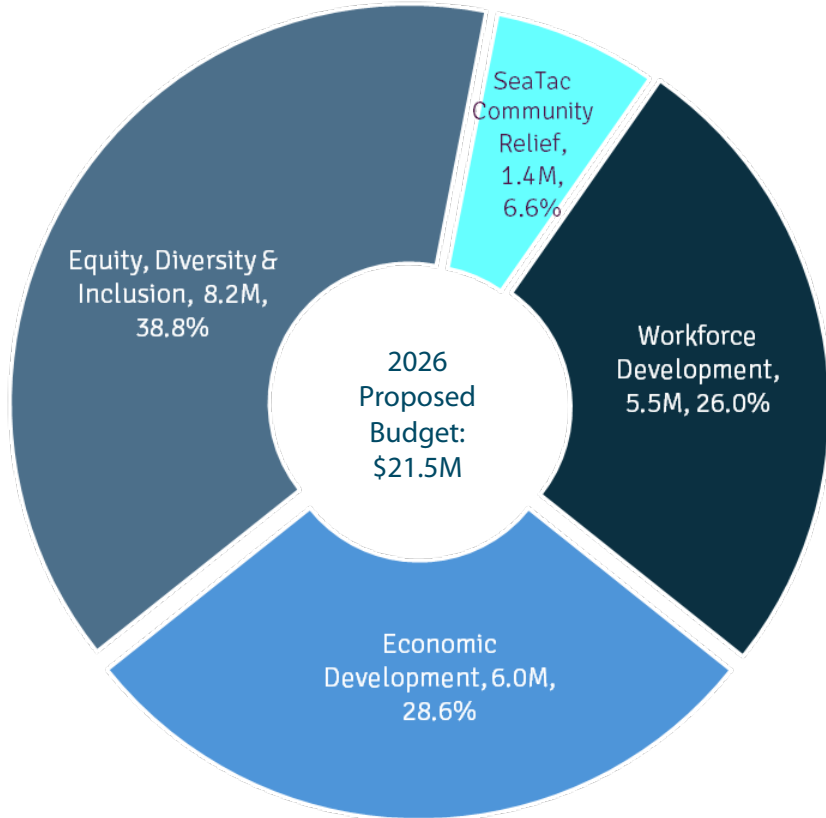
Maritime High School



South King County Partners meeting



2026 Port Community Program Funding by Activity



Economic Development

- **Diversity in Contracting** - \$2.2M
- **Tourism Marketing Support** - \$2.2M
- **EDD Partnership Grants** - \$950K
- **Spotlight Advertising** - \$518K
- **Maritime Blue** - \$180K

Workforce Development

- **Workforce Development Department** - \$5.0M
- **High School Interns** - \$523K

Equity, Diversity & Inclusion

- **South King and Port Communities Fund** - \$2.2M
- **OEDI Department** - \$2.5M
- **Friends of the Waterfront** - \$2.0M
- **Staff Costs supporting DVCEP & SKCCIF** - \$848K
- **Duwamish Community Equity program (DVCEP)** - \$617K

SeaTac Community Relief

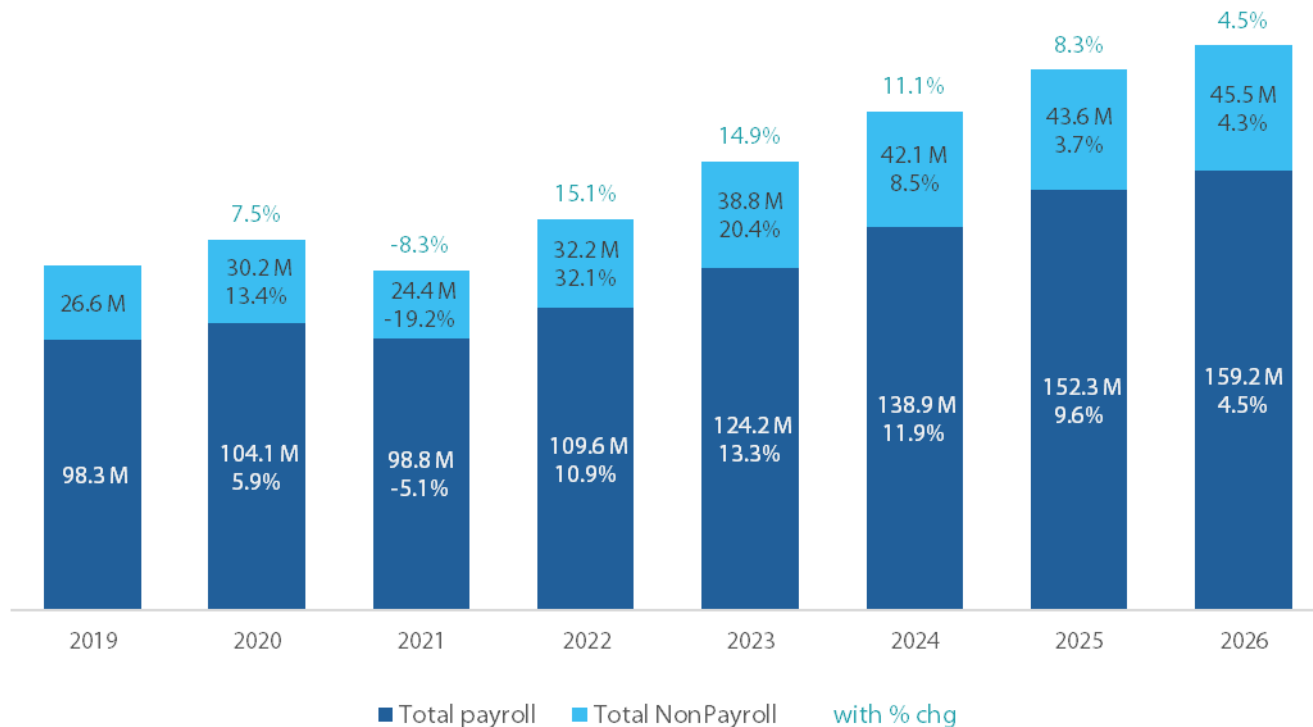
- \$1.4M

* Detailed list included in the Appendix.

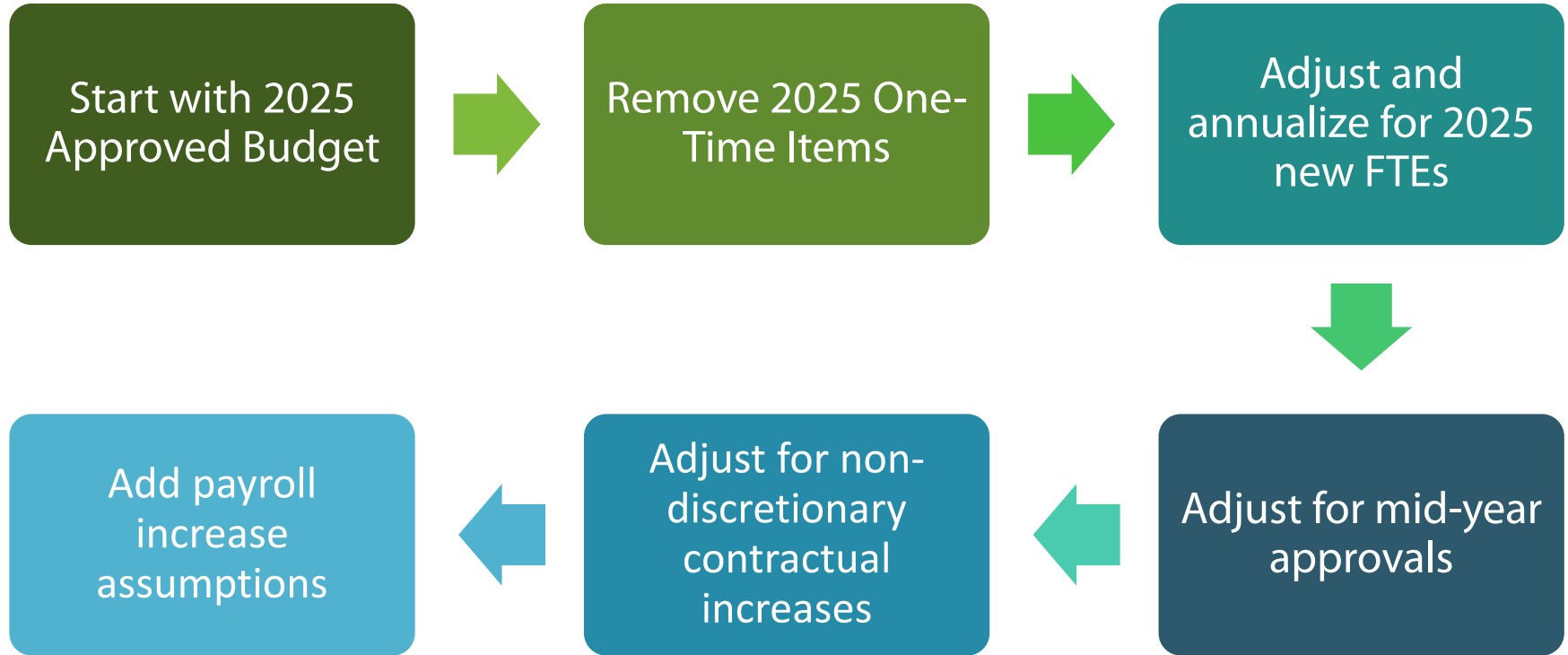
Central Services Proposed 2026 Budget



2019-26 Central Services O&M Budget Comparison



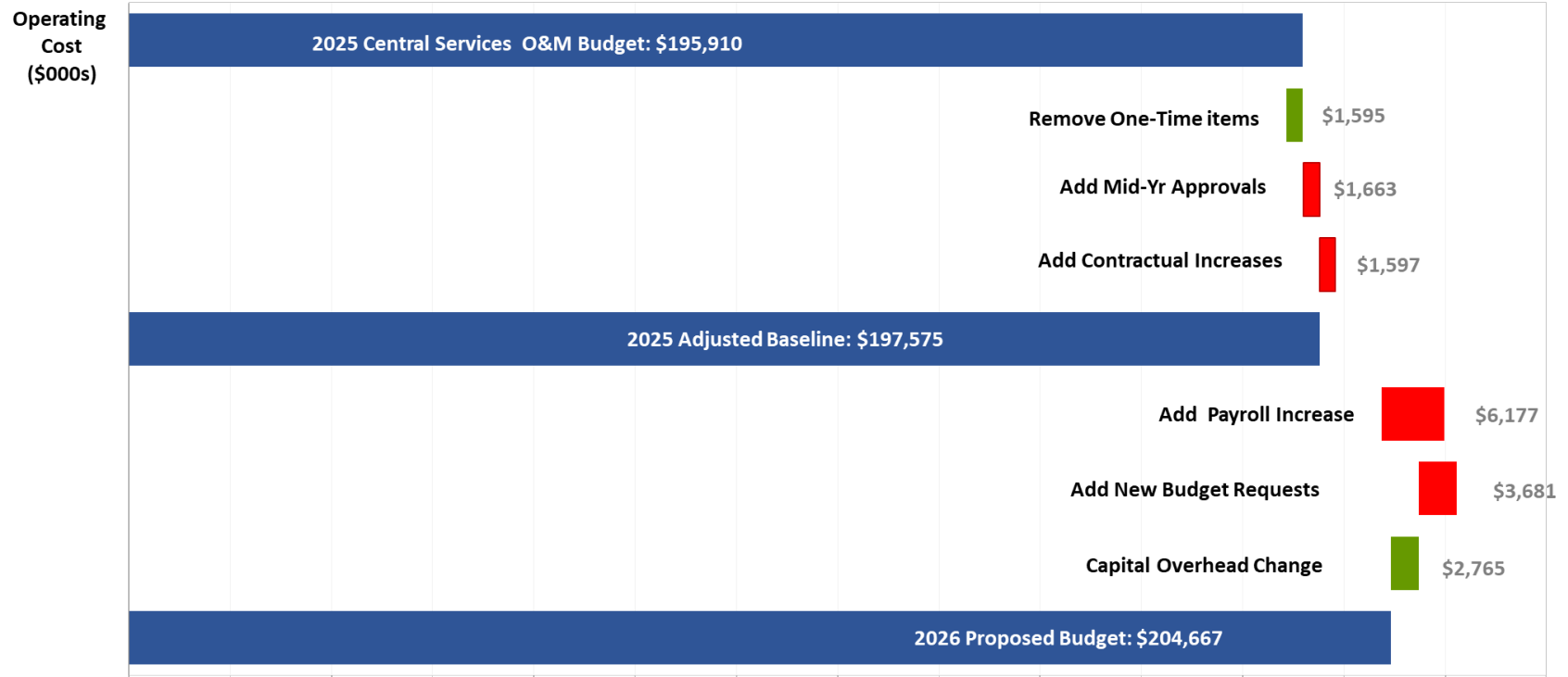
2026 Baseline Budget Development



Key Baseline Budget Drivers

- Investment in Workforce
 - 4% COLA and pay for performance increase for non-represented
 - Represented pay increases based on negotiated contracts
- Other payroll increases
 - Annualized payroll for 2025 new FTEs
 - Annualized payroll for 6.2 mid-year approved new FTE
- Non-discretionary contractual increases
 - Property Insurance
 - ICT Software License & Maintenance Agreements
 - Other Contractual Increases

2026 Operating Expense Budget Changes



Central Services Proposed Budget Highlights

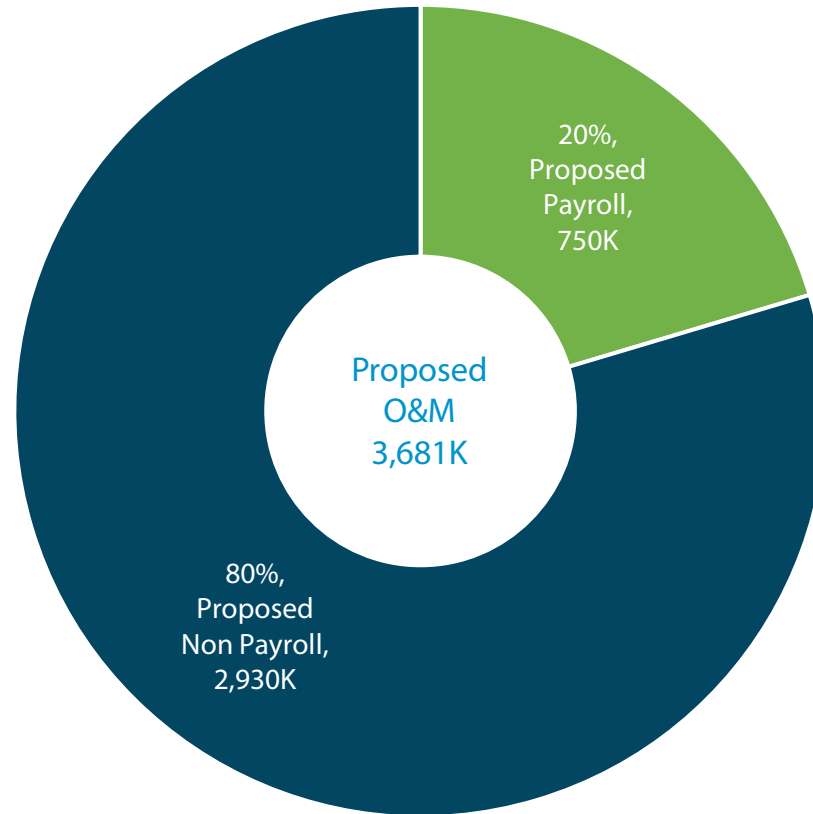
- Total operating expense is \$204.7M, \$8.8M or 4.5% higher compared to the 2025 Budget
 - Total Payroll budget increased by \$6.9M or 4.5% due to:
 - 4.0% COLA and Average Pay for Performance Increase
 - Annualized new FTEs approved in the 2025 budget
 - Added 7.0 new FTEs
 - Non-payroll increased by \$1.8M or 4.3% mainly due to:
 - Higher on-site consultant costs, Insurance Expense, and other contractual increases.

2026 New Budget Requests Summary

Total Requests:
36 at \$3,817K O&M

Total Proposed:
35 at \$3,681K O&M

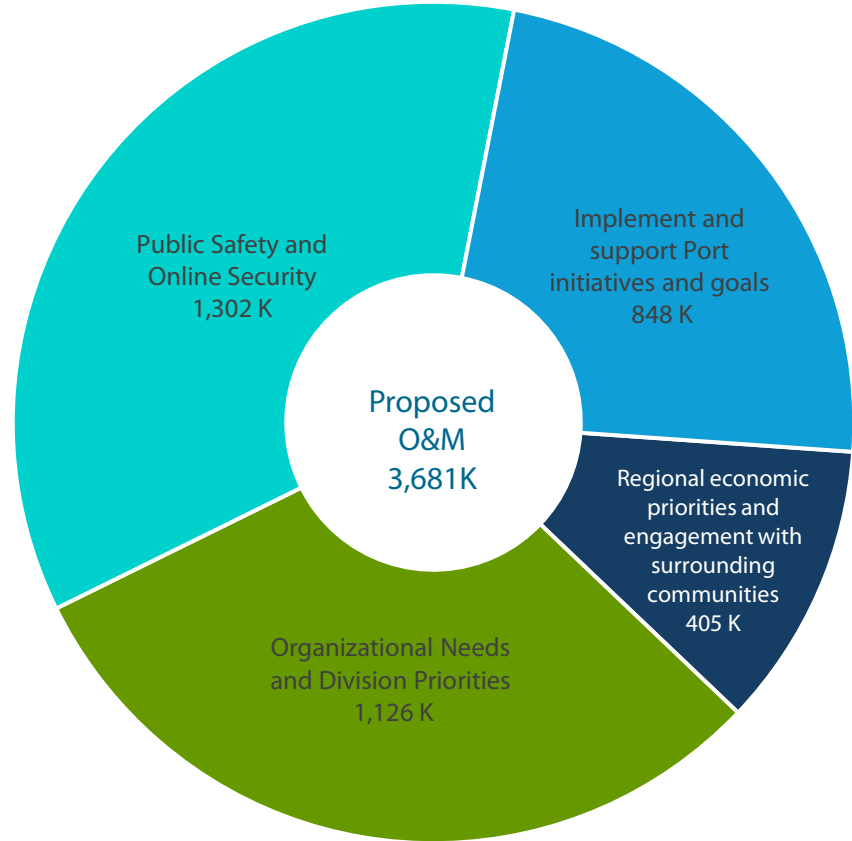
New FTEs: 7.0



* Detailed list included in the Appendix.

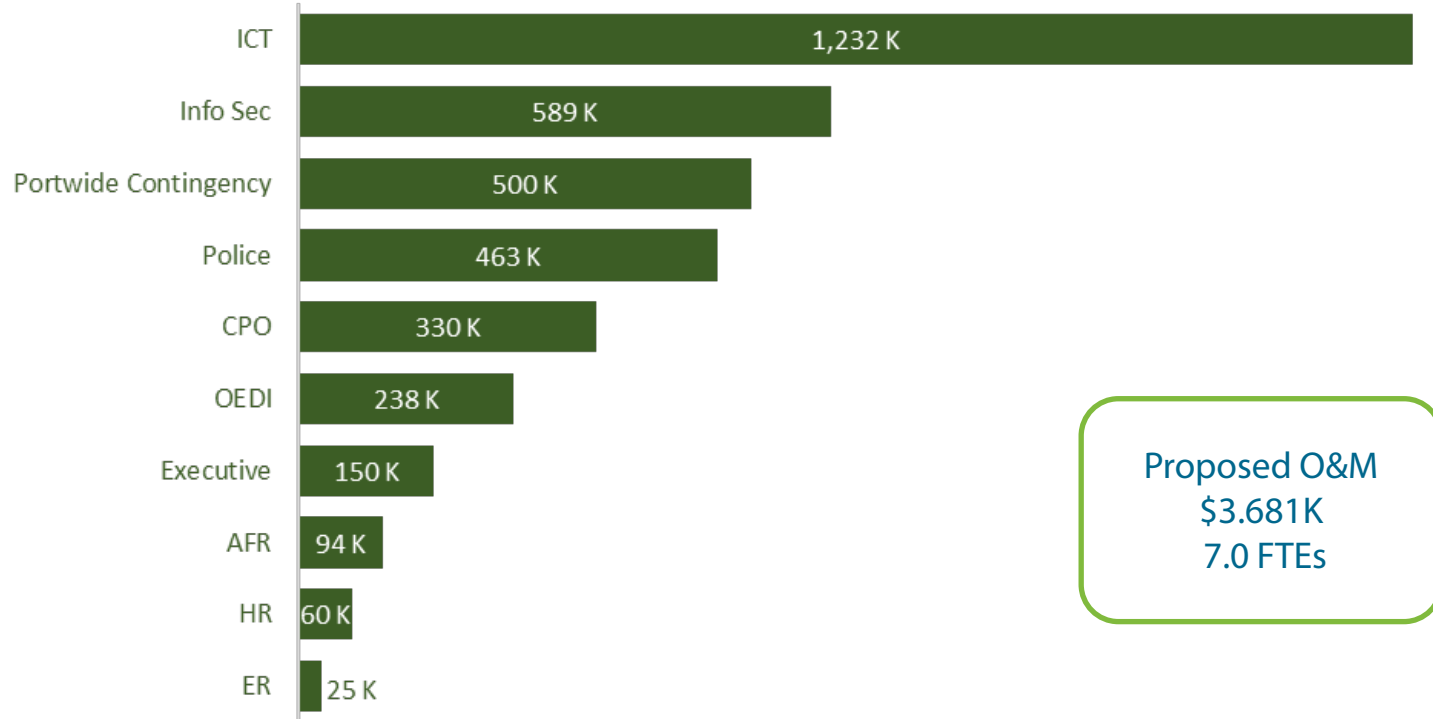


New Budget Requests by Category



* Detailed list included in the Appendix.

2026 New Budget Request by Dept



* Detailed list included in the Appendix.

Selected Major Budget Additions

ICT: Security & Operational

- \$292K for additional FTEs to enhance cybersecurity and ensure coordinated, efficient use of technology
- \$940K to refresh computers, implement conference room audio upgrades, deploy ADA testing and call center software for the service desk to enhance overall accessibility and efficiency

Info Security: Security

- \$214K for additional FTEs specializing in Operational Technology and Industrial Control Systems (OT/ICS) cybersecurity and identity access management.
- \$375K for CheckPoint Harmony email security and consultant-led risk and penetration testing

Selected Major Budget Additions

Police: Public Safety

- \$200K for Crowd Management Unit staffing overtime in support of the World Cup
- \$263K for comprehensive public safety improvements spanning technology, training, and equipment

CPO: Operational/Workforce

- \$330K for new integrated electronic procurement solution to support the Port's future projects and procurement needs

Portwide Contingency:

- 500K to support World Cup and the nation's Semi-Quincentennial Anniversary events in 2026



Selected Major Budget Additions

OEDI: Program Enhancement

- \$238K for Anti-Human Trafficking initiatives, Maritime High School and Core Plus programs

Executive: Organizational Efficiency

- \$150K for an Objectives and Key Results (OKR) system to improve goal tracking and drive measurable results

AFR: Operational/Workforce

- \$94K to fund an additional Capital Services Accounting Systems Analyst FTE to support capital operations and financial systems

2026 Central Services Proposed FTEs Summary

976.8

- 2025 Approved Budget was 976.8

983.0

- 6.2 Mid-Year added
- 2025 Adjusted Baseline is 983.0

985.0

- 7.0 New FTEs proposed
- 5.0 Seasonal to be eliminated
- 2026 Proposed Budget is 985.0



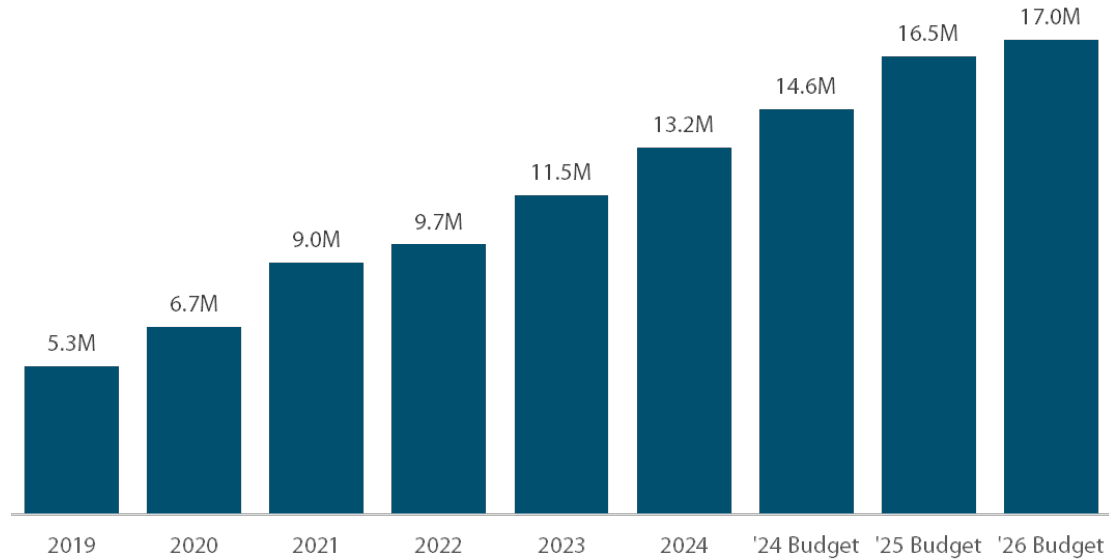
Uncertainties/Budget Risks

- Unprecedented **political and economic uncertainty**
- Effects of **trade, immigration and other policy actions**
- **Cuts in federal climate change** programs and funding
- **Increased inflation due to tariffs** on operating, capital and environmental costs
- **Ability to execute** on a growing number of programs and initiatives, including capital plan
- **Rapid technological advances** including Artificial Intelligence and growing sophistication of cyber threats
- **Vacancy rate** assumed at 4% in budget

ESAP/Budgeting With Equity Summary



Central Services Equity Spending Trend



* Equity spending criteria and definition are included in the Appendix

2026 Central Services Equity Spending Highlights

- Workforce Development Programs (\$3,173K)
 - Airport Employment Center (\$1,653K)
 - Youth Career Launch Program (\$670K)
 - Construction Pre-Apprenticeship Program (\$750K)
 - Maritime High School (\$100K)
- South King and Port Communities Fund (\$1,954K)
 - Total SKPCF is \$2,195K if including \$250K in Diversity in Contracting in EDD
- Duwamish Valley Community Equity Program (\$617K)

2026 Central Services Equity Spending Highlights Cont.

- Veteran's Program (\$361K)
- High School Internship Program (\$290K)
- Language Access Fund (\$134K)
- Equity Assessment Part 2 (\$100K)
- Taxi Driver Employment Navigator (\$65K)
- Immigration Rapid Response Contract (\$30K)
- Employee Resource Groups (\$20K)



Central Services CIP

Central Services Capital Projects Summary

Five Year Capital Plan (\$000's) *	2026	2027	2028	2029	2030	2026-2030 Total
Commission Authorized Projects	7,738	1,329	1,329	1,329	1,329	13,054
Projects Pending Authorization	7,340	5,450	3,500	3,000	3,000	22,290
Small Capital	5,514	5,260	4,319	5,035	5,160	25,288
CIP Cashflow Management Reserve	(6,400)	-	2,133	2,133	2,133	-
Total	14,192	12,039	11,281	11,497	11,622	60,632

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

Commission Authorized Projects

Five Year Capital Plan (\$000's)	*	2026	2027	2028	2029	2030	2026-2030 Total
Commission Authorized Projects							
2025 Police Axon Contract (capital portion)	N	1,329	1,329	1,329	1,329	1,329	6,645
PeopleSoft Financial System Upgrade	U	1,474	-	-	-	-	1,474
Phys Access Contrl System Refresh	U	979	-	-	-	-	979
Radio Microwave Redundancy Loop	U	953	-	-	-	-	953
Public Safety Dispatch & Police	N	827	-	-	-	-	827
Enterprise Network Refresh	U	712	-	-	-	-	712
Contract Management System Replacement	U	650	-	-	-	-	650
ID Badge System Upgrade	U	478	-	-	-	-	478
Specification Document Management Software	N	336	-	-	-	-	336
Total		7,738	1,329	1,329	1,329	1,329	13,054

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

Projects Pending Authorization

Five Year Capital Plan (\$000's)	*	2026	2027	2028	2029	2030	2026-2030 Total
Projects Pending Authorization							
IT Renewal/Replacement	U	-	2,500	2,500	3,000	3,000	11,000
Private Cellular Network (LTE)	U	2,000	2,000	1,000	-	-	5,000
Fleet Management Software	N	850	-	-	-	-	850
Property Management System Upgrade	U	140	700	-	-	-	840
Web Accessibility Compliance	U	500	250	-	-	-	750
Maximo Software System Upgrade	U	600	-	-	-	-	600
SEA SQL ESX Refresh	U	600	-	-	-	-	600
Tierpoint ESX Refresh	U	600	-	-	-	-	600
SEA Prod ESX Refresh	U	600	-	-	-	-	600
Fire Alarm Monitoring System	U	500	-	-	-	-	500
Nexus Improvements	U	500	-	-	-	-	500
2026 Police ROV purchase	N	450	-	-	-	-	450
Total		7,340	5,450	3,500	3,000	3,000	22,290

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

Small Capital Projects

Five Year Capital Plan (\$000's)	2026	2027	2028	2029	2030	2026-2030 Total
Small Capital						
Technology Infrastructure	1,500	1,500	1,500	1,500	1,500	7,500
Technology Business Applications	1,388	1,500	1,283	1,500	1,500	7,171
Corporate Fleet Replacement *	1,144	1,000	761	1,190	1,290	5,385
Engineering/PCS Fleet Replacement	560	600	240	165	290	1,855
Enterprise GIS Small Capital	250	250	250	250	250	1,250
Corporate Police Small Capital	432	100	100	100	100	832
Engineering Small Capital	140	210	85	230	130	795
Corporate Small Capital	100	100	100	100	100	500
Total	5,514	5,260	4,319	5,035	5,160	25,288

CIP Cashflow Management Reserve						
CIP Reserve - Central Services	(6,400)	-	2,133	2,133	2,133	-

* Mainly Police fleet purchases

Remaining 2026 Budget Schedule

- Operating division proposed budget briefings (10/14)
- 2026 Tax Levy & Draft Plan of Finance Commission Briefing (10/28)
- 2026 proposed Budget Document Available to the Commission (10/21)
- 2026 proposed Budget Document Available to the Public (10/23)
- NWSA Budget Adoption by Managing Members (11/05)
- Introduction and Public Hearing of the 2026 Budget (11/11)
- Commission Approval of the 2026 ILA between POS and the NWSA (11/11)
- Adoption of the 2026 Budget (11/18)
- Filing of 2026 Statutory Budget with King County Council & Assessor (11/28)
- Release of 2026 Budget to the Public (12/5)

Appendix



2026 Proposed Port-wide Budget Rollup

- Total Operating Revenue is \$1,155.5M, \$35.9M or 3.2% above 2025 budget
 - Have not received the NWSA Distributable Income – currently assume same as 2025
- Total Operating Expense is \$729.1M, \$50.8M or 7.5% higher than 2025 budget
 - Total Payroll budget increased by \$31.0M or 7.3% due to:
 - 4.0% COLA and Average Pay for Performance increase
 - Annualized new FTEs approved in the 2025 budget
 - Added new FTEs
 - Non-payroll increased by \$19.8M or 7.7% mainly due to:
 - Higher on-site consultant costs and other contractual increases.

Central Services Overview

- Central Services provides a large number of essential services to the Port's three operating divisions and to the Northwest Seaport Alliance (NWSA) per service agreements.
- The departments of Central Services are vital to the success of the operating divisions and the NWSA and benefit the public in general.
- Central Services include 20 departments, including Accounting, Human Resources, External Relations, Legal, Police, Engineering, Port Construction Services, Information & Communication Technology, etc.
- Central Services expenses are allocated to the operating divisions and the NWSA or, in some cases, funded by the Tax Levy.

Environmental Scan

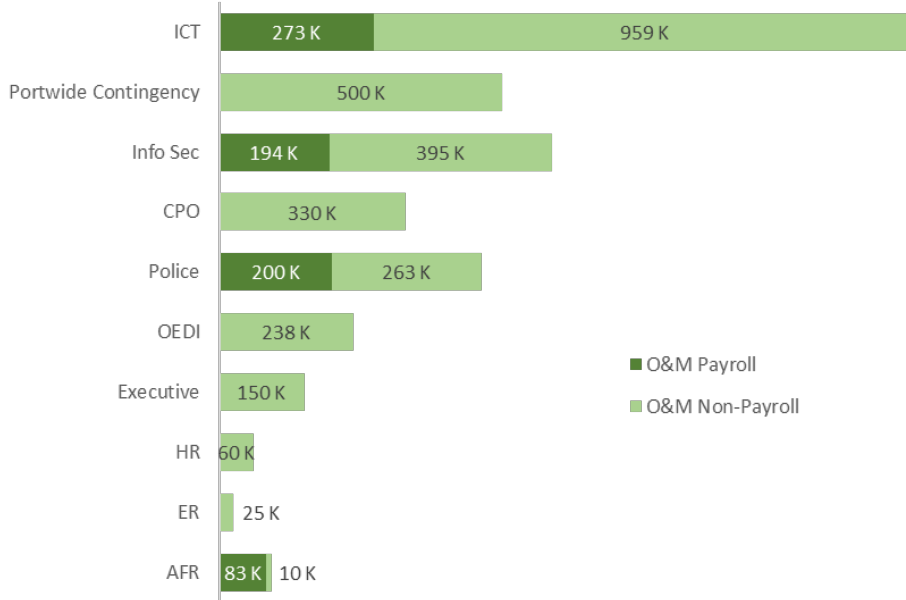
- Unprecedented **political and economic uncertainty**
- Effects of **trade, immigration and other policy actions**
- Risk of **federal funding reductions** and **reduced operating revenues**
- **Cuts in federal climate change** programs and funding
- Impact of **increased inflation due to tariffs** on operating, capital and environmental costs
- **Rapid technological advances** including Artificial Intelligence and growing sophistication of cyber threats
- Strong **relationships with industry partners**
- Continued local **commitment to equity and environmental justice**
- Organizational **stress and fatigue**

2026 Budget Strategies

- Develop a **very conservative** budget and create **contingency and scenario planning** to address revenue risks
- Focus on **increasing Net Operating Income** by limiting expense growth
- **Limit new FTEs and outside services**
- Assess **affordability of capital plans** considering increased inflation and revenue risks
- Strengthen the **focus on sustainability, adaptability and resiliency** in spending and business plans
- Monitor **early warning indicators** that may trigger budget recalibration and take actions as necessary

2026 New Budget Items Summary

New Budget Requests: Payroll & Non-payroll



35 Items proposed \$3,681K (O&M):

- 7.0 FTEs: \$550K Pay and \$49K FTE related Non-payroll costs (ICT, Info Sec, & AFR)
- \$940K Computer Refresh, ADA and Call Center Software, Conference room audio improvements (ICT)
- \$500K World Cup (Portwide Contingency) and \$200K Crowd Management unit staffing (Police)
- \$375K Email filtering and Consultant for Risk Assessment and Penetration testing (Info Security)
- \$330K Integrated electronic procurement systems (CPO)
- \$263K Equipment and supplies for Police
- \$150K Strategic Planning Software (Exec)
- \$100 Maritime High School and \$50K for Core Plus curriculum run by Muckleshoot and Suquamish Tribes (WFD)
- \$88K Anti-Human Trafficking (EDI)
- \$60K Employee Resource Group funding and Leadership conference (HR)
- \$25K Manufacturing Maritime Industrial Association (MMIA) membership split with Economic Development

2026 New Budget Items

Category	Purpose/Outcome	2026 Requests
Implement and support Port initiatives and goals	Seattle will be one of the host cities for the 2026 Fédération Internationale de Football Association (FIFA) World Cup. This funding would allow the Port to showcase to the world how Seattle champions sustainability, equity, and economic development. This supports the Port's goal to provide positive passenger experiences at airports and event terminals, thereby propelling economic growth.	500,000
	Provide ongoing support for Maritime High School that launched in Fall 2021. The school is operated by the Highline School district and includes curricula focused on Port-related industries, including maritime and green jobs. This funding is to make maritime careers more visible to BIPOC communities which is in line with the Port's values of equity and accessibility.	100,000
	ADA Testing Software to scan the Port's website and content to ensure compliance with Web Content Accessibility Guidelines (WCAG) 2.1 Level AA by April 2027. Implementation of this software supports the port goal to become a model of equity, diversity, and inclusion by ensuring that the Port's data content can be accessed by all.	100,000
	Anti-Human Trafficking (AHT) funding will support the ongoing effort to raise awareness of the signs and behaviors of human trafficking and how to report it. This funding will include annual breakfast and AHT Awareness month efforts; app and QR code; training program for port staff; conference for AHT workgroup; and additional funds for FIFA World Cup.	88,000
	(1) Employee Resource Group funding provides employees with learning and development opportunities which enforces the Port's goal of fostering an inclusive and engaging work environment. (2) The Leadership Conference will bring leaders together for a strategic conversation across the organization. This is essential in fostering an environment of transparency, accountability, respect, leadership, and fairness to give Port staff the tools to be exceptional public servants.	60,000
	Subtotal	848,000

2026 New Budget Items

Category	Purpose/Outcome	2026 Requests
Advance work on regional economic priorities and enhance engagement with surrounding communities	Central Procurement Office (CPO) Technology Solution will support the Port's future projects and procurement needs. This integrated electronic procurement system will streamline the bidding process by providing templates and checklists to the bidders, built in reminders, technical assistance, and reliable technology. This system will make it easier for firms (especially WMBE, small businesses, and disadvantaged firms) to do business with the Port. This approved item aligns with the Port's goal of enhancing community engagement with partners and surrounding communities.	330,000
	Core Plus Maritime curriculum funding will support the pilot program in near-port and tribal schools managed by Muckleshoot and Suquamish Tribes. The curriculum will combine hands-on, high-end learning in Science, Technology, Engineering and Math (STEM) with global merchant marine safety Standards of Training Certification and Watchkeeping (STCW). This funding advances the Port's goal of continued support for surrounding communities.	50,000
	The Manufacturing Maritime Industrial Association (MMIA) is a nonprofit organization dedicated to strengthening Washington's maritime, manufacturing, logistics, and industrial sectors. Becoming a member and having a seat on the board of directors will assist the Port in fostering its goal of continued support for surrounding communities by protecting industrial lands, prioritizing investment, advocating for supportive policies, and implementing strategies that drive growth, resilience, and long-term sustainability.	25,000
	Subtotal	405,000

2026 New Budget Items

Category	Purpose/Outcome	2026 Requests
Organizational Needs and Division Priorities	Computer Refresh program will replace aging equipment across the organization. Industry recommendations are to replace employees' computers every 3 years to ensure efficiency and security. Replacing aging equipment will increase reliability and efficiency as well as allow for smooth roll-out of security and critical new software upgrades.	782,000
	Implementing a Strategic Planning Reporting Software will enhance organizational alignment, improve goal tracking, and drive measurable outcomes. This will provide a structured framework for setting and monitoring objectives. Through the implementation of this new technology solution, leaders will have access to real-time insights, improving decision-making and overall performance. Additionally, this solution ensures transparency, fosters collaboration, and integrates seamlessly with existing workflows, enabling teams to stay focused and adapt to evolving priorities.	150,000
	(1) Conference Room Audio Improvements will provide enhanced microphone pickup and additional speaker volume thereby resolving audio challenges during hybrid meetings; (2) Telecom Infrastructure Engineer will ensure critical communications links function properly. This new position will support expanding capital construction projects, smart technology deployments, and growing operational maintenance demands at the Airport and Seaport; (3) Call Center Software for Service Desk will replace the call queue and the IVR (interactive voice response) that were wiped out by the cyber-attack. Adopting Webex Contact Center aligns with our strategic goals of improving customer satisfaction, increasing operational efficiency, and supporting future growth.	100,683
	As the Port continues to grow, with new assets being acquired and older assets replaced, the demand on Capital Services to maintain these systems and their underlying data has expanded significantly in recent years. The addition of a Capital Services Business System Analyst will assist in enhancing oversight of financial reporting, streamlining automation efforts, and strengthening data governance frameworks.	93,522
	Subtotal	1,126,205

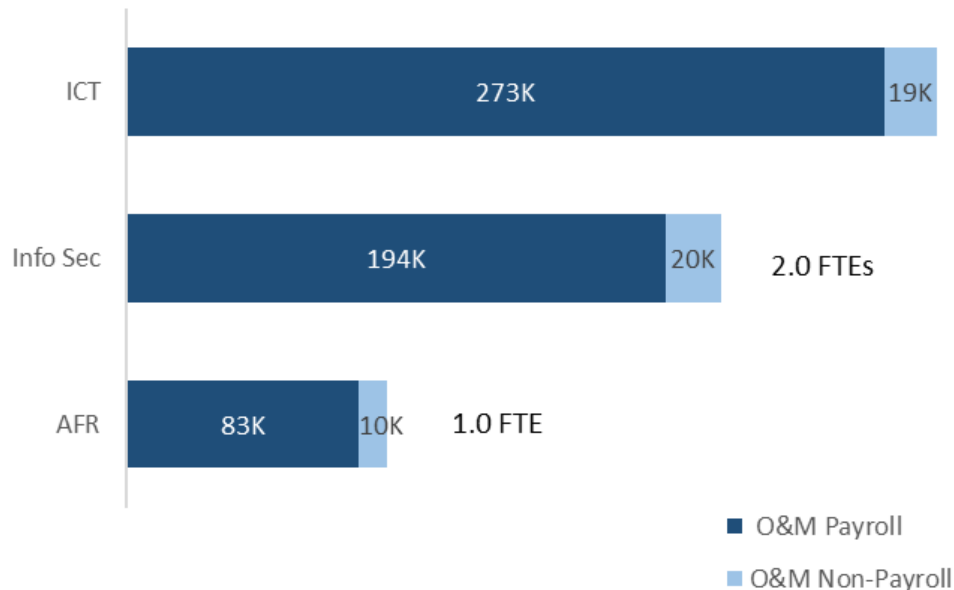
2026 New Budget Items

Category	Purpose/Outcome	2026 Requests
Public Safety & Online Security	(1) The addition of two new positions in Information Security department: Cybersecurity Specialist and Identity and Access Management (IAM) Specialist will assist in strengthening the Port's overall security framework to protect critical infrastructure and assets. (2) Consultant Risk Assessment and Penetration Testing will assist in measuring current risk exposure and providing prioritized recommendations to reduce organizational cyber risk. (3) The implementation of Check Point's Harmony Email Filtering will protect the Port's systems against zero-day threats, phishing, business email compromise (BEC), account takeover, and internal data leakage.	588,924
	ICT will add three positions: Network Engineer will ensure that the Port's network operates efficiently and securely; Windows Server Engineer will support the VMWare, Windows based Services, and Azure administration as well as the related security of each system; Enterprise Cloud Architect will oversee and align the Port's enterprise system architecture across departments with the Port's security framework. These positions will strengthen the Port's systems to protect against our cyber threats and ensure coordinated, efficient technology use.	249,196
	(1) The Police department's crowd management unit will increase staff time to ensure the safety of participants and spectators during the 2026 World Cup. (2) Police's crowd management staff will attend a dialogue course to assist officers in communicating and managing larger crowd anticipated during the World Cup. (3) Police will acquire the Axon DeDrone City Wide App, a notification system that will alert the department of the presence of drones. This is especially important with the upcoming World Cup due to a projected increase in drone activity before and during the event.	235,943

2026 New Budget Items

Category	Purpose/Outcome	2026 Requests
Public Safety & Online Security	Police will purchase necessary equipments: (1) Homeland Security Unity uniforms and advanced equipment and weapons storage (2) new plate carriers for the Bomb Disposal Unit. These equipments will ensure that Police officers are well-equipped to protect themselves and the public during high-threat situations. Police will acquire (3) Explosive Odor Recognition K9s that will provide immediate deployable threat detection, enhancing overall safety and security of the Port and its facilities. Moreover, Police will upgrade (4) bikes for the Crowd Management Unit (CMU), the team responsible for responding to civil unrest. Police will purchase (5) supplies and computers for the dive team which will improve the team's ability to conduct safe, effective underwater operations in the Port's complex and high-traffic	132,500
	Police will increase (1) Public Defender contract per agreement with the City of SeaTac court in compliance with the Supreme Court's provisional order concerning caseload standards for public defense services. Police will increase the budget for (2) the Basic Law Enforcement Academy (BLEA) which is a required training for all entry level Police Officers to gain their state certification. Police will purchase (3) a 3D Crime Scene Mapping Tool that will enable the unit to create highly immersive, dimensionally accurate 3D models of complex crime scenes, ensuring more effective investigations and enhanced evidence presentation. This tool will reduce processing times and minimizes the risk of contamination or loss of critical evidence, reinforcing the Port's commitment to public safety and justice.	95,000
	Subtotal	1,301,563
Grand Total		3,680,768

2026 New FTEs Summary



7.0 FTEs: \$550K Pay and \$49K FTE related Non-payroll costs

- ICT: 4.0 FTEs- Infrastructure Engineer, Server Engineer, Network Engineer, Enterprise Cloud Architect
- Info Sec: 2.0 FTEs- Identity and Access Management (IAM) Specialist, OT/ICS Cybersecurity Specialist
- AFR: 1.0- Capital Services Business System Analyst

2026 Proposed Budget Summary

	2022	2023	2024	2025	2026	Inc/(Dec) from 2025	
(in \$000's)	Actuals	Actuals	Actuals	Budget	Proposed Budget	Approved Budget \$ Change	% Change
Total Payroll Costs (with Capital)	118,460	133,577	158,995	179,721	188,376	8,655	4.8%
Total Non-Payroll Costs (with Capital)	47,250	57,601	91,422	65,819	72,876	7,057	10.7%
Total Costs (with Capital)	165,710	191,178	250,417	245,540	261,252	15,712	6.4%
Sal/Wage-Cap/Govt/Envrs Proj	(16,628)	(19,886)	(20,441)	(27,432)	(29,160)	(1,728)	6.3%
Dept Expense Charged - CapProj	25	1	147	0	0	0	0.0%
Cap/Govt/Envrs Projects OH	(7,172)	(8,731)	(10,438)	(6,801)	(9,470)	(2,668)	39.2%
OnsiteConsult-Cap/Gov/Env Proj	(7,018)	(10,409)	(13,563)	(15,396)	(17,925)	(2,529)	16.4%
Total Charges to Capital	(30,793)	(39,025)	(44,296)	(49,630)	(56,555)	(6,925)	14.0%
Total Payroll Expenses	101,832	113,690	138,553	152,288	159,216	6,928	4.5%
Non-Payroll O&M Expense	33,085	38,462	67,567	43,622	45,481	1,860	4.3%
O&M Expenses	134,917	152,153	206,121	195,910	204,697	8,787	4.5%
Lease Interest Expense	0	91	63	17	18	1	5.8%
SBITA Interest Expense	0	246	603	185	425	240	130.2%
O&M EXP plus LEASE INTEREST EXP	134,917	152,490	206,786	196,111	205,140	9,028	4.6%

* Payroll Expenses include DRS pension credits in the 2022, 2023 and 2024 actuals.

Central Services Proposed Budget by Account

DESCRIPTION (in \$000's)	2022 Actuals	2023 Actuals	2024 Actuals	2025 Budget	2026 Proposed Budget	Inc/(Dec) from 2025 Approved Budget \$ Change % Change		Notes
TOTAL OPERATING REVENUE	2,538	(216)	403	183	259	76	41.3%	
OPERATING EXPENSE								
Salaries & Benefits	78,779	92,338	108,585	112,845	117,574	4,729	4.2%	4% pay increase and more charges to capital
Wages & Benefits	23,053	21,352	29,968	39,443	41,641	2,198	5.6%	Contractual increase in POL+4% COLA
Payroll to Cap/Govt/Envrs Proj	16,628	19,886	20,441	27,432	29,160	1,728	6.3%	
TOTAL SALARIES & BENEFITS	118,460	133,577	158,995	179,721	188,376	8,655	4.8%	
Equipment Expense	2,982	2,400	3,025	2,568	3,054	486	18.9%	Due to decreases mainly in ER, ENG, HR, ICT & POL
Utilities	33	58	98	48	88	40	84.6%	Due to \$27.5K Utilities increase in PCS
Supplies & Stock	992	1,551	1,107	906	1,132	225	24.9%	
Outside Services	31,079	39,407	43,408	48,241	52,918	4,677	9.7%	Mainly due to increase in ENG, PCS, ICT & Info Sec
Travel & Other Employee Exps	1,950	2,589	2,766	3,982	3,865	(117)	(2.9%)	Reduction in some depts
Promotional Expenses	540	1,806	6,409	850	1,385	535	62.9%	Mainly due to Friends of the Waterfront
Telecommunications	654	780	780	813	753	(61)	(7.4%)	
Property Rentals	478	598	828	262	127	(135)	(51.4%)	STOC purchasing
Worker's Compensation Expense	642	664	763	731	947	217	29.6%	Based on estimate from AFR
General Expenses	7,899	7,816	32,214	7,417	8,607	1,189	16.0%	Mainly due to \$473K increase in insurance
Overhead Allocations	0	(69)	24	(0)	0	0	(244.8%)	
TOTAL NON-PAYROLL EXPENSES	47,250	57,601	91,422	65,819	72,876	7,057	10.7%	
TOTAL COSTS BEFORE CAPITAL CHARGES	165,710	191,178	250,417	245,540	261,252	15,712	6.4%	
59900-Sal/Wage-Cap/Govt/Envrs Proj	(16,628)	(19,886)	(20,441)	(27,432)	(29,160)	(1,728)	6.3%	
68700-Dept Expense Charged - CapProj	25	1	147	0	0	0	0.0%	
68750-Cap/Govt/Envrs Projects OH	(7,172)	(8,731)	(10,438)	(6,801)	(9,470)	(2,668)	39.2%	
68760-OnsiteConsult-Cap/Gov/Env Proj	(7,018)	(10,409)	(13,563)	(15,396)	(17,925)	(2,529)	16.4%	
Charges to Cap/Govt/Envrs Projects	(30,793)	(39,025)	(44,296)	(49,630)	(56,555)	(6,925)	14.0%	
Operating Expenses	134,917	152,153	206,121	195,910	204,697	8,787	4.5%	
Lease Interest Expense	0	91	63	17	18	1	5.8%	
SBITA Interest Expense	0	246	603	185	425	240	130.2%	
OPERATING EXP plus LEASE INTEREST EXP	134,917	152,490	206,786	196,111	205,140	9,028	4.6%	

Central Services Proposed Budget by Dept

Departments (in \$000's)	2022	2023	2024	2025	2026	Inc/(Dec) from 2025		Notes
	Actuals	Actuals	Actuals	Budget	Proposed Budget	Approved Budget	% Change	
O0001-Port of Seattle General Org	0	0	6	0	0	0	0.0%	
O1100-Executive	2,029	3,147	6,025	2,779	3,407	628	22.6%	
O1200-Commission Office	2,206	2,448	3,042	3,589	3,671	82	2.3%	
O1310-Legal	8,213	10,315	10,312	6,255	6,863	608	9.7%	Mid-year new FTE
O1330-Risk Services	5,078	5,756	7,395	8,016	8,642	626	7.8%	\$473K increase in insurance
O1400-External Relations	8,651	10,154	14,379	14,211	15,858	1,646	11.6%	Added \$1.25M for Friends of Waterfront
O1460-Equity, Diversity and Inclusion	4,283	5,475	6,449	7,435	7,513	78	1.0%	Removed \$250K one-time item
O1500-Business Intelligence	1,395	1,609	1,888	2,543	2,633	90	3.5%	
O1600-Engineering	5,053	6,263	8,581	15,131	13,764	(1,367)	(9.0%)	More charges to capital
O1700-Port Construction Services	3,651	5,644	7,063	7,777	8,123	347	4.5%	Increase in Small Works and Worker's Comp
O1800-Human Resources	11,087	13,543	16,099	17,817	18,972	1,155	6.5%	Mainly due to increase in payroll
O1810-Labor Relations	1,085	1,292	1,541	1,933	1,923	(9)	(0.5%)	
O1900-Information & Comm. Technology	25,693	25,914	30,410	31,482	34,080	2,598	8.3%	Contractual increases
O1980-Information Security	1,571	2,040	2,613	2,968	4,612	1,645	55.4%	2 mid-year new FTEs and unbudget new contracts
O2110-Finance & Budget	2,279	2,602	3,075	3,179	3,371	192	6.0%	Increase in SymPro contract and Alteryx licenses
O2200-Accounting/Financial Reporting	7,914	9,032	10,003	12,059	12,807	749	6.2%	2 mid-year new FTEs
O2280-Internal Audit	2,406	1,944	1,935	2,267	2,448	181	8.0%	Mainly due to increase in payroll
O2400-Office of Strategic Initiatives	893	1,291	1,125	1,557	1,731	174	11.2%	Mainly due to increase in payroll
O2700-Environment & Sustainability	763	1,137	1,479	2,544	2,306	(238)	(9.4%)	
O2790-Industrial Development Corp	-	1	-	-	-	-	0.0%	
O2900-Corporate Contingencies	(268)	(251)	21,534	(2,655)	(6,184)	(3,529)	132.9%	Removed \$5.1M Comp Project budget
O2999-Corporate Capital to Expense	56	-	499	-	-	-	0.0%	
O4300-Police Department	35,064	36,422	43,591	45,860	48,401	2,541	5.5%	Contractual increase in POL+4% COLA & court fee
O9200-Central Procurement Office	5,816	6,376	7,079	9,165	9,756	590	6.4%	
Operating Expenses	134,917	152,153	206,121	195,910	204,697	8,787	4.5%	
Lease Interest Expense	0	91	63	17	18	1	5.8%	
SBITA Interest Expense	0	246	603	185	425	240	130.2%	
OPERATING EXP plus LEASE INTEREST EXP	134,917	152,490	206,786	196,111	205,140	9,028	4.6%	

2026 Proposed Community Programs

Program (in \$000)	2023 Budget	2024 Budget	2025 Budget	2026 Proposed Budget	2026 Funded by the levy	% of the 2026 Budget Funded by the levy
1) Energy & Sustainability Fund	120	-	-	-	-	0.0%
2) Airport Community Ecology (ACE) Fund	40	40	40	-	-	0.0%
3) South King and Port Communities Fund	2,214	2,214	2,205	2,195	2,195	100.0%
4) Duwamish Valley Community Equity Program	462	471	619	617	617	100.0%
5) EDD Partnership Grants	850	950	950	950	950	100.0%
6) Tourism Marketing Support Program	1,830	1,875	2,154	2,177	920	42.3%
7) Airport Spotlight Ad Program*	466	466	518	518	518	100.0%
8) City of SeaTac Community Relief*	1,400	1,400	1,400	1,400	1,400	100.0%
9) Maritime Blue (formerly Maritime Innovation Center)	150	175	175	180	180	100.0%
10) Workforce Development	5,186	5,077	4,976	4,972	3,827	77.0%
a. Maritime Workforce Investments (formerly YMCL) ¹	1,000	900	750	670	670	100.0%
b. Airport Employment Center	1,517	1,517	1,517	1,653	507	30.7%
11) High School Internship Program	457	486	520	523	290	55.4%
12) Diversity in Contracting ²	2,299	2,304	2,356	2,463	300	12.2%
a. Small Bus. Accelerator under SKCCIF ²	250	250	260	250	250	100.0%
b. DBE/ACDBE/WMBE Training Consultants & Outreach	50	50	50	50	50	100.0%
13) Equity, Diversity & Inclusion	1,767	2,065	2,459	2,540	230	9.1%
14) Seattle Aquarium Partnership	1,000	1,000	-	400	400	100.0%
15) Friends of the waterfront			750	2,000	2,000	100%
Sub Total	18,691	18,803	19,591	20,686	13,577	66%
Payroll charged to the Levy ³	433	589	781	848	848	100%
Grand Total	19,124	19,392	20,372	21,535	14,426	67%

Notes:

1 Maritime Workforce Investments (formerly YMCL) budget rolls up to Workforce Development total (item 10).

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

3 2026 Payroll only for CPO & Ext. Rel. Other payroll from HS Interns, WFD, EDI are included in the individual items above.

* Non-Operating Accounts

Community Programs Funded by Tax Levy

Program (in \$000)	2023 Budget Funded by the levy	2024 Budget Funded by the levy	2025 Funded by the levy	2026 Funded by the levy	Inc/(Dec) from 2025 Approved Budget	
					\$ Change	% Change
1) South King and Port Communities Fund	2,214	2,214	2,205	2,195	(10)	-0.5%
2) Duwamish Valley Community Equity Program	462	471	619	617	(2)	-0.4%
3) EDD Partnership Grants	850	950	950	950	-	N/A
4) City of SeaTac Community Relief*	1,400	1,400	1,400	1,400	-	N/A
5) Maritime Blue (formerly Maritime Innovation Center)	150	175	175	180	5	2.8%
6) Workforce Development	3,785	3,863	3,762	3,827	66	1.7%
a. Youth Career Launch Program (formerly OYI) ¹	1,000	900	750	670	(80)	-11.9%
b. Airport Employment Center	303	303	303	507	204	40.2%
7) High School Internship Program	252	259	280	290	10	3.5%
8) Diversity in Contracting ²	300	300	310	300	(10)	-3.3%
a. Small Bus. Accelerator under SKCCIF ²	250	250	260	250	(10)	-4.0%
b. DBE/ACDBE/WMBE Training Consultants & Outreach	50	50	50	50	-	N/A
9) Equity, Diversity & Inclusion	138	203	226	230	4	1.9%
10) Seattle Aquarium Partnership	1,000	1,000	-	400	400	100.0%
11) Friends of the waterfront			750	2,000	1,250	62.5%
12) Other	1,108	806	1,608	1,438	(170)	-11.8%
Total	11,760	11,772	12,404	13,577	1,173	8.6%
Payroll charged to the Levy ³	433	580	781	848	67	7.9%
Grand Total	12,193	12,352	13,185	14,426	1,240	8.6%

Notes:

1 Maritime Workforce Investments (formerly YMCL) budget rolls up to Workforce Development total (item 6).

2 \$250K Small Business Accelerator under DIC is included in DIC total (Item 5) and SKCCIF (item 3).

3 2026 Payroll only for CPO & Ext. Rel. Other payroll from HS Interns, WFD, EDI are included in the individual items above.

* Non-Operating Accounts

2025 One-Time Items

Org	Dept	Description	Amount
1330	Risk Mgmt	Laptop/Cell Phone for new FTE	3,500
	Risk Mgmt	Vertikal Insurance Certificate Tracking Platform	11,200
1400	External Relations	Laptop/Cell Phone for new FTE	3,500
	External Relations	Waterfront Strategy and Outreach	100,000
1460	OEDI	Laptop/Cell Phone for new FTE	3,500
	OEDI	Maritime High School	250,000
1500	BI	Laptop/Cell Phone for new FTE	3,500
	BI	Business Intelligence Strategy Plan Update	75,000
1600	Engineering	Laptop/Cell Phone/Furniture for new 7 FTEs	37,900
	Engineering	Survey Datum & Coordinate System Update	310,000
1700	PCS	Metal Fabrication Machine	30,000
	PCS	PC Air Physical Changes for F&I	295,000
	PCS	2025 Training Facilitated Learning Session	10,000
	PCS	8 iPads for CM's and 8 Laptops for Crew	29,016
	PCS	Professional Development Program (Negotiation Skills)	2,990
	PCS	Professional Development Program (Strategic Project Mgmt)	2,990
	PCS	Service Directives-IDIQ for Leadership Coaching Athena Group	15,000
1800	HR	Laptop/Cell Phone/Furniture for new FTEs	11,000
	HR	Employee Resource Group Miscellaneous Fund	20,000
	HR	HR Request/Inquiry Ticketing System Implementation	10,000
	HR	LMS Consulting Services; Onboarding Consulting Services	30,000
	HR	Peoplesoft-Taleo Consulting Services	10,000
1810	LR	Laptop/Cell Phone for new FTE	3,500
	LR	Phone Service for new FTE	600
1900	ICT	Laptop/Cell Phone/Furniture for new FTEs	20,965
	ICT	Microsoft Windows Server 2012 Support Extended	120,000
2100	F&B	Economic Impact Study	38,000
4300	Police	Laptop/Cell Phone/Furniture for new FTEs	32,500
	Police	EDI Guest Speakers	40,000
9200	CPO	Procurement Workforce Analysis	75,000
	CPO	Bluebeam RevuCAD - 1 New License = \$300	300
		TOTAL	1,594,961

2025 Mid-Year Approvals Summary

Item	Org	Description	Amount in 2025		Amount in 2026	
			Payroll	Non-Payroll	Payroll	Non-Payroll
1	1980 Info Sec	SIEM Expansion	-	194,690	-	194,690
2	1311 Legal	Records Program Specialist	77,095	6,290	133,363	1,540
3	1420 Ext Rel	Duamish River Cmnty Hub Coordinator	20,113	-	131,135	600
4	1980 Info Sec	1Password		11,426		11,426
5	1980 Info Sec	Checkpoint		269,714		269,714
6	2240 AFR	Supplier Management Ops Supervisor	78,254	3,800	157,578	600
7	1980 Info Sec	Azure Cloud Security Architect Lead	17,647	16,550	206,904	12,600
8	1980 Info Sec	Resiliency Analyst	30,743	7,300	183,400	4,300
9	9205 CPO	Procurement Officer IV_LTD3	30,743	3,850	183,400	300
10	2260 AFR	General Ledger Business System Analyst	85,149	2,500	171,012	-
TOTAL			339,744	516,120	1,166,792	495,770

2026 Contractual Increases Summary

Item	Org	Dept	Account	Description	Amount in 2025	Amount in 2026	Change
1	4300	Police	64370	City of SeaTac Court Fees ILA increase	421,000	720,000	299,000
2	1400	External R	64370	Friends of Waterfront	750,000	2,000,000	1,250,000
3	2100	F&B	64740	Emphasys/SymPro Portfolio Management	25,000	55,350	30,350
4	1800	HR		Elimination of the B&O Tax Credit	-	17,849	17,849
TOTAL					1,196,000	2,793,199	1,597,199

Equity Spending Criteria

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

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

Equity Spending Definition

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

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

GASBs 87 Lease and 96 SBITA Accounting Changes

- Require to report part of the lease payments from tenants (except for leases related to aeronautical revenues) as non-operating interest income, instead of operating revenues.
- No impact to the Port's overall Changes in Net Position.
- Treat leases more like a long-term financing arrangement, similar to a loan for our tenants to use the Port facilities, with part of the lease payments representing interest income on that financing arrangement.
- Conversely, when the Port makes lease or subscription payments to vendors (for the use of land, facilities, equipment, or subscription-based IT services) a portion of those payments is now classified as non-operating interest expense.