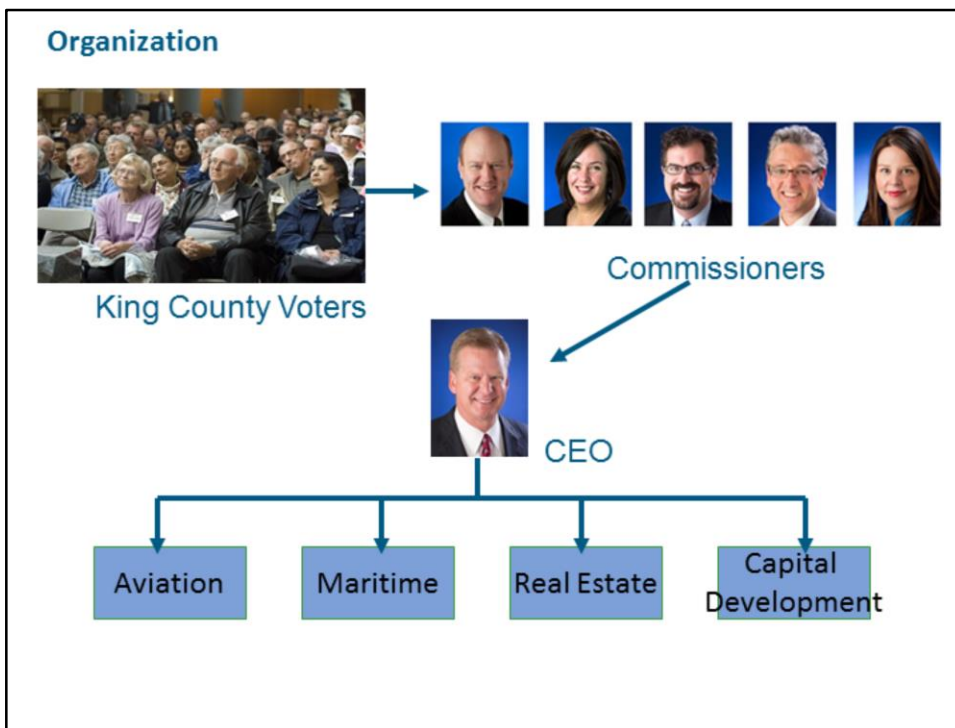


Measuring Success: a look at Port of Seattle's Incentive Pay Plan

Stephanie Jones Stebbins, Director, Maritime
Environmental and Sustainability
September 15, 2016



- On May 24, 2016 the Incentive Pay Plan was authorized by the Commission. Today the Port is at work to implement it.
- As managers, your employees may be asking you questions about what it is, how it works and what it means to your team.
- Today you will meet some of the Subject Matter Experts behind the scenes to provide you with information and answer your questions



- Washington’s ports are municipal corporations, that is special purpose governments. We are a separate agency, not part of the state, county nor city.
- Our jurisdiction is King County. King County citizens vote for the five commissioners.
- The Commissioners hire the Chief Executive Officer, who is responsible for the day to day operations of the Port.
- Because we were not deeded land by the city or state when the Port was established, we levy a tax on the property owners of King County. We purchase property at full market value to expand our facilities.
- The Port reduced the amount of its tax levy from \$75.9 million to \$73.5 million for the first time since 1991.
- 2012 tax levy will raise \$73.0 million – just over 23 cents on the tax dollar paid to King County – to be used for bond debt service, freight mobility, Seaport and Real Estate environmental projects, capital improvements, Office of Port Jobs.
- The five-year capital improvement program is \$1.5 billion, which reflects the Port’s continuing commitment to promoting regional economic activity through the investment in the development, expansion and renewal of Port facilities that supports the Port’s Business Plan and Green Initiative.

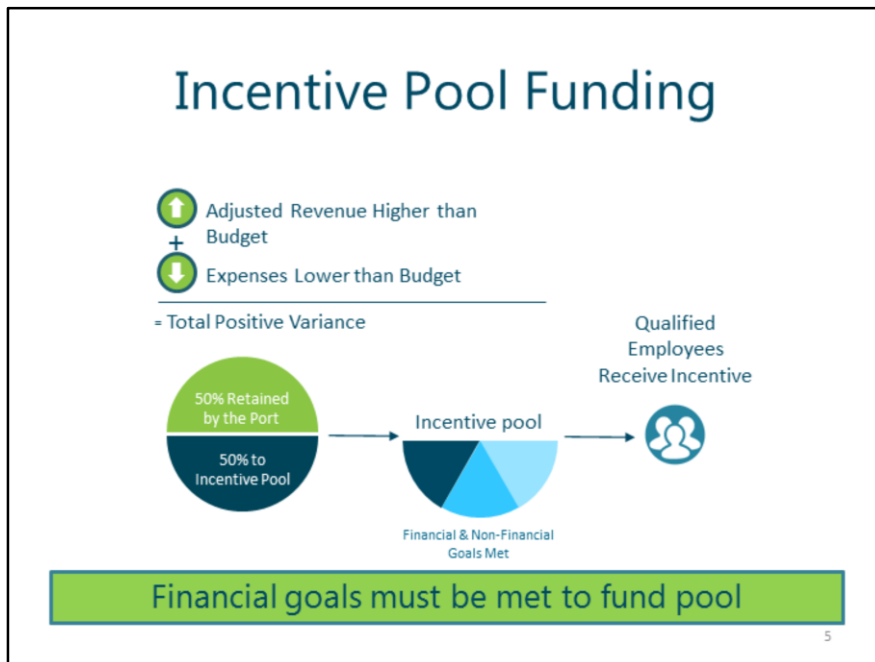
Port Lines of Business: Sea, Air, Land



Diverse Port; one of the few ports that operates both an airport and a seaport
4 container terminals, 2 cruise terminals, 3 recreational boat marinas, airport, grain terminal, fisherman's terminal, world trade center, and an international conference center
22 parks and public access areas.

Port of Seattle Priorities





Financial Goal ensures the plan pays for itself without adding to fixed salary costs

- (↓) A pool is funded when “adjusted revenue” is higher than budget and expenses are lower than budget; the 2 added together is referred to as a (↓) “total positive variance”
- It’s important to note that Aeronautical Revenues are deducted from Total Port revenues to determine the adjusted revenue and
- expenses are Total Port Expenses
- (↓) Once the Total Positive Variance is created, at least half of the variance will be retained by the Port, with a portion deposited into the Tax Levy Fund to help offset future increases
 - (↓) The remaining portion funds the payout pool (↓)
- Any positive variance above what it takes to fund the maximum pay out will be retained by the port
- It’s important to note that when the incentive plan funds, it hasn’t yet been earned.
 - To earn a payout, the financial AND at least 2 of the 3 non-financial goals must be met
- Now let’s look at an example...

Port of Seattle Priorities



Values Driven Non-Financial Goals

#1 – Small Business and WMBE Participation

- a) **Increase small business contracting participation Port-wide to 35%, and Minority and Woman’s Business Enterprises to 5.1%.**
- b) By November 1, 2016, assess all Port efforts and provide a scorecard rating the effectiveness with recommendations for

improvement focusing the Port on the triple bottom line



Small and
Women and
Minority
Business
Development

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- The first goal requires an increase of small business contracting participation to 35%
- and a 50% increase (over 2015) of **certified** Minority and Woman owned business enterprises to 5.1%.”
- In addition, there are some reporting milestones associated with this goal.
- A key point for this goal is that the minority and women owned business enterprise measure is based on CERTIFIED businesses in this category. Some businesses self-identify as women or minority owned, but only those that have gone through the process to become certified will be included in this calculation.

Small Business and WMBE goal

- Central Procurement and Economic Development are working on this goal
- **We are not where we want to be... through June we are at 26.4 % small biz spend and 3.5% WMBE**

★ Need to hit 43% small biz and 6.7% WMBE for balance of year

How you can help: 1) Classify those Un-Classified businesses currently being utilized 2) Think about using a Small Business or MWBE business when utilizing your P-Card

Everyone needs to prioritize/look for small biz options

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- What is the **Small Business and WMBE goal**?
- Who is working on this? How is it going?
- What have we learned?
- What support is needed now for 2016?
 - Break up large capital project contracts to make parts of the contract more accessible to small businesses/WMBE
 - CPO standards does not require using the lowest bid
 - Currently you may contract a small business/WMBE at 5% above the lowest bid
 - CPO considering increasing this to 10%
 - CPO also exploring ways to support small business/WMBE registering for State certification
- 2017 preview
- Questions & Answers

Values Driven Non-Financial Goals



#2 – Customer Satisfaction and Public Engagement

- a. Assess customer satisfaction and identify specific areas for improvement.
- b. By November 1, 2016, provide a report to the Commission that includes:
 - i. Benchmarks for future goal setting

Establishing Customer Satisfaction Benchmarks

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- The Second goal is about customer satisfaction and public engagement
- We understand that high levels of customer satisfaction and public engagement will enable us to create jobs, drive economic growth and make environment and sustainability improvements.
- This goal focuses the organization on assessing customer satisfaction for each of our lines of business in 2016 and also assessing the public's understanding of the Port's role in the local and regional economy so that we can identify specific areas for improvement.

Additional slides for the Aviation Customer Satisfaction Goal



Our current score and goal for year's end

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- What is the **Aviation Customer Satisfaction goal**?
- Who is working on this? How is it going?
- What have we learned?
- What support is needed now for 2016?
 - 2017 preview
- Questions & Answers

a. Improve aviation customer overall satisfaction, as measured by the Airport Service Quality (ASQ), from 4.07 to 4.13.

- b. By November 1, 2016, provide a report to the Commission that includes:
 - i. Strategies to improve the ASQ.

Maritime/Economic Development Customer Satisfaction

- Survey developed to elicit feedback from key customers covering satisfaction:
 - 76 Real Estate responses
 - 600 + Moorage tenants (both commercial and recreational)

Customer Service Survey Launched in August

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- What is the **non-aviation Customer Satisfaction goal**?
- Who is working on this? How is it going?
- What have we learned?
- What support is needed now for 2016?
 - 2017 preview
- Questions & Answers

Emailed to all 164 EDD and 2000+ Maritime landside tenant contacts in early August
Respondents self-identified by location and type of use but survey was anonymous

Survey expired August 15

**76 responses for EDD -- 600 responses for
Maritime**

Responses will be used to establish a customer service benchmarks for 2017
Emailed to all 164 EDD and 2000+ Maritime landside tenant contacts in early August
Respondents self-identified by location and type of use but survey was anonymous

Survey expired August 15

**76 responses for EDD -- 600 responses for
Maritime**

Responses will be used to establish a customer service benchmarks for 2017

Port of Seattle®  Customer Satisfaction & Public Engagement
Part (c)

Assess (and improve) public & local government understanding of the Port & our role in the regional & local economy



Scientifically valid, representative data

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- What is the **Public Engagement goal**?
- Who is working on this? How is it going?
- What have we learned?
- What can we do to support it?
 - It is highly likely this goal will continue to be a focus in 2017

- a. Your Questions & Our Answers **Assess within our jurisdiction public and other local government understanding of the Port and our role in the regional and local economy.**
- b. By November 1, 2016, provide a

report to the Commission that includes:

- i. High impact actions and programs to improve public and other local government understanding of the Port and our role in the regional and local economy



Actions to Date

- March 2016 Survey of King County residents
- multi-modal (paper, online, phone)
- July 2016 Focus groups of King County residents
- long-time (15+ years) & more recent
- Sept. 2016 Additional focus groups



Baseline results are good, but not great

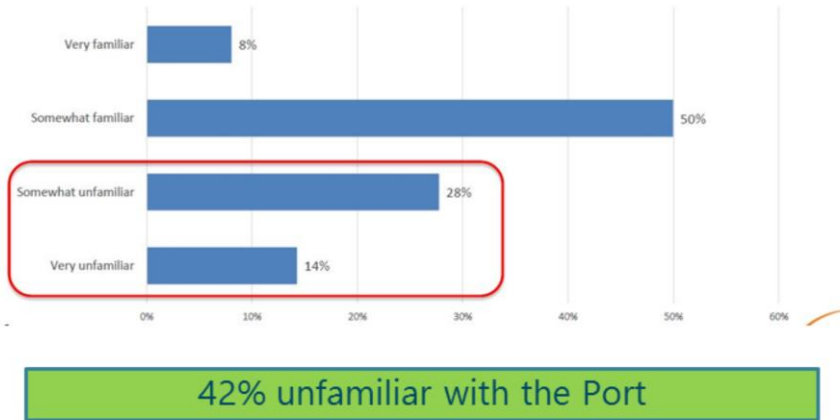
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- Your Questions & Our Answers

Key Findings

How familiar are you with the Port of Seattle and what it does?

Base: all respondents (n = 845)



- What is the **Public Engagement goal**?
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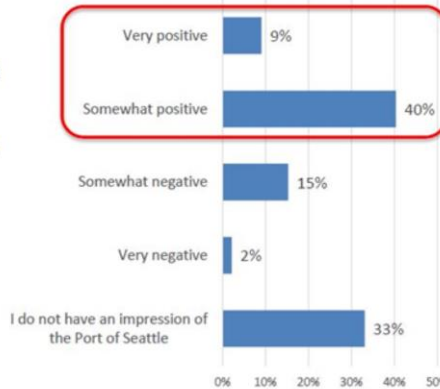


Key Findings

What is your impression of the Port of Seattle?
Base: all respondents (n = 843)

Those with no impression were more likely to have

- lived in King County fewer years
- be female
- be younger
- not live close to the airport



33% have no impression of the Port

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- What is the **Public Engagement goal**?
- Who is working on this? How is it going?
- What have we learned?
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- Your Questions & Our Answers

Key Findings

If you had to choose just one of these goals as most important, which would it be?

Base: all respondents (n = 831)



Connecting You to the World

16

- What is the **Public Engagement goal**?
- Who is working on this? How is it going?
- What have we learned?
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- Your Questions & Our Answers



What Can You Do?


1. **Connect with the Port via social media**
 - **Follow, Like, Share on Facebook**
 - **Retweet on Twitter**
 - **Instagram and LinkedIn**
2. **Subscribe to Connections**
3. **Collect and send me your good news stories**
4. **Share info with your friends & neighbors, especially in King County**

Channel your good news to Communications!

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Values Driven Non-Financial Goals



Environment
and
Sustainability

#3 – Environmental Stewardship

- Develop and ensure Port-wide implementation of an environmental scorecard
- By November 1, 2016, assess potential opportunities for increasing the use of renewable energy and reducing greenhouse gas emissions

Focusing the Port on the triple bottom line

18

- The final values driven goal is critical to achieving our commitment to reduce our environmental foot print.
 - To achieve this goal we will:
 - Develop and ensure the implementation of a port-wide environmental scorecard; AND
 - Assess the potential opportunities for increasing the use of renewable

Notes:

Scorecard will identify metrics in the areas of air quality and greenhouse gas emissions, water quality, energy and resource use reduction, habitat and remediation.

By Q4 create baselines and action plans for the proposed metrics.

- a. Develop and ensure Port-wide implementation of an environmental scorecard that measures the Port’s environmental footprint and that will serve to guide and monitor reduction efforts in all Port operating divisions and non-operating departments.
- b. By November 1, 2016, assess potential opportunities for increasing the use of renewable energy and reducing greenhouse gas emissions at Port owned facilities and report findings and recommendations to the Commission for consideration.

Environmental Stewardship Goal

- Scorecard- Plan in place and data collection underway
- Energy and Greenhouse Gas Reduction Plan- Study in process and on track

Solid plan in place to achieve the goal!

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- What is the **Environmental Stewardship goal**?
- Who is working on this? How is it going?
- What have we learned?
- What support is needed now for 2016?
 - 2017 preview
- Questions & Answers



Environmental Score Card

Unified Score card for environmental metrics



What Can You Do?

1. Start thinking about ways YOU can help reduce the port's environmental footprint
 - Recycling and composting
 - Turning off lights when you leave
 - Ordering green office supplies
 - Reducing fuel use

2. Start thinking about ways to reduce our footprint in projects and operations
 - Hazardous Waste reduction
 - Energy Efficiency
 - LEED buildings

EVERYONE can help reduce our footprint!

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Port of Seattle Priorities





Port 
of Seattle

THANK YOU!