• 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.
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 Performance

Environment and Sustainability

Customer Satisfaction
- Aviation
- Maritime
- Econ Dev
- Public Affairs

Small and Women and Minority Business Development
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

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- Environment and Sustainability
- Customer Satisfaction
- Small and Women and Minority Business Development

- Aviation
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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.
What is the **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

- 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

- Questions & Answers

- 2017 preview
• 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.
• 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.
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
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76 responses for EDD -- 600 responses for Maritime

Responses will be used to establish a customer service benchmarks for 2017
• 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
• 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
• Your Questions & Our Answers
• 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
• Your Questions & Our Answers
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
Your Questions & Our Answers
• What is the **Public Engagement goal**?
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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
• Your Questions & Our Answers
The final values driven goal is critical to achieving our commitment to reduce our environmental footprint.

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 energy and reducing greenhouse gas emissions.

**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.
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 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
• Your Questions & Our Answers
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Small and Women and Minority Business Development
THANK YOU!