



**COMMISSION
AGENDA MEMORANDUM**

Item No. 9c

BRIEFING ITEM

Date of Meeting October 22, 2019

DATE: October 4, 2019

TO: Stephen Metruck, Executive Director

FROM: Elizabeth Morrison, Director Corporate Finance

SUBJECT: Briefing on the Tax Levy and Draft Plan of Finance for 2020-2024

EXECUTIVE SUMMARY

This briefing is intended to inform the Commission's decision on the amount of the tax levy for the 2020 budget year and to inform the Commission on the Port's funding of its 2020-2024 Capital Investment Plan (CIP) - the Draft Plan of Finance.

BACKGROUND

Ports in Washington State have authority to levy taxes on property within the port district, within certain statutory limits; the Port may use this strategic resource for any allowable port purpose (other than the payment of revenue bond debt service). As part of the Port's budget process, the Commission establishes the amount of taxes to be levied within the Port district for the budget year. Staff will provide information on the uses of the tax levy and will seek Commission guidance on the establishment of the 2020 tax levy amount. For the 2019 budget, the Commission authorized a levy of \$74.16 million as part of a five-year funding plan that included an inflationary increase of the tax levy of three percent each year 2019-2023. Consistent with this plan, The Preliminary Budget references a 2020 tax levy of \$76.38 million.

As part of the annual budget process, staff provides a Draft Plan of Finance that is updated each year for the subsequent five-year CIP and provides information on the funding sources available to support the CIP. The Draft Plan of Finance is intended to illustrate the Port's capacity to fund projects based on the projected available resources. Staff has developed a Draft Plan of Finance for the Airport which is a self-funding enterprise. The Port's non-Airport operations – Maritime, Economic Development and the Port's participation in the Northwest Seaport Alliance - share funding resources. For the 2020-2024 periods, the full CIP can be funded with available resources based on current assumptions including the inflationary increase of the tax levy 2020-2023; no tax levy increase is anticipated in 2024.

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides –Tax Levy and Draft Plan of Finance 2020-2024

Meeting Date: October 22, 2019

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 8, 2019 – The Commission was briefed on 2020 Operating Division Budgets.

September 24, 2019 – The Commission was briefed on the 2020 Central Services Preliminary Budget.

August 13, 2019 – The Commission discussed the 2020 Maritime and Economic Development Division CIP and Funding.

July 7, 2019 – The Commission was briefed on the 2020 Economic Development Division Business Plan and Budget Development.

July 25, 2019 – The Commission was briefed on the 2020 Maritime Business Plan and Budget Development.

June 11, 2019 – The Commission was briefed on the 2020 Aviation Business Plan and Budget Development.

June 4, 2019 – A Budget Study Session was held on the 2020 Budget Process and Development.