



**COMMISSION
AGENDA MEMORANDUM**

Item No. 7b

BRIEFING ITEM

Date of Meeting October 24, 2017

DATE: October 17, 2017

TO: Dave Soike, Interim Executive Director

FROM: Elizabeth Morrison, Director Corporate Finance

SUBJECT: Briefing on the Tax Levy and a Preliminary Capital Funding Plan Discussion for 2018-2022

EXECUTIVE SUMMARY

This briefing is intended to inform the Commission's decision on the amount of the tax levy for the 2018 budget year and to inform the Commission on the Port's funding of its 2018-2022 Capital Improvement Plan (CIP).

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 2018 tax levy amount. Staff is recommending that the tax levy remain at the current \$72 million level for 2018.

On October 10th, the operating divisions presented their operating budgets and their CIPs, collectively the Port's CIP. As part of the annual budget process, staff provides a funding plan for the Port's CIP. This funding plan – The Draft Plan of Finance – 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 and may result in a recommendation to adjust project spending and/or adjust the tax levy. 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 2018-2022 periods, the full CIP exceeds available funding resources. Staff has undertaken a funding prioritization process and will provide a recommendation that seeks to balance near-term goals and needs with future flexibility. Staff will return with a revised CIP and updated Draft Plan of Finance.

Meeting Date: October 24, 2017

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides –Tax Levy and Preliminary Funding Discussion 2018-2022

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 10, 2017 – 2018 Operating Division budgets briefing to the Commission

September 26, 2017 – 2018 Corporate budget briefing to the Commission

September 12, 2017 – Non-Airport funding overview briefing to the Commission

August 22, 2017 – The Commission received the 2018 Budget Assumptions Memo

June 13, 2017 – The Commission conducted the 2018 Budget Work session