



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6d

ACTION ITEM

Date of Meeting November 8, 2016

DATE: October 20, 2016

TO: Ted Fick, Chief Executive Officer

FROM: Dan Thomas, Chief Financial Officer
Elizabeth Morrison, Director, Corporate Finance
Michael Tong, Asst. Finance Director - Budget

SUBJECT: First Reading and Public Hearing of Resolution No. 3726, adopting the final budget of the Port of Seattle for the Year 2017

ACTION REQUESTED

Request Commission authorization for the First Reading and Public Hearing of Resolution No. 3726: A resolution of the Port Commission of the Port of Seattle adopting the final budget of the Port of Seattle for the year 2017; making, determining, and deciding the amount of taxes to be levied upon the current assessment roll; providing payment of bond redemptions and interest, cost of future capital improvements and acquisitions, and for such general purposes allowed by law which the Port deems necessary; and directing the King County Council as to the specific sums to be levied on all of the assessed property of the Port of Seattle District in the Year 2017.

EXECUTIVE SUMMARY

The 2017 business and budget planning process began in April. In the past few months, staff provided 7 briefings to the Commission on the Strategic Positioning for Growth (SPG) budgeting initiative process and outcomes, key budget assumptions, budget overview, preliminary operating and capital budget. Based on the input and comments from the Commission in the briefings, staff incorporated the suggested changes into the preliminary numbers. The preliminary budget document was provided to the Commission on October 18, 2016, and made available to the public on October 20, 2016. In conjunction with this authorization, staff will also brief the Commission on the tax levy and draft plan of finance.

Staff recommends the following final budget process:

- (1) November 8, 2016 – First Reading of Resolution No. 3726 and Public Hearing
- (2) November 22, 2016 – Second Reading and Final Passage of Resolution No. 3726
- (3) December 2, 2016 – Submittal of the 2017 Final Statutory Budget to the King County Council and Assessor’s Office.
- (4) December 15, 2016 – Release of the 2017 Final Budget and Draft Plan of Finance document to the Public.

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ADDITIONAL BACKGROUND

The budget process includes planning, setting up and testing new budget modules in the budget system, budget user training, department strategic and business planning, publishing budget guidelines, establishing budget targets, entering budget data into the system, running budget allocations and budget reports, conducting department and division reviews, executive reviews, and Commission reviews, preparing and publishing the preliminary budget document, a public hearing, adoption of the final budget, filing the statutory budget with the King County Council and Assessor’s Office, and the preparation and release of the final budget document.

Prior to the First Reading and Public Hearing on November 8, 2016, staff have provided 7 briefings to the Commission. The 2017 preliminary budget was provided to the Port Commission on October 18, 2016, and was made available to the general public on October 20, 2016. An announcement of the preliminary budget and public hearing was made in the Daily Journal of Commerce newspaper on October 24 and October 31, 2016.

In order to better inform the Commission prior to the First Reading action, staff will present an update on the tax levy and draft plan of finance 2017-2021. Ports in Washington State have authority to levy taxes on property within the port district and within certain statutory limits; the Port may use this strategic resource for any allowable port purpose (other than the payment of revenue bonds). 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 forecasted uses of the tax levy and will seek Commission guidance on the establishment of the 2017 tax levy amount and modifications to forecasting assumptions. Staff will also provide a funding plan for the Port’s capital budget. This funding plan – The Draft Plan of Finance – is updated each year for the subsequent five-year capital budget and provides information on the funding sources available to support capital investments. 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.

After the public hearing and Commission adoption of a final plan, the statutory budget will be filed with the King County Council and King County Assessor as required by law. The 2017 Final Budget and Draft Plan of Finance will be released to the public on December 15, 2016.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides: Tax Levy and Draft Plan of Finance 2017-2021
- (2) Draft Resolution No. 3726
- (3) Presentation slides: 2017 Preliminary Budget First Reading and Public Hearing

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PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 10, 2016 – The Commission was briefed on the 2017 Division Operating and Capital Budgets

September 27, 2016 – The Commission was briefed on the 2017 Corporate Budget

September 13, 2016 – The Commission was briefed on the 2017 Budget Overview and Key Assumptions

August 19, 2016 – The Commission was provided a briefing document regarding key budget assumptions for 2017

August 9, 2016 – The Commission approved the Long Range Plan

July 26, 2016 – The Commission was briefed on the Long-Range Plan, Century Agenda Dashboard Overview, and Budget Considerations beyond the Long-Range Plan

June 14, 2016 – The Commission was briefed on the Strategic Positioning for Growth Budgeting Initiative