



**COMMISSION
AGENDA MEMORANDUM**

Item No. 11a

BRIEFING ITEM

Date of Meeting October 26, 2021

DATE: October 9, 2021

TO: Stephen Metruck, Executive Director

FROM: Elizabeth Morrison, Director Corporate Finance
Scott Bertram, Manager, Corporate Financial Analysis

SUBJECT: Briefing on the Tax Levy and Draft Plan of Finance for 2022-2026

EXECUTIVE SUMMARY

This briefing is intended to inform the Commission's decision on the amount of the tax levy for the 2022 budget year and to inform the Commission on the Port's funding of its 2022-2026 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 2022 tax levy amount and uses. For the 2021 budget, the Commission authorized a levy of \$78.7 million as part of a five-year funding plan that included an inflationary increase of the tax levy of three percent each year from 2019-2023. The Draft Plan of Finance incorporates the continued three percent annual increase in the tax levy, bringing the 2022 tax levy to \$81.0 million and the forecast assumption of an inflationary increases of two percent in future years.

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 fund the CIP. The Draft Plan of Finance is intended to illustrate the Port's capacity to fund investments based on projected available resources. These available resources have been adversely affected by the pandemic, with continuing uncertainty in several Port businesses. Staff has developed a Draft Plan of Finance for the Airport as a self-funding enterprise. The Port's non-Airport operations – Maritime, Economic Development, and the Port's participation in the Northwest Seaport Alliance (NWSA) - share funding resources and the Draft Plan of Finance incorporates funding for both Port and NWSA CIPs.

Meeting Date: October 26, 2020

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides –Tax Levy and Draft Plan of Finance 2022-2026

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 12, 2021 – The Commission was briefed on the Operating Divisions’ 2022 Operating Budgets and 2022-2026 CIPs.

September 28, 2021 – The Commission was briefed on the 2022 Central Services Preliminary Budget.

July 29, 2021 – The Commission held a Budget Planning Retreat.

July 13, 2021 – The Commission was briefed on 2022 Budget Development.

June 3, 2021 – The Commission held a Budget Retreat to discuss the 2022 Budget.