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**COMMISSION**

AGENDA MEMORANDUM Item No. 11c

BRIEFING ITEM Date of Meeting October 25, 2022

DATE: October 4, 2022

TO: Stephen Metruck, Executive Director

FROM: Elizabeth Morrison, Director Corporate Finance

Scott Bertram, Manager, Corporate Financial Analysis

SUBJECT: Briefing on the Tax Levy Draft Plan of Finance for 2023-2027

**EXECUTIVE SUMMARY**

This briefing is intended to inform the Commission's decision on the amount of the tax levy for the 2023 budget year and to inform the Commission on the Port's funding of its 2023-2027

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 2023 tax levy amount and uses. For the 2022 budget, the Commission authorized a levy of \$81.04 million. The Draft Plan of Finance incorporates a two percent annual increase in the tax levy, bringing the 2023 tax levy to \$82.66 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 investments based on the projected available resources. Because it incorporates the 2023 operating budgets and forecasts and the tax levy, decisions made as part of the budget process affect funding resources. 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.

Template revised September 22, 2016.

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Meeting Date: October 25, 2022

**ATTACHMENTS TO THIS BRIEFING**

(1) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

October 11, 2022(PM) – Maritime and EDD CIP and Operating Budgets Briefing

October 11, 2022 (AM) – Aviation Division CIP and Operating Budgets Briefing

September 27, 2022 – 2023 Central Services Preliminary Budget and Portwide Rollup Briefing

August 1, 2022 – Commission Budget Planning Retreat

July 26, 2022 – 2023 Budget Development Briefing

June 14, 2022 – Commission Budget Planning Retreat

Template revised September 22, 2016.