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COMMISSION

AGENDA MEMORANDUM Item No. 11a

BRIEFING ITEM Date of Meeting October 24, 2023

DATE: October 6, 2023

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 2024-2028

EXECUTIVE SUMMARY

This briefing is intended to inform the Commission's decision on the amount of the tax levy for the 2024 budget year and to inform the Commission on the Port's funding of its 2024-2028 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 2024 tax levy amount and uses. For the 2023 budget, the Commission authorized a levy of \$82.66 million. The Draft Plan of Finance incorporates a levy amount that is 75% of the maximum amount the Port is allowed to levy within statutory limits; this brings the 2024 tax levy to \$86.7 million a 4.8% increase from 2023.

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 2024 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 selffunding 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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ATTACHMENTS TO THIS BRIEFING

(1) Presentation slides –Tax Levy and Draft Plan of Finance 2024-2028

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 10, 2023 – Maritime and EDD CIP and Operating Budgets Briefing

October 10, 2023 – Aviation Division CIP and Operating Budgets Briefing

September 26, 2022 – 2023 Central Services Preliminary Budget and Portwide Rollup Briefing

July 27, 2023 – Commission Budget Retreat

June 24, 2023 – Commission Budget Retreat

Template revised September 22, 2016.

