

BOARD OF COMMISSIONERS
THE FABULICH CENTER, ROOM 104
3600 PORT OF TACOMA ROAD, TACOMA, WASHINGTON

COMMISSIONERS PRESENT:

1. Dick Marzano, President
2. Don Meyer, Vice President
3. Don Johnson, 1st Assistant Secretary

STAFF PRESENT:

1. John Wolfe, CEO
2. Carolyn Lake, Port Counsel
3. Judi Doremus, Executive Assistant/Clerk of the Port

COMMISSIONERS EXCUSED:

1. Clare Petrich, Secretary
2. Connie Bacon, 2nd Assistant Secretary

12:00 NOON: STUDY SESSION:

1. CALL TO ORDER:

Commissioner Marzano called the meeting to order at 12:01 pm and a flag salute was performed.

CEO Wolfe made brief comments regarding the complexities of the Port of Tacoma budget in light of coordination with the NWSA budget.

We are estimating flat revenue over the next couple of years, but expenses are increasing, so staff is scrubbing the numbers to reduce the operating budget as much as possible. The final budget will change from the numbers today. This is a reflection of the condition of the marketplace. The cargo industry in general, at this time, is pretty soft, making it more difficult to maintain the revenue streams we enjoyed prior to the downturn in the economy.

2. PUBLIC COMMENT: None.

3. 2018 BUDGET STUDY SESSION:

1. 2017 Profit and Loss Forecast was reviewed.
2. CIP 2018-2022: Commissioner Meyer requested an outcome-based CIP, showing how many acres are being cleaned up or highway improved, etc. We will be reviewing the scorecard at the NWSA Budget Adoption on November 7th. We do not currently have a "scorecard" for the Port of Tacoma. In the future we could have a study session prior to the budget study session to review the strategic plan to show the value of the funds proposed to be spent.
3. Potential development of the former Kaiser site in the Port of Tacoma budget versus the NWSA budget was discussed. It could be listed as opportunity capital.
4. New positions predicted for next year were discussed.
5. 2017 and 2018 memberships were discussed and those for the Port of Tacoma versus the NWSA.
6. SR-167: Local funding as payment is expected to start in 2023 and be complete by 2029. The Port is planning that their contribution will include \$3.4 to \$4 million in land in-kind for an on/off ramp.
7. Tax levy: 2017 and 2018 levies were reviewed. Commissioner Meyer expressed his preference for not using a millage rate to establish the tax levy.
8. The average salary and benefit package of Port staff was discussed. Commissioner Johnson would like to see a 10-year trend for benefits, with an emphasis on healthcare costs. The Port's healthcare costs have actually been fairly flat. We recently performed an exhaustive study with the Total Rewards program through the NWSA.
9. There are eight new positions in the budget, but the decision to fill those positions will be based on need.
10. Commissioners request a realistic assessment of the WTCT's debt.
11. Ensure consistency on NWSA's contribution to Seattle and Tacoma's maritime fest and Propeller Club, etc.
12. Debt to income ratio was reviewed.

4. COMMISSIONER COMMENT:

Commission expressed appreciation for all of David Morrison's work and that of his team.

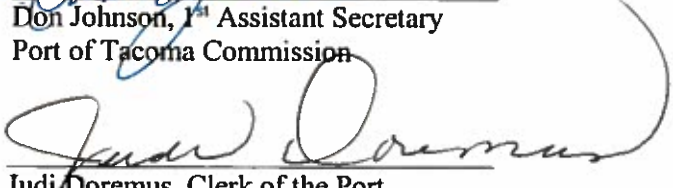
5. ADJOURNMENT:

There being no further business, President Marzano adjourned the meeting at 1:19 pm.


ATTEST:



Don Johnson, 1st Assistant Secretary
Port of Tacoma Commission



Judi Doremus, Clerk of the Port
Port of Tacoma



Dick Marzano, President
Port of Tacoma Commission