

COMMISSION AGENDA

Item No.: 3A

Meeting: 11/19/20

DATE: November 12,2019
TO: Commission
FROM: Eric Johnson, Executive Director
Erin Galeno, Chief Financial and Administrative Officer
David Morrison, Director, Financial Planning and Treasury
SUBJECT: 2021 Budget & Tax Levy

A. ACTION REQUESTED

Consider three resolutions:

1. **Resolution No. 2020-08-PT:** Direct the Secretary to certify to the Clerk of the County Council a Tax Levy of \$23,852,281 for the year 2021.
2. **Resolution No. 2020-09-PT:** Adopt the 2021 Statutory Budget.
3. **Resolution No. 2020-10-PT:** Authorize the tax levy at \$23,852,281 and a maximum tax levy capacity of \$26,879,499.

B. BACKGROUND

The 2021 Tax Levy and Statutory budget represent the sixth year of the Port of Tacoma's participation in the Northwest Seaport Alliance (NWSA). The 2021 operating budget and 2021-2025 Capital Investment Plan for the NWSA has been presented to the public and has been approved by the Managing Members. These three resolutions and one action address Port of Tacoma specific actions that need to be taken.

C. FISCAL IMPACT

There are four areas to the 2021 Budget:

1. **Operating Budget:** The operating revenue projection of \$63.5 million includes \$42.3 million Net Distributable Revenue from the NWSA's operating income. This produces an operating income of \$16.4 million. We project a 25.6 percent return on revenue. In 2021, we project \$21.1 million of net income.
2. **Five-Year Capital Investment Plan:** The \$55.6 million 2021 Port of Tacoma Capital Investment Plan budget represents the first year of the Port's planned five-year plan, a package totaling \$160.5 million of projects. An additional \$185.1 million in project spending for the Port's 50 percent of NWSA projects is included in the Port's Plan of

Finance. The 2021 Port of Tacoma planned Capital Investment Plan includes funds to purchase land for strategic business opportunities, maintain revenue producing Port assets (asset management), construct environmental mitigation, and contribute to road infrastructure projects.

3. **Tax Levy:** The Port has proposed a reduction to the targeted millage rate from \$0.18365 per thousand dollars of assessed value to \$0.17302. The 2021 tax levy is increasing by 3% from \$23,157,554 to \$23,852,402. The levy will be used for general obligation bond debt service and governmental projects. We strive to keep the Port levy low, knowing that the unused portion of the legal limit can be available should a requirement materialize.
4. **Plan of Finance:** The Plan of Finance incorporates the Port of Tacoma's share of the NWSA's net distributable revenue and capitalized project spending. The 2021 Port of Tacoma Plan of Finance proposes no debt issues to finance capital spending in 2021. The Plan of Finance shows no borrowing for the next five years. Our plan estimates that the Port's 2021 fully diluted debt service coverage will be 2.0. The fully diluted debt service is expected to exceed 2.0 in all years.

**PORT OF TACOMA
RESOLUTION NO. 2020-08-PT**



A RESOLUTION to direct the Secretary to certify to the Clerk of the County Council of Pierce County, Washington a tax levy of \$23,852,281 for the year 2021.

WHEREAS, the laws of the State of Washington require that annual tax levy by a Port District shall be filed with the Clerk of the County Council.

WHEREAS the Port of Tacoma Commission has given legal notice of the public hearing held November 19, 2020 to consider the Port of Tacoma's current expense budget for the 2021 calendar year, pursuant to RCW 84.55.120; and

WHEREAS the Port of Tacoma Commission after hearing, and after duly considering all relevant evidence and testimony presented, has determined that the Port of Tacoma will increase its property tax revenue on existing property from the previous year, and inclusive of any increase resulting from the addition of new construction; increases in assessed value due to construction of wind turbine, solar, biomass, and geothermal facilities, if such facilities generate electricity and the property is not included elsewhere under chapter 84.55 RCW for purposes of providing an additional dollar amount, whether classified as real or personal property; improvements to property; and any increase in the value of State-assessed property, in order to discharge the expected expense and obligation of the Port of Tacoma and in its best interest,

NOW, THEREFORE, BE IT RESOLVED by the Port of Tacoma Commission that a net increase in the regular property tax levy from \$23,157,554 to \$23,852,281 (a net increase of \$694,727 which is a 3% increase over the previous year) is hereby authorized for the 2020 levy for 2021 taxes in the amount of \$23,852,281.

AND, BE IT FURTHER RESOLVED that an increase in the regular property tax levy, which shall include any increase resulting from the addition of new construction; increases in assessed value due to construction of wind turbine, solar, biomass, and geothermal facilities, if such facilities generate electricity and the property is not included elsewhere under chapter 84.55 RCW for purposes of providing an additional dollar amount, whether classified as real or personal property; improvements to property; and any increase in the value of state-assessed property is hereby authorized for the 2020 levy for 2021 taxes in the amount of \$23,852,281 which is a percentage increase of 3% from the previous year.

AND, BE IT FURTHER RESOLVED that the Secretary forthwith certify to the Clerk of the County Council of Pierce County, Washington that the Port of Tacoma will require the sum of \$23,852,281, the same being a levy of \$0.17302 per \$1,000 assessed valuation against the valuation of \$137,859,221,328 for regular levy, that said certificate shall show that such amount is required for the Port District for the year ending December 31, 2021. Said certificate shall be in substantially the following form, to wit:

Clerk of the County Council
Pierce County
Tacoma, Washington

Council Members:

Pursuant to Resolution No. 2020-08-PT passed and adopted by the Board of Commissioners of the Port of Tacoma on the **19th day of November, 2020**, I hereby certify that the sum of \$23,852,281 will be required for the Port of Tacoma for the year ending December 31, 2021, the same being based upon the valuation for Pierce County for the year of \$137,859,221,328 for regular levy.

Don Meyer, Secretary
Port of Tacoma Commission

ADOPTED by a majority of the members of the Port of Tacoma Commission at a regular meeting held on the **19th day of November 2020**, a majority of the members being present and voting on this resolution and signed by the President and attested by its Secretary under the official seal of said Commission in authentication of its passage this 19th day of November 2020.

John McCarthy, President
Port of Tacoma Commission

ATTEST:

Don Meyer, Secretary
Port of Tacoma Commission

I, Don Meyer, the duly chosen, qualified and Secretary of the Port of Tacoma Commission, DO HEREBY CERTIFY that the foregoing resolution is a true and correct copy of Resolution **No. 2020-08-PT** of said Commission, duly adopted at a regular meeting thereof, held on the **19th day of November 2020**, and duly authenticated in open session by the signatures of the Commissioners present and voting in favor thereof and the seal of the Commission.

Don Meyer, Secretary
Port of Tacoma Commission



People. Partnership. Performance.

P.O. Box 1837
Tacoma, WA 98401-1837
www.portoftacoma.com

November 19, 2020

Pierce County Council
Attn: Clerk
930 Tacoma Avenue South
Room 1046
Tacoma, Washington 98402

I, Don Meyer, the duly chosen, qualified and Secretary of the Port of Tacoma Commission, DO HEREBY CERTIFY that the foregoing resolution is a true and correct copy of Resolution **No. 2020-08-PT** of said Commission, duly adopted at a regular meeting thereof, held on the **19th day of November 2020**, and duly authenticated in open session by the signatures of the Commissioners present and voting in favor thereof and the seal of the Commission.

Don Meyer, Secretary
Port of Tacoma Commission

Enclosure

Cc: Kim Fleshman, Assessor-Treasurer Office



Levy Certification

Submit this document to the county legislative authority on or before November 30 of the year preceding the year in which the levy amounts are to be collected and forward a copy to the assessor.

In accordance with RCW 84.52.020, I, Don Meyer,
(Name)

Secretary, for The Port Of Tacoma, do hereby certify to
(Title) (District Name)

the Pierce County legislative authority that the Commissioners
(Name of County) (Commissioners, Council, Board, etc.)

of said district requests that the following levy amounts be collected in 2021 as provided in the district's
(Year of Collection)

budget, which was adopted following a public hearing held on 11/19/20:
(Date of Public Hearing)

Regular Levy: \$23,852,281
(State the total dollar amount to be levied)

Excess Levy: _____
(State the total dollar amount to be levied)

Refund Levy: \$29,973.74
(State the total dollar amount to be levied)

Signature: _____

Date: 11/19/20

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Resolution 2020-09-PT



A RESOLUTION of the Port of Tacoma Commission adopting a budget for the Port of Tacoma for the year 2021.

WHEREAS, the laws of the State of Washington make it the duty of the Port Commission of the Port of Tacoma to create a budget showing the estimated revenues and expenditures of the Port of Tacoma for the year 2021, and

WHEREAS, the Port of Tacoma Commission did so create a budget and did give notice by publication of the time and in the manner provided by law in The News Tribune, a newspaper of general circulation in Pierce County, Washington, that a meeting would be held on the 19th day of November 2020 at twelve noon at The Fabulich Center, and that notice gave direction which would allow any taxpayer to provide public comment by submitting written comment via email to comment@portoftacoma.com, or to deliver public comment via telephone during the public comment portion of the budget hearing, and be heard in favor of or against the proposed tax levy based on said budget, said methods of public comment necessitated by the Governor's Emergency Proclamation 20-28.11 whereby public attendance at this meeting is allowed remotely only and no in-person attendance has been permitted, and

WHEREAS, the 2021 budget estimated revenues and expenditures includes a capital budget that is consistent with the Port's Comprehensive Scheme of Harbor Improvements and enumerated in the Port's vision, mission, goals and objectives statements, and

WHEREAS, said meeting was so held on the 19th day of November, 2020 at twelve noon at the Fabulich Center, and an opportunity was given at said meeting for any taxpayer to speak in favor of or against the proposed tax levy based on said budget, consistent with the above-referenced Governor's Emergency Proclamation 20-28.11.

WHEREAS, the Port Commission having considered the public comment and staff's recommendation,

NOW, THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION OF THE PORT OF TACOMA:

That the attached budget of revenues and expenditures of the Port of Tacoma for the year 2021 is hereby adopted.

ADOPTED by a majority of the members of the Port Commission of the Port of Tacoma at a regular meeting held on the 19th day of November 2020, a majority of the members being present and voting on this resolution and signed by the President and attested by its Secretary under the official seal of said Commission in authentication of its passage this **19th day of November 2020**.

John McCarthy, President
Port of Tacoma Commission

ATTEST:

Don Meyer, Secretary
Port of Tacoma Commission

PORT OF TACOMA
RESOLUTION NO. 2020-10-PT



A RESOLUTION of the Port of Tacoma Commission addressing the tax levy requirements pursuant to RCW 84.55.120 and RCW 84.55.092; and preserving the opportunity for a future increase in the limit factor for maximum levy capacity pursuant to RCW 84.55.0101.

WHEREAS, a public hearing on the revenue sources for the Port's 2021 current expense budget has been held by this Commission on **November 19, 2020**, and

WHEREAS, increases in regular property taxes imposed by the Port are limited by Chapter 84.55 RCW so that the regular property tax levy of the Port may only increase from year to year by an amount equal to the "limit factor" (plus increases permitted due to new construction and increases in value of state assessed property); and

WHEREAS, pursuant to RCW Sections 84.55.005 and 84.55.010, as amended, the limit factor for the Port's 2020 tax levy (2021 collection) is the lesser of one hundred one percent or one hundred percent plus inflation (the Limit Factor"); and

WHEREAS, the Port has been advised that based on inflation/deflation, the Port's limit factor for a levy increase this year would be limited to one hundred and sixty hundredths percent (100.6%) (plus new construction and improvements to property) ("2020 Limit Factor") unless the Port Commission makes a finding of "substantial need" pursuant to RCW 84.55.0101; and

WHEREAS, the highest regular tax which could have been lawfully levied by the Port, beginning with the Port's 1985 levy, occurs in the year 2020 and is equal to \$26,278,254.24 ("Highest Levy Available") multiplied by the 2020 Limit Factor of one hundred and sixty hundredths percent 100.6%) (as defined in RCW 84.55.005) is equal to \$26,436,323.19

WHEREAS, the Maximum Levy based on the Limit Factor may be increased by 2020 permitted add-ons (dollar increases in new construction and improvements, Increases in assessed value due to construction of wind turbine, solar, biomass, and geothermal facilities, if such facilities generate electricity and the property is not included elsewhere under chapter 84.55 RCW for purposes of providing an additional dollar amount, whether classified as real or personal property; improvements to property, any increase in the value of State-assessed property and refunds multiplied by 2020's levy rate) of \$413,202.08 (the "Add-On Levy"), and

WHEREAS, the Maximum Levy based on the Limit Factor, increased by the Add-On Levy would be equal to \$26,849,525.27, and

WHEREAS, RCW 84.55.070 provides that the levy limit will not apply to the levy for taxes refunded or to be refunded pursuant to Chapter 84.68 RCW, RCW 84.69.180, RCW 84.56.290 or the provisions of chapter 84.69 RCW, or otherwise attributable to state taxes lawfully owing by reason of adjustments made under RCW 84.48.080 in the amount of \$29,973.74

WHEREAS, any increase in the Maximum Levy based on the Limit Factor, increased by the Add-On Levy in excess of the Limit Factor must be approved by a resolution, and

WHEREAS, RCW 84.55.120 provides that no increase in property tax revenue, other than that resulting from new construction and improvements to property, Increases in assessed value due to construction of wind turbine, solar, biomass, and geothermal facilities, if such facilities generate electricity and the property is not included elsewhere under chapter 84.55 RCW for purposes of providing an additional dollar amount, whether classified as real or personal property; improvements to property; and any increase in the value of State-assessed property (i.e. the "Add-On Levy"), may be authorized by a taxing district except by adoption of a separate resolution, pursuant to notice,

NOW, THEREFORE, BE IT RESOLVED by the Port of Tacoma Commission, as follows:

Pursuant RCW 84.55.120, the Port Commission hereby authorizes a 2020 levy (2021 collection) in the amount of \$23,852,281 ("the 2020 Levy"). The 2020 Levy represents an increase from the 2020 Levy equal to 3% (\$694,727).

Pursuant to RCW 84.55.120 and RCW 84.55.092, to preserve future tax levy opportunities the Port Commission makes a finding of substantial need and approves the Maximum Levy, as herein described (based on the Limit Factor increased by the Add-On Levy and Levy for Refunds), equal to an aggregate dollar amount of \$26,879,499 which is \$601,244,77 greater than the dollar amount of the 2020 levy (for collection in 2021).

ADOPTED by a majority of the members of the Port of Tacoma Commission at a regular meeting held on the **19th day of November 2020** a majority of the members being present and voting on this resolution and signed by its Vice President and attested by its Secretary under the official seal of said Commission in authentication of its passage this **19th day of November, 2020**.

John McCarthy, President
Port of Tacoma Commission

ATTEST:

Don Meyer, Secretary
Port of Tacoma Commission

I, Don Meyer, the duly chosen, qualified and Secretary of the Port of Tacoma Commission, DO HEREBY CERTIFY that the foregoing resolution is a true and correct copy of Resolution No. 2020-10-PT of said Commission, duly adopted at a regular meeting thereof, held on the **19th day of November, 2020**, and duly authenticated in open session by the signatures of the Commission Officers present and the seal of the Commission.

Don Meyer, Secretary
Port of Tacoma Commission



Ordinance / Resolution No. 2020-10-PT
RCW 84.55.120

WHEREAS, the Commission of Port of Tacoma has met and considered its budget for the calendar year 2020; and,

WHEREAS, the districts actual levy amount from the previous year was \$ 23,157,554.00; and,

WHEREAS, the population of this district is more than or less than 10,000; and now, therefore,

BE IT RESOLVED by the governing body of the taxing district that an increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2021 tax year.

The dollar amount of the increase over the actual levy amount from the previous year shall be \$ 694,727.00 which is a percentage increase of 3% from the previous year.

additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, solar, biomass, and geothermal facilities, and any increase in the value of state assessed property, any annexations that have occurred and refunds made.

Adopted this 19 day of November, 2020.

Three horizontal lines for signatures on the left and right sides.

If additional signatures are necessary, please attach additional page.

This form or its equivalent must be submitted to your county assessor prior to their calculation of the property tax levies. A certified budget/levy request, separate from this form is to be filed with the County Legislative Authority no later than November 30th. As required by RCW 84.52.020, that filing certifies the total amount to be levied by the regular property tax levy. The Department of Revenue provides the "Levy Certification" form (REV 64 0100) for this purpose. The form can be found at: http://dor.wa.gov/docs/forms/PropTx/Forms/LevyCertf.doc.

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2021 Tax Levy & 2021 Statutory Budget

Public Hearing

***Commission Meeting
November 19th, 2020***



Changes From 2021 Budget Study Session

- TSO Security Department payroll adjusted to eliminate incorrect shift differential.
- Elimination of 1 finance position and change to allocation to NWSA
- Revenue associated with Commission approved purchase of 2235 Ross Way
- Increase in lease revenue per lease agreement at 2302 Milwaukee Way

Agenda

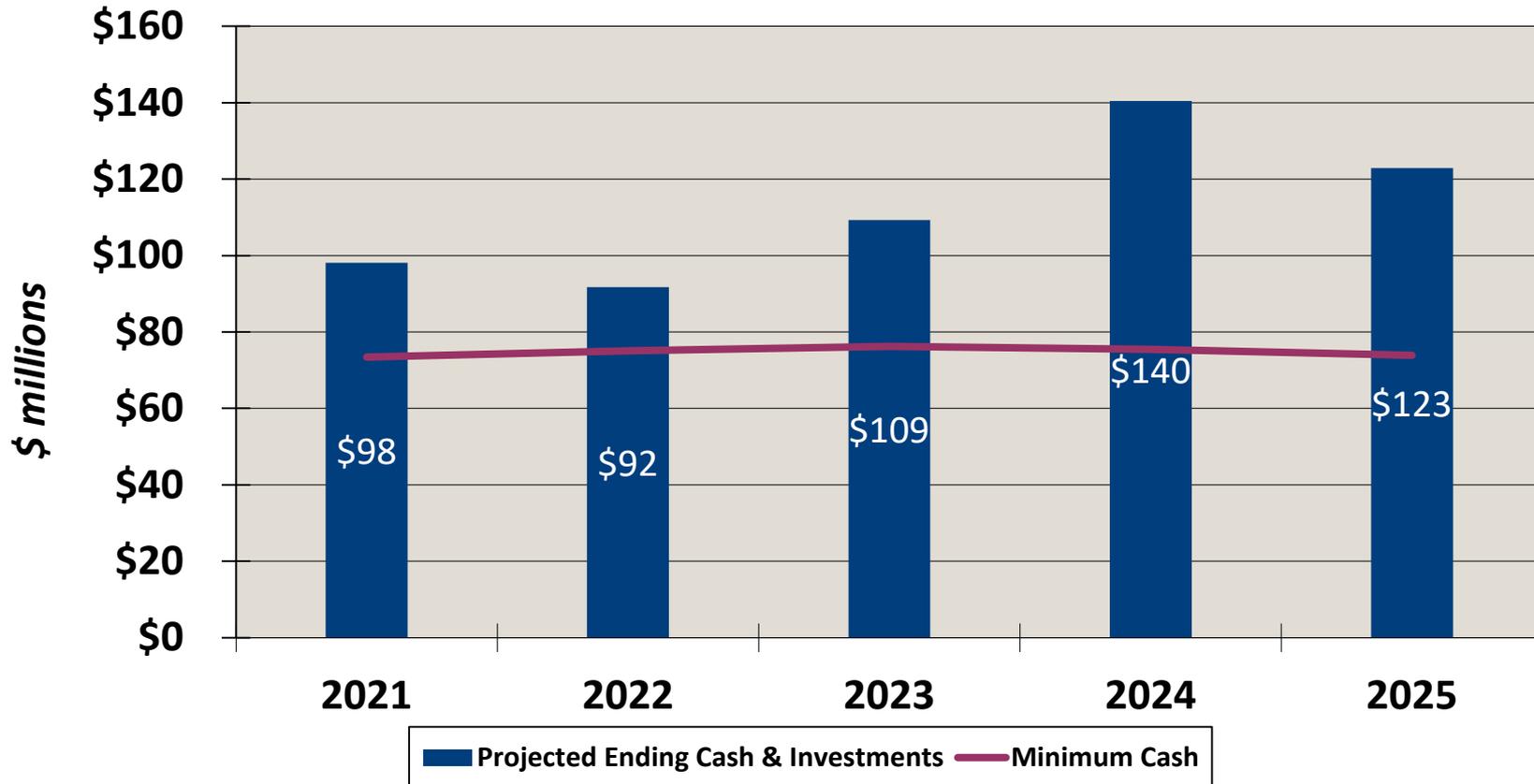


- 2021-2025 Ending Cash Position
- 2021 Tax Levy
- 2021 Operating Budget
- 2021 Statutory Budget
- 2021-2025 CIP and Plan of Finance
- Public Hearing and Budget Resolutions

2021-2025 Ending Cash



Ending Cash



- 2021 Beginning cash of \$166.4M
- Requires no borrowing through 2025

2021 Tax Levy



	2020 Forecast	2021 Budget
Assessed Valuation*	\$126,096,129,224	\$137,859,221,328
Target Millage Rate (per \$1,000 valuation)	\$0.18365	\$0.17302
Total Port Tax Levy **	\$23,157,554	\$23,852,402
Debt Service on G.O. Bonds	\$10,046,636	\$12,363,171
Remainder for Governmental Projects	\$13,110,918	\$11,489,231

* 2021 Preliminary assess valuations as of September 2020

** Based on 2020 preliminary valuations and targeted millage rate

Port Millage Rate for Single Family Residences



Tax Collection Year	2018	2019	2020	2021
Avg. Assessed Value	\$ 358,441	\$ 347,703	\$ 373,437	\$ 405,559
Port Millage Rate (per \$1,000)	0.18365	0.18365	0.18365	0.17302
Annual Tax Levy	\$ 65.83	\$ 63.86	\$ 68.58	\$ 70.17
Monthly Tax Levy	\$ 5.49	\$ 5.32	\$ 5.72	\$ 5.85
Tax Levy if at Maximum Rate	\$ 96.23	\$ 85.51	\$ 78.09	\$ 84.80
Monthly Tax Levy at Max Rate	\$ 8.02	\$ 7.13	\$ 6.51	\$ 7.07

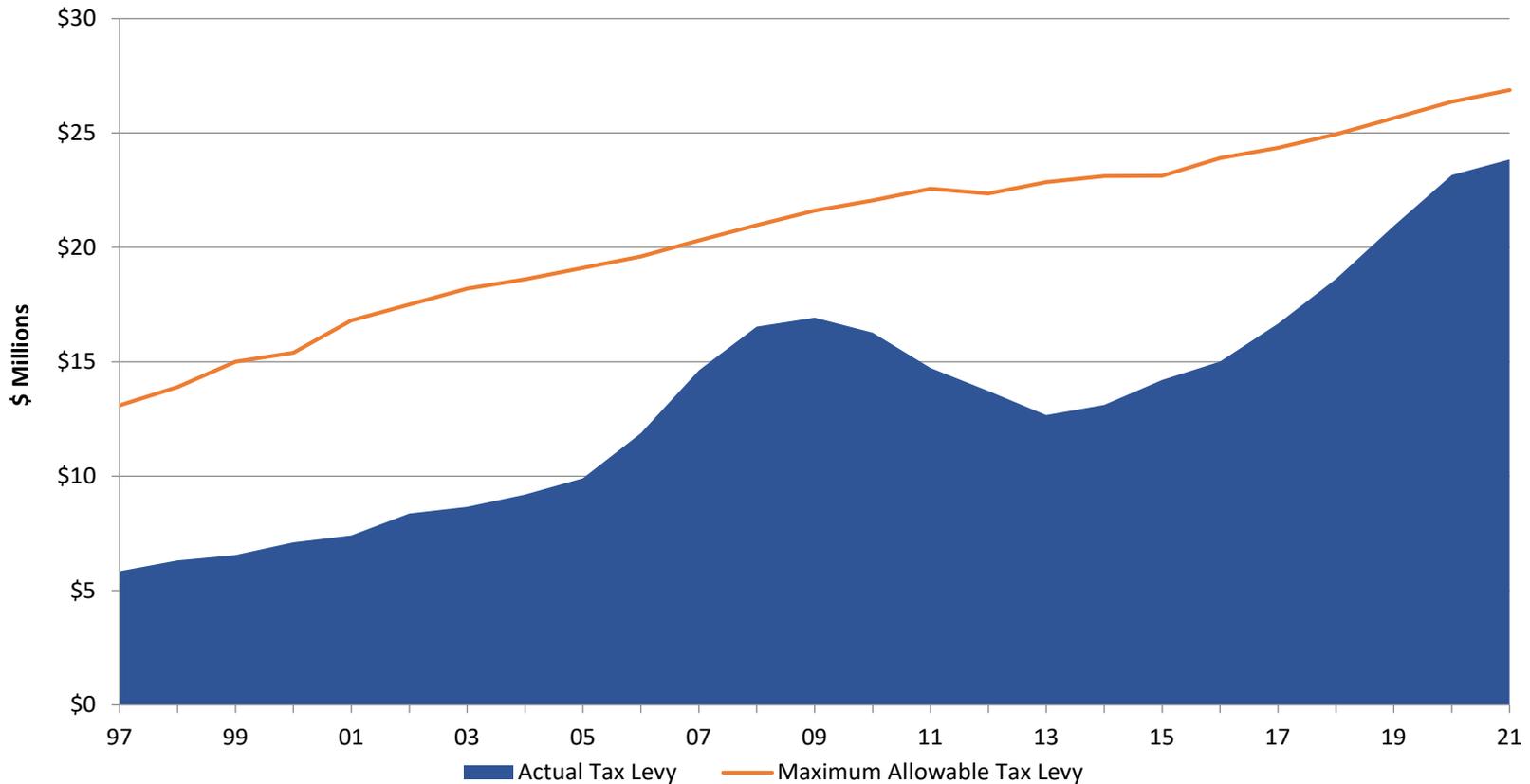
Tax Levy Eligible Projects

(\$ millions)



Description	2021 Budget
Potential Land Acquisitions	\$20.0
Environmental Monitoring & Remediation	\$11.7
Admin Building Design and Construction	\$4.8
Technology	\$1.8
Roadway infrastructure funding	\$0.5
Park Contribution	\$0.3
Others	\$10.8
Total	\$49.9

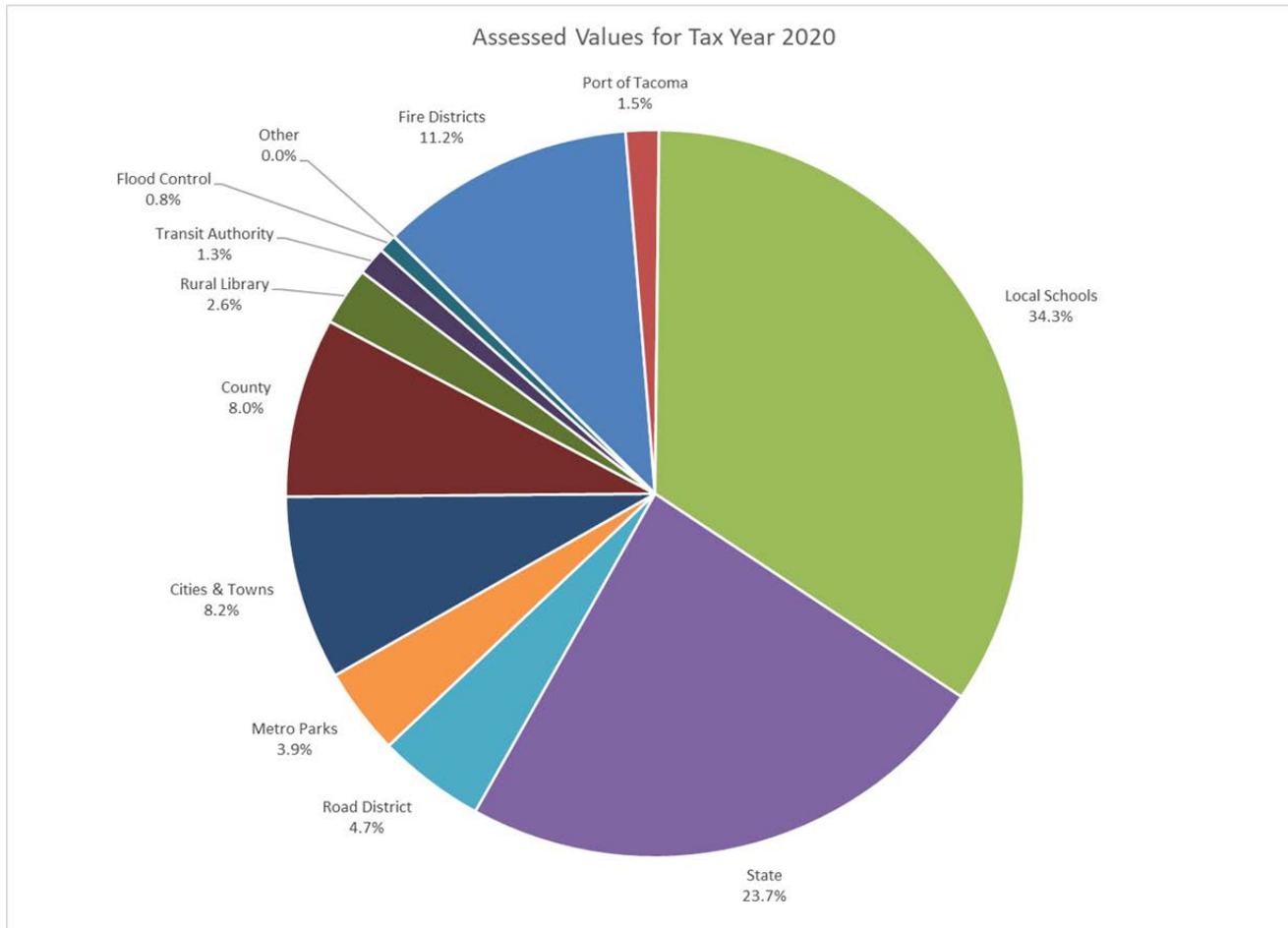
Tax Levy history



* 2021 Preliminary assess valuations as of September 2020

** Based on 2021 preliminary valuations and targeted millage rate

2021 Tax Levies by Taxing District



Source: Pierce County Assessor

2021 Budget

2021 Key Assumptions



- Revenues are based on NWSA, POT real estate and other POT businesses.
 - Split NWSA Distributable Income (Net Income) 50/50
 - Real Estate and Bulk based on existing leases and cargo forecast
 - Intermodal revenue based on industrial rail traffic

2021 Operating Budget

(\$ millions)



(\$ millions)	2019 Actual	2020 Budget	2020 Forecast	2021 Budget
Operating Revenues				
NWSA	\$48.0	\$41.9	\$35.7	\$42.3
Container	3.1	3.2	3.2	3.6
Non Container	3.5	2.6	1.0	2.5
Real Estate	20.7	12.3	14.0	15.8
Other	0.0	0.0	0.0	0.0
Total Operating Revenues	75.4	60.1	54.0	64.2
<i>Revenue before GASB 87</i>	<i>\$75.4</i>	<i>\$68.9</i>	<i>\$62.1</i>	<i>\$72.3</i>
Total Direct Expenses	8.4	11.5	10.2	10.8
Administration	4.1	5.3	3.7	6.4
Security	0.3	0.4	0.4	1.6
Environmental	2.3	4.6	3.1	3.4
Total Op. Expense before Depr.	15.1	21.7	17.4	22.1
Depreciation	26.9	26.9	26.4	25.6
Total Operating Expense	42.0	48.7	43.8	47.7
Operating Income	\$33.4	\$11.4	\$10.1	\$16.4
<i>Return on Revenue</i>	<i>44.3%</i>	<i>19.0%</i>	<i>18.8%</i>	<i>25.6%</i>
Non Operating Income (Expense)	(9.9)	(8.6)	(3.2)	(14.6)
Income before Tax Levy and Expense	23.5	2.8	7.0	1.9
Ad Valorem Tax Levy	20.9	23.1	23.1	23.8
GO Interest	(4.8)	(4.7)	(4.7)	(4.5)
Net Tax Levy	\$16.1	\$18.4	\$18.4	\$19.3
Net Income Before Special Item	\$39.6	\$21.3	\$25.4	\$21.1
Special Item	(22.0)			0.0
Net Income	\$17.7	\$21.3	\$25.4	\$21.1

2020 Forecast vs 2021 Budget Revenue Line Item Comparison



Before GASB 87

<i>(\$ millions)</i>	2019 Actual	2020 Budget	2020 Forecast	2021 Budget
Property Rental	\$21.0	\$19.8	\$21.1	\$22.5
Sale of Utilities	0.6	0.7	0.7	0.6
Services Marine Terminals	3.9	4.6	2.8	4.6
Other Revenue	49.8	43.8	37.5	43.8
Operating Revenue	75.4	68.9	62.1	71.6

After GASB 87

	2019 Actual	2020 Budget	2020 Forecast	2021 Budget
Property Rental	21.0	11.1	12.9	14.4
Sale of Utilities	0.6	0.7	0.7	0.6
Services Marine Terminals	3.9	4.6	2.8	4.6
Other Revenue	49.8	43.8	37.5	43.8
Operating Revenue	75.4	60.1	54.0	63.5

May not foot due to rounding

2021 Memberships over \$10k



Memberships	2020 Budget	2021 budget	Comments
Washington Public Ports Association	\$215,000	\$215,000	
Puget Sound Regional Council	51,000	50,700	
Tacoma Pierce County Chamber	25,000	24,740	
All other membership under \$10,000	30,206	29,942	52 memberships
Total Contracts	\$321,260	\$320,382	

- Other Port memberships all less than \$10,000 per year.
- Membership costs subject to small variations based on fees tied to 2020 actual results
- POT Master policy requires POT Commission approval of all memberships over \$10,000
- POT finance reports all membership spending on a quarterly basis

Promotional Hosting



RCW 53.36.120 & 130 requires that Port expenditures for Industrial Development, Trade Promotion, and Promotional hosting be specific budgeted items

Promotional hosting is “Furnishing customary meals, refreshments, lodging, transportation or any combination of those items in connection with: Business meetings, social gatherings, and ceremonies honoring persons or events relating to the authorized business promotion activities of the port”

Promotional Hosting



Organization	2019	2020	2021
POT Promotional Hosting	\$26,372	\$9,037	\$20,017
50% of NWSA Promotional Hosting	66,308	10,583	112,447
Total Promotional Hosting	\$92,680	\$19,620	\$132,464

Statutory limit is \$183,750 based on \$63.5M in revenue

2021 CIP Budget –Projects

(\$ millions)



Type	2021 Budget	Major Projects
Building and Land (incl. remediation)	\$34.4	Parcel 1b remediation, land acquisition placeholder, EBC building
Habitat/ Mitigation Dev	\$7.2	Lower Wapato Creek Combined Habitat (parcel 14)
Admin Building Design and Construction	\$4.8	
Unanticipated Projects	\$4.0	\$3M capitalized projects and \$1M operating expenses
Others	\$2.9	Equipment, Tideflats Subarea Plan, etc
Technology	\$1.8	
Roadway Infrastructure Funding	\$0.5	
Total	\$55.6	

2021 Statutory Cash Budget



<i>(\$ Thousand)</i>	<u>2021</u>
Beginning Cash & Investments	\$166,359
<u>Projected Sources of Funds</u>	
Revenues	\$64,216
Expenses	(\$21,691)
Memberships	(\$321)
Promotional hosting POT	(\$20)
Promotional hosting NWSA (POT share)	(\$112)
Funds Provided by Operations	<u>\$42,072</u>
Interest Income	\$10,373
NWSA Depreciation cash	\$9,980
Other, Net	(\$5,159)
Other Contributions	\$5,500
Ad valorem tax revenue (net)	\$23,817
Projected Sources of Funds	<u>\$86,583</u>
<u>Projected Uses of Funds</u>	
Investment in Northwest Seaport Alliance	\$67,314
Debt Payments (Principal and Interest) - GO Bonds	\$12,363
Debt Payments (Principal and Interest) - Revenue Bonds	\$27,455
Capital Spending - Planned Projects	\$47,783
Projected Uses of Funds	<u>\$154,915</u>
<u>Projected Borrowing</u>	
Commercial Paper Borrowing	\$0
Total Borrowing	<u>\$0</u>
Projected Ending Cash & Investments	<u><u>\$98,027</u></u>

Six Year Planned CIP 2020 - 2025 (Total View)



<i>\$ Million</i>	2020						2021 - 2025
POT Only	Forecast	2021	2022	2023	2024	2025	Totals
Capitalized	\$17.5	\$44.6	\$19.5	\$16.5	\$11.2	\$23.1	\$114.8
Operating Expense	4.8	6.4	8.5	10.0	7.7	4.0	36.5
Non-Operating Expense	0.9	4.6	1.5	1.6	1.3	0.2	9.3
Grand Total - POT Only	\$23.1	\$55.6	\$29.5	\$28.0	\$20.1	\$27.3	\$160.5

<i>\$ Million</i>	2020						2021 - 2025
POT + 50% NWSA	Forecast	2021	2022	2023	2024	2025	Totals
Capitalized	\$94.0	\$111.9	\$50.1	\$25.8	\$22.9	\$59.6	\$270.4
Operating Expense	12.4	12.7	13.1	16.1	11.4	7.1	60.3
Non-Operating Expense	2.7	6.2	5.6	1.6	1.3	0.2	14.9
Grand Total: POT & 50% NWSA	\$109.1	\$130.7	\$68.8	\$43.5	\$35.6	\$67.0	\$345.6

Note: May not foot due to rounding

Capitalized:

- Assets that depreciate over time
- Non-depreciating land purchases

Operating/Non-operating expense

- Included in the budget as spending

Non Operating *(\$ millions)*



<i>\$ millions</i>	2020 Budget	2020 Forecast	2021 Budget	Chg from CY Budget	Chg from CY Frcast
Lease Interest Income	\$8.8	\$8.1	\$8.1	(\$0.7)	(\$0.0)
Interest Income	\$4.1	\$3.4	\$3.1	(\$1.1)	(\$0.4)
Premium Discount	(\$0.8)	(\$0.8)	(\$0.8)	\$0.0	\$0.1
Investment Gain Loss	0.0	2.0	0.0	0.0	(2.0)
Capital Grant Income	0.7	0.8	0.5	(0.2)	(0.2)
Non-Capital Grant Income	0.1	1.0	0.2	0.1	(0.8)
Other Non Operating Income	(1.2)	1.3	(3.2)	(2.0)	(4.6)
Non Operating Revenue	11.7	15.8	7.9	(3.8)	(7.9)
Revenue Bond Interest Expense	17.8	17.8	16.5	1.3	1.3
Election Expense	0.0	0.0	0.9	(0.9)	(0.9)
Other Non Operating Expense	2.5	1.2	5.0	(2.5)	(3.8)
Non Operating Expense	20.3	19.0	22.5	(2.2)	(3.5)
Non Operating Revenues (Expense)	(\$8.6)	(\$3.2)	(\$14.6)	(\$6.0)	(\$11.4)
Non Operating Revenue and Expenses	(\$8.6)	(\$3.2)	(\$14.6)		

May not foot due to rounding

2019-2025 Budget Forecast - Plan of Finance



<i>\$ millions</i>	2019 Actual	2020 Forecast	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Port Revenue	\$27.4	\$18.3	\$18.3	\$21.9	\$23.6	\$25.2	\$26.3	\$27.1
Joint Venture Revenue	48.0	35.7	35.7	42.3	42.2	43.2	46.0	44.5
Operating Revenue	75.4	54.0	54.0	64.2	65.8	68.4	72.3	71.6
Total Operating Expenses	42.0	43.8	43.8	47.7	50.1	50.8	47.1	39.7
Operating Income	33.4	10.1	10.1	16.4	15.7	17.6	25.2	31.9
<i>Return on Revenue</i>	44.3%	18.8%	18.8%	25.6%	23.8%	25.7%	34.8%	44.6%
Non Operating Income (Expense)	(9.9)	(3.2)	(3.2)	(14.6)	(7.5)	(8.7)	(6.9)	(4.6)
Income Before Tax Levy & Expenses	23.5	7.0	7.0	1.9	8.2	8.9	18.2	27.3
Ad Valorem Tax Levy	20.9	23.1	23.1	23.8	24.5	25.3	26.0	26.8
GO Interest	(4.8)	(4.7)	(4.7)	(4.5)	(4.3)	(4.1)	(3.9)	(3.6)
Net Income Before Special Item	\$39.6	\$25.4	\$25.4	\$21.1	\$28.4	\$30.1	\$40.4	\$50.5
Special Item	(22.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income	\$17.7	\$25.4	\$25.4	\$21.1	\$28.4	\$30.1	\$40.4	\$50.5
Debt Service Coverage Ratio	2.5	2.1	2.0	2.4	2.2	2.3	2.6	2.8
Return on Assets	1.3%	1.9%	1.5%	1.5%	2.1%	2.2%	2.9%	3.5%

Cash position on following slides

Debt: Outstanding & Projected Principal



(\$ millions)

	Balance 12/31/2020	2021 Issues	2021 Repayments	Balance 12/31/2021
G.O. Bonds	\$142.1		(\$6.6)	\$135.6
Senior Revenue Bonds	193.6		(5.6)	188.0
Subordinate Revenue Bonds	219.4		(3.2)	216.2
Commercial Paper	0.0			0.0
Total	\$555.2	\$0.0	(\$15.4)	\$539.8

Under \$550 Million in debt!

Resolution No. 2020-08-PT

- Consider Resolution 2020-08-PT to direct the Secretary to certify to the Clerk of the County Council of Pierce County, Washington, tax levy of \$23,852,281 for the year 2021

Resolution No. 2020-09-PT

- Consider Resolution 2020-09-PT adopting a budget for the Port of Tacoma for the year 2021

Resolution No. 2020-10-PT

- Consider Resolution 2020-10-PT addressing the tax levy requirements pursuant to RCW 84.55.120 and RCW 84.55.092; and preserving the opportunity for future increase in the limit factor for maximum levy capacity pursuant to RCW 84.55.0101