

**PORT OF SEATTLE**  
**2009 STATUTORY BUDGET**

**A. INTRODUCTION**

The "statutory" budget as defined in RCW 53.35.010 is to portray "the estimated expenditures and the anticipated available funds from which all expenditures are to be paid." As a cash budget, the Statutory Budget establishes the need for the tax levy and sets upper limits on expenditures, and is not used as an operating budget. The function of controlling and managing the operations of the Port is accomplished with the Operating Budget, which is provided in Sections V through IX.

The Preliminary 2009 Statutory Budget was provided to the Port Commissioners and made available to the general public as required by law (RCW 53.35.010 and RCW 53.35.045). Notice of the Public Hearing, with an announcement that copies of the preliminary budget were available for distribution to any interested persons, was published on November 3, 2008, and November 10, 2008, in the DAILY JOURNAL OF COMMERCE, as required by law (RCW 53.35.020 and RCW 53.35.045). The final statutory budget will be filed with the King County Council on November 26, 2008, as allowed by RCW 53.35.045. The intent for filing on this date is primarily to enable us to obtain public input and certified assessed valuations from the King County Assessor prior to filing the final budget.

**B. STATUTORY BUDGET HIGHLIGHTS**

**1. Tax Levy**

For 2009, the tax levy amount is assumed to be \$75,899,369. The following is a comparison of the tax levy detail between 2008 and 2009:

	Budget 2009		Budget 2008	
	Levy Rate	Levy Amount	Levy Rate	Levy Amount
For General Obligation Bonds	\$0.1500	\$57,772,000	\$0.1191	\$40,434,296
For General Purposes	0.0470	18,127,369	0.1045	35,465,073
Total levy	<u>\$0.1970</u>	<u>\$75,899,369</u>	<u>\$0.2236</u>	<u>\$75,899,369</u>

LEVY.XLS

**2. Tax Levy Rate**

The tax levy rate is a product of dividing the tax levy dollars by the assessed valuation of personal and real properties within the Port District. Therefore, if assessed valuation increases at a greater amount than the dollars the Port would be allowed under the 101% lid law, the tax millage rate would go down even though the Port's levy dollars may have increased. The exact levy rate is determined by the County Assessor after all taxing agencies have requested their levy dollars, and the assessed valuation dollars are certified. The 2008 final assessed valuation is \$385,223,145,074 after omitted assessments, which are not included in the Port's levy calculation. (The 2008 assessed valuation is used for 2009 tax collection.) This is an increase from the 2007 assessed valuation, which was \$339,426,558,980 after omitted assessments. See Section IV, Tax Levy.

## **C. RESOLUTION**

### **RESOLUTION NO. 3607, As Amended**

**A RESOLUTION** of the Port Commission of the Port of Seattle adopting the final budget of the Port of Seattle for the year 2009; making, determining, and deciding the amount of taxes to be levied upon the current assessment roll; providing payment of bond redemptions and interest, cost of future capital improvements and acquisitions, and for such general purposes allowed by law which the Port deems necessary; and directing the King County Council as to the specific sums to be levied on all of the assessed property of the Port of Seattle District in the Year 2009.

**WHEREAS**, the Port of Seattle Commission, on the 6<sup>th</sup> day of November, 2008, prepared the preliminary budget of the Port of Seattle for the year 2009 and provided for the publication of Notice of Final Budget Hearing on the adoption of said budget, to be heard on the 25<sup>th</sup> day of November, 2008, when taxpayers might appear and present objections to said preliminary budget, and

**WHEREAS**, a public hearing on said preliminary budget was held in the office of the Port Commission, pursuant to notice duly given, in the City of Seattle, County of King, State of Washington, on the 11<sup>th</sup> and 25<sup>th</sup> day of November, 2008, at 4:00 p.m., and

**WHEREAS**, all parties present were afforded a full opportunity to present objections to the preliminary budget, and the Port Commission being duly advised in the premises; and

**WHEREAS**, the King County Assessor has notified the Commissioners of the Port of Seattle that the preliminary assessed valuation of the property lying within the boundaries of said district for the year 2008 is \$384,290,691,862 (after omitted assessments).

**NOW, THEREFORE, BE IT RESOLVED**, by the Port Commission of the Port of Seattle that the preliminary budget of the Port of Seattle for the year 2009, as presented at the aforementioned hearing, is hereby adopted as the final budget of the Port of Seattle for the Year 2009; and

**BE IT FURTHER RESOLVED**, that the amount of taxes to be levied by the Port of Seattle on the current assessment rolls to provide for payment of bond redemption and interest on the Port of Seattle General Obligation Bonds, for future expenditures for acquisitions and capital improvements and for such general purposes allowed by law which the Port deems necessary be set and deposited is \$75,899,369; and

**BE IT FURTHER RESOLVED**, that the King County Council, State of Washington, be notified that the specific sum herein mentioned being a total of \$75,899,369 is necessary to be raised by taxation to meet the payment of bond redemption and interest on Port of Seattle General Obligation Bonds, of future expenditures for acquisitions and capital improvements, and of costs for such general purposes allowed by law which the Port deems necessary, as set forth for the period January 1, 2009 and thereafter; that said King County Council be respectfully requested to make a levy in said amount for the aforesaid purposes; and

**BE IT FURTHER RESOLVED**, that the above is a true and complete listing of levies for said District for collection in the year 2009 and they are within the maximums established by law.

**ADOPTED** by the Port Commission of the Port of Seattle at a regular meeting held this 25th day of November, 2008, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the seal of the Commission.

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Bill Bryant

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John Creighton

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Lloyd Hara

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Gael Tarleton

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Port Commission

## D. TAX LEVY CALCULATION SHEET

### TABLE XII-1: TAX LEVY CALCULATION SHEET

#### TAXING DISTRICT PORT OF SEATTLE

The following calculations are offered as an aid in the determination of the dollar limitation imposed by statute on the 2009 regular property levy for the district and are based on figures from the King County Department of Assessments as of 12/02/2008.

	<u>Actual Levy</u>	<u>Allowable Levy</u>
2004 Regular Levy	59,655,268	73,965,146
2005 Regular Levy	62,748,329	76,019,786
2006 Regular Levy	62,748,329	78,064,389
2007 Regular Levy	68,813,857	80,414,188
2008 Regular Levy	75,899,369	82,628,783
2009 Regular Levy	75,899,369	85,363,322
2009 Regular Levy Rate	0.22359	0.22159

#### LIMITATION CALCULATION (RCW 84.55.010):

	<b>101%</b>	<b>1.0453% IPD</b>	(IPD = Implicit Price Deflator)
	82,628,783	82,628,783	Maximum lawful regular levy since 1986 including lid lifts
	(164,148)	(164,148)	Less refund fund levy
	82,464,635	82,464,635	Maximum Statutory 2008 Levy, basis for calculation (1)
x	1.01	1.0453	Levy Limit Factor
	83,289,281	86,197,808	Levy
	7,974,687,460	7,974,687,460	Local New Construction
+	106,106,593	106,106,593	Increase in state-assessed public utility value (2)
	8,080,794,053	8,080,794,053	Total New Construction
x	0.22359	0.22359	2008 Regular Levy Rate
	1,806,785	1,806,785	New Construction Levy
	83,289,281	86,197,808	Levy
+	1,806,785	1,806,785	New Construction Levy
-	0	0	Omitted Assessment Levy (3)
	85,096,066	88,004,593	Total RCW 84.55 Levy
	267,256	267,256	Refund Fund Levy (Relevy for prior year refunds) (4)
	0	0	Levy Correction: Year of Error YYYY
	<b>85,363,322</b>	<b>88,271,849</b>	<b>Maximum 2009 Levy Based on Limit plus Refund Fund (5)</b>
÷	385,223,145,074	385,223,145,074	Regular levy assessed value less annexations (6)
	0.22159	0.22914	Levy rate based on allowable levy

#### STATUTORY LEVY CALCULATION (RCW 84.52.043): Limits only general purpose levy.

	385,223,145,074	Regular levy assessed value (6)
x	0.450000	Maximum Statutory Rate
=	173,350,415	Maximum 2008 Levy (Excluding Omitted Assessment Levy)
+	0	Omitted Assessment Levy (3)
=	<b>173,350,415</b>	<b>Maximum 2009 General Purpose Levy Based on Statutory Levy</b>

All years indicated above are the year the tax is payable

- Since 1991, the Port Commission has levied less than the maximum amount allowed by law. The calculation above shows the maximum allowable 2008 levy pursuant to RCW 84.55.092, which allows Port districts to "set the levy at the amount which would be allowed otherwise under" the chapter of State Law (RCW 84.55) which provides taxing authority.
- Any increase in value in state-assessed property is considered to be new construction value for purposes of calculating the respective limits. State-assessed property is property belonging to inter-county utility and transportation companies (telephone, railroad, airline companies and the like).
- An omitted assessment is property value that should have been included on a prior year's tax roll but will be included on the current (2009) tax roll. Omitted assessments are assessed and taxed at the rate in effect for the year omitted (RCW 84.40.080 - 84.40.085). Omitted assessments tax is deducted from the levy maximum before calculating the levy rate for current assessments and added back in as current year's receivable.
- Administrative refunds under RCW 84.69.020 were removed from the levy lid by the 1981 legislative session.
- District is entitled to the lesser of maximum levies determined by application of the limit under RCW 84.55 and the statutory rate limit. Levies may be subject to further proration if aggregate rate limits set in Article VII of the state constitution and in RCW 84.52.043 are exceeded.
- Assessed valuations shown are subject to change from error corrections and appeal board decisions recorded between the date of this worksheet and final levy rate determination.

Statlevy.xls

**E. FORECASTED CASH FLOW SUMMARY**

**TABLE XII-2: FORECASTED CASH FLOW SUMMARY**

	\$ in 000s	Percent Of Total
	<u>2009</u>	<u>Of Total</u>
Beginning balance of cash & investments	\$603,829	
<b>SOURCES OF CASH</b>		
Revenues	\$486,367	37.2%
Interest receipts	25,358	1.9%
Proceeds from bond issues	560,000	42.9%
Grants	71,276	5.5%
Tax levy	75,899	5.8%
Passenger Facility Charges	62,525	4.8%
Rental Car Customer Facility Charges	24,573	1.9%
Other receipts	630	0.0%
Total	<u>\$1,306,628</u>	<u>100%</u>
Anticipated available funds	<u>\$1,910,457</u>	
<b>USES OF CASH</b>		
Operating & maintenance expense	\$208,828	16.7%
Corporate administrative expense	49,355	3.9%
Law Enforcement Costs	19,678	1.6%
Interest payments	199,842	16.0%
Other expenses	44,844	3.6%
Bond redemptions	99,730	8.0%
Public Expense	24,055	1.9%
Committed Capital expenditures	603,984	48.3%
Total	<u>\$1,250,317</u>	<u>100%</u>
Ending balance of cash & investments	<u>\$660,141</u>	
Increase (decrease) of cash during year	\$56,312	
Estimated cash balances and amount of income and receipts from sources other than taxation	\$1,834,558	

cashflow.xls