



AGENDA  
ACTION ITEM # 1

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## MEMORANDUM

**TO: ROB FIX  
EXECUTIVE DIRECTOR**

**DATE: November 20, 2018**

**FROM: TAMARA SOBJACK *TS*  
DIRECTOR OF FINANCE**

**SUBJECT: APPROVAL OF THE 2019 STRATEGIC BUDGET AND THE PROPERTY  
TAX LEVY AS REFERENCED IN RESOLUTIONS 1377 AND 1378**

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### **ACTION REQUIRED:**

Adopt Resolution No. 1377 approving the 2019 Strategic Budget and Resolution No. 1378 authorizing the regular property tax levy and declaring a substantial need to maintain the maximum levy capacity.

### **BACKGROUND:**

The 2019 Draft Strategic Budget was published on Monday October 22, 2018. On November 6, 2018, the Commission held a Public Hearing on the 2019 Strategic Draft Budget. By State statute, the Port must submit its annual operating budget to the Whatcom County Executive's office by Monday, December 3, 2018.

Resolution No. 1377 approves the 2019 draft budget (as amended) and establishes the requested regular property tax levy of \$7,315,726, which is an estimated levy rate of \$.2422 per thousand of valuation for collection in 2019.

Resolution No.1378 sets the estimated levy amount to be collected in 2019 of \$7,315,726 and, in addition, is intended to maintain maximum levy capacity for substantial need, as required by Referendum No 47.

### **FISCAL IMPACT:**

The 2019 Strategic Budget anticipates an estimated tax levy rate of .2422 per \$1,000 of assessed valuation, which is based on a levy amount of \$7,315,726. This levy is exclusive of any increase in property tax revenue resulting from the addition of new construction, improvements to property, and any increase in the value of state-assessed property. This collection compares to a 2018 levy rate of .2485 per thousand. Property taxes are allocated in the budget to pay the operating expenses, debt service, and capital costs of the Public Priority Programs and for the Bellingham Waterfront development as defined within the budget document.

The 2019 assessed valuation of Whatcom County property has not yet been released by the County Assessor.

### **RECOMMENDATION:**

Approve the motion.

**RESOLUTION NO. 1377**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF BELLINGHAM APPROVING THE 2019 STRATEGIC BUDGET AND PROPERTY TAX LEVY FOR THE PORT DISTRICT AS PUBLISHED.**

**WHEREAS**, the Board of Commissioners of the Port of Bellingham have held Public Hearings held on November 6 and November 20, 2018 to consider the Port of Bellingham's Preliminary Operating and Capital budget for the 2019 calendar year pursuant to RCW 84.55.120 and

**WHEREAS**, the Board of Commissioners have heard and duly considered all relevant evidence and testimony presented at the November 6 and November 20, 2018 Public Hearings; and

**NOW, THEREFORE**, be it resolved by the Board of Commissioners of the Port of Bellingham that the 2019 Draft Strategic Budget published on October 22nd and any adjustments presented at the Commission meetings held on November 6<sup>th</sup> and 20<sup>th</sup>, 2018 is hereby adopted as the final budget of the Port of Bellingham for the year 2019.

**BE IT FURTHER RESOLVED** that the Port Commission be provided, as soon as possible, following the end of each calendar quarter, a detailed analytical comparison of the Port's actual financial results to the established budget with a corresponding explanation of any significant deviance from the budget approved here within.

**BE IT FURTHER RESOLVED** that the amount of taxes to be levied by the Port of Bellingham on the current assessment rolls is to provide for payment of bond principal and interest on the Port of Bellingham General Obligation Bonds and capital improvements, operations, maintenance and administration be as set forth in the copy of the Port of Bellingham proposed budget attached hereto and by reference made a part hereof.

**BE IT FURTHER RESOLVED**, by the Board of Commission of the Port of Bellingham that the regular property tax levy amount be set at \$7,315,726 resulting in an estimated authorized property tax levy rate of .2422 per thousand of valuation. This levy request is 0% above the prior year regular property tax levy, and is exclusive of additional revenue resulting from the addition of new construction and improvements to property and any increase in the value of state assessed property, and any additional amounts resulting from any annexations that have occurred and refunds made.

**BE IT FURTHER RESOLVED** that the proper officers and officials of the Whatcom County Council are hereby advised and directed to make the levy upon the general assessment rolls in the manner provided by law and that taxes received shall be deposited as follows:

	Tax Levy Rate Per \$ 1,000	Estimated Levy Amount
General Obligation Bond Redemption Fund	.0417	\$1,260,300
General Fund	<u>.2005</u>	<u>\$6,055,426</u>
Total Levy Rate and Estimated Levy Amount	.2422	\$7,315,726

**ADOPTED** by the Board of Commissioners of the Port of Bellingham, Whatcom County, Washington, this 20<sup>th</sup> day of November, 2018.

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President

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Vice President

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Secretary

**RESOLUTION NO. 1378**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF BELLINGHAM AUTHORIZING THE REGULAR PROPERTY TAX LEVY PURSUANT TO SECTION 209 OF REFERENDUM 47 (RCW 84.55.120) FOR THE 2019 CALENDAR YEAR, AND TO MAINTAIN MAXIMUM LEVY CAPACITY PURSUANT TO SECTION 204 OF REFERENDUM 47 (RCW 84.55.0101)**

**WHEREAS**, the Board of Commissioners of the Port of Bellingham have met and adopted its budget for the calendar year 2019; and

**WHEREAS**, the Port of Bellingham after hearing and after duly considering all relevant evidence and testimony presented, determined that the Port of Bellingham requires a regular levy in the amount of \$7,315,726 which is a 0% increase in dollars and 0% increase in levy rate, and is exclusive of any increase in property tax revenue resulting from the addition of new construction and improvements to property and any increase in the value of state-assessed property, and amounts authorized by law as a result of any annexations that have occurred and refunds made, in order to discharge the expected expenses and obligations of the district and in its best interest;

**RESOLVED** by the Board of Commissioners of the Port of Bellingham that pursuant to Section 204 of Chapter 3, Laws of 1997, codified in RCW 84.55.0101 and RCW 84.55.092, the Board of Commissioners hereby finds that there is a substantial need to protect the Port's future levy capacity to meet substantial future capital and general obligation debt service needs.

The Board of Commissioners of the Port of Bellingham has determined that due to the forecasted cost of infrastructure and public amenities projected within the Port of Bellingham's five year capital budget that there is and will continue to be substantial need for the regular property tax levy and that the authorized increase to the levy limit be set at the greater of the legal maximum levy limit as determined by the courts of Washington or 1%.

**ADOPTED** by the Board of Commissioners of the Port of Bellingham, Whatcom,  
County, Washington, this 20<sup>th</sup> day of November, 2018.

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President

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Vice President

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Secretary