

RESOLUTION NO. 3497, 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 2003; 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 harbor 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 2003.

WHEREAS, the Port of Seattle Commission, on the 8th day of November, 2002, prepared the preliminary budget of the Port of Seattle for the year 2003 and provided for the publication of Notice of Final Budget Hearing on the adoption of said budget, to be heard on the 12th day of November, 2002, 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 12th day of November, 2002, at 1:00 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 2002 is \$223,086,745,622 (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 2003, as presented at the aforementioned hearing and subsequently amended, is hereby adopted as the final budget of the Port of Seattle for the Year 2003; 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 harbor acquisitions and capital improvements and for such general purposes allowed by law which the Port deems necessary be set and deposited is \$58,000,000.00; 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 \$58,000,000.00 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 harbor 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, 2003 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 2003 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 26th of November, 2002, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the seal of the Commission.

Patricia Davis
Paige Miller
D. A. Maly
[Signature]
Patricia Davis
Port Commission

PORT OF SEATTLE

2003 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 VII.

The Preliminary 2003 Statutory Budget was provided to the Port Commissioners and made available to the general public on November 8, 2002, 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 October 29, 2002, and November 5, 2002, 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 December 2, 2002, 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

The Port Commission has determined that the tax levy amount for 2003 is \$58,000,000. The following is a comparison of the tax levy detail between 2002 and 2003:

	<u>Budget 2003</u>		<u>Budget 2002</u>	
	<u>Levy Rate</u>	<u>Levy Amount</u>	<u>Levy Rate</u>	<u>Levy Amount</u>
For General Obligation Bonds	\$0.127775	\$28,504,849	\$0.115924	\$24,324,455
For General Purposes	0.132214	29,495,151	0.073771	15,479,434
Total levy	<u>\$0.259989</u>	<u>\$58,000,000</u>	<u>\$0.189696</u>	<u>\$39,803,889</u>

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 2002 preliminary assessed valuation is \$223,086,745,622 after omitted assessments, which are not included in the Port's levy calculation. (The 2002 assessed valuation is used for 2003 tax collection.) This is an increase from the 2001 assessed valuation, which was \$209,830,224,530 after omitted assessments. See Section IV, Tax Levy.

D. TAX LEVY CALCULATION SHEET

TABLE X-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 2003 regular property levy for the district and are based on figures from the King County Department of Assessments as of 10/28/02.

	<u>Actual Levy</u>	<u>Allowable Levy</u>
1998 Regular Levy	35,646,106	58,132,632
1999 Regular Levy	35,646,106	62,398,420
2000 Regular Levy	35,646,106	64,250,876
2001 Regular Levy	35,646,106	69,043,969
2002 Regular Levy	39,803,889	70,676,713
 2002 Regular Levy Rate	 0.18956	 0.33683

LIMITATION CALCULATION (RCW 84.55.010):

	<u>101%</u>	<u>1.0116% IPD</u>	
	70,676,713	70,676,713	Maximum lawful regular levy since 1986 including lid lifts
	(124,898)	(124,898)	Less refund fund levy
	70,551,815	70,551,815	Maximum Statutory 2002 Levy, basis for calculation (1)
x	1.01	1.0116	Levy Limit Factor
	71,257,333	71,370,216	Levy
	3,386,059,523	3,386,059,523	Local New Construction
+	0	0	Increase in state-assessed public utility value (2)
	3,386,059,523	3,386,059,523	Total New Construction
x	0.18956	0.18956	2002 Regular Levy Rate
	641,861	641,861	New Construction Levy
	71,257,333	71,370,216	Levy
+	641,861	641,861	New Construction Levy
-	20,308	20,308	Omitted Assessment Levy (3)
	71,878,886	71,991,769	Levy Ceiling (Less Omitted Assessments)
+	223,086,745,622	223,086,745,622	Regular levy assessed value less annexations (6)
	0.32220	0.32271	2003 Levy rate based on allowable levy
	20,308	20,308	Omitted Assessment Levy
+	71,878,886	71,991,769	Levy Ceiling (Less Omitted Assessments)
	71,899,194	72,012,077	Maximum 2003 Levy Based on Limit under RCW 84.55
+	130,990	130,990	Refund Fund Levy (Relevy for prior year refunds) (4)
	72,030,184	72,143,067	Maximum 2003 Levy Based on Limit plus Refund Fund (5)

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

	223,086,745,622		Regular levy assessed value (6)
x	0.450000		Maximum Statutory Rate
=	100,389,036		Maximum 2003 Levy (Excluding Omitted Assessment Levy)
+	23,665		Omitted Assessment Levy
=	100,412,701		Maximum 2003 General Purpose Levy Based on Statutory Levy

All years indicated above are the year the tax is payable

1. Since 1991, the Port Commission has levied less than the maximum amount allowed by law. The calculation above shows the maximum allowable 2003 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.
2. 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).
3. 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 (2002) tax roll. Omits 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.
4. Administrative refunds under RCW 84.69.020 were removed from the levy lid by the 1981 legislative session
5. 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.
6. 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.

E. FORECASTED CASH FLOW SUMMARY

TABLE X-2: FORECASTED CASH FLOW SUMMARY

\$ in 000s	<u>2003</u>	<u>Percent Of Total</u>
Beginning balance of cash & investments	\$547,255	
SOURCES OF CASH		
Revenues	\$313,856	30.0%
Interest receipts	11,636	1.1%
Proceeds from bond issues	550,000	52.5%
Grants	54,038	5.2%
Tax levy	58,000	5.5%
Passenger facility charges	56,771	5.4%
Other receipts	3,293	0.3%
Total	<u>\$1,047,594</u>	<u>100%</u>
Anticipated available funds	<u>\$1,594,849</u>	
USES OF CASH		
Operating & maintenance expense	\$147,567	12.8%
Corporate administrative expense	24,923	2.2%
Security Costs	11,567	1.0%
Law Enforcement Costs	20,866	1.8%
Portnet and Real Estate	1,744	0.2%
Interest payments	139,082	12.0%
Other expenses	10,101	0.9%
Bond redemptions	64,686	5.6%
Committed Capital budget	733,763	63.6%
Total	<u>\$1,154,298</u>	<u>100%</u>
Ending balance of cash & investments	<u>\$440,551</u>	
Increase (decrease) of cash during year	(\$106,704)	
Estimated cash balances and amount of income and receipts from sources other than taxation	\$1,536,849	

cashflow.xls

STATE OF WASHINGTON - KING COUNTY

--SS.

151123
BUD
Port of Seattle: PURCHASING DEPT.

No. NOTICE OF FILING 2003

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

PN:PRELIM BUDGET&HEARING

was published on

10/29/02 11/05/02

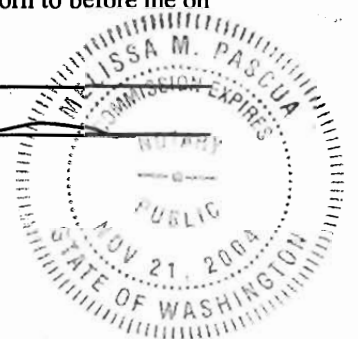
J. Bowen

Subscribed and sworn to before me on

11/5/2002

Mel Pasko

Notary public for the State of Washington,
residing in Seattle



Affidavit of Publication

State of Washington, King County

Port of Seattle

Notice of Filing 2003 Preliminary
Budget,
and Public Hearing
NOTICE IS HEREBY GIVEN
THAT:

1. On November 8, 2002, the 2003 preliminary budget of the Port of Seattle will be filed at the Port of Seattle office at Pier 69, 2711 Alaskan Way, Seattle, Washington; and

2. A copy of said budget may be obtained after 12:00 p.m. on November 8, 2002 by any taxpayer from the front desk at the Port of Seattle office at the aforesaid address, and

3. The Port Commission will meet on November 12, 2002 at the hour of 1:00 p.m. at the Port Commission Chambers, Pier 69, 2711 Alaskan Way, Seattle, Washington for the purpose of a public hearing on the preliminary budget, at which time any person may appear and present comments on the preliminary budget; and

4. The Port Commission will meet on November 26, 2002 at the hour of 1:00 p.m. at Sea-Tac International Airport auditorium and be requested to adopt, by resolution, the final budget.

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