



Remote Special Commission Work Session

October 18 , 2021

1:30 PM

www.portolympia.com

The meeting agenda is available on the Port of Olympia website as of October 12, 2021.

<http://www.portolympia.com/commission>

The Port of Olympia is working diligently to address the threat posed by COVID-19 (Novel Coronavirus) to Thurston County, the State of Washington, and the United States. On March 16, 2020, the Commission adopted Resolution 2020-03 authorizing certain emergency powers in light of the COVID-19 outbreak, including invoking applicable emergency exemptions to meeting notice requirements and location restrictions of the Open Public Meetings Act (Chapter 43.20 RCW).

Pursuant to Resolution 2020-03, the Port of Olympia Commission will conduct today's meeting remotely. The Port is following the guidance from the Thurston County Health Department to take all efforts to prevent the spread of this virus and is acting in the interest of the safety and welfare of the public, the community, and our employees to limit its spread.

The public may join the meeting from your computer, tablet or smartphone at:

<https://us02web.zoom.us/j/84341510202>

Or Telephone: +12532158782

Webinar ID: 843 4151 0202

Please note that the Zoom link changes for each meeting.

Written public comments may be submitted to commissioncoordinator@portolympia.com by 12:00 p.m. on the date of the meeting. All written comments will be compiled and sent to the Commissioners prior to the meeting.

A. Call to Order

1. 2022 Draft Port Operating Budget and Capital Investment Plan Advisory – Sam Gibboney, Port of Olympia Executive Director, and the Leadership Team.
2. Upcoming Topics and Agenda Items (10 minutes) – Sam Gibboney, Port of Olympia Executive Director

B. Adjourn

Additional information available at www.portolympia.com or call Tracy Aga at 360.528.8002

Port of Olympia Mission

Create economic opportunities by connecting Thurston County to the world by air, land & sea.



COMMISSION MEETING

<u>BRIEFING DATE/TIME:</u>	October 18, 2021
<u>DEPARTMENT:</u>	Administrative / Executive
<u>STAFF CONTACT:</u>	Matt Peach, Sr. Administrative Services Manager Telephone: 360.528.8004 Email: mattp@portolympia.com
<u>TOPIC:</u>	Budget Discussion
<u>PURPOSE:</u> <i>Check all that apply</i>	<input checked="" type="checkbox"/> Information only <input type="checkbox"/> Decision needed <input type="checkbox"/> Follow up from previous briefing
<u>BACKGROUND & OVERVIEW:</u>	
Staff will review with the Commission the 2022 Draft Preliminary Operating Budget and the Capital Investment Plan. In the review, we will cover the following: <ul style="list-style-type: none">• Community Events Requests/Recommendations• Port Centennial• Tax Levy and Tax Levy Uses• Port Debt Review• Staffing• Questions• Tax Levy & Commission Budget Discussion	
<u>DOCUMENTS ATTACHED:</u>	
<u>AFFECTED PARTIES:</u>	
<u>COMMISSION RECOMMENDATION:</u> <i>Commission Discussion, Deliberation and Direction</i>	



2022 BUDGET AND CAPITAL INVESTMENT PLAN

October 18, 2021

Sam Gibboney, Executive Director
Matt Peach, Sr. Administrative Services Manager/Budget Officer

AGENDA

- Capital Investments Budget
- Community Events Requests/Recommendations
- Port Centennial
- Tax Levy and Tax Levy Uses
- Port Debt Review
- Commission Questions & Answers

CAPITAL INVESTMENT PLAN & CAPITAL BUDGET

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CAPITAL INVESTMENT PLAN: PROCESS

- Create Multi-Year CIP
 - 2021 = Build the program
 - 2022 = Five-Year Projection
 - 2023 = Implement Ten-Year Program
- Types of Projects
 - Capital (Project and/or Purchase)
 - Capital Maintenance
 - Planning
- Three Phase Approach
 - Conceptual, Planning
 - Design, Engineering & Permitting
 - Competitive Bid and Construction
- Leverage External Funding Sources
 - Grants
 - Federal and/or State Appropriations
 - Partnerships

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CAPITAL BUDGET: 2021 FOCUS & CHALLENGES

Focus...

- Accurate forecasting: several projects in the Planning, Design and Engineering phases
- Position projects for external funding, particularly in anticipation of increase Federal funding opportunities
- Continue/complete projects already started from previous years

Challenges...

- Some projects are grant dependent
- There may be permitting challenges
- Project management responsibilities
- Volume of projects in terms of workload

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CAPITAL BUDGET

2022 Capital Budget				
Business Unit	Project Name	Capital Budget	Grant Funds	Notes, Comments, Assumptions
Airport	Airport Hangar Expansion Pilot Project	\$50,000	\$0	Planning, design and permitting
	Airport Maintenance Shop	\$20,000	\$0	Planning, conceptual design and cost estimate
	Airport Runway 8/26 Reconstruction	\$50,000	\$0	Planning, design and permitting
	Habitat Conservation Plan Mitigation	\$100,000	\$0	Initial estimate of advanced mitigation credit purchase
	Subtotal Airport	\$220,000	\$0	
Marina & Boatworks	Boatworks dry storage yard	\$50,000	\$0	Construction
	Washdown Filtration System Replacement	\$44,000	\$0	Construction
	BW Asphalt Resurfacing and Utility Upgrades	\$30,000	\$0	Planning, design and permitting
	Breakwater Piling Sleeves	\$77,000	\$0	Construction
	Subtotal Marina & Boatworks	\$201,000	\$0	
Marine Terminal	Tenant Building Site Preparation	\$50,000	\$0	Design, engineering, permitting
	Sweeper	\$350,000	\$0	Equipment purchase
	Terminal Paving	\$510,250	\$382,688	Design, engineering, permitting; Grant Dependent
	Warehouse Firefighting System	\$100,000	\$0	Assessment, implementation
Subtotal Marine Terminal	\$1,010,250	\$382,688		
Properties	Marina/Admin Office	\$500,000	\$250,000	Design, engineering, permitting, funding strategy
	RV Resort Infrastructure	\$250,000	\$0	Design, engineering, permitting, grant, bid prep
	Subtotal Properties	\$750,000	\$250,000	
Unified Maintenance	Ford 2022 E-Transit Cargo Van	\$55,000	\$0	Equipment purchase
	JD Compact Tractor w/ Front Loader	\$34,000	\$0	Equipment purchase
	JD X758 Mower - Shared	\$16,500	\$0	Equipment purchase
	JD Z-Trak Z994R Z Mower - Airport	\$20,500	\$0	Equipment purchase
	Shared Maintenance Facility - Port Peninsula	\$112,500	\$0	Plan, design, engineering, permits, bid prep/process
Subtotal Unified Maintenance	\$238,500	\$0		
General & Admin	PC Hardware Upgrade - Port Wide	\$50,000	\$0	Equipment purchase
	Port Cyber Security Infrastructure	\$304,976	\$228,731	Equipment purchase; Grant Dependent
	Subtotal General & Admin	\$354,976	\$228,731	
Total		\$2,774,726	\$861,419	

Summary:
 Port Funds: \$ 1,913,307
 Grant Funds: \$ 861,419
 Total Cost: \$ 2,774,726

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COMMUNITY EVENTS REQUESTS/RECOMMENDATIONS

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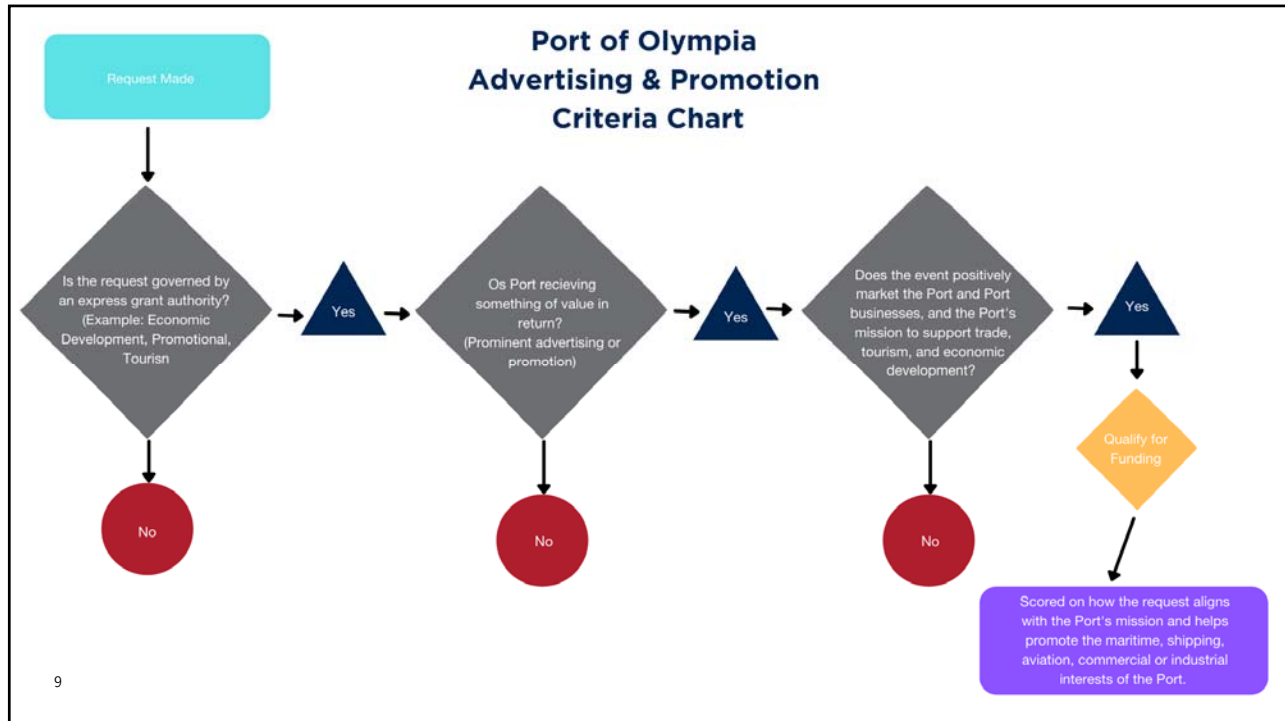
CALCULATION PER RESOLUTION 2015-09

- Up to 1% of Gross Operating Revenue (2020)
- Cash Contributions – not to exceed 30% of budget
 - (Remainder is used for In-Kind, Staff Support and Promotional Items)
- Of that 30%, 10% will be set aside for opportunities that arise throughout the year

Up to \$126,388 *Rounded to nearest hundred	Community Advertising & Promotion maximum budget
Up to \$37,916	Cash Contributions
Up to \$ 3,791	Opportunities outside of application process
Up to \$34,124	Cash Contributions after 10% reduction

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2022 RECOMMENDATIONS - CASH

Event Name/Requesting Organization	Date(s)	Requested Cash	Proposed Cash
Harbor Days	September 3-5, 2022	\$5,000	\$1,500
Olympic Airshow	June 18-19, 2022	\$5,000	\$1,500
Olympia Brew Fest	August 6, 2022	\$3,000	\$1,500
Summer Splash!	Mid June - August 2022	\$3,500	\$1,500
South Sound Block Party	TBD August 2022	\$3,500	\$1,500
Oly on Ice	November 2022 - January 2023	\$2,500	\$1,500
Thurston County Fair	August 3-7, 2022	\$5,000	\$1,500
Boatbuilding Heritage Class: Steam Bending	TBD July 2022	\$1,500	\$1,500
4 the Love Foundation Festival	July 16, 2022	\$0	\$0
The Daily Show Writers Comedy Club	February 12, 2022	\$2,500	\$0
Total		\$31,500	\$12,000

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2022 RECOMMENDATIONS – FULL COST

Event Name/Requesting Organization	Date(s)	Proposed Cash	Proposed In-Kind	Staff Time**	Promotional Items	2021 Total Cash/In-Kind/ Staff/ Promo Budget	2022 Total Cash/In-Kind/ Staff/ Promo Proposed Budget
Harbor Days	September 3-5, 2022	\$1,500	\$8,094	\$1,000	\$1,000	\$11,870	\$11,594
Olympic Airshow	June 18-19, 2022	\$1,500	\$950	\$2,000	\$1,000	\$9,000	\$5,450
Olympia Brew Fest	August 6, 2022	\$1,500	\$1,599	\$750	\$1,000	\$4,849	\$4,849
Summer Splash!	Mid June - August 2022	\$1,500	\$0	\$300	\$1,000	\$2,800	\$2,800
South Sound Block Party	TBD August 2022	\$1,500	\$650	\$500	\$0	\$0	\$2,150
Oly on Ice	November 2022 - January 2023	\$1,500	\$0	\$250	\$500	\$2,250	\$2,250
Thurston County Fair	August 3-7, 2022	\$1,500	\$0	\$0	\$1,000	\$0	\$2,500
Boatbuilding Heritage Class: Steam Bending	TBD July 2022	\$1,500	\$0	\$0	\$0	\$0	\$1,500
4 the Love Foundation Festival	July 16, 2022	\$0	\$655	\$300	\$0	\$0	\$955
Total		\$12,000	\$11,293	\$5,100	\$5,500	\$30,769	\$34,048

Calculations:

Resolution 2015-09 - 1% of Budgeted Gross Op. Rev. (2020)	\$126,388
30% Cash	\$37,916
10% withheld for applications to come in during 2020-2021:	\$3,791
Cash after 10% reduction	\$34,124
Total budget for Commission to work with after reduction:	\$122,596

Budget - Cash \$22,600

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Budget - Cash \$22,600

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Summer Nights at the Port	July 23, 30, August 13, 2022	\$21,000	\$0	\$3,000	\$0	\$24,000	\$24,000
Total		\$33,000	\$11,293	\$8,100	\$5,500	\$54,769	\$58,048



CENTENNIAL PLANNING

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OVERVIEW/PLANNING

- Celebrate the Port's 100-year history
- Year-long celebration with focus July – November, 2022
- Sub-Committees (12 staff members)
 - Legacy Project
 - Media/Promotion
 - Events
 - Outreach

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LEGACY PROJECT - CONCEPTS



Gateway sign



Fog Bell



Clock

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PLANNING (SNAPSHOT)

- Video creation
 - Main history video
 - Social media shorts
- Website
 - Videos
 - Timeline
- Speakers bureau
- Community events
- Gala – November, 2022
 - Combine with customer/partner annual event
- Boating scavenger hunt

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TAX LEVY & TAX LEVY USES

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TAX LEVY

CALCULATED PROPOSED AMOUNT

		1% + Const. Incr.	1% + New + Bank
2021 levy amount		\$ 6,936,871	\$ 6,936,871
Increase on prior year levy	1%	69,369	69,369
Levy increase for new construction		124,262	124,262
Administrative Refund Re-Levy		25,331	25,331
Banked Capacity			239,092
Proposed 2022 tax levy		\$ 7,155,833	\$ 7,394,925
Increase (Decrease)		\$ 218,962	\$ 458,054
2022 Preliminary Assessed Valuation	\$46,646,971,176		
2022 Millage Rate (calculated)		\$ 0.1534	\$ 0.1585
2021 Millage Rate		\$ 0.1705	\$ 0.1705
Difference		\$ (0.0171)	\$ (0.0120)

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TAX LEVY USES

USES, IN ,000S

2021 PROJECTED

2022 BUDGET

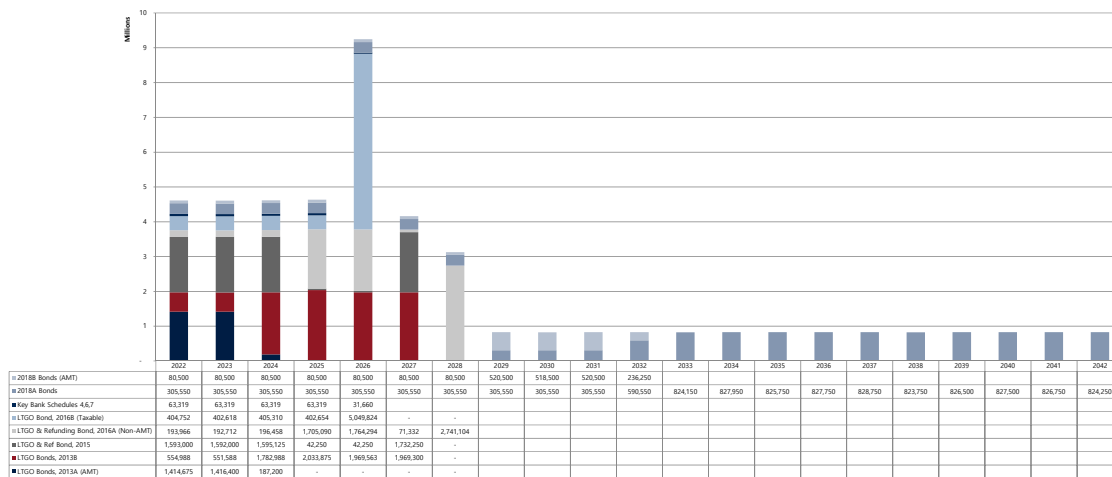
Tax Levy	\$	6,921	\$	7,156
Uses of Taxes:				
Principal & Interest Expense, G.O. Bonds		(4,613)		(4,610)
Environmental Expense		(1,400)		(1,500)
Community Events		(50)		(47)
Public Amenities		(306)		(281)
Harbor Patrol		(20)		(36)
Small Cities		(40)		-
Capital Project Funding		(22)		-
Special Projects:				
Ballot Proposition and Election Costs		(100)		(75)
5 Member Re-districting		-		(75)
Centennial Events		-		(76)
Centennial Project		-		(100)
Strategic Plan		-		(65)
Commission Expense		(343)		(473)
Total Use of Taxes	\$	(6,921)	\$	(7,338)
Net Levy Funds	\$	-	\$	(182)

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DEBT REVIEW

Outstanding LTGO Debt Service and Bank Loan



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STAFFING

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STAFFING

- Strategic Focus & Operational Management
- Unified maintenance approach
- Address operational vulnerabilities
- No change to FTE count
- Some re-allocation of resources



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QUESTIONS?

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**TAX LEVY AND COMMISSION BUDGET
DISCUSSION**

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