



**PORT of OLYMPIA**  
Serving All of Thurston County  
**Commission Meeting**  
**Monday, Oct. 14, 2024**  
**5:30 PM**

Percival Plaza - Olympics Room  
626 Columbia Street NW  
Olympia, WA 98501

The meeting agenda is available on the Port's website as of Oct. 10, 2024.  
<https://www.portolympia.com/commission>

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

<https://us02web.zoom.us/j/87174114590?pwd=QqJCvbSpg8bE7Y485MXBTSXSACzAeO.1>

or Telephone: 1 253 215 8782

Meeting ID: 871 7411 4590

Passcode: 594862

Written public comments may be submitted to [commissioncoordinator@portolympia.com](mailto: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.

Verbal public comment is accepted in person at the meeting.

If you are attending the meeting via Zoom, you may raise your hand during the meeting to give public comment. For those listening by phone, press \*9 if you wish to raise your hand and provide comment.

## AGENDA

- A. Call to Order
- B. Pledge of Allegiance
- C. Approval of Agenda
- D. Executive Director Report
- E. Public Comment

Individual public comments are limited to 3 minutes per person. Members of the public may comment on agenda items and other port business.

NOTE: Guidelines for public comment can be found in the Commission Rules in Resolution 2022-09 Article VI.

- *Comments should be directed to Commission:* Comments should be directed to the Commission as a whole and should not include comments about individual Port staff or members of the public.
- *Courtesy:* All speakers (members of the public, Port staff, and Commissioners) shall be courteous in language and demeanor and shall confine remarks to those facts that are germane and relevant to the question or issue under discussion.

### **Port of Olympia Mission**

*Creating economic opportunities and building community for all of Thurston County through responsible resource use.*

- F. Consent Calendar
  - 1. Surplus Equipment Approval – Crane
- G. Pending Issues or Business
  - 1. Indigenous People’s Day: Commissioner Maggie Sanders
- H. Action Calendar
  - 1. None
- I. Action/Other Calendar
  - 1. None
  - Public Comment on Action/Other Item
- J. Advisory Calendar
  - 1. 2025 Budget: Tax Levy and Non-Operating: Jeff Gadman, Thurston County Treasurer; and Tad Kopf, Director of Finance
  - Public Comment on Advisory Item
- K. Commissioner Reports/Discussion
- L. Other Business
- M. Meeting Announcements
- N. Adjourn

## COVER MEMO

**Briefing Date/Time:** Oct. 14, 2024

**Staff Contact/Title:** Warren Hendrickson, Director of Operations  
360-528-8050, [warrenh@portolympia.com](mailto:warrenh@portolympia.com)

**Subject:** Surplus of Port Property: Mobile Crane

**Purpose:**  Information Only  Decision Needed

### **Overview:**

- Action Item via Consent Agenda – Approval requested

The purpose of bringing this issue before the Commission is to gain advance discretionary approval for the Executive Director to sell the Marine Terminal crane as expeditiously as possible and when a suitable purchase offer is received.

### **Background:**

On September 10, 2014, the Port procured a Gottwald mobile crane to serve its anticipated Marine Terminal cargo needs. The net total purchase expense was \$3,295,848.34.

Since its purchase, the crane has not been used at the anticipated level, nor is there an expectation it is needed to serve future cargo. With infrequent use, additional Port staff time must be devoted to operating it periodically to ensure all systems remain 100% functional. Further, a recent assessment has identified that replacement parts are becoming increasingly difficult to source. Given its minimal revenue-generating use and increased ongoing staff and maintenance expenses, the crane is now unacceptably burdening the Marine Terminal's financial performance. Regrettably, given its age and limited parts availability, the crane's current market value is significantly below its net present value of \$2,589,481.68. When sold, it will be sold at a loss; however, a sale will also eliminate ongoing twin burdens of staff time and maintenance expense if it was retained as a Port asset.

Surplus of Port property is subject to the following governing documents:

- Port Resolution 2024-01

- RCW 53.08.090

Since the crane's value exceeds \$22,000, Port Commission approval is required, by resolution, to categorize it as surplus and no longer serving the needs of the Port.

When market interest in equipment of this type arises, it is primarily to meet the immediate need of a buyer. By approving the crane's surplus in advance of identifying a buyer, having the crane available for immediate sale will ensure the Port receives maximum value and the greatest possible return.

**Documents Attached:**

- PowerPoint Presentation – if needed
- Draft Resolution 2024-09

**Specifications:**

- Manufacturer/model: Gottwald GHMK 7608
- Manufacturer location: Zuidnatie Breakbulk NV; Antwerp, Belgium
- Serial number: 830755
- Spreader: Bromma (20'/40'/45')
- Capacity:
  - 140 tons @ 11-24 meters
  - 38.3 tons @ 53 meters

**Summary and Financial Impact:**

- Purchase price: \$2,170,000.00
- Total cost: \$3,295,848.34
  - Includes purchase price plus consultants, staff time, and set-up
- Depreciation schedule: 45 years
- Depreciation through June 30, 2024: \$706,366.66
- Bond debt obligation: \$0.00
- Net present value: \$2,589,481.68

**Staff Recommendation:**

Approval is recommended for the future surplus sale of the Marine Terminal crane.



**PORT of OLYMPIA**  
Serving All of Thurston County

## Surplus of Port Property: Mobile Crane

Warren Hendrickson  
Director of Operations  
Oct. 14, 2024



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## Today's Presentation

*Action Items via Consent Agenda*

- Surplus one mobile crane via resolution
- Delegate to the Executive Director discretionary authorization to close a sale in minimal time whenever an appropriate market opportunity arises



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## History/Current Status

### *Gottwald GHMK 7608 Mobile Crane*



- 2014 purchase: \$3,295,848.34
- Anticipated cargo failed to materialize and crane is infrequently used
- Additional staff time and maintenance expense burden the Port financially
- Crane no longer serves Port needs

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## History/Current Status (cont'd)

### *Gottwald GHMK 7608 Mobile Crane*



- Net present value: \$2,589,481.68
- Current market value is significantly lower due to age and limited parts availability
- Sale at a loss will however eliminate future negative impact on Marine Terminal financial performance

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## Port Surplus Process

### *Relevant Guidance*

- Port process governed by:
  - Port Resolution 2024-01
  - RCW 53.08.090
- Commission approval to surplus is required, by resolution, when personal property valuation exceeds \$22,000



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## Consent Agenda Approval

### *Two Separate Motions Accomplished*

- Resolution 2024-09 is approved
- The Executive Director is delegated both the discretion and the authorization to surplus and sell the Port's Gottwald GHMK 7608 mobile crane (serial number 830755)

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**PORT OF OLYMPIA COMMISSION  
Resolution 2024-09**

**A resolution of the Port of Olympia Commission declaring the Port's  
Gottwald GHMK 7608 Mobile Crane surplus to the Port's needs and  
authorized for sale.**

**WHEREAS**, the Port owns a Gottwald GHMK 7608 Mobile Crane (serial number 830755) purchased in 2014, and which – since cargo demand for its expected purpose failed to sufficiently materialize – has been infrequently used; and

**WHEREAS**, this mobile crane continues to require ongoing staff time and maintenance to remain functional – burdening the Port financially – and is no longer considered necessary for Port operations;

**NOW, THEREFORE, BE IT RESOLVED** that the Port of Olympia Commission does hereby declare this mobile crane surplus to the Port's needs and authorizes its disposal via sale at the highest possible return.

ADOPTED by a majority of the members of the Port Commission for the Port of Olympia, a majority being present and voting on this Resolution at a regular Commission meeting on, September 23, 2024, as attested to by the signatures below of the Commissioners present this 14<sup>th</sup> day of October, 2024.

PORT OF OLYMPIA COMMISSION

\_\_\_\_\_  
Bob Iyall, President

\_\_\_\_\_  
Jasmine Vasavada, Vice-President

\_\_\_\_\_  
Sarah Tonge, Secretary

\_\_\_\_\_  
Amy Harding

\_\_\_\_\_  
Maggie Sanders

## COVER MEMO

**Briefing Date/Time:** Oct. 14, 2024

**Staff Contact/Title:** Tad Kopf, Finance Director, 360-528-8043  
[tadk@portolympia.com](mailto:tadk@portolympia.com)

**Subject:** 2025 Budget for Non-Operating, Tax Levy Uses (2<sup>nd</sup> Review)

**Purpose:**  Information Only  Decision Needed

### **Overview:**

- This is an Advisory presentation with no action requested.
- This is part of a series of 2025 Budget meetings designed to present sections of the 2025 Budget for Commission review and public input. These meetings are intended to shape the final budget through presentation, feedback, modification and final adoption. This is the second review with IOUs and adjustments.

### **Background:**

The 2025 Budget cycle is modeled on the 2024 cycle. It uses a more 'give and take' approach to building the budget between staff, the Commissioners and public comment. This presentation covers the Tax Levy projected amount for 2025, suggested use derived by Finance and staff input, guided by existing port policy 1201.

The tax levy generally covers outstanding debt payment(s), environmental expenses, and government services (formerly called Commission Expenses). The last section, now named Government Services, is a renaming and modification of the former Commission Expenses section. Because multiple line items were captured under Commission Expense, the name created confusion over meaning and included items beyond commission pay and direct costs. The new name, "Government Services," better reflects the expenses that serve the interests of the Port and the citizens of Thurston County. Some such items are the public amenities budget, Harbor Patrol, and membership/partner programs.

**Documents Attached:**

PowerPoint presentation

**Next Steps/Timeframe:**

The remaining steps include a series of budget meetings, a public hearing and final action to adopt the 2025 budget. The meetings are scheduled for October 21, 28, and November 12, 18 and 25.

# Thurston County Treasurer

Maintain the public's trust by managing their funds with integrity while utilizing best professional practices to provide excellent customer service with a staff that is responsive, knowledgeable, efficient and courteous

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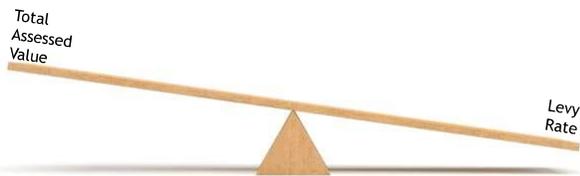
## Let's Review

- ▶ The amount of property tax levied is determined by the budget needs of each tax district.
  - ▶ The legislative authority of each tax district determines the budget of the district for the following year based on public expectations, desired service levels, and operational needs.
  - ▶ The legislative authority must authorize the levy of property taxes each budget cycle.



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- ▶ The portion of the budget to be derived from property taxes is applied to the taxable assessed value within the boundaries of the tax district to determine the levy rate.
  - ▶ The budget determines the levy rate, not the other way around.
  - ▶ The Port of Olympia’s district boundaries comprise all of Thurston County.
- ▶ As total taxable assessed value within the district boundaries increases, levy rates tend to decrease and vice versa.
- ▶ The assessed value of your property does not determine your taxes, it determines your share of a taxing district budget.



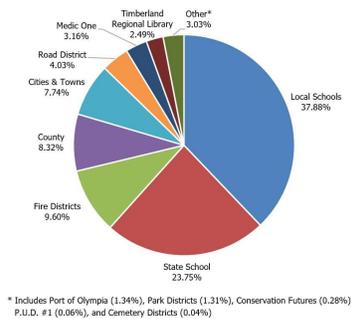
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## Levy Calculations Depend on Amount of Revenue

$$\text{Revenue} / \text{Assessed Value} = \text{Levy Rate}$$

- ▶  $\$7,849,960 / \$59,970,587,483 = 0.130896830754$
- ▶ Levy Rate = \$0.130896830754 per \$1,000 assessed value
  - ▶ This levy will be added to all other levies within a tax code area to determine the total levy rate for that area.



2023

\* Includes Port of Olympia (1.34%), Park Districts (1.31%), Conservation Futures (0.28%), P.U.D. #1 (0.06%), and Cemetery Districts (0.04%)

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## Base Year

- ▶ Budget = \$5,000,000
- ▶ Taxable Assessed Value = \$30,000,000,000
  
- ▶ Levy Rate Calculation
  - ▶  $\$5,000,000 / \$30,000,000,000 = \$0.16667 / \$1,000$
  - ▶ In Washington State, levy rates are expressed as a rate per \$1,000 of assessed value. So, for the calculation above, we say 0.16667 cents per \$1,000 of assessed value.

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## Following Year, Scenario A

- ▶ In this year, the district elects to increase their revenue at the 1% limit, but assessed values remain the same.
  - ▶ Budget =  $\$5,000,000 + \$50,000 (1\%) = \$5,050,000$
  - ▶ Taxable Assessed Value = \$30,000,000,000
  
- ▶ Levy Rate
  - ▶  $\$5,050,000 / \$30,000,000,000 = \$0.16833 / \$1,000$
- ▶ Notice that the levy rate is slightly higher than last year. This is because the budget increased, but the assessed values remained the same.



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## Following Year, Scenario B

- ▶ In this year, the district elects to increase their revenue at the 1% limit, and assessed values increased 5%.
  - ▶ Budget =  $\$5,000,000 + \$50,000 (1\%) = \$5,050,000$
  - ▶ Taxable Assessed Value =  $\$30,000,000,000 + \$1,500,000,000 = \$31,500,000,000$
- ▶ Levy Rate
  - ▶  $\$5,050,000 / \$31,500,000,000 = \$0.16032 / \$1,000$
- ▶ Notice that the levy rate is lower in this scenario, even though the revenue level was increased. This is due to the offset from the increased assessed values.
- ▶ The most likely scenario from one year to the next is that both the budget and the assessed values will change.



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## Second Following Year (Using Scenario B)

- ▶ In this year, the district elects to increase their revenue at the 1% limit for a consecutive time, and assessed values increased 7% over the previous year.
  - ▶ Budget =  $\$5,050,000 + \$50,500 (1\%) = \$5,100,500$
  - ▶ Taxable Assessed Value =  $\$31,500,000,000 + \$2,205,000,000 = \$33,705,000,000$
- ▶ Levy Rate
  - ▶  $\$5,100,500 / 33,705,000,000 = \$0.15133 / \$1,000$
- ▶ The levy rate is significantly lower, again due to the offset of the increased assessed values.



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## Revenue from New Construction

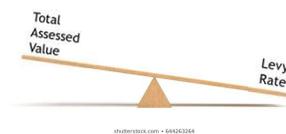
- ▶ In addition to the 1% increase to revenue, the Port of Olympia levy can be applied to any added value from new construction that has occurred within the district.



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## Levies and Revenue

- ▶ Generally speaking, levy rates tend to rise and fall in opposite correlation with assessed values.
  - ▶ So, a corollary wisdom is that as assessed values fall, levy rates tend to rise
  - ▶ Since 1986, the average total levy rate in Thurston County has been as low as \$9.50/\$1,000 and as high as \$18.00/\$1,000.
    - ▶ For 2024, the total average levy rate is about \$9.69/\$1,000



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## Considerations for the 1% Limit

- ▶ Current revenue needs
  - ▶ Levy capacity can be banked to future years.
  - ▶ Potential loss of investment interest if the 1% is not taken.
- ▶ General economy
  - ▶ Is the economy moving up or down?
  - ▶ Recent and current inflation.
  - ▶ Inflation forecast.
- ▶ It is possible to exceed the 1% limit by asking the voters to pass a levy lid lift.

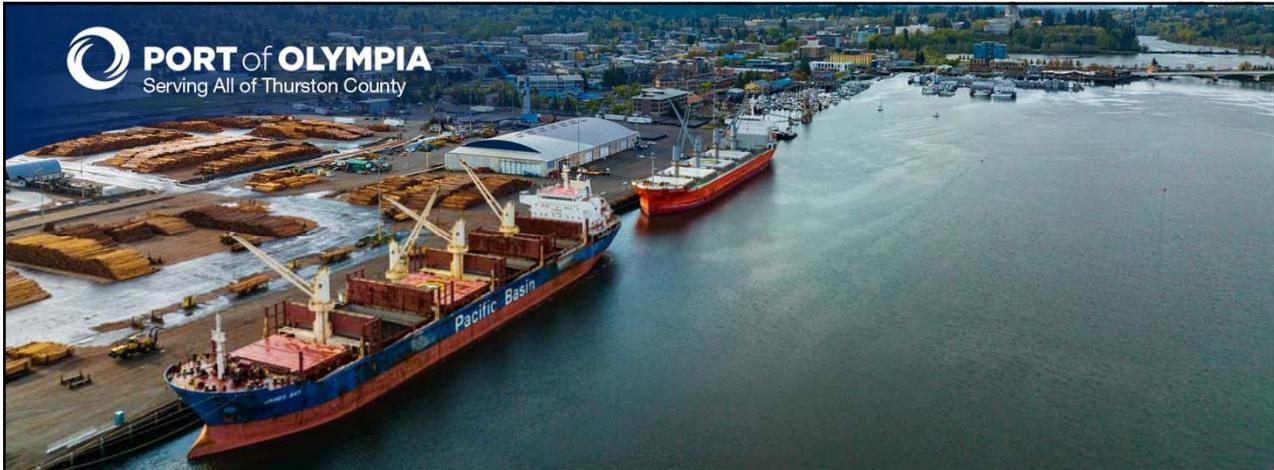


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## Questions



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**PORT of OLYMPIA**  
Serving All of Thurston County

## 2025 Budget for Non-Operating, Tax Levy Uses (2<sup>nd</sup> Review)

Tad Kopf  
Director of Finance  
Oct. 14, 2024



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## Today's Presentation

*Advisory Only – No Action Required*

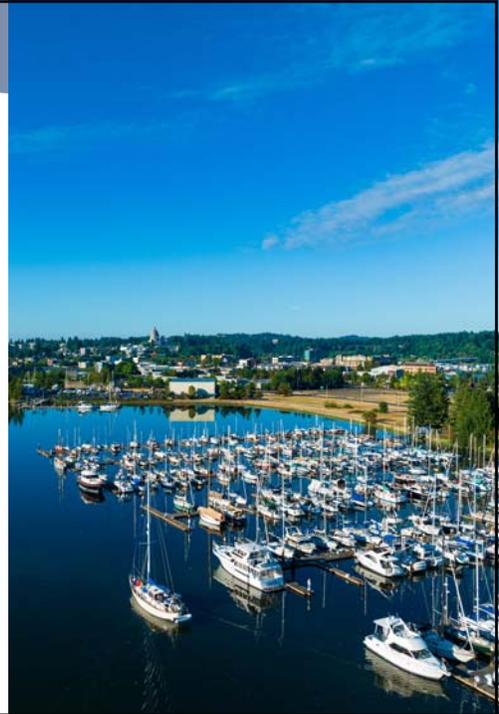
- Non-operating budget, tax levy uses (2<sup>nd</sup> Review)



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## Agenda

- IOUs
- Tax levy and non-operations
- Membership and partner costs
- Government services (formerly commission)
- Tax levy calculation
- Debt review
- Questions and comments



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## IOUs

- Average home value in Thurston County and tax impact for proposed Levy.
  - 2025 average value = \$524K, Tax Levy effect is an annual increase of \$1.14 for a total of \$65.14 for the average home value.
- Are any business line environmental costs included under 'Environmental Administration'?
  - None of the costs under 'Environmental Admin' are duplicated elsewhere.
  - Environmental expenses are correctly recorded as direct costs to each business line and are reviewed on an ongoing basis.
- Small Cities corrected to \$50K from \$40K presented on September 23<sup>rd</sup>.
- Port Event Sponsorships Resolution 2015-09 sent to Commissioners
  - Sent to Commissioner and included in meeting materials.

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## Policies and Procedures | Policy 1201 | Taxation

### Policy 1201 | Taxation

- Authorized Uses: The Port plans to use levy revenues to provide for any or all of the following, together with such other purposes as shall be provided for in such budget as is adopted by the Commission
  - General obligation bond principal and interest payments
  - Environmental costs
  - Capital asset acquisitions
  - Operation and maintenance of public facilities where other fees are set below cost
  - Operation and maintenance of public spaces and roads
  - Real estate acquisition fund
  - Special projects as established by the Commission

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### Tax Levy

*Calculated  
Proposed  
Amount*

1% + New Construction		
2024 levy amount		\$ 7,778,723
Increase on prior year levy	1%	78,565
Levy increase for new construction		121,067
Proposed 2024 tax levy		\$ 7,978,355
Increase (Decrease)		199,632
2025 Millage rate (Calculated)		\$ 0.1244
2024 Millage rate		\$ 0.1293
2025 average home value \$524K	\$ 523,818	\$ 65.14
2024 average home value \$	\$ 494,766	\$ 64.00
Annual Increase (Decrease)		\$ 1.14

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## Tax Levy Uses

(in 000's)

<b>Total Tax Levy Revenues</b>	<b>\$7,978</b>
<b>Uses of Taxes:</b>	
Principle & Interest Expense, Debt	(4,231)
Environmental Expense:	
Cascade Pole	(972)
Environmental Administration	(1,027)
Budd Inlet Remediation ( <i>Port Share Only</i> )	(800)
Government Services ( <i>Formerly, Commission Expense</i> )	(1,732)
Community Events	(57)
Small Cities	(50)
Special Projects	-
Membership and Partner Costs	(175)
<b>Total Use of Taxes</b>	<b>(9,044)</b>
<b>Net Levy Funds</b>	<b>(1,066)</b>
<b>Funds Required From Operations / Reserves</b>	<b>1,066</b>

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## Summary of Government Services (Commission Budget)

(in 000's)



Salaries & Benefits	\$ 462
Legal	100
Professional Services	700
Harbor Patrol	33
Public Amenities	130
Public Affairs	5
Memberships & Partners	175
Meeting Expenses	25
Equipment, Telecom, Broadcast	10
POCAC	3
Facility Rental	35
Travel	52
<b>Total Budget:</b>	<b>\$ 1,730</b>

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## Membership and Partner Cost Detail

(in 000's)

Thurston Regional Planning Council	\$ 43
Thurston County Economic Development Council	40
Association Memberships	35
Lacey Makers Space	25
Combined, Chamber of Commerce	24
InterCity Transit - Central Station	6
WA State Purchasing Coop	1
Thurston County Treasurer	1
<b>Total Membership and Partner Cost</b>	<b>\$ 175</b>

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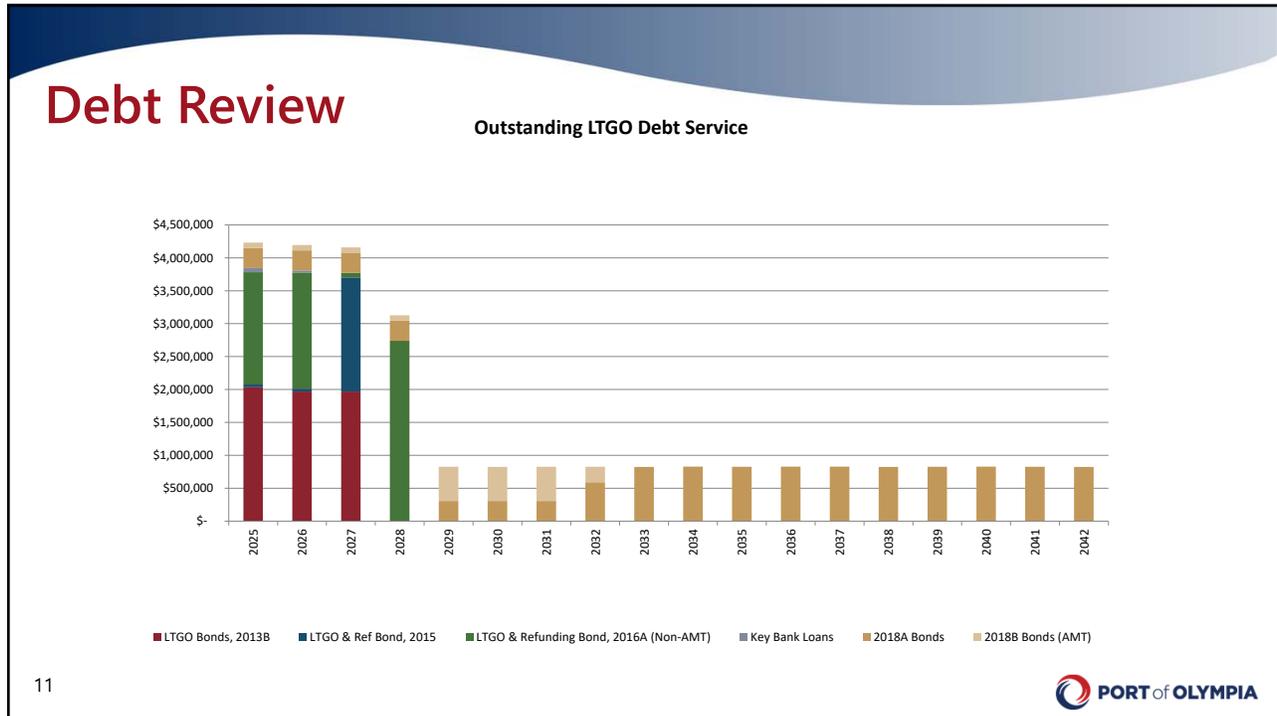


## Commission Special Project(s) TBD

- Currently no special projects named or budgeted



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## Other Bonds and Uses

- **2013B LTGO Bond (\$5.97M)**
  - Dredging and Environmental Disposal
- **2015 LTGO Refunding Bond (\$1.82M)**
  - East Bay Development
  - Marine Terminal Berth Dredge
  - Marina Dock Rehab
  - Cascade Pole Site Capping
- **Key Bank Loan 7 (\$94K)**
  - Airport and New Market Industrial Campus Facilities
- **2016A LTGO Bond & Refunding Bond (\$6.28M)**
  - East Bay Redevelopment
  - Marine Terminal Dredge
  - Marina Dock Rehab
  - Cascade Pole Site Capping
- **2018A LTGO Bond & Refunding Bond (\$10.99M)**
  - Marina Fuel Dock
  - Stormwater Treatment Facility
  - Cascade Pole Site Improvements
- **2018B LTGO Bond & Refunding Bond (\$2.12M)**
  - Marine Terminal Equipment

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## 2025 Remaining Budget Timeline

SEPTEMBER 23, 2024  
2025 Non-Operating, Tax Levy Uses and  
Community Events

OCTOBER 14, 2024  
2025 Non-Operating Budget and Tax  
Levy

OCTOBER 21, 2024  
2025 Budget and Capital Investment Plan  
Draft Operation Budget, First Review

OCTOBER 28, 2024  
2025 Budget and Capital Investment Plan  
Draft Operating Budget, Second Review

NOVEMBER 12, 2024  
2025 Budget and Capital Investment Plan  
Introduce Budget Resolutions – 2025 Budget  
and 2025 Tax Levy Budget Presentation and  
Public Hearing

NOVEMBER 18, 2024  
Final adjustments (if needed)

NOVEMBER 25, 2024  
2025 Budget and 2025 Tax Levy Resolutions  
Adoption

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## Questions and Comments

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**PORT OF OLYMPIA COMMISSION**  
**Resolution 2015-09**

**A resolution of the Port of Olympia Commission regarding  
Advertising and Promotion in the Community to Increase the Public  
Understanding, Awareness, and Interaction with the Port.**

**WHEREAS**, the Port of Olympia will see tangible benefits with regard to its general economic development efforts and provide the Port with the opportunity to market the Port's facilities and services within the community through exposure of its brand;

**WHEREAS**, requests will be made in writing, using the application form, consistent with written procedures developed in accordance with this resolution;

**WHEREAS**, pursuant to RCW 53.08.255, the Port of Olympia is authorized to expend moneys and conduct tourism promotion within the district or general area through promotion and publicizing activities; and

**WHEREAS**, pursuant to RCW 53.08.160, the Port of Olympia is authorized to make expenditures that are necessary for the advertising, and promotion of Port properties and facilities; and

**WHEREAS**, pursuant to RCW 53.08.245, the Port of Olympia has broad authority to engage in economic development activities.

**NOW, THEREFORE, BE IT RESOLVED** the Port of Olympia may provide community advertising and promotional support to qualifying organizations to be used for events and other activities that will positively market the Port and Port business, increase the public understanding, awareness, and interaction with the Port, and support the Port's mission.

**BE IT FURTHER RESOLVED** to be eligible for Port of Olympia community advertising and promotion support, community events and activities must:

1. Provide prominent advertising or promotion opportunities for the Port; and
2. Positively market the Port and Port businesses; and
3. How the request aligns with the Port's mission and promotes the maritime, shipping, aviation, commercial, industrial, or other business of the Port.

**BE IT FURTHER RESOLVED** requests for community advertising and promotion support will be considered using the following process:

1. Requests, made using the application form, must be received by August 15 and no later than September 1.
2. The Community Relations Coordinator or Representative reviews applications to assure all criteria is met.

3. If the criteria are met, the Community Relations Coordinator or Representative takes a recommendation to Commission.
4. Commission approves recommendations during budget adoption.

**BE IT FURTHER RESOLVED** requests made after the August 15 deadline may be considered using the following process:

1. Requests must be made using the application form.
2. The Community Relations Coordinator or Representative reviews the applications to assure all criteria is met.
3. If the criteria are met, the Community Relations Coordinator or Representative takes a recommendation to Executive Director for final decision.

**BE IT FURTHER RESOLVED** Port of Olympia community advertising and promotion participation will be tailored to match the anticipated benefit to the Port cash support levels will be based upon the following criteria.

1. Is the event held on Port property? (Promote and draw public to Port properties) How large is the audience?
2. Will the Port be given an opportunity to have a presence at the event? (Booth, interaction with public) How large is the audience?

**BE IT FURTHER RESOLVED** Funds for advertising and promotion in the community are included in the annual budget. The funds are only from Gross Operating revenues. Total funds may be up to 1% of the Gross Operating revenues, of the current year's budget, or a cap that is determined by the Commission, based on Commission approval.

**BE IT FURTHER RESOLVED** of the funds allocated for advertising and promotion in the community, proposed cash contributions will be no more than 30% of the total fund. Of that 30%, 10% will be set aside for opportunities that arise throughout the year outside of the application process in August.

**BE IT FURTHER RESOLVED** this process will be effective for the 2016 budget and future years moving forward.

**BE IT FURTHER RESOLVED** that the Port of Olympia Commission delegates the authority to the Executive Director to create procedures for the policies covered by this Resolution. In addition, the Port of Olympia Commission delegates the authority to the Executive Director to create other administrative policies and procedures as deemed necessary to ensure proper compliance by the Port of Olympia employees.

**BE IT FURTHER RESOLVED** to insure uniform application of these policies, questions or requests for interpretation shall be directed to the Executive Director.

**ADOPTED BY THE** Port Commission of the Port of Olympia this 13<sup>th</sup> day of July 2015.

PORT OF OLYMPIA COMMISSION

*George L. Barner Jr.*

George L Barner Jr

*Bill McGregor*

Bill McGregor

*Michelle Morris*

Michelle Morris