



Meeting Agenda

Finance Committee

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8244

Wednesday, August 15, 2018

5:30 PM

Room 207

Potential Quorum of the City Council

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **APPROVAL OF AGENDA**

4. **PUBLIC COMMENT**

(Estimated Time: 0-15 Minutes)

During this portion of the meeting, citizens may address the Committee for up to three (3) minutes regarding the Committee's business meeting topics.

5. **APPROVAL OF MINUTES**

5.A [18-0775](#) Approval of July 31, 2018 Finance Committee Meeting Minutes

Attachments: [Minutes](#)

6. **COMMITTEE BUSINESS**

6.A [18-0661](#) Report on Input from Community Conversation

Attachments: [Community Conversation Overview](#)

6.B [18-0736](#) Washington State Investment Board (WSIB) Discussion

Attachments: [Proposed Resolution](#)
[Mayor Pro Tem's Referral Request](#)
[2013 Letter to WSIB](#)

6.C [18-0760](#) Recommendation on the State-Required Business License Threshold Language and Discussion of Options to Adjust the Business & Occupation (B&O) Tax Rates and Thresholds

6.D [18-0761](#) Discussion on the Public Safety, Levy Lid-Lift and Banked Capacity

6.E [18-0770](#) Recommendation to Add Temporary Staffing to Support the City's Homeless Response Work

7. **REPORTS AND UPDATES**

8. ADJOURNMENT

The City of Olympia is committed to the non-discriminatory treatment of all persons in employment and the delivery of services and resources. If you require accommodation for your attendance at the City Council Committee meeting, please contact the Council's Executive Assistant at 360.753.8244 at least 48 hours in advance of the meeting. For hearing impaired, please contact us by dialing the Washington State Relay Service at 7-1-1 or 1.800.833.6384.



City Hall
601 4th Avenue E.
Olympia, WA 98501
360-753-8244

Finance Committee

Approval of July 31, 2018 Finance Committee Meeting Minutes

Agenda Date: 8/15/2018
Agenda Item Number: 5.A
File Number: 18-0775

Type: minutes **Version:** 1 **Status:** In Committee

Title

Approval of July 31, 2018 Finance Committee Meeting Minutes



Meeting Minutes - Draft

Finance Committee

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8244

Tuesday, July 31, 2018

5:30 PM

Council Chambers

Special Meeting - Potential Quorum of the City Council

1. CALL TO ORDER

Chair Cooper called the meeting to order at 5:30 p.m.

2. ROLL CALL

Present: 3 - Chair Jim Cooper, Committee member Jessica Bateman and Committee member Lisa Parshley

OTHERS PRESENT

Councilmember Renata Rollins
Mayor Cheryl Selby
Mayor Pro Tem Nathaniel Jones
Councilmember Clark Gilman

3. APPROVAL OF AGENDA

The agenda was approved.

4. PUBLIC COMMENT

The following people spoke: Nickhole Arcade, Borcai Hargrove, Janet Jordan, Georgine Abbott, Larry Dzieza, Neil Smith, Terry Meyer, Candy Mercer of Works in Progress, Matt LeFord, Daniel Einstein, Karen Messmer, Orien Kenyon, Dan Garrapy, Stephanie Tease, Bob Jacobs, Jack Horton, Debra Jacqua, Whitney Bowerman, and Steve Langer.

5. APPROVAL OF MINUTES

5.A [18-0683](#) Approval of June 20, 2018 Finance Committee Meeting Minutes

The minutes were approved.

6. COMMITTEE BUSINESS

6.A [18-0510](#) Budget Snapshot: City-owned Buildings and Operating Lease Agreements

Public Works Director of General Services Meliss Maxfield provided an overview of city-owned buildings and operating leases with the Family Support Center, the Hands On Children's Museum, the Olympia Timberland Regional Library, and the Washington Center for the Performing Arts (WCPA). She detailed the age of each lease and our roles and responsibilities for each building. She noted we also have a lease with the Farmers Market.

The information was provided.

6.B [18-0511](#) Building Repair and Replacement Update

Public Works Director of General Services Meliss Maxfield gave an update on the Building Repair and Replacement Fund and building condition assessment ratings. She defined what the fund is and showed recent funding. She indicated that building condition overall has improved as a result of our investments. She provided updates on 2018 building repair and replacement projects. Repairs are guided by condition assessment. She reviewed long-term maintenance needs and explained that we have 70% deficiencies at the Maintenance Center, WCPA, and the Lee Creighton Justice Center. Updated building condition assessments and ADA transition plans will provide new building deficiency information and forecast needs.

The information was provided.

6.C [18-0673](#) Urban Forestry and Funding Options

Community Planning and Development (CP&D) Deputy Director Leonard Bauer presented Urban Forestry asset management information and funding options. CP&D Urban Forester Michelle Bentley discussed street tree maintenance including a review of policy direction, current staffing, and funding gaps. She said they would like to request an increase in staffing to bring the program to industry standard. Having 2.75 permanent FTEs would allow the program to attend to every street tree every five to seven years to maintain what we have.

Mr. Bauer presented a list of hazard trees and indicated these trees are the program's highest priority. The long-term need is to increase the budget to \$100,000 per year to keep up with demand and establish a small reserve for future storms. There is a potential to shift up \$50,000 from other capital budget sources.

Ms. Bentley talked about Legion Way street tree maintenance and assessment. She displayed a map and defined the assessment rating system. Ratings are based on specific criteria, not judgment calls. This year there are no high-risk trees. She explained when one is being worked on, it is cost-effective to work on neighboring trees. The cost to prune 23 of the moderate to moderately high-risk trees is \$130,000 (average of \$5,652.17/tree). The cost to prune all 49 of the moderate to moderately high-risk trees is \$155,000 (average of \$3,163.27/tree). Committee member Parshley asked if increasing

the Urban Forestry staff will reduce the number of trees that become hazard trees. Ms. Bentley responded affirmatively. Committee member Bateman asked if we still need contractors to work on the hazard trees if we increase staff. Ms. Bentley said we will still need contractors because large crews are required. Parks, Arts and Recreation Stewardship Supervisor Sylvana Niehuser added that hazard tree crews come with value added in experience and equipment. The crews are large because they have people immediately chipping what gets trimmed, people directing traffic, etc.

Chair Cooper noted that telling the story of the Legion Way trees being planted as a living monument to WWI veterans is important to creating a sense of caring about the trees.

The information was provided.

6.D 18-0655 Briefing on Costs and Funding for Resolution to Address Homelessness in Olympia

CP&D Homeless Response Coordinator Colin DeForrest began the presentation by showing the two sites identified as possible locations for homeless camp sites. He reviewed Council direction from July 24 and listed goals for the proposed City-owned campsites. He called out cost comparisons between Tacoma's Stability Site of \$64/night and Olympia's Village sites of \$32/night (estimated).

CP&D Program and Planning Supervisor Amy Buckler reviewed details of estimated costs for both village camps. She indicated that the concept is based on models done in Seattle and Eugene, OR. The majority of operating costs is staff cost. Staff includes a site manager, two village organizers, five case managers, and two security workers at an estimated cost of \$54,808 per month. Estimated monthly operating cost for the two sites is \$9,975 per site. Total estimated monthly operating cost is \$74,758 or \$897,096 annually. This is an average of \$32 per person, per day for 80 people to receive basic services and one daily meal.

Ms. Buckler then discussed one-time construction and set up costs. The estimated capital cost to develop and establish both sites is \$2,450,000. This figure does not include the cost of tiny homes. Initially, these sites would provide space for tent campers and a few car campers. The plan is to transition to tiny homes for the comfort and security of residents.

Ms. Buckler responded to citizens who, during public comment, mentioned annual operating costs of \$1.4 million. She explained that the estimated annual operating budget is \$900,000. The additional \$504,000 per year is contingency and flexible funds for partnerships. The \$504,000 is not part of cost to operate the camps.

Committee members Bateman and Parshley want to hear more from subject matter experts before the City spends \$690,000 to purchase the Martin Way property. They both believe a housing committee needs to be established and given an opportunity to make

decisions.

City Manager Steve Hall spoke about where we might find the funds to pay for permanent, supportive housing for the homeless and what we can do in the meantime. In February 2018, Olympia voters approved the Home Fund which will generate \$2.3 million per year. The three to four years needed to produce permanent housing wasn't fast enough for voters so City Council asked for more immediate actions. The camping option with case management and security isn't the least expensive option, but it is legal and the safest option.

Mr. Hall addressed concerns about using a portion of the non-voted utility tax to help fund the homeless village. He said no money will be taken from funds dedicated to parks acquisition. Instead, the non-voted utility tax would be extended for three years. The additional three years would fulfill the promise to Parks. Mr. Hall listed expenses of \$2.45 million for the homeless village. Revenue sources include \$1.35 million from the Home Fund, \$300,000 in CDBG funds, and possible funding from 2018 Year-End funds, the Environmental Cleanup/Development Fund, and the sale of assets.

Committee member Bateman wants feedback from community providers on the feasibility of the overall program. She also wants to see how the Martin Way location will work with our coordinated housing plan before approving any operating costs. She indicated she is more comfortable with the operating costs of the nursery site.

Chair Cooper provided an overall review of the situation and said that 56% of people looking for housing in our community face a single barrier - income. He asked staff about storage of homeless people's personal possessions. Staff replied that the cost of storage is included in their estimates under the flexible funding line item. Chair Cooper said he wants partner vetting. He recognized the City's personnel cost to solve the homelessness crisis is higher than anticipated or desired.

Ms. Buckler emphasized that significant staff time is required in order to move forward with better estimates and more information. Committee members expressed interest in discussing the homelessness resolution at the August 21 City Council Study Session. They want to invite providers so full City Council can have the opportunity to hear the issues and discuss. Chair Cooper is interested in putting a provider on the design board. Mr. DeForrest expressed the need for more direction on day center objectives. Committee members Bateman and Parshley said they want service providers involved. Committee member Bateman stated satellite day centers would be ideal in the future, but for this coming winter we need to provide whatever we can as fast as we can. Mr. Hall will bring options to get additional staff involved on this project because there are several issues that need attention simultaneously.

During final discussions, the Committee reiterated the following key points:

- Any future design should include partners
- More planning needs to be done on sustainability for day centers
- More planning needs to be done on a rest stop/respice center
- An advisory committee needs to get up and running

A discussion of the full City Council needs to happen before discussing the issue again at Finance Committee.

The report was completed.

7. REPORTS AND UPDATES - None

8. ADJOURNMENT

Chair Cooper adjourned the meeting at 8:48 p.m.



Finance Committee

Report on Input from Community Conversation

Agenda Date: 8/15/2018
Agenda Item Number: 6.A
File Number: 18-0661

Type: report **Version:** 1 **Status:** In Committee

Title

Report on Input from Community Conversation

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Receive a report on the input collected at the April Community Conversations and consider how the input from community members who participated in the Community Conversation can inform the 2018-2019 budget process.

Report

Issue:

Whether to consider the input collected from the Community Conversation on Budget Priorities as part of this year's budget process.

Staff Contact:

Stacey Ray, Senior Planner, Administrative Services, 360.753.8046

Presenter(s):

Stacey Ray, Senior Planner, Administrative Services, 360.753.8499

Background and Analysis:

On Saturday, April 14, the City Council Finance Committee hosted a Community Conversation on Budget Priorities. The purpose was to listen to citizen's perspectives on the top priorities to inform the City's budget investments over the next two years.

City staff invited participants who collectively reflect a demographically representative sample of Olympia citizens, including citizens who typically do not participate in traditional city outreach and engagement processes.

Thirty-five participants took part in activities designed to host and accommodate community members from a diversity of backgrounds, experiences, and abilities. Input from participants was captured using illustrations, video, individual post-it notes, and group discussion notes.

During the two-hour session, participants were invited to:

- 1) Individually record reactions, ideas, or challenges associated with each of the five Action Plan focus areas; and
- 2) Self-select into groups representing each of the five different focus areas and discuss the following questions:
 - a. What do you know is already working well in this area?
 - b. Which areas need more attention?
 - c. What would it look like to be “better”?

Staff has reviewed and organized more than 170 individual comments, five group discussion summaries, and visual recordings from the conversation to capture and reflect the breadth and diversity of input received. The purpose of this briefing is to share that input, with emphasis on topics for consideration during this year’s budget process.

Neighborhood/Community Interest:

Opportunities for citizens to engage with the City on budget priorities are of high community interest. Staff continues to keep Community Conversation participants informed on the results of the conversation, and how their input is being used to inform the budget process.

Options:

1. Receive the report on community input from the April 14 Community Conversation on Budget Priorities
2. Do not receive the report.

Attachments:

Community Conversation Overview

COMMUNITY CONVERSATIONS | OVERVIEW

Draft Date: 3/20/18

WHAT	2018 Community Conversation to inform City Priorities
PURPOSE (WHY)	Listen to citizen’s perspectives on the top priorities for the City of Olympia, so that City Council can use those perspectives to inform the City’s budget investments over the next two years.
WHO	A focus group of Olympia residents who collectively reflect a demographically representative sample of Olympia citizens. Participants are drawn from a list of over 500 registered voters who participated in the 2017 citizen survey and invited via letter from the Mayor.
WHEN	Saturday, April 14, 2018 from 10:00 am to 12:00 noon Note: Depending on level of interest and lessons learned from this initial conversation, the City may host or co-host additional meetings.
WHERE	Olympia Community Center light refreshments, parking/transit, and children’s activities provided
HOW	Conversation café exercises are designed and warmly hosted to include and accommodate people from a diversity of backgrounds, experiences and abilities. Human centered meeting design emphasizes generative listening and participatory leadership practices.
INTENTION	The hope and intention is to foster conditions where citizen voices may be more authentically expressed, and elected and appointed leaders may listen more deeply. In turn, we hope this will foster even more meaningful and inclusive dialogue, creating more cohesion and trust in our city.
MORE INFO	Stacey Ray Long Range Planner with the Office of Performance and Innovation sray@ci.olympia.wa.us (360) 753-8046 www.ci.olympia.wa.us/actionplan

Process

Shape of Meeting Design for April 14 community conversation

1. **Welcome:** warm welcome and brief statement of purpose (Mayor Selby)
2. **Orientation:** materials and brief narrative (Debbie Sullivan and Stacey Ray)
3. **Engagement** activities (Larisa Benson and Kerensa Mabwa)
Primary objectives (in rank order):
 - a. Listening to voices of citizens -- city gains useful insights and citizens feel heard, seen and respected
 - b. Prioritization -- a list emerges that may confirm or disconfirm what we think we heard based on survey results and Council's 2018 priorities
 - c. Shared meaning -- city initiatives (budget and community indicators data) become infused with deeper meaning and stories from citizen's point of view
4. **Closing Reflections**
 - a. What we heard (Council members Bateman, Parshley share reflections)
 - b. What to expect next (Debbie Sullivan and Stacey Ray express intention)
 - c. Gratitude (all)

Products and Results

- A summary sheet that includes at a minimum: a list of citizen priorities and citizen stories (quotes and impressions)
- Updates to these existing products: the City's five outcome areas, Council's key initiatives 2018, the community indicators dashboard and the budget
- Metrics of success:
 1. a ratio of 75% citizen air time to 25% city staff air time during the meeting
 2. 50% or more rate the following as likely or very likely:
 - "I felt my views were heard"
 - "I believe my input will influence city priorities"
 - "I pay more attention to city government since the workshop"

People & Roles

- Mayor Selby, Debbie Sullivan, Stacey Ray: opening welcome & orientation:
- Larisa Benson & Kerensa Mabwa: meeting design and co-facilitation
- Chelsea Baker (from CP&D) and youth facilitators: visual scribing
- Councilmembers Parshley & Bateman: ethnographic listening and closing reflections
- Stacey Ray: project coordinator and steward of final products



Finance Committee
Washington State Investment Board (WSIB)
Discussion

Agenda Date: 8/15/2018
Agenda Item Number: 6.B
File Number: 18-0736

Type: recommendation **Version:** 1 **Status:** In Committee

Title

Washington State Investment Board (WSIB) Discussion

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to forward the proposed resolution for responsible management of public trust funds to the full City Council with a recommendation for action prior to the Washington State Investment Board's September 20, 2018, meeting.

Report

Issue:

Whether to forward a proposed resolution for responsible management of public trust funds to full Council with a recommendation regarding action.

Staff Contact:

Steve Hall, City Manager, 360.753.8447

Presenter(s):

Mayor Pro Tem Nathaniel Jones

Background and Analysis:

City employees and many residents depend upon the actions of the Washington State Investment Board (WSIB) to manage economic risk for pension funds and other public trust investments. In 2013, the City expressed concerns (via the attached letter) with WSIB investments in the fossil fuel industry and request disinvestment.

On July 17, 2018, Mayor Pro Tem Nathaniel Jones requested that action related to the WSIB be considered. Council agreed and referred this item to the Finance Committee.

Neighborhood/Community Interests (if known):

Community members expressed interest in ensuring public dollars are spent in the best interest of the public.

Options:

1. Recommend resolution as proposed.
2. Recommend resolution with revisions.
3. Recommend other means of addressing identified need.
4. Recommend no action.

Financial Impact:

Since 2013, funds managed by the WSIB have sustained substantial financial losses from fossil fuel investments.

Attachments:

Proposed Resolution
Mayor Pro Tem Jones's City Council Referral Request
2013 Letter to Washington State Investment Board

RESOLUTION FOR ~~DIVESTMENT FROM FOSSIL FUELS~~ RESPONSIBLE MANAGEMENT OF PUBLIC TRUST FUNDS

WHEREAS it is the mission of the Washington State Investment Board (WSIB) to manage investments for retirement and public trust funds with the highest standard of professional conduct for the exclusive benefit of fund beneficiaries, and currently the Board is managing more than \$129 billion for public employees, teachers, school employees, law enforcement officers, firefighters and judges, including the Deferred Compensation Program and investments for 18 other public funds, including industrial insurance, colleges and universities, and developmental disability programs, and

WHEREAS in October of 2013, the City of Olympia expressed concerns with WSIB investments in companies and/or portfolios engaged with fossil fuel extraction, production, or transport and requested that the process of divestment from these holdings begin, and

WHEREAS since 2013, public pension funds, including those managed by the Washington State Investment Board, have sustained substantial financial losses over the past five years from fossil fuel investments, (coal, oil and natural gas) investments, and future returns from this sector are not reasonably expected to better their past performance ~~fossil fuel investments will continue to lose value in future years~~ due to changes in risk, regulations, and attitudes towards the use of fossil fuels, as the terms of the Paris agreement are fulfilled, and

WHEREAS, it is important for fiduciaries to consider the various ways to assess and mitigate the risks that different sectors and industries have from the impacts of climate change, the long-term transition to a less carbon-intensive economy, and the potential for fossil fuel reserves and companies to lose a substantial portion of their value; and

WHEREAS the world economy is shifting toward less energy-intensive models of growth, fracking has driven down energy prices, and renewable energy and electric vehicles are gaining market share. Litigation on climate change is expanding and campaigns in opposition to fossil fuels have matured. These factors are now a material risk to the fossil fuel sector, calling into question the presence of holdings for fossil fuel and allied industries in the portfolio of the WSIB, and

WHEREAS the commitment in the Paris Agreement of staying below 2 degrees C of warming will result in leaving more than 80% of proven fossil fuel reserves in the ground as stranded assets, and

WHEREAS pension funds, including those managed by WSIB, have sustained substantial financial losses over the past five years from fossil fuel (coal, oil and natural gas) investments, and fossil fuel investments will continue to lose value in future years as the terms of the Paris agreement are fulfilled, and

WHEREAS climate change will harm the economy of the city of Olympia and the forests, farms, fisheries and ecosystems that are part of the character of our city, and that it is thus not in the

~~best interest of our city that the WSIB invest in and thus enable further extraction and burning of fossil fuels, and~~

WHEREAS the ~~economic investment~~ risks of the WSIB affect ~~to~~ the residents of the ~~C~~city of Olympia ~~is with~~ outsized ~~impact~~ due to the disproportionate number of people in Olympia whose pensions ~~and investments~~ are managed by the WSIB, ~~and~~

~~that the city of Olympia has expressed this concern~~ THEREFORE BE IT RESOLVED, ~~(DESCRIBE LETTER AND RESPONSE HERE)~~

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The City of Olympia respectfully requests,

~~1) that the Washington State Investment Board~~ WHEREAS, the issue of climate change is already having and will continue to have a profound impact on our society and economy; current and future changes in risk, regulations, and attitudes towards the use of fossil fuels should be taken into account as WSIB evaluates their investment portfolio:

~~BE IT RESOLVED, that the city requests the WSIB initiates a~~ focused process carbon footprint analysis for those equity assets within its portfolio, that it conduct an assessment of potential climate change impacts on risk and return characteristics of the portfolio, and that it review approaches for integrating climate change risks and opportunities into asset allocation, manager selection and risk management, and

~~2) that the Washington State Investment Board not modify its portfolio with new or expanded investments in fossil fuels or allied industries until such analyses are complete, and~~

~~3) that the Washington State Investment Board prominently announce its risk analysis findings for those components of its portfolio that are exposed to climate change risk through association with the fossil fuel industry, and that such findings be incorporated in the Board's deliberations, and decisions pertaining to funds management, in order to protect the long-term interests of its beneficiaries and to determine the most efficacious way to safeguard its portfolio from the economic risks of climate change thereby fulfilling the Board's fiduciary duty to beneficiaries, and~~

~~4) that these requests promptly be transmitted to the Washington State Investment Board members and staff as an action of the City of Olympia for determining a prudent divestment and exclusion strategy for fossil fuel reserve owners that responsibly reduces your portfolio's exposure to carbon risk and mitigates financial risks resulting from climate change, consistent with fiduciary duty; and~~

~~BE IT RESOLVED, that in order to protect the long-term interests of your beneficiaries and determine the most efficacious way to safeguard your portfolio from the economic risks of climate change, the city requests that the WSIB will utilize an investment consultant to assist in determining prudent steps to divest and exclude from your portfolio the securities issued by fossil fuel reserve owners including evaluating the anticipated impacts on risk and return~~

characteristics of the portfolio, and seek legal opinion to determine whether any divestment plan and actions by the WSIB fulfills the Board's fiduciary duty to beneficiaries.

~~BE IT RESOLVED, that the city respectfully requests that the State Investment Board divest from fossil fuels. It is your fiduciary duty, and it is in the best interest of the residents of the city of Olympia.~~

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DRAFT



Olympia City Council Referral Request

Tracking Number	2018-0026NJ
Date of Referral	July 17, 2018
Originator	MPT Jones
Referral To	Finance Committee
Request	Review proposed resolution for responsible management of public trust funds and provide full Council with a recommendation regarding action on this matter.
Relationship of Request to City or Proposed City Business/Services	<p>City employees and many residents depend upon the actions of the Washington State Investment Board (WSIB) to manage economic risk for pension funds and other public trust investments.</p> <p>In 2013, the City of Olympia expressed concerns with WSIB investments in the fossil fuel industry and requested disinvestment.</p> <p>Since 2013, funds managed by the Washington State Investment Board, have sustained substantial financial losses from fossil fuel investments.</p>
Connection to Comprehensive Plan	<input checked="" type="checkbox"/> Economy: <i>abundant local products and services; a thriving arts and entertainment industry; sustainable quality infrastructure; a stable thriving economy</i>
Options	<ol style="list-style-type: none">1. Recommend resolution as proposed.2. Recommend resolution with revisions.3. Recommend other means of addressing identified need.4. Recommend no action.
Timing	The Committee is requested to bring forward recommendation in time for potential Council action before the WSIB's September 20, 2018 meeting.
Attachments	<ol style="list-style-type: none">1. Draft Resolution



October 14, 2013

Mr. Jim McIntire, Chair
Washington State Investment Board
P.O. Box 40916
Olympia, WA 98504-0916

Dear Chair McIntire,

We are writing to express our concern that the City of Olympia's contributions to the Commingled Trust Fund, managed by the Washington State Investment Board (WSIB), are being used to invest in companies and/or portfolios engaged with fossil fuel extraction, production, transport or other aspects of this environmentally damaging pursuit.

It has been brought to our attention by a local citizens group, the Olympia Chapter of FOR (Fellowship of Reconciliation) that the Commingled Trust Fund report for 2011 shows, among others, the following investments in fossil fuel companies: Exxon Mobile, \$231 million; BP Amoco, \$90 million; Canadian Oil Sands, \$61 million; Diamond Offshore Drilling, \$54 million; and Chesapeake Energy Corp., \$52 million. This information is distressing during a time when we are all working to reduce our carbon footprint and our dependence on fossil fuels.

We support the experts who agree that climate change is caused by humans burning fossil fuels and will continue to accelerate and intensify tragic climate disasters. The scientific consensus is clear; we cannot safely burn even half of the global fossil fuel reserves without dangerously warming the planet for several thousand years.

Therefore, it is our request that the WSIB stop investing the money Olympia contributes to the Commingled Trust Fund in fossil fuel companies, and further to be divested within five years from direct ownership of any commingled funds that include fossil fuel public equities and corporate bonds.

Furthermore, we support the actions of Seattle Mayor Mike McGinn as he has led the divestment campaign in Washington by directing the Seattle City Employees' Retirement Board to refrain from future investments in fossil fuel companies, and begin the process of divesting Seattle's pension portfolio from these companies. We request that the WSIB follow this example of leadership.

olympiawa.gov

Respectfully,

Stephen H. Buxbaum, Mayor



Finance Committee

Recommendation on the State-Required Business License Threshold Language and Discussion of Options to Adjust the Business & Occupation (B&O) Tax Rates and Thresholds

Agenda Date: 8/15/2018
Agenda Item Number: 6.C
File Number: 18-0760

Type: recommendation **Version:** 1 **Status:** In Committee

Title

Recommendation on the State-Required Business License Threshold Language and Discussion of Options to Adjust the Business & Occupation (B&O) Tax Rates and Thresholds

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to recommend the State-required Business License Threshold language and forward to full Council for consideration, and discuss options to adjust the Business & Occupation (B&O) Tax rates and thresholds.

Report

Issue:

Whether to recommend the State required Business License Threshold language and forward to full Council, and whether to discuss options to adjust the Business & Occupation (B&O) Tax rates and thresholds.

Staff Contact:

Debbie Sullivan, Director, Administrative Services 360.753.8499

Mike Reid, Economic Development Director, Community Planning and Development 360.753.8591

Presenter(s):

Debbie Sullivan, Director, Administrative Services

Mike Reid, Economic Development Director, Community Planning and Development

Background and Analysis:

On April 26, staff presented information on new Business License threshold requirements related to House Bill 2005. The City must adopt the required changes by January 1, 2019. The changes establish standard language for the municipal code which includes a \$2,000 minimum threshold for

businesses not physically located within the City. The General Fund is estimated to see a reduction in business license revenues of \$44,310. Staff recommends that businesses who qualify, be required to file for a City license at no charge.

On April 26, Finance Committee also directed staff to analyze options for adjusting the B&O rates and thresholds. They asked staff to report back on inflationary adjustments, regional parity with Lacey and Tumwater, and incentives for economic development. Staff will share the results of their analysis and seek direction from Finance Committee.

Neighborhood/Community Interests (if known):

None noted.

Options

1. Move to recommend and forward to Council the new required Business License Threshold of \$2,000 with no changes to the B&O Tax rates and threshold. The General Fund will be reduced by \$44,310
2. Move to recommend and forward to Council the new required Business License Threshold of \$2,000 and raise the B&O Tax rate 2 percent for most categories to offset the loss in General Fund revenue.
3. Direct staff to forward to Council the new required Business License Threshold of \$2,000 with an adjustment to either the B&O Tax rate and/or threshold based on the options provided by staff.

Financial Impact:

N/A

Attachments:

None



Finance Committee

Discussion on the Public Safety, Levy Lid-Lift and Banked Capacity

Agenda Date: 8/15/2018
Agenda Item Number: 6.D
File Number: 18-0761

Type: discussion **Version:** 1 **Status:** In Committee

Title

Discussion on the Public Safety, Levy Lid-Lift and Banked Capacity

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Discuss the Public Safety Levy-Lid Lift and banked capacity. No action requested.

Report

Issue:

Whether to discuss the Public Safety Levy-Lid Lift and Banked Capacity.

Staff Contact:

Debbie Sullivan, Director, Administrative Services 360.753.8499

Ronnie Roberts, Chief, Olympia Police Department 360.753.8409

Presenter(s):

Debbie Sullivan, Director, Administrative Services 360.753.8499

Ronnie Roberts, Chief, Olympia Police Department 360.753.8409

Background and Analysis:

On November 7, 2017, voters approved a Public Safety Levy-Lid Lift. The ballot measure authorized the City to levy regular property taxes to fund vital community safety programs and services.

The ballot measure authorized the City to increase the property tax levy up to \$.045 per \$1,000. The estimated cost to launch the new programs was \$2.8 million, which included additional law enforcement officers for the downtown walking patrol, neighborhood liaisons, code enforcement, a mental health response team, direct mental health services, and Community Court.

The City raised property taxes \$.034 per \$1,000 to generate \$2.8 million. The difference between the assessed \$2.8 million and the maximum allowed of \$3.53 million is referred to as "Banked Capacity." Staff will discuss with Finance Committee options for whether to access the banked capacity to meet

related public safety needs while still maintaining adequate funds to ensure full continuation of these new programs into the future.

Neighborhood/Community Interests (if known):

Continuation of the new programs is the highest priority to fulfill the commitment to the community.

Options:

1. Discuss the needs of the Public Safety programs and services and direct staff to prepare a recommendation as part of the operating budget. Additional revenue could be available in 2019.
2. Direct staff to prepare the 2019 operating budget without new revenue from the Public Safety Levy-Lid Lift Banked Capacity.

Financial Impact:

N/A

Attachments:

None



Finance Committee

Recommendation to Add Temporary Staffing to Support the City's Homeless Response Work

Agenda Date: 8/15/2018
Agenda Item Number: 6.E
File Number: 18-0770

Type: recommendation **Version:** 1 **Status:** In Committee

Title

Recommendation to Add Temporary Staffing to Support the City's Homeless Response Work

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve a recommendation to add temporary staffing to support the City's Homeless response work and forward to the full City Council for consideration.

Report

Issue:

Whether to recommend to the full City Council approval of the recommendation to add temporary staffing to support the City's Homeless response work.

Staff Contact:

City Manager Steve Hall, 360.753.8244

Community Planning and Development Director Keith Stahley, 360.753.8227

Presenter(s):

Keith Stahley

Background and Analysis:

The City has adopted an aggressive strategy to do more to address the immediate public health crisis related to homelessness.

In May 2018, the City Council launched four short term initiatives to address immediate needs.

Developing a direct response to Homeless Services and affordable housing is a new line of work for the City. In April, the City realigned staffing to create an internal Housing Action Team to better align and coordinate the City's response to this emerging work.

In May, as part of a partnership with the Evergreen Christian Church, the City was able to fund and

staff its first ever Homeless Response Coordinator. Other staff have also changed focus to assign larger portions of their time to this work.

Despite this internal realignment, staff resources are inadequate to properly handle the amount of coordination, public engagement, project planning and strategic thinking needed to address these new initiatives.

What is really needed, is a full time permanent staff person to augment this work. However, long-term funding has not been identified.

In the short term, staff is recommending temporary staffing (up to six months) using Council goal funds to support current work.

Neighborhood/Community Interests (if known):

Responding to homeless needs in a strategic, well planned manner is a critical issue for the entire community.

Options:

1. Fund temporary staffing why Council Goal funds at \$35,000.
2. Consider other funds for permanent additional staffing (Home Fund, Policy Analyst Funding, etc.)
3. Do not recommend any additional staffing.

Financial Impact:

\$35,000 from Council Goal funds. This would deplete the remaining funds in that account, leaving a zero balance.

Attachments:

None