



# Meeting Agenda

## Finance Committee

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8244

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**Wednesday, April 1, 2020**

**5:30 PM**

**Council Chambers**

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**1. CALL TO ORDER**

**2. ROLL CALL**

**3. APPROVAL OF AGENDA**

**4. PUBLIC COMMENT**

*Public comment can be submitted by emailing [citycouncil@ci.olympia.wa.us](mailto:citycouncil@ci.olympia.wa.us).*

**5. APPROVAL OF MINUTES**

**5.A**     [20-0307](#)     Approval of March 18, 2020 Finance Committee Meeting Minutes

**Attachments:**     [Minutes](#)

**6. COMMITTEE BUSINESS**

**6.A**     [20-0299](#)     Budget Snapshot and Briefing on 2020 Sales Tax Revenue

**6.B**     [20-0300](#)     Update on COVID-19 Economic Response and Recovery Efforts

**6.C**     [20-0302](#)     Discussion of the Impact of Deferring 2020 Business & Occupation (B&O) and Parking and Business Improvement (PBIA) Payments

**6.D**     [20-0301](#)     Approval of a Revised 2020 Finance Committee Work Plan

**Attachments:**     [Draft Revised 2020 Finance Committee Work Plan](#)

**7. REPORTS AND UPDATES**

**8. ADJOURNMENT**

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

## Finance Committee

### Approval of March 18, 2020 Finance Committee Meeting Minutes

**Agenda Date:** 4/1/2020  
**Agenda Item Number:** 5.A  
**File Number:**20-0307

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

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#### **Title**

Approval of March 18, 2020 Finance Committee Meeting Minutes



# Meeting Minutes - Draft

## Finance Committee

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8244

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**Wednesday, March 18, 2020**

**5:30 PM**

**Council Chambers**

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**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 Cheryl Selby and Committee member Lisa Parshley

**3. APPROVAL OF AGENDA**

Chair Cooper noted Public Comment is removed from the agenda due to the need for social distancing. He noted Items 6.B and 6.C are pulled from the agenda since they are not emergency-related. Item 6.D will be first and Item 6.A will be the last item on tonight's agenda.

**The agenda was approved as amended.**

**4. PUBLIC COMMENT - None**

**5. APPROVAL OF MINUTES**

**5.A** [20-0270](#) Approval of February 26, 2020 Finance Committee Meeting Minutes

**The minutes were approved.**

**6. COMMITTEE BUSINESS**

**6.A** [20-0261](#) Recommendation on COVID-19 Economic Impact Relief Measures

Interim City Manager Jay Burney discussed the importance of sustaining City operations to ensure support for the community as we all move through the pandemic crisis.

Ms. Sullivan reviewed the financial resilience strategy for City operations and financial resources to support the community.

Economic Development Director Mike Reid outlined the City's economic response plan to address the COVID-19 emergency, as well as supporting regional economic recovery moving forward.

Interim Assistant City Manager Keith Stahley brought up the need to support the Olympia Downtown Alliance and downtown businesses. He noted City property could be sold to support the response and recovery effort.

Committee members asked clarifying questions.

Mr. Burney mentioned B&O tax payment deferrals for 60-90 days and PBIA assessment deferrals for future Committee consideration. The Committee asked staff to do more research and bring the topics back for discussion. **Staff was directed to add an item to the City Council Consent Calendar authorizing the City Manager to defer payments for B&O Tax and PBIA assessments for 90 days.**

**Committee member Parshley moved, seconded by Committee member Selby, to forward a recommendation to Council to consider appropriating \$550,000 from the Economic Development Fund to be available for response and recovery at the discretion of the City Manager, including \$50,000 to United Way. The motion carried by the following vote:**

**Aye:** 3 - Chair Cooper, Committee member Selby and Committee member Parshley

**6.B**     [20-0101](#)     Transportation Funding Briefing

**The information was postponed.**

**6.C**     [20-0259](#)     Funding Recommendation for Risk-Based Analysis of Reserve Levels Study

**The recommendation was postponed.**

**6.D**     [20-0248](#)     Oral Report - Review and Discuss 2019 Year-End General Fund Financial Position

Administrative Services Director Debbie Sullivan discussed General Fund revenue, the City's 2019 financial position, and the recommendations for allocation of 2019 year-end savings. Committee members asked clarifying questions.

**Committee member Parshley moved, seconded by Committee member Selby, to forward to the City Council the recommendation to use the \$1.43 million 2019 year-end savings as follows: \$495,000 for building repair and replacement and \$935,000 in unallocated reserve. The motion carried by the following vote:**

**Aye:** 3 - Chair Cooper, Committee member Selby and Committee member Parshley

**7.        REPORTS AND UPDATES - None**

**8.        ADJOURNMENT**

Chair Cooper announced the next Special Finance Committee meeting will occur in the next few weeks.

The meeting was adjourned at 6:26 p.m.



## Finance Committee

### Budget Snapshot and Briefing on 2020 Sales Tax Revenue

**Agenda Date:** 4/1/2020  
**Agenda Item Number:** 6.A  
**File Number:** 20-0299

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

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#### Title

Budget Snapshot and Briefing on 2020 Sales Tax Revenue

#### Recommended Action

##### Committee Recommendation:

Not referred to a committee.

##### City Manager Recommendation:

Receive a briefing on Sales Tax. Briefing only; No action required.

#### Report

##### Issue:

Whether to receive a briefing on Sales Tax.

#### Staff Contact:

Nanci Lien, Fiscal Services Director, 360.756.8465

#### Presenter(s):

Nanci Lien, Fiscal Services Director, Administrative Services Department

#### Background and Analysis:

The City's 2020 Adopted Operating Budget is \$178,151,013. That includes \$85,850,359 of General Fund Expenditures. The General Fund covers basic core municipal services like fire, police, housing/homelessness services. General Fund revenue to cover these types of expenses comes from a variety of sources including Sales Tax. In fact, Sales Tax is the City's largest source of general fund revenue comprising nearly 28% of the total.

On March 15, 2020, the Governor ordered the closing of all sit-down restaurants and bars and banned gatherings of 50 or more statewide, in response to the coronavirus (COVID-19) pandemic. And on March 23, the Governor issued a statewide order to stay-at-home and stay healthy to help slow the spread of the coronavirus.

The impact on the local economy and the City's revenue is significant. Staff is closely monitoring

general fund revenue and will be updating Finance Committee and the City Council regularly.

Staff will present information on sales tax how it is collected and distributed between the State, County and City. Staff will also share revenue projection scenarios based on the decline in sales tax as a result of the COVID-19 pandemic.

**Neighborhood/Community Interests (if known):**

Because sales tax generates 28% of the general fund revenue, core services like fire, police, transportation, and funding for housing and homelessness services may be impacted.

**Options:**

Information only.

**Financial Impact:**

N/A

**Attachments:**

None



## Finance Committee

### Update on COVID-19 Economic Response and Recovery Efforts

**Agenda Date:** 4/1/2020  
**Agenda Item Number:** 6.B  
**File Number:** 20-0300

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

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#### **Title**

Update on COVID-19 Economic Response and Recovery Efforts

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Receive an update on COVID-19 Economic Response and Recovery efforts. Briefing only; No action requested.

#### **Report**

##### **Issue:**

Whether to receive an update on relief measures for economically impacted businesses due to the COVID-19 virus.

##### **Staff Contact:**

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

##### **Presenter(s):**

Mike Reid, Economic Development Director, Community Planning and Development

##### **Background and Analysis:**

On March 24, 2020 City Council approved actions to initiate work associated with economic recovery and response to the impacts COVID-19 on our local economy. Staff will provide an update on current efforts and funding provided to partners such as the Thurston County United Way, Community Foundation, Olympia Downtown Alliance, and Thurston County Chamber of Commerce.

##### **Neighborhood/Community Interests (if known):**

Significant interest by impacted businesses and their employees.

##### **Options:**

1. Receive briefing on COVID-19 Economic Response and Recovery efforts
2. Do not receive briefing on COVID-19 Economic Response and Recovery efforts



**Financial Impact:**  
NA

**Attachments:**  
None



## Finance Committee

### Discussion of the Impact of Deferring 2020 Business & Occupation (B&O) and Parking and Business Improvement (PBIA) Payments

**Agenda Date:** 4/1/2020  
**Agenda Item Number:** 6.C  
**File Number:**20-0302

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

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#### **Title**

Discussion of the Impact of Deferring 2020 Business & Occupation (B&O) and Parking and Business Improvement (PBIA) Payments

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Discuss the impact of deferring 2020 B&O and Parking and Business Improvement Payments.

#### **Report**

##### **Issue:**

Whether to discuss the impact of deferring 2020 B&O and Parking & Business Improvement Payments.

#### **Staff Contact:**

Debbie Sullivan, Administrative Services Director, 360.756.8499

#### **Presenter(s):**

Nanci Lien, Fiscal Services Director, Administrative Services  
Debbie Sullivan Administrative Services Director

#### **Background and Analysis:**

On March 15, 2020, the Governor ordered the closing of all sit-down restaurants and bars and banned gatherings of 50 or more statewide, in response to the coronavirus (COVID-19) pandemic. Then on March 23, the Governor issued a statewide order to stay-at-home and stay healthy to help slow the spread of the coronavirus. This resulted in additional businesses closing if they weren't defined as "essential."

To provide support and flexibility to local businesses during this period of financial duress, City

Council announced on March 24 that local businesses can defer their 2020 Business & Occupation (B &O) first quarterly tax filings and payments. Filings and taxes normally due at the end of April will now be due on July 31.

Council also announced that downtown businesses can defer paying their Parking & Business Improvement Area (PBIA) assessments until July 31. PBIA assessments are paid by downtown business owners. The revenue collected from the PBIA funds activities that will enhance the experience of visitors, residents and business owners.

Council stated they will continue to assess the economic situation and will adjust B&O tax filings and payments as well as the PBIA assessments, if necessary.

Staff will present information on how deferring B&O payments could impact 2020 General Fund Revenue, and discuss the financial and potential service impacts to the PBIA.

**Neighborhood/Community Interests (if known):**

Deferring B&O tax payments and Downtown PBIA assessments will provide flexibility and support to over 900 businesses in Olympia.

**Options:**

Information only.

**Financial Impact:**

Revenue from B&O taxes comprises approximately 8 percent of the City's General Fund Revenue; or \$6.7 million in 2020. Average revenue from first quarter B&O for the last two years has averaged about \$1.27 million.

The PBIA assessment were originally due in February. There is still \$40,050 in outstanding assessment.

**Attachments:**

None



## Finance Committee

### Approval of a Revised 2020 Finance Committee Work Plan

**Agenda Date:** 4/1/2020  
**Agenda Item Number:** 6.D  
**File Number:**20-0301

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

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#### **Title**

Approval of a Revised 2020 Finance Committee Work Plan

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Move to approve the Revised 2020 Finance Committee Work Plan and forward to Council for consideration.

#### **Report**

##### **Issue:**

Whether to approve the Revised 2020 Finance Committee Work Plan.

##### **Staff Contact:**

Debbie Sullivan, Administrative Services Director, 360.753.8499

##### **Presenter(s):**

Debbie Sullivan, Administrative Services Director

#### **Background and Analysis:**

Each year, all Council Committees develop a work plan. The Finance Committee submitted their work plan to the full Council, and it was approved on February 4, 2020.

The workplan is a basic plan that guides the Committee's work throughout the year. Due to the financial impact of coronavirus (COVID-19) is having on the City's financial resources, staff is recommending a revised workplan in order to address this emerging issue.

Meetings will continue to be scheduled for the third Wednesday of every month starting at 5:30 pm. However, additional meetings have been scheduled in April and May to discuss the major general fund revenues, 2020 projections, and options to mitigate the impacts.

#### **Neighborhood/Community Interests (if known):**

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

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N/A

**Options:**

1. Approve the Revised 2020 Finance Committee Work Plan
2. Direct staff to remove and/or add agenda items

**Financial Impact:**

N/A

**Attachments:**

Draft Revised 2020 Finance Committee Work Plan

# Finance Committee

## 2020 Work Plan

Updated April 1, 2020

### Schedule of Regular and Special Meetings

Note: Meeting dates and agenda items are subject to change.

Regular meeting: 3<sup>rd</sup> Wednesday, 5:30 – 7:30 p.m., Olympia City Hall,

Committee Members: Councilmembers Jim Cooper (Chair) and Lisa Parshley, Mayor Cheryl Selby

#### April 1

1. Budget Snapshot and Briefing on 2020 Sales Tax Revenue (Nanci Lien)
2. Discuss Impact of Deferring 2020 B&O and PBI Payments (Debbie Sullivan)
3. Update on Economic Response Plan (Mike Reid)

#### April 15 (Mayor Selby will participate remotely)

1. Budget Snapshot and Briefing on 2020 Lodging Tax & Washington Center Endowment (Nanci Lien)
2. Review Financial Report from Washington Center for the Performing Arts (Debbie Sullivan)
3. Update on Economic Response Plan (Mike Reid)
4. Discuss Revised 2020 Finance Committee Work Plan

#### April 29

1. Budget Snapshot and Briefing on 2020 Home Fund Revenue (Nanci)
2. Update on Housing and Homeless Response Expenditures (Keith Stahley)
3. Update on Economic Response Plan (Mike Reid)

#### May 6

1. Budget Snapshot and Briefing on Gas Tax Revenue & REET Revenue (Nanci Lien)
2. Discuss JASCOM 2021 Budget (Debbie Sullivan)
3. Transportation Funding (Mark Russell)

#### May 20

1. Budget Snapshot Utility Tax Revenue (Nanci)
2. Discuss Recommendation for Allocating Council Goal Money (Debbie Sullivan/Jay Burney)
3. 1<sup>st</sup> Quarter Financial Report (Joan Lutz)

#### June 17

1. Budget Snapshot: Investments (Nanci Lien)
2. Investments (David Westcott, Governmental Portfolio Advisors)
3. Climate Mitigation Plan (Rich Hoey)

**July 15**

1. Budget Snapshot and Briefing on State Entitlement Revenue (Nanci Lien)
2. Transportation Master Plan (Mark Russell)
3. Update on Building Repair and Replacement (Meliss Maxfield)
4. Waste ReSources Maintenance Center (Rich Hoey)

**August 19**

1. Briefing on the Preliminary Capital Facilities Plan and 2021-2026 Financial Plan (Debbie Sullivan)
2. Review 2021 Impact Fees
3. Lifeline Utility Rates (Eric Christensen)
4. 2<sup>nd</sup> Quarter Financial Report

**September 16**

1. Budget Snapshot: Debt (Nanci)
2. Preliminary 2021 Operating Budget (Jay Burney/Debbie Sullivan)
3. Review Utility Rates (Eric Christensen/Gary Franks)
4. Review Development Fee Adjustments (Leonard Bauer)

**October 21**

1. Budget Snapshot: Utility Taxes (Nanci)
2. Discussion of 2021 Capital Facilities Plan (Debbie Sullivan)

**November 18**

1. Budget Snapshot: Tax Increment Financing (Nanci Lien)
2. Discussion of 2021 Preliminary Operating and Capital Budgets
3. 3<sup>rd</sup> Quarter Financial Report (Joan Lutz)

**November**

*Special Meeting if needed for budget discussion*

**December 16**

- 2021 Work plan (Debbie Sullivan)

**ITEMS TO BE SCHEDULED:**

- Criteria for requesting and prioritizing Council Goal money
- Indirect Cost Allocation Plan Briefing (Debbie Sullivan)
- Community Conversations (Stacey Ray)
- Discuss Funding Recommendation for Risk-Based Analysis of Reserve Levels Study (Debbie Sullivan, ASD)
- Lee Creighton Justice Center
- Excise Tax
- Annexation Financial Impact Analysis
- Discuss results of ADA study
- Discuss options/ability to leverage the City's Investments
  - No or low interest loans for energy upgrades to housing
- Budget Snapshots
  - General Facility Charges and Fees
  - Comprehensive Annual Financial Report