



Commission Work Session
Monday, October 16, 2023
3:00 PM

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

The meeting agenda is available on the Port's website as of October 12, 2023.
<https://www.portolympia.com/commission>

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

<https://us02web.zoom.us/j/89867582715?pwd=US9Ncm1OVTc2NG1HN3Y4eGR0VUYvQT09>

or Telephone: 1 253 215 8782

Webinar ID: 898 6758 2715

Passcode: 839443

Please note that the Zoom link changes for each meeting.

NOTE: No public comment or commission action will be taken at this Work Session.

AGENDA

- A. Call to Order
- B. Approval of Agenda
- C. Gerber Environmental Art Presentation: Chris Gerber, Environmental Artist
- D. Property Tax Levy: Jeff Gadman, Thurston County Treasurer
- E. Budget Review – Non-Operating and Tax Levy: Tad Kopf, Interim Director of Finance
- F. Agenda Setting Guidelines: Camille St. Onge, Director of Strategic Initiatives and Commission Affairs
- G. Response to Public Comment: Camille St. Onge, Director of Strategic Initiatives and Commission Affairs
- H. Adjourn

Port of Olympia Mission

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



Chetwoot Restorative Art Installation

Artists With Ecology, powered by Shunpike, is proposing a temporary Ecovention Art installation that would be an eco tourism attraction,

environmental education opportunity, aesthetic enhancement, as well as improve water quality heading into Budd Inlet.

This would be an Ecovention art piece composed of floating wetlands cultivated with native wetland plants that are anchored in place and sculpted into the shape of Black Bear tracks.

From an eagle eye view it would look like black bear tracks sauntering across the water in a place where so many bear came to feed and gather, it's Lushootseed name was, Chetwoot- "Bear".

This art piece is a land acknowledgment of the Medicine Creek Treaty Tribes as well as an acknowledgment of the 1854 treaty.

This temporary art installation would be a window into what a healthy, bio diverse, estuary of the past looked like, as well as being a roadmap to a future where human built environments are in confluence with living dynamic systems to generate a healthy and sustainable ecosystem, economy, and community.

Floating wetland installations similar to these have been used successfully around the planet and even in Green Lake in Seattle Washington (see attached) not only to beautify bodies of water with lush vegetation and habitat , they actually clean the environment by removing excess phosphorus and nitrogen from the water.(see attached data)

By cultivating indigenous plants that once thrived in the area on floating anchored platforms A.W.E. would add beauty and biodiversity to this transitional waterway while removing phosphorus, nitrogen, and other chemicals from the water. This would be a world class example of phytoremediation and community stewardship in action at the base of the Washington State Capitol.

It is the floating root ball beneath the platform that does the majority of the water remediation. The mass of fine root hairs of the suspended the perfect environment for bacteria which are great at breaking down nitrogen and phosphorus. The fine root hairs also pull up and capture pollutants from the water.

The separate plant containers in the floating mat are designed to be removable from the platform and then are treated as toxic materials. Regular maintenance and documentation is an essential part of this installation and is a great opportunity for community action through stewardship. Local colleges such as The Evergreen State College, Saint Martins, and SPSCC as well as local high schools have a great opportunity here for experiential education.

The wisdom and participation of the Medicine Creek Tribes who have, and continue to steward these waters is integral to this project.

- This is a highly visible demonstration of how the Port of Olympia can work with the environment and the community to create something attractive and inspiring that celebrates the natural history of these waters and shores while generating a healthier and more resilient future.
- This is an acknowledgment of the longtime stewards (Medicine Creek Treaty Tribes) of this unique environment while inspiring new stewards for future generations.
- Floating wetlands remove excess phosphorus and excess nitrogen from the water.(major contributors to invasive weeds and algae blooms.)
- This art installation creates healthy habitat for wildlife beneath the water surface as well as above.
- Olympia is a natural hub for eco tourism. This biophilic art installation with the Washington State Capital in the background will be a draw for people around the planet.
- Data will be collected continuously through out the 2 years of this installation hopefully providing multiple reasons to scale up this project in this area and others.
- This art piece will be beautiful and inspiring from multiple perspectives

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 tax district to determine the levy rate.
 - ▶ 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.

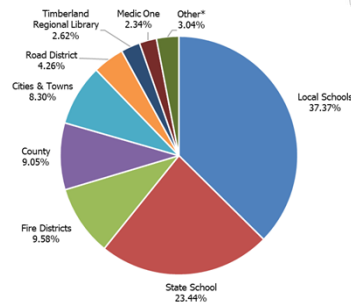


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Levy Calculations Depend on Amount of Revenue

- Revenue / Assessed Value = Levy Rate
- ▶ $\$6,452,560.33 / \$35,031,856,677 = 0.184191217425$
 - ▶ Levy Rate = \$0.184191217425 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.



* Includes Port of Olympia (1.38%), Park Districts (1.25%), Conservation Futures (0.30%), P.U.D. #1 (0.06%), and Cemetery Districts (0.05%)

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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% additional 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 2023, the total average levy rate is about \$9.50/\$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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COVER MEMO

Briefing Date: October 16, 2023

Staff Contact/Title: Tad Kopf, Interim Director of Finance,
tadk@portolympia.com, 360-528-8043

Subject: 2024 Non-Operating Budget and Tax Levy

Purpose: ☒ Information Only ☐ Decision Needed

Background/Overview:

Staff will present to the Commission and the citizens of Thurston County the proposed 2024 Non-Operating Budget and Tax Levy including the outstanding debt review.

Documents Attached:

PowerPoint Presentation.

Summary and Financial Impact:

Communicate proposed Non-Operating budget and Tax levy with debt review. No financial impact.



PORT of OLYMPIA
Serving All of Thurston County

2024 Non-Operating Budget and Tax Levy

Tad Kopf
Interim Director of Finance
Oct. 16, 2023




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Today's Presentation

Advisory Only

- Non-Operating Budget and Tax Levy



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Agenda

- Tax levy policy
- Proposed tax levy
- Tax levy and non-operations use
- Commission budget
- Membership and partner costs
- Special projects
- Debt review
- Questions and comments

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Policies and Procedures

Policy 1201 - Taxation

Authorized Uses: The Port plans to use the 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 user 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		
2023 levy amount		\$ 7,587,578
Increase on prior year levy	1%	75,876
Levy increase for new construction		115,453
Proposed 2024 tax levy		\$ 7,778,906
Increase (Decrease)		191,328
2024 Millage rate (Calculated)		\$ 0.1293
2023 Millage rate		0.1267

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Tax Levy	\$ 7,779
Total Tax Levy Revenues	\$ 7,779
Uses of Taxes:	
Principle & Interest Expense, Debt	(4,616)
Environmental Expense:	
Cascade Pole	(729)
Environmental Administration	(876)
Budd Inlet Remediation (Port Share Only)	(500)
Community Events	(57)
Public Amenities	(65)
Harbor Patrol	(33)
Small Cities	(40)
Special Projects	(13)
Commission Expense	(939)
Total Use of Taxes	\$ (7,868)
Net Levy Funds	\$ (89)
Funds Required From Operations	\$ 89

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Tax Levy Uses

(in 000's)



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Summary of Commission Budget

Salaries/Benefits/Memberships	\$520,551
Legal	100,000
Professional Services	222,000
Meeting Expense	37,000
POCAC	5,000
Facility Rental	35,547
Travel	18,750
Total Budget:	\$938,848

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Membership and Partner Cost Detail

Thurston Regional Planning Council	42,108
Washington Public Ports Association	26,000
Pacific Northwest Waterways Association	3,130
Olympia Downtown Association	300
Lacey Chamber of Commerce	820
Thurston County Chamber of Commerce	750
Yelm Area Chamber of Commerce	600
Tumwater Chamber of Commerce	600
Roundtable to Thurston County	150
InterCity Transit - Central Station	6,000
WA State Purchasing Coop	1,000
Contingency	1,000
Total Membership and Partner Cost	\$ 82,458

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Commission Special Project(s) TBD

(in 000's)

- Downtown Improvement District for \$13K
- Currently no other special projects named
- Currently no other special projects budgeted

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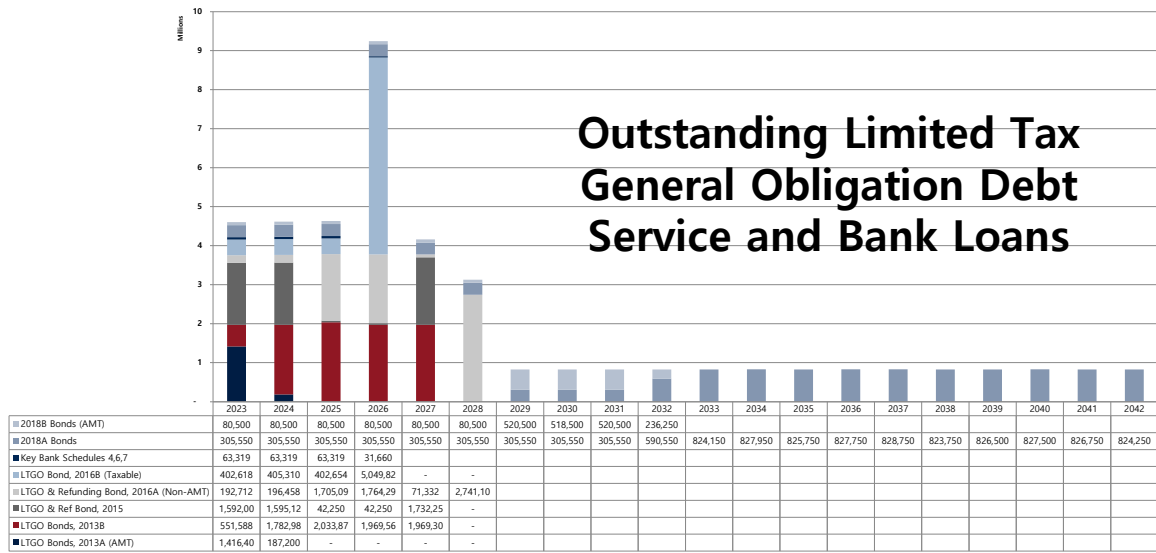
Debt

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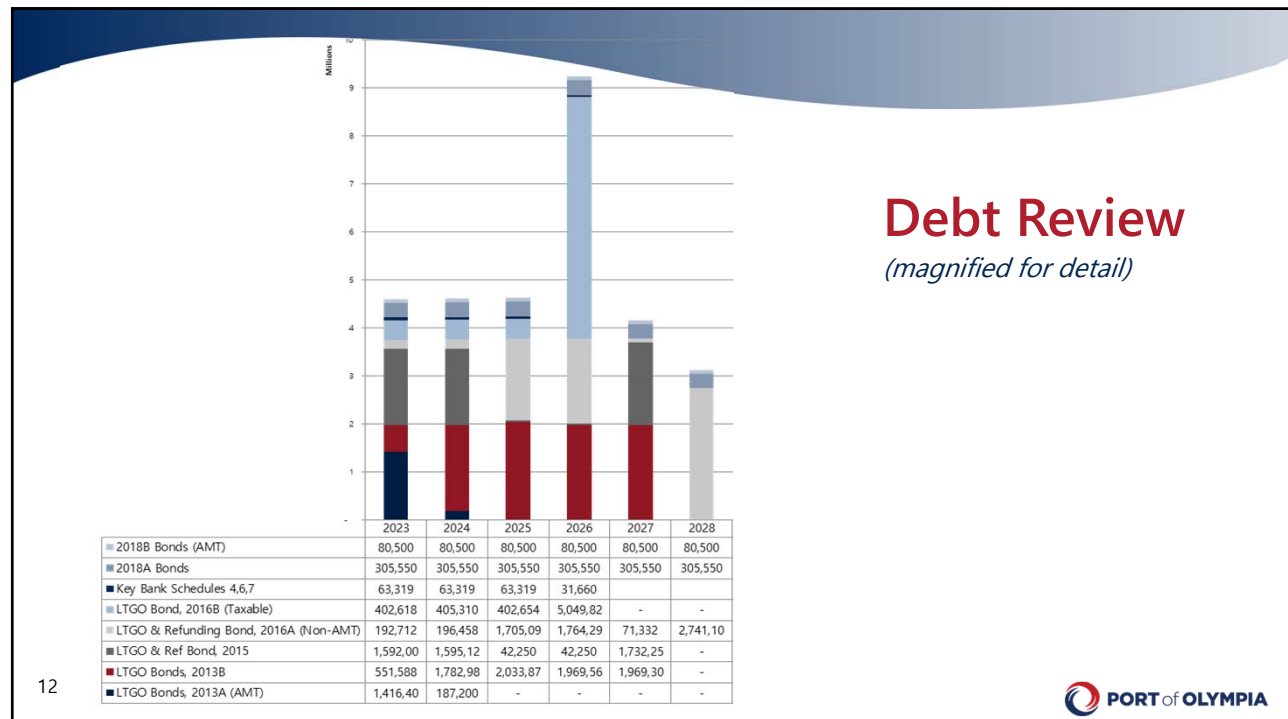
Debt Review



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Questions?

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COVER MEMO

Briefing Date/Time: Oct. 16, 2023

Staff Contact/Title: Camille St. Onge, Director of Strategic Initiatives and
Commission Affairs, 561.669.3100
CamilleS@portolympia.com

Subject: Decision Matrix

Purpose: ☒ Information Only ☐ Decision Needed

Background/Overview:

The Commission and Port staff are working together to develop and refine processes for work session topics, agenda topics and issues the Commission and staff need to act on.

Documents Attached:

See Decision Matrix document.

Affected Parties:

Commissioners and Port staff.

Pros, Cons or Threats:

Without a clear process for Commissioners and staff to determine what issues and topics that are outside of routine business needs and the strategic plan, the Port is at risk of: Overcommitting resources, incurring expenses that are outside the approved budget, precluding progress on strategic initiatives or other unforeseen impacts.

Staff Recommendation:

Adopt a Decision Matrix to guide Commissioners and Port staff that allows the organization to be adaptive and agile yet does not deter the Port from reaching strategic initiatives or adversely affect operations.

Next Steps/Timeframe:

Provide feedback for staff to refine the decision matrix and adopt into Port policy by end-of-year 2023.

Situation

The Port is in a time of transition. The organization is preparing to expand from three commissioners to five commissioners and a new position has been filled that will manage the Port's portfolio of strategic initiatives and goals.

The Commissioners and the Port team recognize the need to be adaptive and agile in responding to community and commercial needs while assessing the capacity of the organization.

The Commission and staff are now putting processes in place to assure the Port of Olympia is poised for success when committing to emerging issues, projects and needs. An interim process to evaluate requests and emerging issues is needed while internal long-term processes are put in place.

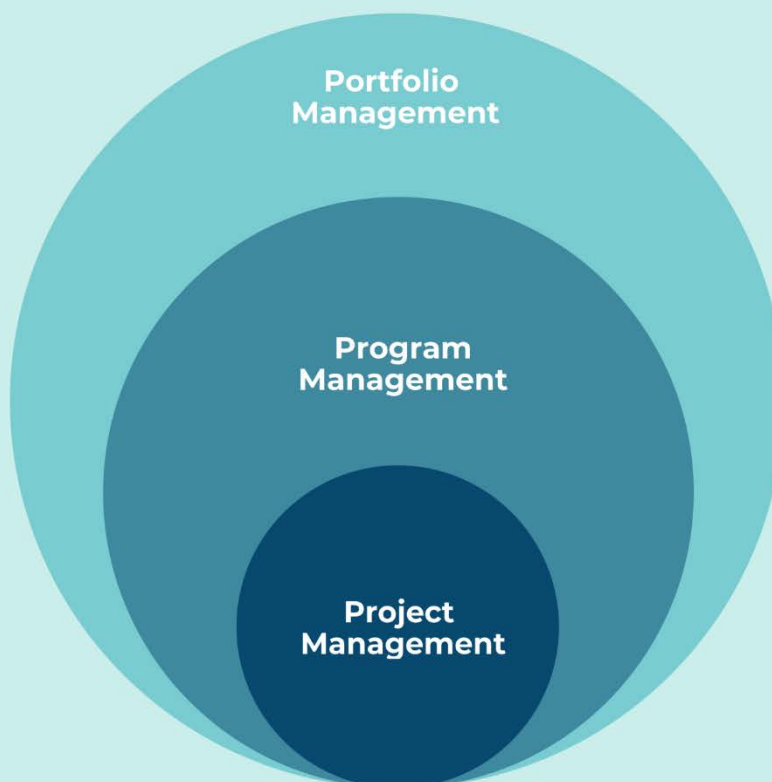
Portfolio Management

The Port of Olympia has approved seven multi-year strategic initiatives and 12 goals slated to be achieved by the end of 2025. These strategic initiatives and goals were developed by the Port Commission in partnership with senior staff.

Staff are now designing a monitoring system and measures for the portfolio of Port projects, which includes strategic initiatives, goals and other high-priority projects.

Project Portfolio Management

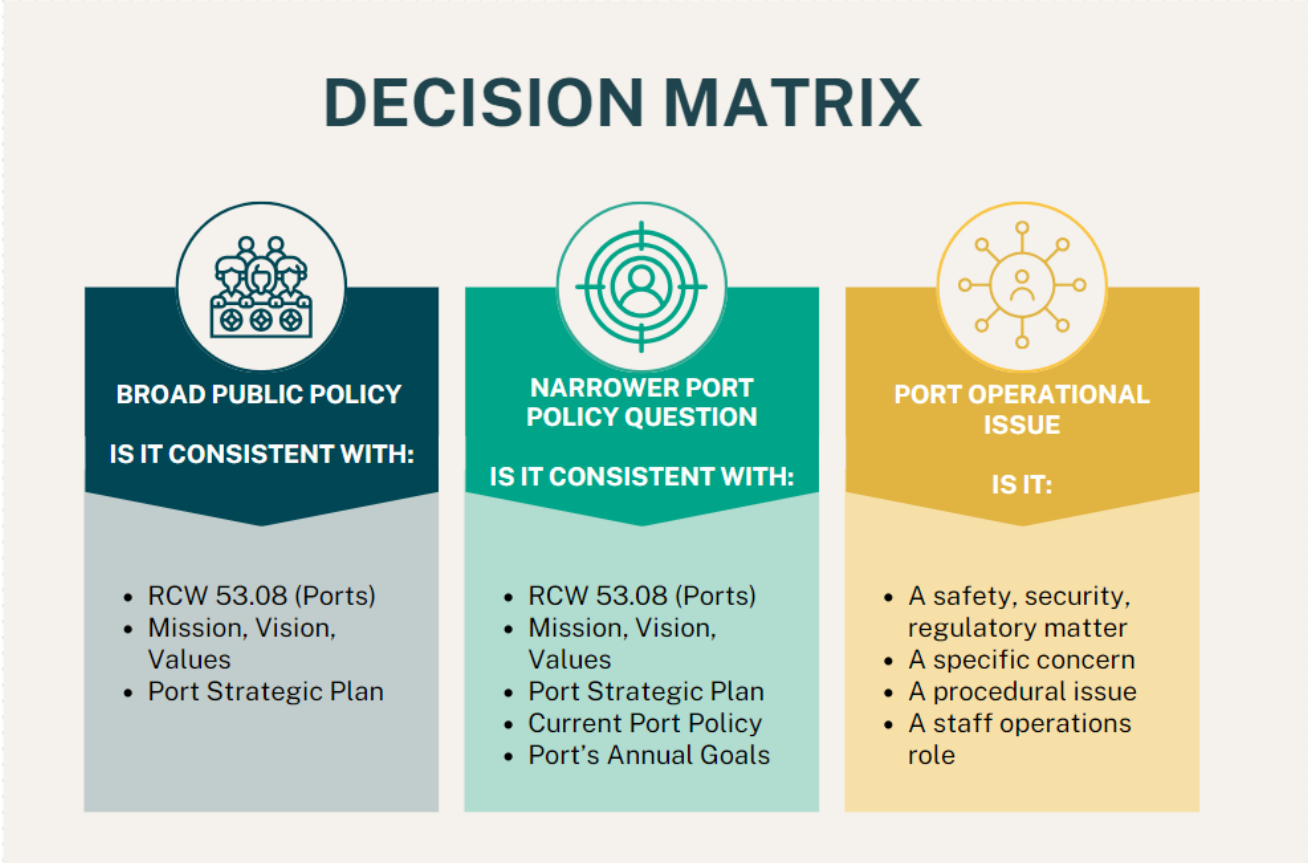
Project portfolio management (PPM) is a systematic approach to selecting and managing a collection of projects aligned with organizational objectives. That is a business process of managing multiple projects which can be identified, prioritized, and managed within the organization. PPM helps organizations optimize their investments by allocating resources efficiently across all initiatives.



Interim Decision Matrix

Goal: Create consistent procedure for structure, governance and Port Commission consideration. If an issue arises that has not already been planned for in the budget or in the strategic plan, use a decision matrix to determine if the issue should be brought to the Commission is a work session.

Is this a broad public policy, narrower policy or operational issue? If yes, use the matrix below.



COVER MEMO

Briefing Date/Time: Oct. 16, 2023

Staff Contact/Title: Camille St. Onge, Director of Strategic Initiatives & Commission Affairs, 564.669.3100
CamilleS@portolympia.com

Subject: Public comment at Commission meetings

Purpose: ☒ Information Only ☐ Decision Needed

Background/Overview:

Public comment periods are a time for members of the public to share general feedback and comments with elected officials.

Today, many members of the public ask questions during public comment and sometimes inaccurate information is shared during public comment.

Commissioners and Port staff are working to improve processes so people in the community have pathways to ask questions about Port business and presentations.

Staff Recommendation:

Pilot Q&A at Regular Meetings

Commission meetings have not included the ability for attendees to use the Q&A component of Zoom to ask questions about presentations. Staff believe this has prompted members of the public to ask questions about presentations during the public comment portion of meetings.

Staff recommend a pilot project using the Q&A component of Zoom for regular Commission meetings. This would allow staff to capture questions about presentations or other Port business.

The commission coordinator will capture questions, email them to Port presenters and copy the executive director and director of strategic initiatives and commission affairs.

Port staff will be asked to respond to questions within five business days unless the issue is more complex and requires outside consultation or research. Staff will email the person requesting information if the issue is complex and requires research that will take more than five days to gather.

To ensure the Port team understands response commitments, expectations will be shared during weekly directors meetings, in monthly extended management meetings, and in 1:1 meetings.

During the Commission meetings, a prewritten message will be shared with online attendees. The message will explain the Q&A is for questions about the presentations being given and presenters will be asked to respond within five business days unless the issue is more complex. A link to the general email box can also be shared to let people know how to contact the Port with general questions.

When public comment is introduced during a Commission meeting, the Commission president will include an explanation of how to submit questions in Zoom and on the website and cover staff goals for response. The President can also let attendees know that Port staff will be available after the meeting to answer questions.

We recommend that Port staff who present at Commission meetings be available for questions after the meeting ends.

Clarify Misinformation

If misinformation is shared during public comment, Port staff will share correct information on the Commission webpage in a Q&A format. To facilitate this, after each meeting a debrief will be conducted and misinformation will be identified and assigned to Port staff to draft the Q&A.