



MEMORANDUM

TO: Mayor Nancy Backus
FR: W2A & Thompson Consulting Group
DT: January 25, 2018 (*updated February 5, 2018*)
RE: 2017 Annual Report

Below is a review of the activities of your external affairs team on behalf of the City of Auburn in 2017. Each firm, W2A and the Thompson Consulting Group, brings a unique set of skills, background and relationships that together help to advance the goals of the City of Auburn with local and regional stakeholders and at the state and federal levels.

In Olympia and in Washington, DC, the external affairs team has been heavily involved in advocating for Auburn's priorities. We value our partnership with the City and look forward to continuing our work with you.

Agenda Development & Advocacy

In partnership with City leadership and staff, the external affairs team developed and worked to advance the City's priorities as laid out in the state and federal agendas. Our team tracked, provided analysis, and advocated for policy and funding actions to support the work of the City. This included advocating for investments in important community development, homelessness, veterans and public safety programs; support for revenue stability; and funding for critical local and regional infrastructure projects.

In Olympia, the 2017 session extended through July. The Capital Budget was not completed until early this year but brought substantial amounts of funding to projects such as the YMCA and for Nexus Youth and Families. The City of Auburn should also expect funding for the critical modular home project. As in years past, the team continues to steadfastly work on Streamlined Sales Tax Mitigation to ensure the State of Washington properly makes up the monetary loss associated with the switch to the new taxing program. The team will continue to work to protect revenue sharing to ensure that Auburn receives its fair share of tax revenues to continue to provide vital services to every citizen.

In Washington, DC, work on both FY17 and FY18 spending was characterized by multiple continuing resolutions (CR) in the absence of the normal appropriations process. Congress passed an FY17 omnibus spending bill in April 2017 that largely held funding level at FY16 levels. Final spending levels for FY18 are still under negotiation. The FY17 omnibus and the subsequent FY18 CRs have held funding for many important programs level. Congress will need to reach a deal to raise the Budget Control Act's spending caps before passing FY18 spending. We will continue to monitor funding levels through the CR and omnibus processes for City priorities.

State/Federal Engagement & Coordination

On behalf of the City, the external affairs team conducted ongoing outreach to both state legislators and the federal delegation. Your team is in ongoing contact with legislators and the federal delegation to share updates on the City and its priorities. The external team also coordinated meetings for City elected officials and staff in both Olympia and Washington, DC. Our work included the development of briefing materials, outreach to congressional and state staff in advance of the meetings, scheduling arrangements, assistance during the trips, and all necessary follow up.

On Call Issues Management/Strategic & Policy Advice

The external affairs team was on call to provide analysis, advice and advocacy as state and federal issues arose over the course of the year. The W2A-Thompson team also provided strategic counsel on regional issues, including Sound Transit, behavioral health, homelessness, affordable housing, the opioid crisis, veteran's affairs, and economic development amongst others. We will continue to provide strategic advice, counsel, and outreach as needed to help move the City's objectives forward.

Some of the major advocacy issues and their impacts are listed below:

State Advocacy

Issue	Impact
Public Records*	Legislature passed HB 1595 which amends the PRA to <i>allow cities to charge a small fee for providing copies of electronic records</i> , creates the ability to deny overwhelming computer generated "bot" requests, prohibits overly-broad requests for all records, and creates a way to apply a service charge to exceptionally complex requests.
Fire Insurance Premium Tax veto	\$75,000
Streamlined Sales Tax Mitigation*	EHB 2163 phases out Streamlined Sales Tax (SST) mitigation for cities and counties by October 1, 2019. Potential negative impact in millions of tax dollars after 2019. <i>Currently advocating for alternative funding mitigation.</i>
2017 Capital Budget Advocacy	
Auburn Valley YMCA	\$763,000
Nexus Youth And Families*	\$500,000
Valley Cities Modular Home Project*	\$1.5M
White River Valley Museum*	\$497,308
Drinking Water State Revolving fund loan	\$1,353,400

*Auburn 2017 priority

Federal Advocacy

Community Development Block Grants (CDBG)*	\$500,000
Community Oriented Policing Services (COPS) Hiring Grants	\$750,000
Protection of Municipal Bonds*	<i>Results in large cost savings when funding infrastructure projects.</i> Local governments save an average of twenty five to thirty percent on interest costs with tax-exempt municipal bonds as compared to taxable bonds.

*Auburn 2017 priority