



City of Olympia

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8447

Meeting Agenda Finance Committee

Wednesday, May 14, 2014

4:30 PM

Room 207

Special Finance Committee Meeting

1. ROLL CALL
2. CALL TO ORDER
3. APPROVAL OF MINUTES
 - 3.A [14-0406](#) Approval of April 9, 2014 Finance Committee Meeting Minutes
Attachments: [Minutes](#)
4. COMMITTEE BUSINESS
 - 4.A [14-0452](#) Continue Discussions on Long Term Revenue Strategies
Attachments: [2015 Operating Budget Calendar](#)
[2015 CFP Calendar](#)
 - 4.B [14-0416](#) Briefing on Tax Exempt Financing and Debt Limit
 - 4.C [14-0450](#) 2015 Budget Public Engagement Plan
Attachments: [Budget Summary 2014](#)
[Performance Report Card](#)
[2015 Operating Budget Calendar](#)
[2015 CFP Calendar](#)
 - 4.D [14-0464](#) Annual Transfer of Stormwater Funds for Sidewalk Improvements
Attachments: [2009 Cost Sharing Policy - Stormwater and Transportation](#)
 - 4.E [14-0476](#) Discussion of Regionalization/Partnerships in the Delivery of Services
Attachments: [Budget Sustainability](#)
[Shared Services](#)
[Intergvtl Committees](#)
5. ADJOURNMENT

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Meeting Minutes - Draft Finance Committee

Wednesday, April 9, 2014

5:00 PM

Room 207

1. ROLL CALL

Present: 3 - Chair Jim Cooper, Committee Member Nathaniel Jones and Committee Member Cheryl Selby

2. CALL TO ORDER

Chair Cooper called the meeting to order at 5:00 p.m.

3. APPROVAL OF MINUTES

3.A 14-0321 Approval of March 12, 2014 Finance Committee Meeting Minutes

The minutes were approved.

3.B 14-0291 Approval of March 13, 2014 Finance Committee Meeting Minutes

The minutes were approved.

4. COMMITTEE BUSINESS

4.A 14-0316 Report from The Washington Center on Operations and Capital Campaign

The Washington Center Executive Director Jill Barnes and Boardmembers attended the meeting and briefed the Committee on Board activities. With the new Executive Director hired, the Board is focusing on financial oversight, fund-raising and long-term planning. They are reviewing their strategic plan and investment policies, and trying to establish a "true endowment fund" with legacy-giving to maintain the operations of the Center. Boardmembers told the Committee they must raise at least \$750,000/year to support their artistic partners. The Center staff is applying for more grants, focusing on grant sponsorship and adding two new fund-raising events this year. They will also be increasing the size of the Board by adding 10 to 12 new members.

The Board expressed thanks for Council support of the renovations at the Center and said it is a game changer for the Center and downtown.

Chair Cooper asked Assistant City Manager Jay Burney to brief the Committee at a future meeting on the status of the sale of the landfill site

(the sale of this property supports the City's endowment fund for the Washington Center).

4.B 14-0356 Meet with Economic Development Council to Discuss Business & Occupation Tax

City Manager Steve Hall invited representatives from the Economic Development Council (EDC) to attend and participate in the discussion on B & O taxes; however no representatives from the EDC attended the meeting.

Committee Member Jones presented a proposal for discussion. He noted the proposal is for a coordinated set of changes to Olympia's B & O tax and business license fees, which have not been substantially updated since 2004. He indicated the adjustments will simplify rates and structures, support small local businesses, and generally tune up Olympia's approach to the B & O tax.

The proposal includes --

1. Raising the threshold for businesses from the current \$20,000 gross revenue to \$200,000. Businesses with less than \$200,000 in total annual revenue would be exempt from the local B & O tax. Using 2013 year-end figures, this would exempt about 2,350 local businesses paying B & O taxes (generating a loss of approximately \$212,000/year).
2. Non-profit businesses would continue to be exempt from all local B & O taxes unless annual gross receipts exceed \$50 million. These larger non-profit businesses would pay the same rate as for-profit groups beginning with the first dollar. (There is no estimate available for the amount of revenues this might generate).
3. Religious organizations engaged in the provision of health care would not have a special exemption (OMC 5.04.110.F.2). All non-profit organizations would be treated equally. This removes the sense that local B & O tax policy is promoting any particular religion.
4. To encourage new businesses, Olympia would eliminate the \$25 new business registration fee. The one-time \$25 B & O tax registration fee and the \$30 annual business license fee remain unchanged (generating a revenue loss of approximately \$45,000/year).
5. To assist businesses with the local B & O tax and to improve business compliance and fairness, Olympia would create a new full-time code compliance officer position with responsibility for business licensing and the local B & O tax.

Committee Member Selby asked if this was an “all or nothing proposal” and what threshold non-profit exemption Tacoma uses. Committee Member Jones said this was not an all or nothing proposal and currently Tacoma has a \$30 million exemption for non-profits. The Committee asked how much revenue this could generate. Staff said it is difficult to estimate at this time because we do not have access to their financial information. The Committee asked if this would apply to Group Health Cooperative and staff said no; there is a state exemption for health maintenance organizations.

Staff will continue to meet with the EDC and hospitals to discuss this proposal. Staff is also trying to set up a meeting with the City of Tacoma to review their process.

The Committee agreed unanimously to move forward with next steps, which are:

- 1. Staff will bring a proposal to the May meeting including options for rolling out the proposal**
- 2. Develop a communication plan for the proposal**
- 3. Meet with the hospitals**

4.C 14-0354 Police Annex Demolition Update

At the March 12, 2014 Finance Committee meeting, staff provided the Committee with an update on the demolition of the Police Annex building. At that time, staff indicated the original plan was to provide showers and lockers in the former Court Services building, allowing staff to move forward with the demolition of the Police Annex building. However, during the design process, small amounts of asbestos were discovered in the former Court Services building, making improvements to that building more costly than originally planned. Staff indicated they were looking for other options and would return to Finance Committee if an adequate alternative were found.

Staff has determined there is adequate space within the area of the Justice Center occupied by Probation Services to provide the lockers and a shower needed by the jail staff. Staff recommends moving forward with providing the showers and lockers in this space, allowing the Police Annex building to be demolished. The total project cost (remodel and demolition) is \$200,000. Staff recommends using funds from the New City Hall project.

The Committee agreed to recommend to the full Council an appropriation of \$200,000 to fund improvements and demolition.

4.D 14-0347 Cable TV Utility Tax

During the 2014 budget deliberations the Council discussed possible revenue enhancements including the application of a utility tax to cable TV. The City applies a franchise fee (5%) on cable but does not apply the utility tax. Without voter approval, the council may apply up to a 6% tax on cable TV. This would not include a tax on dish TV or other satellite options. Staff estimates this would generate \$145,000 for

every 1% tax and would cost the average account \$0.73 per month for each 1% of tax. Staff also indicated this is declining revenue. More customers are eliminating cable and using other alternatives (satellite or internet streaming). Committee Member Jones expressed concern for this option. He said the public needs to understand what the compelling need is, which is to reduce emergency response time or increase public safety. He asked how we will message this increase. Chair Cooper said the best argument is to include the increase as a part of the Capital Facilities Plan (CFP) process this summer for major maintenance. He reminded the Committee that just last month the advisory boards all said the city needs to address major maintenance needs.

The Committee unanimously agreed to direct staff to include a utility tax on cable TV as part of the 2015 CFP.

5. ADJOURNMENT

The meeting was adjourned at 7:03 p.m.

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Finance Committee

Continue Discussions on Long Term Revenue Strategies

Agenda Date: 5/14/2014

Agenda Number: 4.A

File Number: 14-0452

File Type: discussion

Version: 1

Status: In Committee

..Title

Continue Discussions on Long Term Revenue Strategies

..Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to provide direction to staff on revenue strategies to pursue for the 2015 budget.

..Report

Issue:

Discussion of ideas on long term revenue strategies.

Staff Contact:

Jane Kirkemo, Administrative Services Director, 360.753.8499

Steve Hall, City Manager, 360.753.8447

Presenter(s):

Jane Kirkemo, Administrative Services Director

Background and Analysis:

During the Budget Process staff discussed several potential revenue options to be evaluated for the 2015 budget:

1. Utility Tax on Cable
2. Business and Occupation Tax Revisions
3. Legislative Changes to Transportation Benefit Districts (TBD)
4. Voter approved TBD increases
5. Levy Lid Lifts
6. Local Improvement Districts (LIDs)
7. Councilmanic Debt Issuances
8. One-Time Revenues

The committee discussed the first 2 items at the April committee meeting. The Legislature did not take any action on TBDs during the legislative session so \$20 is the maximum a TBD can charge without a vote of the people. For the "one-time revenue" staff was anticipating a one-time increase in the Real Estate Excise Tax (REET) from the sale of the Capital Mall and Top Foods. However, one sale was a

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name change only and the other was a leasehold change. Therefore, the City will not receive any REET from these transactions. The committee will have a discussion on debt issuance later this month. The remaining revenue options will be discussed throughout the remainder of the year.

During the April meeting the committee gave staff direction to move ahead with the utility tax on cable as a part of the Capital Facilities Plan (CFP). Staff contacted Comcast about our intent to implement the tax. Following a presentation of the CFP there will be an opportunity for Comcast to comment on the tax, but there will be no public hearing. The tax is on the utility, not the customer, although the utility typically passes the tax on to the customer. Staff's recommendation is for the tax to be effective the last quarter of 2014 with the first collections in January 2015. The committee also agreed the revenue would go to the major maintenance in the CFP.

Committee member Jones made a proposal for a coordinated set of changes to Olympia's B & O tax. Olympia's B & O tax has not been substantially updated since 2004 and this collection of adjustments will simplify rates and structures, support small local businesses, and generally "tune up" Olympia's approach to the B & O tax.

The proposal included:

1. Raising the threshold for businesses from the current \$20,000 gross revenue to \$200,000. Businesses with less than \$200,000 in total annual revenue would be exempt from the local B & O tax.
2. Non-profit businesses would continue to be exempt from all local B & O taxes unless their annual gross receipts exceed \$50 million. These larger non-profit businesses would pay the same rate as for-profit groups beginning with the first dollar.
3. Religious organizations engaged in the provision of health care would not have a special exemption (OMC 5.04.110.F.2). All non-profit organizations would be treated equally.
4. To encourage new businesses, Olympia would eliminate the \$25 new business registration fee. The one-time \$25 B & O tax registration fee and the \$30 annual business license fee remain unchanged.
5. To assist businesses with the local B & O tax and to improve business compliance and fairness, Olympia would create a new full-time code compliance officer position with responsibility for business licensing and the

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local B & O tax.

Staff is meeting with representatives from Tacoma (they implemented the nonprofit changes last year) to discuss a messaging strategy and potential revenue. The committee recommended implementing the changes as a part of the 2015 budget process. (This is quarterly revenue so only 3 quarters would be received in 2015.) Since a major reason for the change is tax equity, staff recommends any additional revenues in the first year go to one-time capital in the CFP; thereafter the money would be budgeted in the operating budget.

Neighborhood/Community Interests (if known):

- Neighborhoods will be involved in the budget process and we will reach out to the business community to discuss any fee/tax/rate increases.
- Some residents may complain the utility tax on cable is not fair since it is not on dish or other satellite options.
- The nonprofit hospitals will complain about the B & O tax because they have always been exempt and they offer a significant amount of “charity” services to the community.

Options:

Following public input the Council could:

- 1) Delay the increases
- 2) Stagger the effective dates
- 3) Choose to amend the recommendation for increase

Financial Impact:

N/A



Operating Budget Calendar

2015 Budget Process

City Manager Presents 2015 Operating Budget to Council	October 28 (Tuesday)
Preliminary Budget Available on the Internet	October 29
Discussion of Utility Rates, Impact Fees, Lodging Tax	November 3 (Monday)
Council Review of Operating Budget	November 3
Election Day	November 4
Veteran's Day Holiday	November 11 (Tuesday)
Public Hearing on Operating Budget, Capital Budget and Ad Valorem Tax	November 18
Council Review and Discussion of Budget	November 18
First Reading Ad Valorem Tax Ordinance	November 18
Council Review of the Budget (Budget Balancing- Operating and Capital Budgets)	November 25
Final Reading and Passage of Ad Valorem Tax Ordinance	November 25
Thanksgiving (Holidays)	November 27-28
First Reading on Operating and Capital Budgets	December 9
Second and Final Reading and Adoption of Operating and Capital Budgets	December 16





2015-2020 Capital Facilities Plan

CALENDAR OF EVENTS

Review Status of Existing Projects in CFP	April
Proposed CFP Projects due from Departments	May 2
Present Preliminary CFP to City Council	July 15
Planning Commission Public Hearing on Preliminary CFP (City and School District)	August 4 (Monday)
City Council Public Hearing and Discussion on Preliminary CFP	October 14
First Reading on Capital Budget	December 9
Second and Final Reading and Adoption of Operating and Capital Budgets	December 16



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Finance Committee

Briefing on Tax Exempt Financing and Debt Limit

Agenda Date: 5/14/2014

Agenda Number: 4.B

File Number: 14-0416

File Type: discussion

Version: 1

Status: In Committee

..Title

Briefing on Tax Exempt Financing and Debt Limit

..Recommended Action

Committee Recommendation:

Not referred to a committee. Information only.

City Manager Recommendation:

Move to brief the committee on the basics of issuing tax exempt debt.

..Report

Issue:

Discussion of municipal debt issuance and debt limits

Staff Contact:

Jane Kirkemo, Administrative Services Director, 360.753.8499

Presenter(s):

Jane Kirkemo, Administrative Services Director

Background and Analysis:

Tax exempt financing is used by state and local governments to raise funds to finance public *capital* improvements that are important to sustained economic growth. Debt financing is accomplished by issuing bonds to pay for specific projects or services. The goal of Olympia's debt policy is to maintain the ability to provide high quality, essential services in a cost effective manner. Unlike corporate debt issues, the interest received by holders of state and local governments is generally exempt from federal taxes and most state and local taxes. Consequently, investors will accept a lower interest rate on tax exempt issues; reflecting their reduced tax burden. This lower rate reduces borrowing costs for most governments by approximately 25%.

There are two types of tax exempt bonds: general obligation bonds and revenue bonds. General obligation bonds are backed by the "full faith and credit" of the city. This means the City pledges to guarantee the repayment of the debt. In Washington state there are two types of general obligation bonds: councilmanic and voter approved. Councilmanic bonds are authorized (within state limits) by a simple majority of the City Council; whereas voter approved bonds must be authorized by the voters. Voter approved debt (e.g. 4th Fire Station) requires a 60% approval from the voters to increase their property taxes to repay the debt. Councilmanic debt is repaid within the

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general operating budget.

Revenue bonds are issued for a specific project, such as constructing a sewer pipe line, and are paid from the revenues (rates) received from the utility. Because they are not backed by the full faith and credit of the issuer, revenue bonds generally pay a slightly higher interest rate than general obligation bonds to reflect the fact they are backed by a particular stream of revenue. As a matter of policy, the City of Olympia raises any necessary rates *prior* to issuing debt.

Different than most local government functions, tax exempt financing is controlled first and foremost by the federal government - specifically the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB). Additionally, Washington State constitution limits the amount/type of debt that may be issued. To ensure existing and future bonds holders have relevant financial and operating information about the City, the City Treasurer must provide or disclose information about the bonds and the city before, during, and *after* issuing municipal securities. Since certain municipal bonds are exchanged between buyers and sellers in a secondary market; continuing disclosure remains necessary for decisions being considered by investors in the municipal market. Electronic Municipal Market Access (EMMA) is the portal that must be used by the City to provide ongoing disclosure.

So what are the steps/pieces of a debt issuance?

1. Formally adopt a Capital Facilities Plan (CFP).
Before undertaking any long term debt program the City must have a clear understanding of the types of projects they intend to finance and when and how expenditures for projects will be made.
2. Decide what type of debt to issue?
Is the issuance general obligation or revenue debt? In some cases the City may want to issue revenue bonds but fear the revenue stream is not sufficient to pay the debt. In this case we would issue a "double barrel" bond; pledging the revenues as well as the full faith and credit of the city. For example; in 2009, the City wanted to widen Harrison Avenue using impact fees but feared a decline in development reducing the impact fee revenue stream. Impact fees were pledged, but if they were not sufficient the general fund would have to make up any difference.
3. Determine the size of the issuance and the length of the debt.
The length of the debt (typically 10-, 20-, or 30-year debt) should not be greater than the life expectancy of the project. In determining the size of the issuance you need to consider any cash or grant that you can pledge to reduce the size of the issuance. Most of the City's debt is 20-year debt. The largest exception to the 20-year rule is the debt for City Hall. We issued 30-year "back loaded" debt for this building. That means the debt service is backload (larger at the end of

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the debt) at 10-year intervals. So when the debt on the 4th Ave Bridge is paid off the money is then pledged to pay off City Hall debt.

4. Prepare an Official Statement (OS).

The OS discloses pertinent information regarding the debt offering. In the corporate capital market it is the same as an offering circular or a prospectus.

5. Adopt a bond ordinance/resolution.

The City Council adopts an ordinance/resolution authorizing the treasurer to proceed with the sale. The ordinance/resolution describes the nature of the bond offering, terms and conditions of the sale and the obligations of the issuer to the bondholders.

6. Select the method of sale.

The City may issue the bonds on a competitive or negotiated basis. In a competitive sale, the city solicits bids from firms to purchase its bonds and sells to the firm offering the lowest true interest cost. The City's debt policy states that Olympia will issue bonds on a competitive basis whenever possible.

7. Have the bonds rated by a rating agency. Prepare the rating presentation.

Olympia has always had their bonds rated by both Moody's and Standard and Poor's Rating Agencies. This step includes a presentation to the agencies about the City of Olympia and the particulars about the bonds.

8. Take bids from investors.

Take the bids at the specified time and award the bids based on the lowest interest cost.

9. Have the bond closing.

Approximately one month later, the City will have a bond closing with the investor. The City receives its money and the investor with the lowest interest cost will receive the City's bonds. This step includes a series of closing documents as well as both parties must begin the disclosure process.

Layered on top of the federal process for the issuance of debt are the State of Washington Debt limits. Staff has reviewed the limitation on debt with the planning commission and Council. The budget document, beginning on page 159, explains the limits and outlines all of our existing debt obligations (including state loans). The key to remember is the debt limit is a function of Assessed Value (AV). In the 3 years our AV went down we lost \$10 million of capacity without issuing any debt. We currently have a total of \$63 million of outstanding debt capacity. Within that amount we could issue up to \$23.5 in councilmanic debt. In addition to these limits the City had debt authority with a vote of the people of 2.5% each for Parks and utility purposes. Olympia has never accessed this authority.

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Neighborhood/Community Interests (if known):

N/A

Options:

N/A

Financial Impact:

N/A

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Finance Committee

2015 Budget Public Engagement Plan

Agenda Date: 5/14/2014

Agenda Number: 4.C

File Number: 14-0450

File Type: discussion

Version: 1

Status: In Committee

..Title

2015 Budget Public Engagement Plan

..Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to provide direction to staff on the Committee's options for public engagement in the 2015 Budget.

..Report

Issue:

Discussion of ideas to engage the public in the 2015 process

Staff Contact:

Jane Kirkemo, Administrative Services Director, 360.753.8499

Steve Hall, City Manager, 360.753.8447

Presenter(s):

Jane Kirkemo, Administrative Services Director

Background and Analysis:

One of Council's goals for 2013 and 2014 is to adopt a sustainable budget. A part of the goal is to increase public awareness/understanding of the City's budget. For the 2015 budget, staff is recommending we augment the base established last year.

Below is a list of the tools we now consider the base for public involvement.

- Budget 365 Web Pages - Budget 365 allows anyone, at any time, to get an understanding of the City budget and process. It offers presentations on the budget, and a "How to Get Involved" page that includes a *Volunteer Opportunities and Neighbors Helping Neighbors* section. Budget 365 shows comparative data for the City pre-, during, and post-recession (2007-2013). Budget 365 includes:
 - Budget Saving Practices - Shows our accomplishments, efficiencies, reorganizations and cuts from 2007 to 2013 and also what we did for the 2014 budget development
 - Shared/Regional Services - A list of services Olympia shares responsibility, coordinates, or contracts with other government agencies

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- to provide more cost effective/regional services
- Interagency Boards/Committees - A list of interagency boards and commissions that Olympia joins to share costs and talents
- Expanded Budget Dashboard - Allows citizens the opportunity to quickly see how our major revenues are performing
- Budget Summary - A brief version of the City's annual adopted budget document highlighting the most important information. (Attached)
- Performance Report Card on Council goals. This data includes current and prior year overview comparisons, as well as charts and graphs that allow viewing trends over multiple years. (Attached)
- Meeting with the Coalition of Neighborhoods (CNA) to discuss the budget. Last year's meeting was on October 29, 2013.
- Increased amount of time between presentation of the Preliminary Operating Budget and the Public Hearing

In addition to the base listed above, staff is proposing to:

- Meet with advisory boards at least 2 times a year to discuss the capital and operating budgets. (Finance Committee met in March with the advisory boards.)
- Meet with Labor groups in the fall
- Meet with the Parks and Recreation Advisory Committee and the LBA woods group to discuss the City's budget (scheduled for the June 11th Finance Committee meeting)
- Utilize some of the online options available through Oly Speaks (olyspeaks.org)
- Develop messaging plans for all tax/revenue increases

Neighborhood/Community Interests (if known):

Neighborhoods will be involved in the budget process and we will reach out to the business community to discuss any fee/tax/rate increases.

Options:

One thing to consider is the timing and amount of public involvement we are seeking. Staff is working to complete the City's twenty year comprehensive plan and begin work on the next Parks plan. All three of these processes have a large public engagement aspect and many of the same citizens are involved in all three processes. Whenever possible we need to consolidate the input and consider the timing of our requests.

Financial Impact:

N/A



2014 Adopted Operating Budget Summary

LETTER FROM CITY MANAGER

December 17, 2013

Dear City Council, Citizens, and Employees,

We are on the right path but not out of the woods.

I am pleased to present the City of Olympia 2014 Operating Budget. The budget is balanced and affordable, with a heightened focus on public safety. There are no layoffs or cuts in services, no major tax increases, and only inflationary increases in our utilities. It has been a long and difficult five years since I was last able to make that statement. The recession lasted longer and cut deeper than anyone ever anticipated. While the 2014 budget is balanced without major cuts, the structural problems of maintaining core City services persists.

Modest revenue gains and some cost controls have put us on the right path; however, more work is needed to get us out of the woods of financial instability. The 2014 budget allows us to maintain core services with additions in public safety, possible because of new revenues. But this was not the time to expand or grow other services. Anything else added new in this budget must come by cutting something to ensure long term sustainability.

We are in this position today not by coincidence but by choice. Over the past few years we made tough decisions, reformed operations, embraced innovation, utilized smart technologies— and we aggressively managed our expenses. Relying on the Long Term Financial Strategy (LTFS) enabled us to align the right level of community investment with services focused on community priorities, despite having to operate in an environment of financial austerity.

We have learned much from past financial hardships and are still learning. Sustainability, adaptability, and inclusiveness were key factors in our progression through the economic difficulties and are important goals we take away from that learning experience. These goals dictate the Council’s 2014 priorities and form the basis of the 2014 Operating Budget.

Council 2014 Priorities

- Adopt a Sustainable Budget
- Champion Downtown
- Change the Culture of Community Development
- Inspire Strong Relationship Goals

General Fund

The 2014 Operating Budget is \$119.8 million. It represents a 4.6% increase in expenditures. The General Fund, comprising basic municipal services, is \$65 million, reflecting a \$2.2 million increase, or a 3.5% increase over 2013. Nothing is more important to ensuring Olympia is a great place to live, work, and play than public safety. As in the past, the largest portion of the General Fund is for Police and Fire (42%). Over half of the increase for 2014 is for public safety.

There are two main reasons for this increase – voter approval for a tax increase and federal dollars. For the next two years, the City will receive federal money from a Staffing for Adequate Fire and Emergency Response

(SAFER) grant to cover the cost of two positions in the Fire Department. Towards cessation of the grant, the new fire training center will generate sufficient revenue to cover the ongoing costs originally provided by the grant. The two, new Fire employees will operate the training center and implement the new residential sprinkler requirement effective July 1, 2014.

In mid-year 2013, the City began collecting the 1/10% sales tax increase approved by voters. In 2014 we will receive a full year of this revenue – \$1.4 million. The table below details how the voter approved sales tax will be spent (numbers rounded).

	2013	2014
Victim Assistance	\$ 85,000	\$ 85,000
Traffic Unit & SROs	385,000	385,000
Crime Prevention	115,000	115,000
Westside Police Station	17,000	17,000
Downtown Emphasis	100,000	100,000
Contract Jail Beds	135,000	135,000
Downtown Ambassadors	60,000	60,000
Additional Sergeant & Walking Patrol		200,000
Drug Task Force Officer		100,000
Equipment Replacement		75,000
Police Technology		106,000
Approximate Totals	\$ 900,000	\$ 1,400,000

The additional four Police and two Fire positions, along with additional funding for technology, will help insure we meet two of the Council priorities for 2014 – adopting a sustainable budget and championing downtown Olympia – while keeping our commitment to the community about how the sales tax dollars will be spent. The additional funding supports two Police Officers in the Walking Patrol, adds a sergeant, and returns an officer to the Thurston County Narcotics Task Force.

Citizen Involvement

2014 will include the adoption of *Imagine Olympia* – the City’s Comprehensive Plan (Plan) for Olympia’s future. The Plan defines where we want to go, setting the framework to guide decision-makers for the next 20 years. The Plan took more than three years to develop with hundreds of citizens helping to shape the Plan throughout the public process. This Plan also helps define Council’s priority to change the culture of community development.

One theme to come out of the Plan’s public process was a need for greater inclusiveness about the City’s finances. We need to share the challenges we face and the difficult choices we must make to overcome them. During the summer of 2013, staff and the City’s Finance Committee worked to include boards and commissions, residents, community stakeholders, and other regional partners in a substantive budget dialogue. Our new budgeting process, *Budget 365*, was launched as an unprecedented effort to inform and listen to citizens about City services and quality of life in Olympia. *Imagine Olympia* and *Budget 365* will help implement the fourth Council priority – inspire strong relationships.

INTRODUCTION - LETTER FROM CITY MANAGER

Balancing the Budget

So, how did we balance the 2014 Operating Budget? Initiatives and innovations undertaken during the past several years, coupled with a positive shift in the economy were sufficient to balance the budget. General sales tax, development fees and property taxes from new construction account for the biggest increase in revenues and are a reflection of resurgence in the construction industry. These increases, along with the voter approved 1/10% Criminal Justice Sales Tax, account for \$1.8 million, or 70% of the 2014 revenue increase.

It took more than revenue increases to balance the budget. Two major expense reductions were needed. Our costs for health insurance were \$300,000 less than estimated. The City participates in a pool with 200 other cities through the Association of Washington Cities (AWC). The AWC Trust will become self-insured next year, eliminating some very significant taxes, thereby reducing the City's 2014 expense. Additionally, the legislature made some changes that now allow the Drinking Water Utility to pay for the cost of fire flow, also further reducing General Fund expenses. The fire flow plus insurance savings reduce General Fund expenses by \$700,000.

Utilities

The vision for our utilities has always been to sustainably manage our environmental resources. While the vision is tied to community needs and service delivery, we cannot lose sight of affordability. Under State law, the utilities are managed as separate enterprise funds with dedicated funding supported through rates and charges. Staff and the Utility Advisory Committee (UAC) are recommending modest rate increases. We are optimistic that these increases will avoid major rate spikes in the future and will cost the average residential customer less than \$5 per month.

Drinking Water	7%
Wastewater	4%
Wastewater Treatment (LOTT)	3%
Storm and Surface Water	2%
Waste ReSources	
Residential	8%
Commercial	5%
Organics	6%

2014 will be a landmark year for Olympia utilities. In Drinking Water, we hope to complete the transition of our main water supply source to McAllister Wellfield to provide a more protected and productive supply source. This transition has been decades in the making and is built on strong relationships with the tribes, State, and regional partners. This will insure our water supply for the next 50 years and will complete a major capital expansion, thereby leveling off future Drinking Water revenue increases. Early in 2014, we should complete the automated meter reading project. This project will replace all meters 10 years old or older and move 85% of the system to a fixed automated meter network, with the remaining 15% of the system on mobile (drive-by) meters. This will reduce operating costs with the elimination of two FTEs and increased revenue as older meters tend to read a lower consumption. And finally, legislation was adopted this year allowing the Drinking Water Utility to pay the cost of fire flow, previously expensed in the General Fund (approximately \$175,000 net savings).

Additionally, the City has been asked to participate in a Countywide ban

on plastic bags. The ban is scheduled to take effect in July 2014. The regional ban on bags and McAllister Wellfield project are great examples of the Council's priority to inspire strong relationships by working with others.

Staff and the UAC are proposing rate increases across all of the sectors in Waste ReSources. One significant reason for the increase in the residential rate is due to the drop in the recyclables market. The revenue or expense to process recyclables fluctuates significantly from year to year. Staff and the UAC are currently evaluating options that will allow us to increase the demand for our recyclables.

Revenue Outlook

Total revenues for the City have increased 4.8% or \$5.3 million. In the General Fund, revenues increased 4.3% or \$2.6 million. 2014 is the first full year of implementation of the voter approved 1/10% sales tax and should generate \$1.4 million. Public safety dollars, coupled with an increase in general sales tax and development related fees allow us to face the coming years with cautious optimism. This budget assumes \$15.8 million in regular sales tax. This takes us to the 2008 level but is still \$1 million below the pre-recession high. The good news is the increase is spread across all major sectors. Automotive, retail, and construction were hit very hard during the recession but are showing signs of growth. Development related revenues are up 16% (\$365,000) reflecting increases in commercial and residential activity. These are both very positive signs about our local economy. The budget assumes a 1% increase in property taxes and \$70 million in new construction. Earlier estimates assumed a 2% decrease in Assessed Value (AV); however, this budget reverses the three year trend and includes a 3.7% increase in AV. Although it does not impact tax revenue, this has a very favorable impact on our debt capacity and is another indication our economy is turning around.

In 2013 we reluctantly used \$220,000 of Real Estate Excise Tax (REET) in the Operating Budget, as authorized by the legislature. This required us to reduce funding for pavement management in the Capital Budget. I am pleased to state the 2014 Operating Budget is balanced without any use of REET. The funds will remain in the Capital Budget.

Although we are approaching the budget enthusiastically, there are revenues that have not rebounded from the recession. Private utility taxes, along with cable franchise fees, are down 6.2% (\$363,000). Unfortunately, this has become a trend over the last couple of years. More and more people have eliminated telephone land lines and use only their mobile phones. In addition, people are streaming television programs/events via the Internet and have dropped their cable service. Utility taxes impact the General Fund, as well as the Capital Budget. The amount available from utility taxes for Parks and Pathways is also decreasing.

Revenue from court fines are down for the fourth year in a row, due in part to the number of vacant police officer positions we have carried over the last 18 months. With fewer officers on the street, there are fewer arrests/citations being issued. We currently have a number of officers at the academy and hope to be fully trained and staffed by mid 2015. Court fines are down by 27% (\$115,000). This decline in citations also impacts Probation Services. Their revenues are down 2.5% (\$46,000).

The increases in property values, sales tax, and development related activities are all positive signs the economy is rebounding. However as we get back on the right path for operations, I must acknowledge the large deficiencies in maintenance of our Capital Facilities including buildings, roads and parks. Major investments are required in capital to meet our future obligations.

INTRODUCTION - LETTER FROM CITY MANAGER

Capital Projects

The major theme remains the same - maintain what we have. Our capital infrastructure must be maintained. Funding these projects is necessary to protect our assets. The focus of the 2014 Capital Facilities Plan (CFP) is:

- Building Maintenance
- Park Maintenance
- Street Maintenance
- Utility Maintenance

The 2014-2019 capital facilities six year plan totals \$122 million, representing a 9.5% decrease from the current plan. The first year of the plan totals \$12.8 million, compared to \$21.3 million for 2013. The decrease reflects completion of the Washington Center for Performing Arts project and implementation of the Automated Water Meter Reading project.

Conclusion

This budget is both a dividend for the hard work we have done and a down payment on the hard work yet to do. While a very welcomed relief, these positive economic trends are not a free pass to postpone making tough decisions or to put reform on hold. Developing a sustainable budget is a bit of a juggling act. With finite resources, what is the right balance of investment in programs and services vs. preserving our infrastructure? Being a good steward of taxpayer money means knowing when to

make significant capital investments in order to produce positive, long-term community or economic impacts. Parks infrastructure, pavement management and building repair are all investments that we can no longer “kick down the road.” I want to work with the Council and community next year to evaluate revenue options to address infrastructure maintenance.

As we look ahead, we know there will be many challenges and opportunities. Looking back over the last five years, we have come through some tumultuous times and we can take strength and confidence from our experiences. We went back to basics and we learned our lessons. We became leaner and smarter and we are in a good position to move forward. And most importantly, we have kept our commitments with neighborhoods, businesses, and the community by being good stewards of the public interest. In today’s political environment, that is no small thing.

We must continue to work together to ensure we stay focused on keeping Olympia a great city to live, work, and play.

Respectfully submitted,



Steven R. Hall
City Manager



CITY OF OLYMPIA - GOALS AND PRIORITIES



- Adopt a Sustainable Budget
- Champion Downtown
- Change the Culture of Community Development
- Inspire Strong Relationship Goals



Stephen H. Buxbaum
Mayor - Dec 2015*



Nathaniel Jones
Mayor Pro Tem
Dec. 2015*



Jim Cooper
Dec. 2017*



Julie Hankins
Dec. 2017*



Steve Langer
Dec. 2015*



Jeannine Roe
Dec. 2017*



Cheryl Selby
Dec. 2017*

*Term End

Citizen Advisory Boards & Commissions

- Arts Commission
- Bicycle/Pedestrian Advisory Committee
- Design Review Board
- Heritage Commission
- Lodging Tax Advisory Committee
- Parking Business Improvement Area Board
- Parks and Recreation Advisory Committee
- Planning Commission
- Utility Advisory Committee

The seven members on Olympia's City Council are elected to four year terms from the community as-a-whole (commonly called at-large elections), not from districts or wards. The positions are non-partisan. The terms are staggered, with positions ending for three members at one time and four members the next. Olympia City Council elections are part of the Thurston County general election held in odd-numbered years.

For more information on the City Council and Olympia's form of government, please see the Appendix section of the 2014 Adopted Operating Budget or go to <http://olympia.wa.gov/city-government/budget-financial-reports.aspx>

Long Term Financial Strategy - Key Financial Principles

- Make Trade-Offs
- Do It Well
- Focus Programs on Olympia Residents & Businesses
- Preserve Physical Infrastructure
- Use Unexpected One-Time Revenues for One-Time Costs or Reserves
- Invest in Employees
- Pursue Innovative Approaches to Service Delivery
- Contract In/Contract Out
- Maintain Capacity to Respond to Emerging Community Needs
- Pursue Entrepreneurial Initiatives
- Address Unfunded Liabilities
- Selectively Recover Costs
- Recognize the Connection between the Operating Budget and the Capital Budget
- Consider Alternative Service Delivery to Maximize Efficiency and Effectiveness

Long Term Financial Strategy - Guidelines

What Should the City Do in the Following Year's Budget When the Financial Forecast is Positive?

- Assess the situation
- Maintain adequate reserves
- Use one-time revenues only for one-time expenses
- Use recurring revenues for recurring costs or for one-time expenses
- Stay faithful to City goals over the long run
- Think carefully when considering revenue cuts
- Think long-term

What Should the City Do Every Year, Whether the Financial Forecast is Positive or Negative?

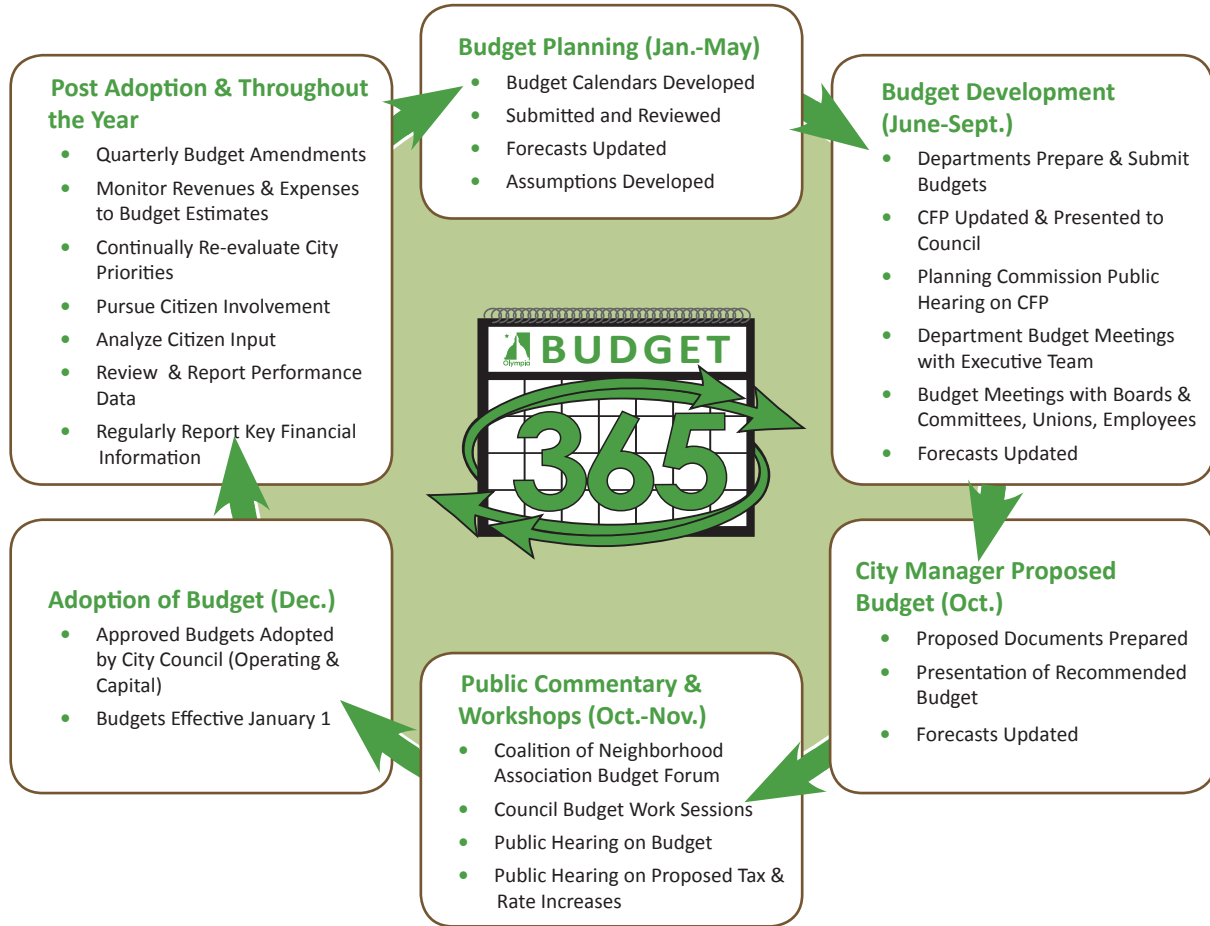
- Increase operating cost recovery
- Pursue cost sharing

What Should the City Do in the Following Year's Budget When the Financial Forecast is Negative?

- Assess the situation
- Use reserves sparingly
- Reduce services
- Continue to think carefully when considering tax increases

THE BUDGET PROCESS

Development of the 2014 budget marks implementation of **Budget 365**. Preparation of the City’s budget is more than projecting revenues and expenditures for a given year. The budget provides a financial plan for the City Council, City staff, and citizens that identifies the operating costs considered essential to the successful operation of the City. The budget cycle for the City Manager, Budget Review Team, Finance Committee, City Council, and our citizens is year-round in nature since budget development and implementation occurs throughout the year. The cycle does not end with the budget document as the end product of the arduous task of budgeting, or with adoption of the budget.

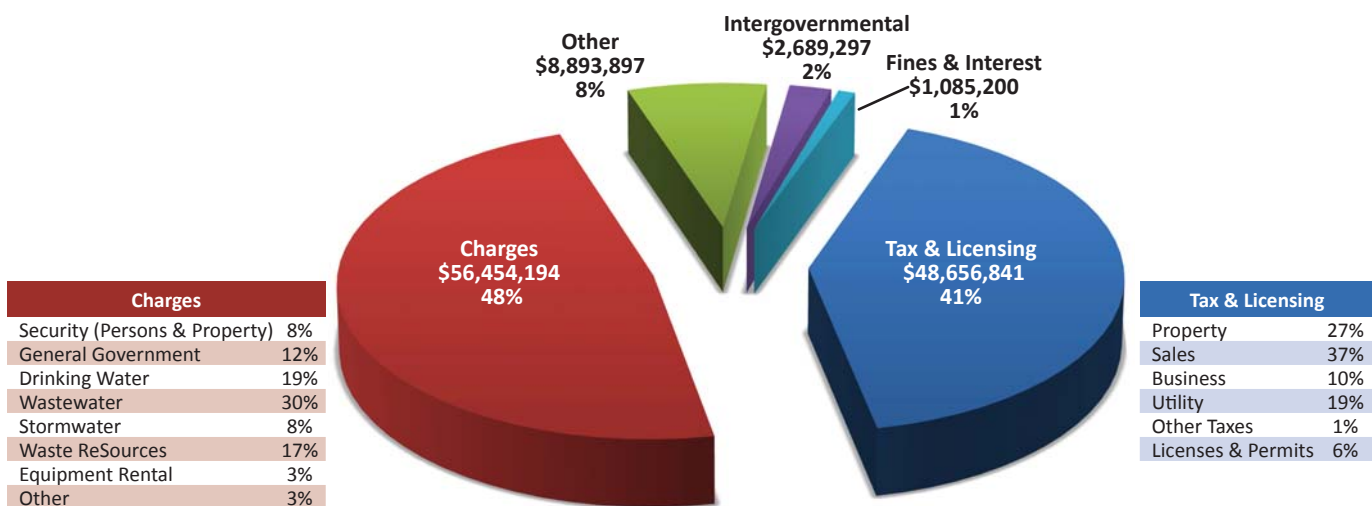


Budget 365 is the City’s new budget process designed to inform citizens about how to get involved in our budget decision making process. This year-round conversation will help us better understand which programs are the highest priority for our citizens and more quickly identify potential financial issues.



WHERE THE MONEY COMES FROM - TOTAL OPERATING REVENUES

\$117,779,429



REVENUE DEFINITIONS

Charges and Fees

Fees and charges collected for services such as water, sewer, and parks usage.

Fines and Interest

Includes court fines (non-parking) and investment interest.

Grants

Assistance provided by other organizations to help fund specific programs.

Intergovernmental Revenue

Charges to other governments for services, state shared revenues for motor vehicle fuel tax and liquor sales, and grants.

Licenses and Permits

The City sells licenses and permits that regulate activities such as construction, business, and use of public spaces.

Taxes

A portion of property taxes collected by the County are available to the City. Other taxes include sales tax (regular and the recently passed Public Safety portion), the Lodging Tax, Business and Occupation Tax, and utility taxes. Taxes are for general purpose use and may exceed the cost of service.

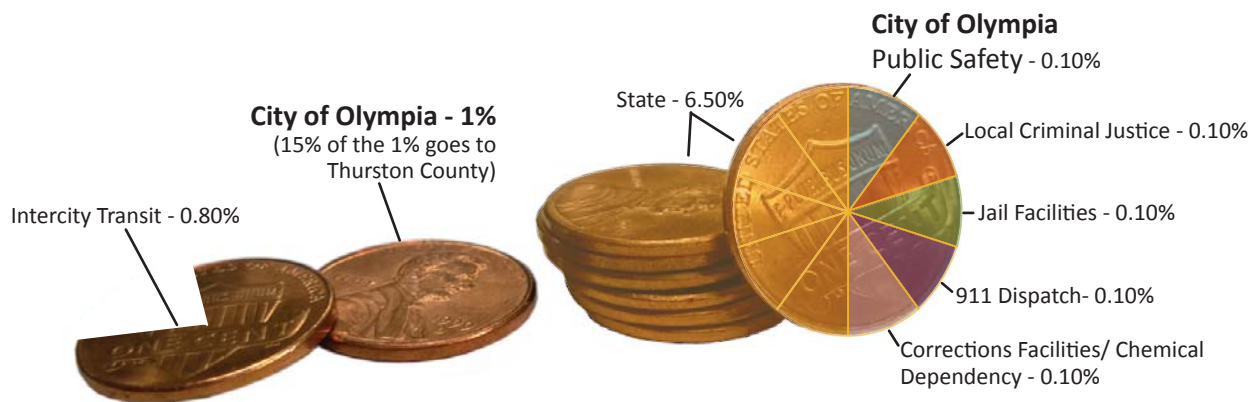
Other Revenue

Includes capital asset sales, assessment collections, miscellaneous sales, private grants and donations, loan repayments, and refunds.

Fund Balance

The difference between assets and liabilities. The City Council has adopted a policy to maintain a minimum of 10% of the operating revenues as fund balance. Any excess above the 10% may be spent with Council approval. It is the City's practice to use fund balance only to fund one-time items in governmental funds.

SALES TAX DISTRIBUTION - WHERE DOES THE 8.8% GO?



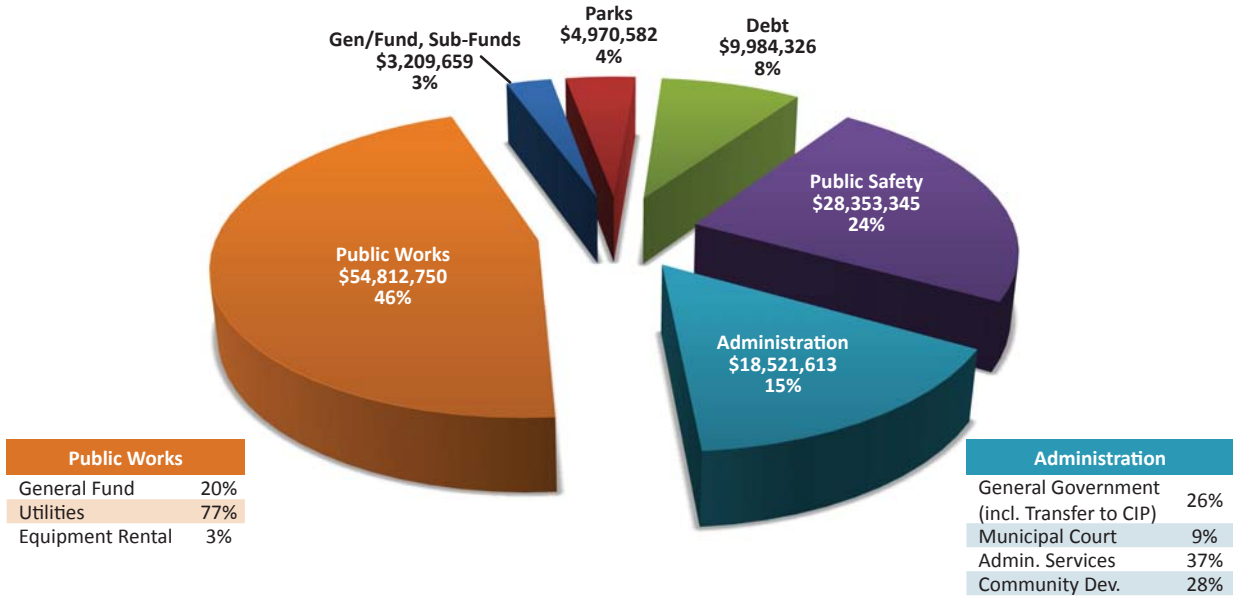
The City imposes a sales tax of 1.2% of which 1% is for general use, 1/10% for Public Safety, and a countywide 1/10 of 1% sales tax funds Criminal Justice activities. The countywide tax is distributed 10% to the county with the remaining 90% distributed on a per capita basis between the county, cities and towns within the county. The tax is collected and distributed by the State of Washington, which retains 1% of the tax collected for administration costs. Total overlapping sales tax within the City is 8.8%.

15%

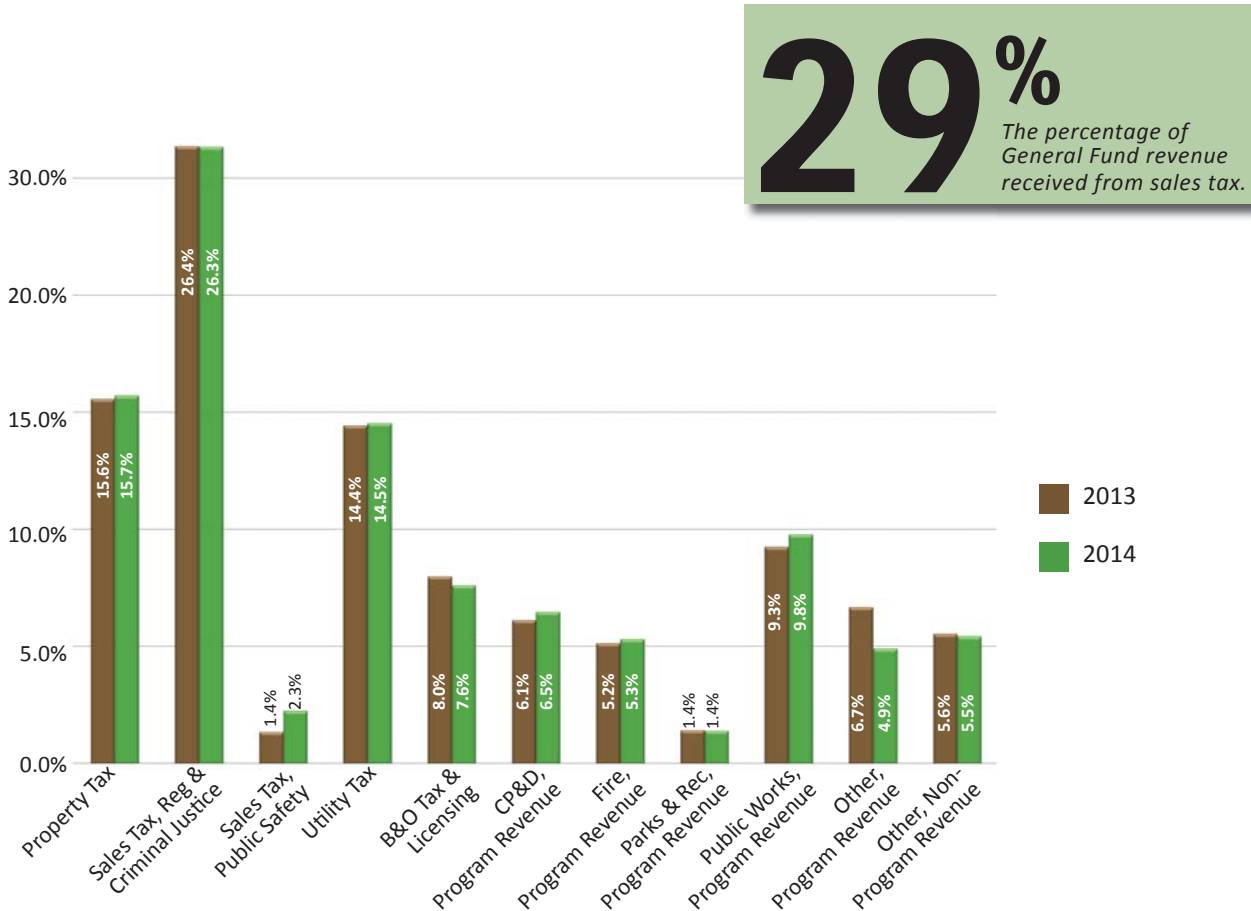
The percentage of City revenue received from sales tax.

WHERE THE MONEY GOES - TOTAL OPERATING EXPENDITURES

\$119,852,275



REVENUE TYPES AS A PERCENTAGE - GENERAL FUND REVENUES



GENERAL FUND REVENUES

Revenue Type	2013 Actual	% of Total	2014 Budget	% of Total	% Change 2013 to 2014
Property Tax (1)	\$ 9,577,430	15.6%	\$ 9,869,250	15.7%	3.0%
Sales Tax, Regular and Criminal Justice	16,197,180	26.4%	16,514,400	26.3%	2.0%
Sales Tax, Public Safety (2)	837,850	1.4%	1,428,600	2.3%	70.5%
B&O Tax, and Licensing	4,914,760	8.0%	4,790,000	7.6%	-2.5%
Utility Tax					
Private Utilities	4,959,390	8.1%	5,054,750	8.1%	1.9%
City Utilities (3)	3,907,740	6.4%	4,061,900	6.5%	3.9%
State Shared Revenue	1,521,220	2.5%	1,663,600	2.7%	9.4%
State Fire Protection (4)	921,430	1.5%	1,000,700	1.6%	8.6%
Fines, non-parking (5)	323,710	0.5%	319,900	0.5%	-1.2%
Engineering (6)	3,805,030	6.2%	4,251,400	6.8%	11.7%
Administrative Indirect Overhead	2,341,780	3.8%	2,443,270	3.9%	4.3%
Real Estate Excise Tax - single use (7)	215,100	0.4%	-		
Community Development & Planning (8)	3,337,460	5.4%	2,558,950	4.1%	-23.3%
Fire (9)	3,164,510	5.2%	3,349,390	5.3%	5.8%
Parks, Arts & Recreation	880,730	1.4%	889,930	1.4%	1.0%
Parking	1,516,870	2.5%	1,518,700	2.4%	0.1%
Other	3,001,460	4.9%	2,981,060	4.8%	-0.7%
Total	\$ 61,423,650		\$ 62,695,800		

Notes

(1)		2013 Actual	% of Total	2014 Budget	% of Total
	Property Tax Allocation, Regular Levy	\$ 9,577,430	73.8%	\$ 9,869,250	74.8%
	Debt Service Funds	2,310,055	17.8%	2,251,976	17.1%
	Firemen's Pension Fund	1,091,700	8.4%	1,076,837	8.1%
(2)	A 1/10th of 1% sales tax was approved by voters in November 2012. The tax became effective April 1, 2013. The City receives sales tax two months following the month in which the transaction occurred. 2013 reflects seven months of receipts. The 2014 budget estimate is based on history of actual collections.				
(3)	The 2014 budget includes a reduction in the tax paid by the Drinking Water Utility from 12% to 10% (10% is the rate of other City utilities). The impact of lowering the tax rate is \$188,600. The reduction is due to the General Fund no longer being required to pay for fire protection water costs. These costs can be borne by the utility. Lowering of the tax in-part offsets the added costs to the utility.				
(4)	The State pays a share of fire protection based on its percent of all commercial buildings. In 2013, the contract for fire protection was updated to current square footage. The increase is primarily due to new construction by the State.				
(5)	The lower projection of court fines is due to a large number of vacancies in police officer positions. With fewer officers available, the number of citations is lower.				
(6)	The 2014 budget reflects moving the Utility Locator position, which was split by the Water Resources utilities, to the Engineering line of business. The additional costs of Engineering are charged back to the Water utilities.				
(7)	Real Estate Excise Tax (REET) through December 2016 is allowed to be used for operation and maintenance (O&M) of existing capital infrastructure. In 2013, funds were used for transportation system O&M. The 2014 Operating Budget was balanced without the use of REET; all the REET funds are allocated to capital projects.				
(8)	The decrease in the CP&D 2014 budget from 2013 actual is due to conservative estimates of permit activity for budget purposes. At 2013 yearend there was substantial permit activity. This excludes Parking Services.				
(9)	The Fire Department revenue increase is primarily due to expanded use of the new fire training facility by others and an increase in reimbursements from the Medic I system.				

GENERAL FUND EXPENSES BY TYPE AND FUNCTION

Expenses by Type	2013 Actual	% of Total	2014 Budget	% of Total	% Change 2013 to 2014
Wages (1)	\$ 33,885,800	56.4%	\$ 36,202,100	57.7%	6.8%
Benefits (2)	12,048,500	20.0%	13,349,300	21.3%	10.8%
Supplies	1,989,100	3.3%	2,070,500	3.3%	4.1%
Professional Services	1,747,800	2.9%	1,488,400	2.4%	-14.8%
Utility Costs (3)	1,590,800	2.6%	1,443,800	2.3%	-9.2%
Contracted Maintenance	1,066,700	1.8%	949,900	1.5%	-10.9%
Vehicle Rents & Repairs	1,238,000	2.1%	1,209,400	1.9%	-2.3%
Liability & Property Insurance	1,189,200	2.0%	1,282,900	2.0%	7.9%
Intergovernmental Payments	1,141,500	1.9%	1,137,800	1.8%	-0.3%
Transfers to Other Funds (4)	1,455,700	2.4%	969,600	1.5%	-33.4%
Other	2,776,800	4.6%	2,631,800	4.2%	-5.2%
Total	\$ 60,129,900		\$ 62,735,500		

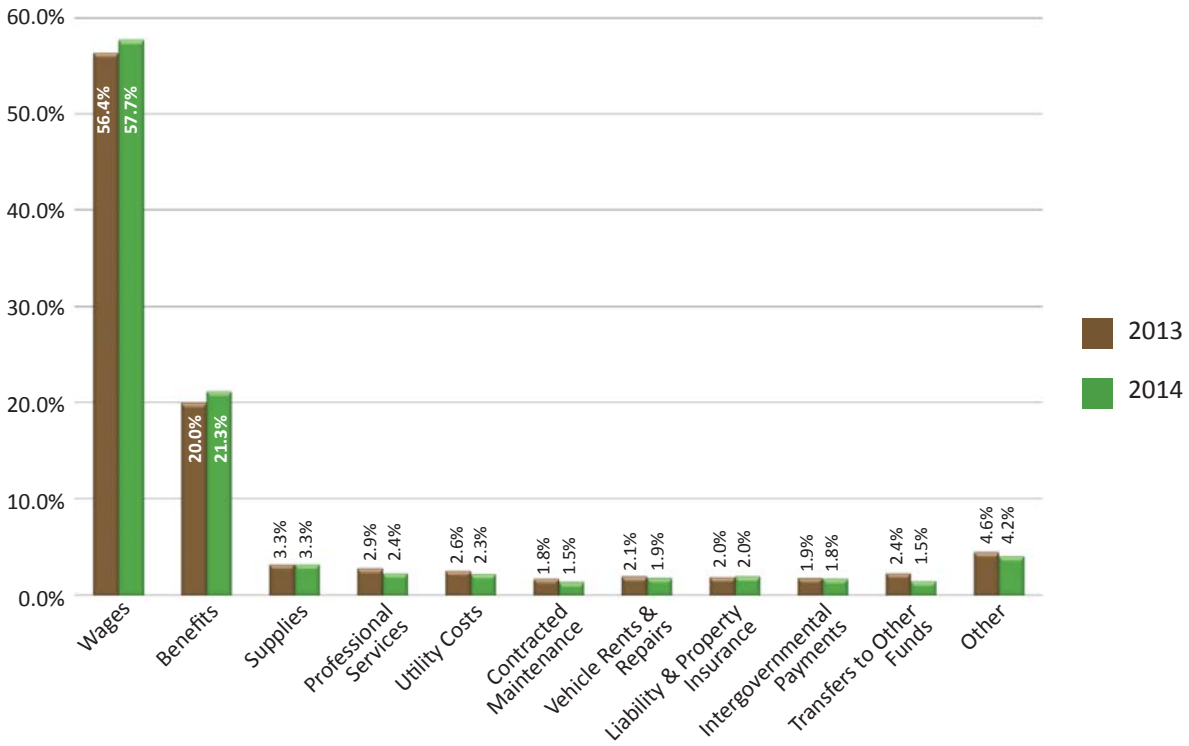
Expenses by Function	2013 Actual *	% of Total	2014 Budget	% of Total	% Change 2013 to 2014
City Administration	\$ 8,779,600	14.6%	\$ 9,559,489	15.2%	8.9%
Special Accounts (5)	2,985,700	5.0%	2,152,000	3.4%	-27.9%
Court	1,615,300	2.7%	1,717,641	2.7%	6.3%
Community Planning & Development	3,793,700	6.3%	4,063,100	6.5%	7.1%
Fire (1)	13,330,200	22.2%	14,164,700	22.6%	6.3%
Police (6)	13,578,100	22.6%	14,188,600	22.6%	4.5%
Parks, Arts & Recreation	4,771,800	7.9%	4,970,600	7.9%	4.2%
Public Works					
Administration (7)	217,400	0.4%	578,400	0.9%	166.1%
Engineering (1), (7)	3,309,800	5.5%	3,366,900	5.4%	1.7%
Facilities (1)	1,779,900	3.0%	1,711,670	2.7%	-3.8%
Transportation	5,010,800	8.3%	5,232,900	8.3%	4.4%
Parking	957,600	1.6%	1,029,500	1.6%	7.5%
Total	\$ 60,129,900		\$ 62,735,500		

* 2013 represents actual. The notes below relate to budget changes 2013 to 2014 and are not meant to address changes to '2013 actual to 2014 budget'. The 2013 budget is amended during the year as needed. Most of the changes are one-time and do not continue to the next year.

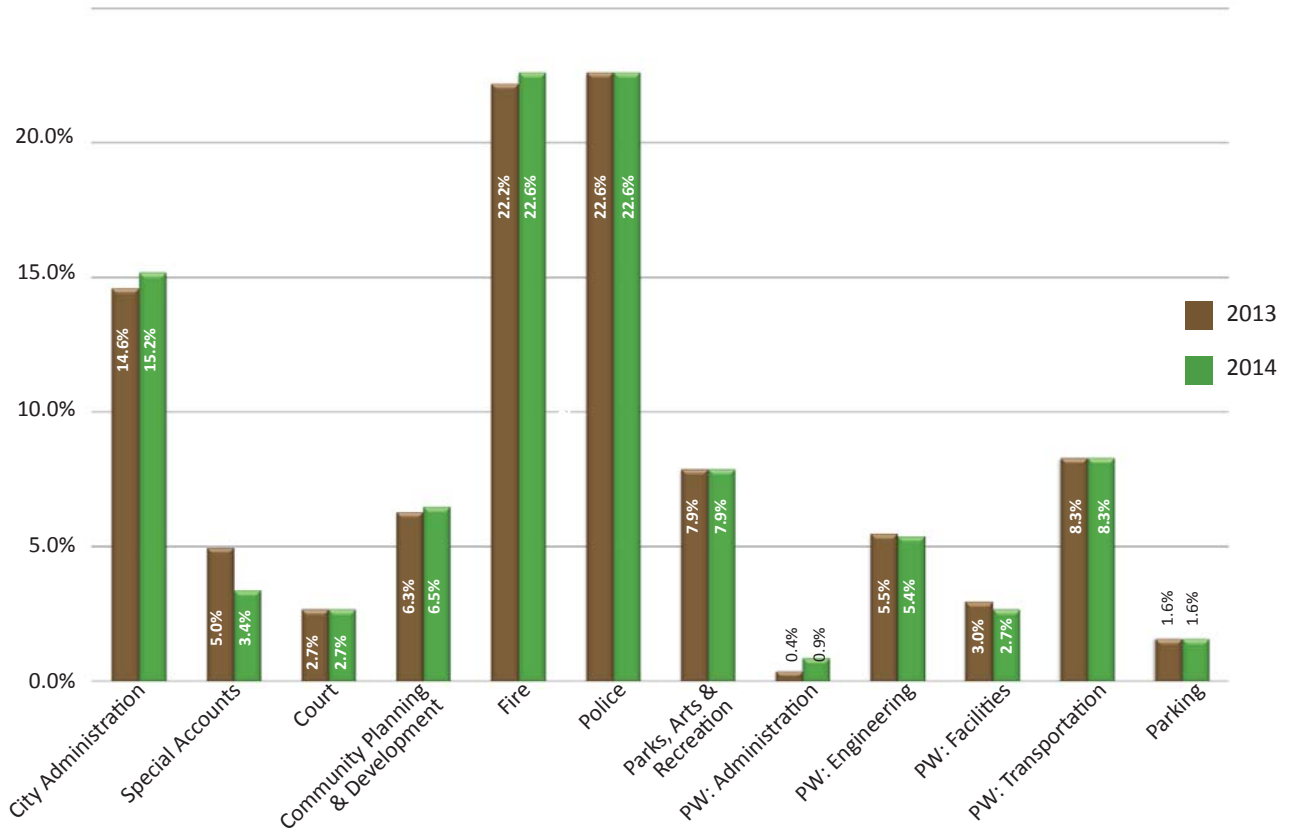
Notes

- (1) FTE Changes 2014:
- 2 Fire positions - Funded by Grant funds
 - 1 Police position - Conversion of overtime funds to fund regular position
 - 3 Police positions - Funded from voter approved Public Safety Sales Tax
 - 1 Technology position - Funded from voter approved Public Safety Sales Tax
 - 1 Utility Locator, Engineering position - Transferred from Water Resources to General Fund; funded by utilities
 - 0.25 Facilities Maintenance Worker position - Funded from general revenues
 - 0.75 Court position - Reduced workload in Court
 - 0.25 Associate Planner position to support Urban Forestry program
 - 1 Building Plans Examiner position to support increase in permit volumes
- (2) Reflects increase in PERS II retirement rates from 7.21% to 9.19%, and additional funding for Workers' Compensation. The City self-funds Workers' Compensation.
- (3) The budget reflects a reduction in streetlighting costs of \$200,000 from the LED streetlight conversion project in 2013.
- (4) The 2014 budget includes two new transfer items: \$157,400 transfer to the 2013 Bond Fund for the debt service related to the LED streetlight conversion project, and \$72,376 transfer to the Capital Improvement Fund for the Bike Corridor pilot project.
- (5) See note (1) technology position not previously assigned to a department, note (4) also includes a reduction of \$366,450 payment to the Drinking Water Utility for fire flow costs (no longer required to be paid by general revenues), and an increase in labor reserve of \$568,200 (not yet distributed).
- (6) See note (1) also includes \$75,000 for additional supplies funded from the Public Safety Sales Tax.
- (7) Public Works Department reorganized in late 2013. Three positions previously budgeted in Engineering were transferred to the Public Works, Administration section. Additionally, the Safety Officer was transferred from Engineering to the Workers' Comp Fund.

EXPENSES BY TYPE



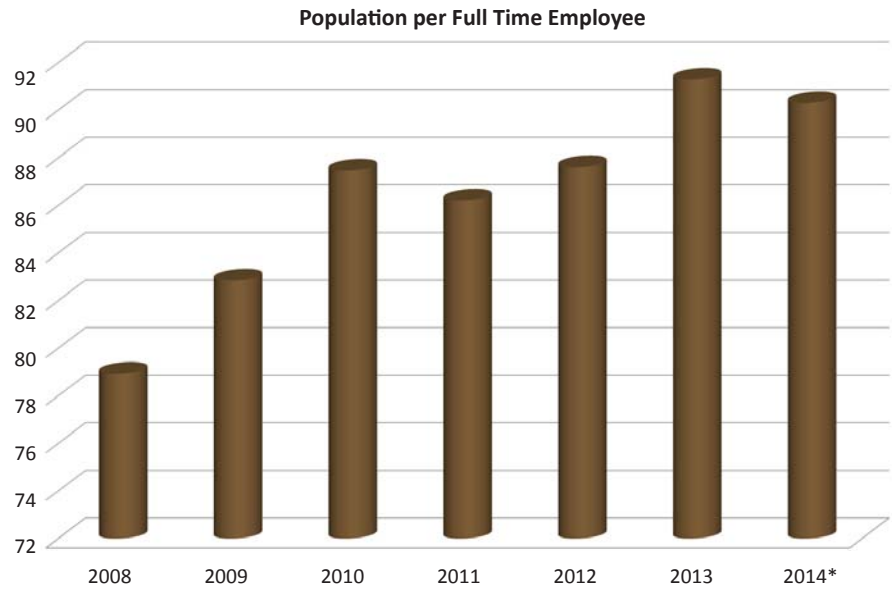
EXPENSES BY FUNCTION



SERVING MORE CITIZENS WITH FEWER EMPLOYEES

6.5%
The percentage of population increase in Olympia since 2008.

6.9%
The percentage of decrease in City of Olympia employees since 2008.



*Based on 2013 population figure; 2014 population estimate not available until June 2014.

INFORMATION

The full version of the 2014 Adopted Operating Budget, in addition to the 2014-2019 Capital Facilities Plan, may be viewed online at:
<http://olympia.wa.gov/city-government/budget-financial-reports.aspx>

City of Olympia Buildings

City Hall Complex

601 4th Ave 98501
 PO Box 1967 98507-1967

Fire Stations & Fire Training Center

#1 100 Eastside St NE 98506
 #2 330 Kenyon St NW 98502
 #3 2525 22nd Ave SE 98501
 #4 3525 Stoll Rd SE 98501
 Mark Noble Regional Fire Training Center-1305 Fones Rd 98501

Lee Creighton Justice Center

900 Plum St SE 98501

The Olympia Center

222 Columbia St NW 98501

Priest Point Park

2600 East Bay Dr NE 98506

Public Works Maintenance Center

1401 Eastside St SE 98501

Westside Police Station

221 N Perry 98502

City of Olympia Phone Numbers

Administrative Services	753-8325
Utilities.....	753-8340
Business Licensing/B&O Tax	753-8448
Transportation Benefit District.....	753-3727
Human Resources	753-8442
Community Planning & Development	753-8314
Criminal Justice Center	753-8312
Municipal Court Services	753-8312
Jail	753-8417
Parking	753-8017
Probation	753-8263
Prosecutor.....	753-8449
Fire Department	753-8348
General Government	753-8447
City Manager/Risk Management	753-8447
City Council	753-8244
Legal (Civil).....	753-8338
Parks, Arts & Recreation	753-8380
Police Department	753-8300
Records	753-8302
Public Works	753-8588
Maintenance Center	753-8272



City Of Olympia
 Capital of Washington State

www.olympiawa.gov





Performance Report Card Champion Downtown

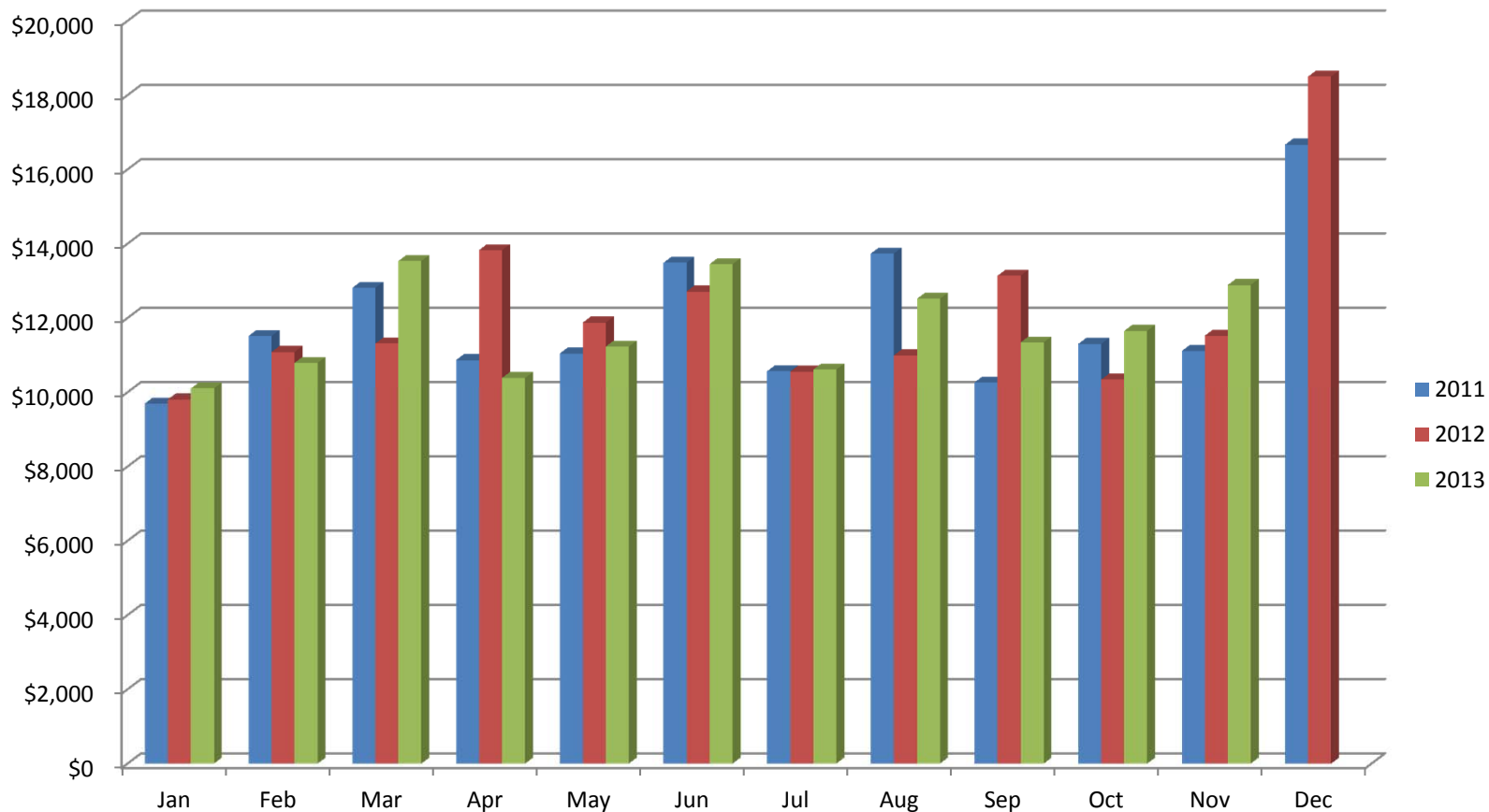
Indicator	2012	2013 (as of 12/31/13)	Progress/ Trend	Trend Analysis
Sales Tax Revenue (Cross Section – 25 Businesses)	\$146K	\$128,503	2	No significant change projected.
Retail Vacancy Rate (as a percentage)	3%	6%	1	Highly visible vacancies on major thoroughfares.
Office Vacancy Rate (as a percentage)	10.1%	14.2%	1	Steady increase since 2011; rate is at highest point since 2010.
Downtown Housing Vacancy Rate	6.5%	3.9%	1	Increase in availability; rents stabilizing.
Community-Wide Shelter Bed Availability (Capacity/Occupancy)	228 75%	235 79%	1	No significant additions or change in occupancy rates.
Private Investment (Permits Issued/Valuation)	34 \$4.5M	20 \$2.0M	1	Activity mostly remodel projects for office space and new residential units.
Public Investment (Total Projects/Cost)	22 \$1.4M	26 \$3.5M	1	Major investment in 2013 is purchase of isthmus properties.
Nuisance Crimes	228	110	2	Biggest reduction is in <i>Drinking in Public</i> cases; down 70%
Parking Occupancy (Zones 1-6 Avg.)	May 59% Dec 76%	May 60% Dec 78%	1	Occupancy rates up only slightly over 2012.
Safe & Welcoming Survey	TBD	TBD	TBD	Survey will be implemented in first quarter of 2014.

Performance Improving
 Performance Declining
 Performance the Same
 Trend Declining, in Right Direction
 Trend Increasing, in Wrong Direction
 Performance on Track to Meet Target
 “#” # Concurrent Quarters Indicating Same Trend



Performance Report Card Sales Tax Revenue

Downtown Sales Tax Sample Data 2011 - 2013



* Sales tax collected for December 2013 not available at time of reporting, as sales tax collections are reported two months in arrears.



Performance Report Card Downtown Retail Vacancy Rate



* Data provided by Thurston County Economic Development Council



Performance Report Card

Downtown Office Vacancy Rate



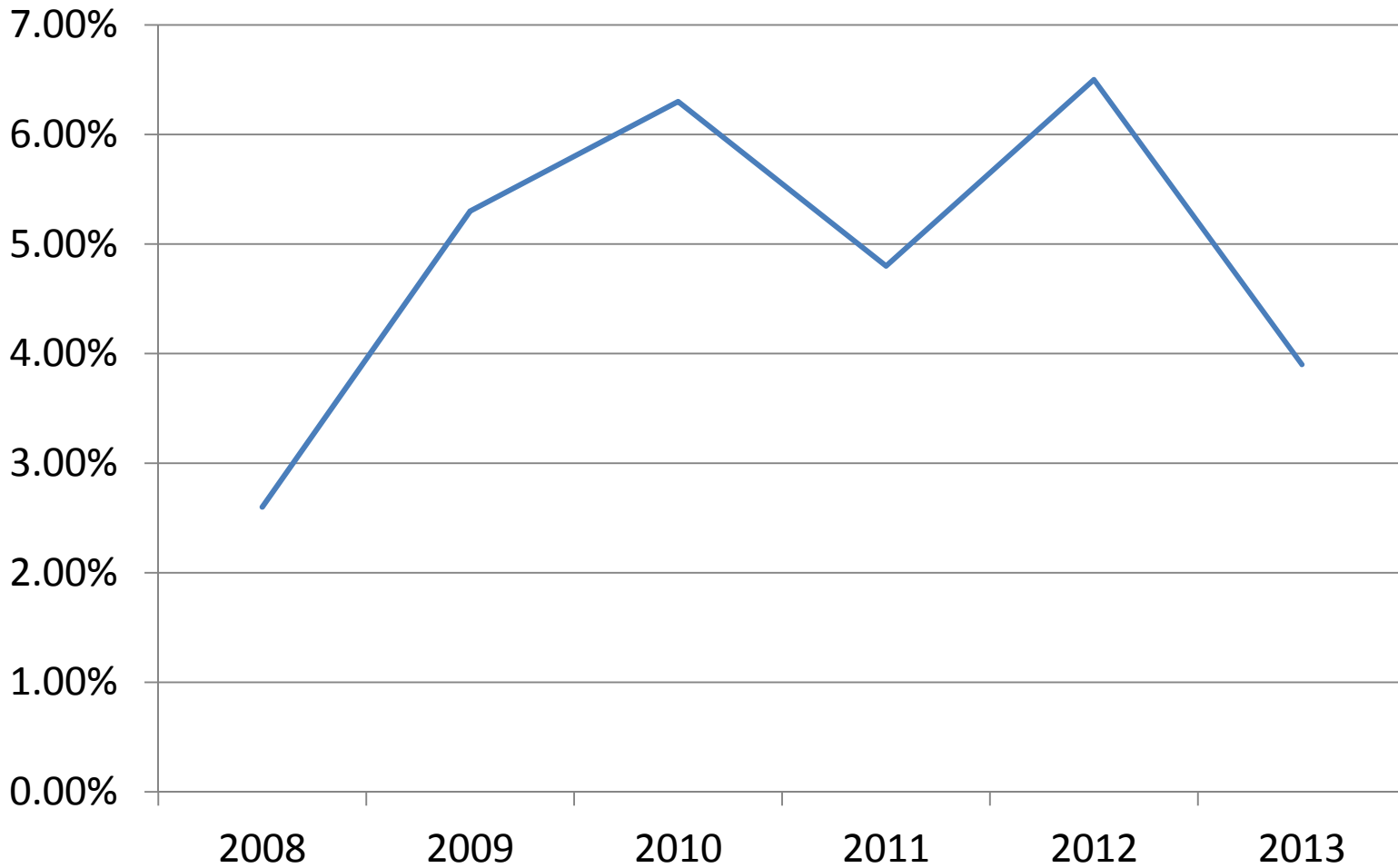
* Data provided by Thurston County Economic Development Council



Performance Report Card

Downtown Housing Vacancy Rate

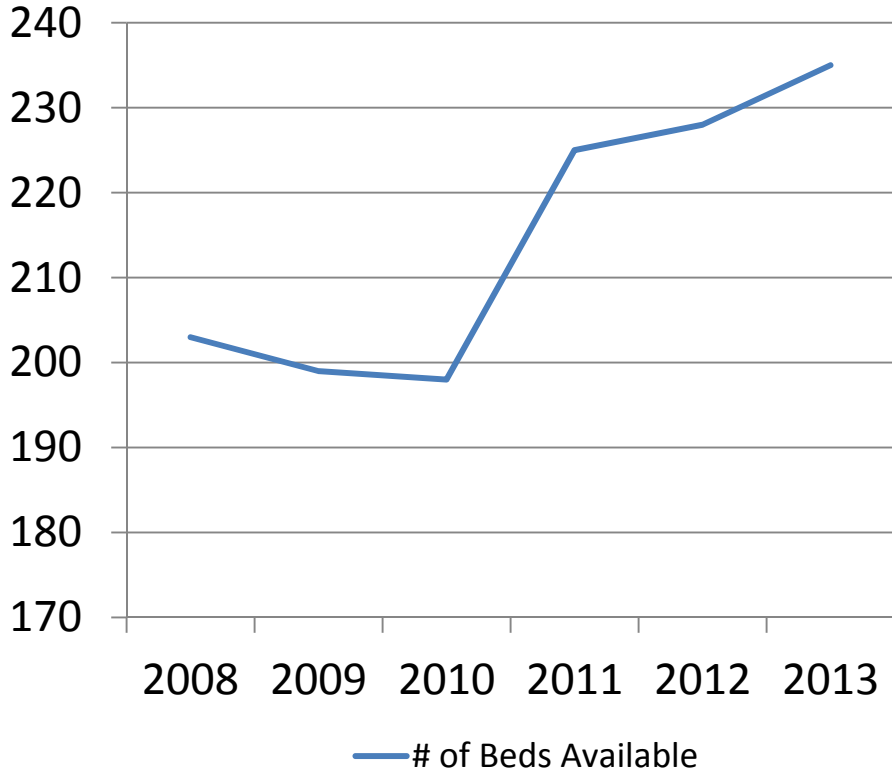
Vacancy Rate



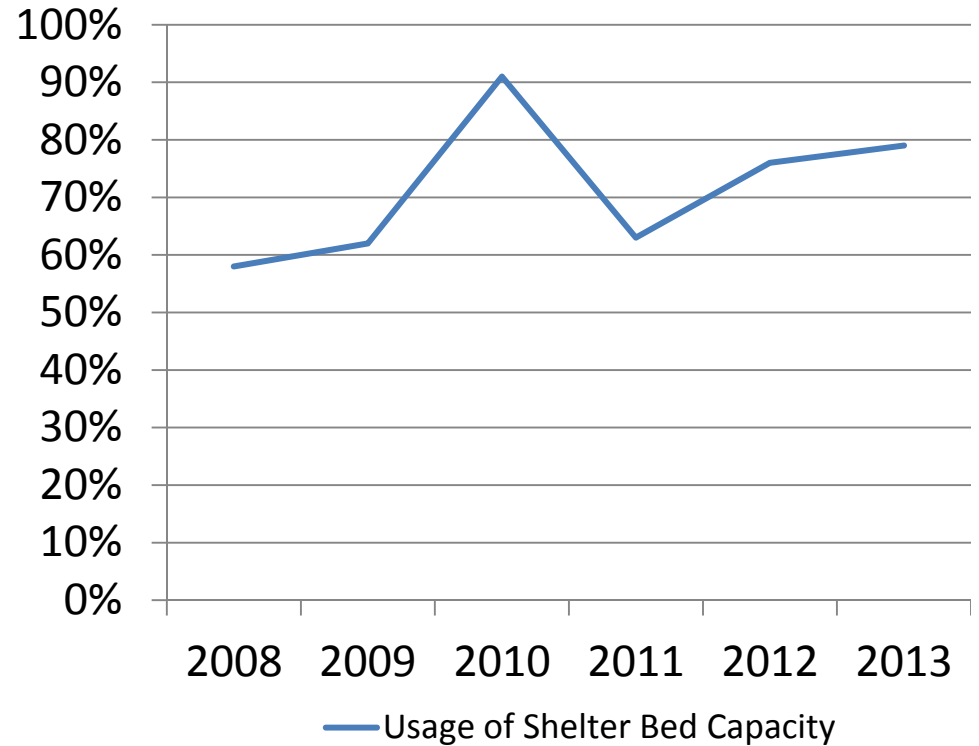


Performance Report Card Shelter Bed Availability

Capacity



Occupancy %

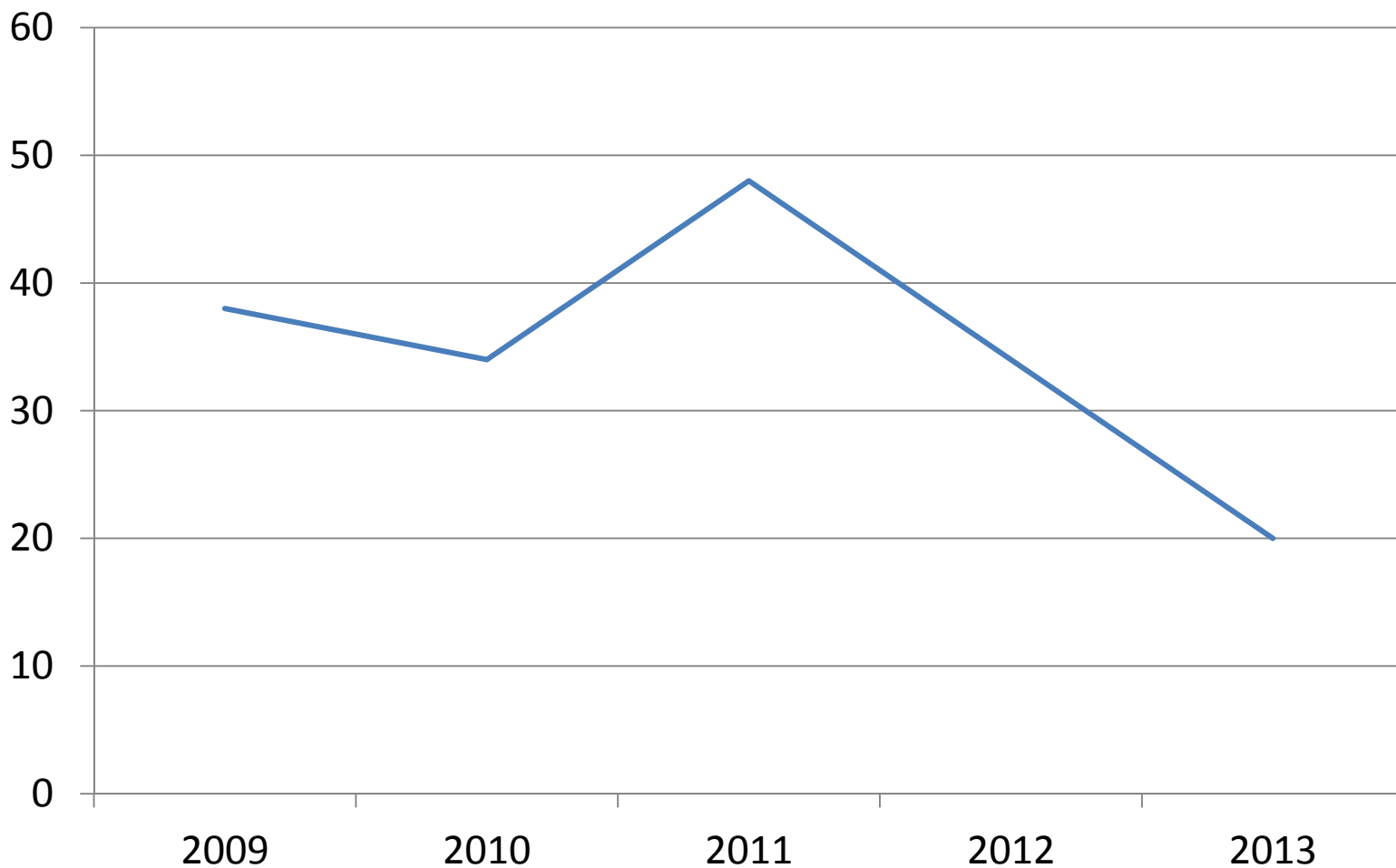




Performance Report Card

Private Investment Downtown

Permits Issued

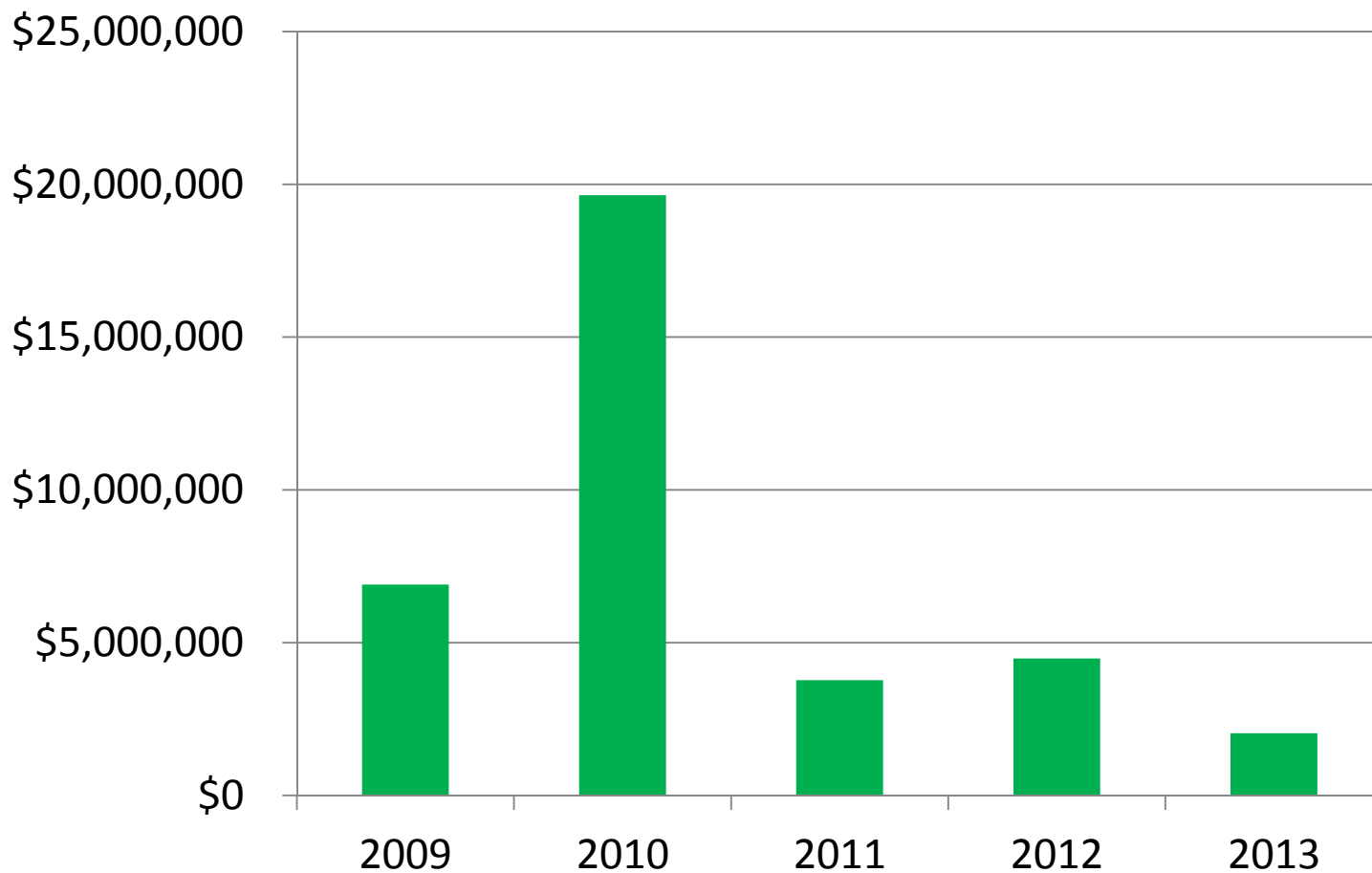




Performance Report Card

Private Investment Downtown

Permit Valuation

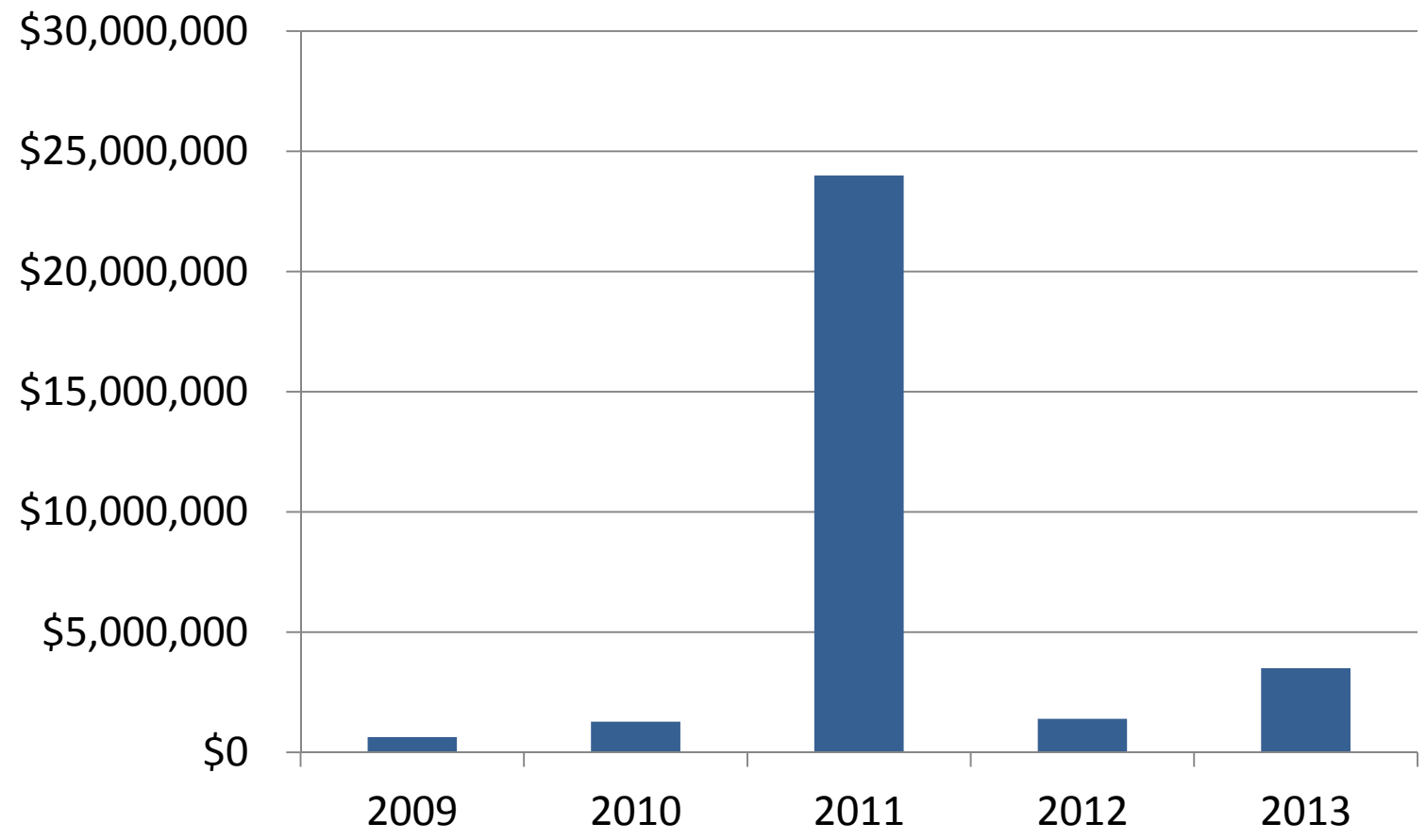




Performance Report Card

Public Investment Downtown

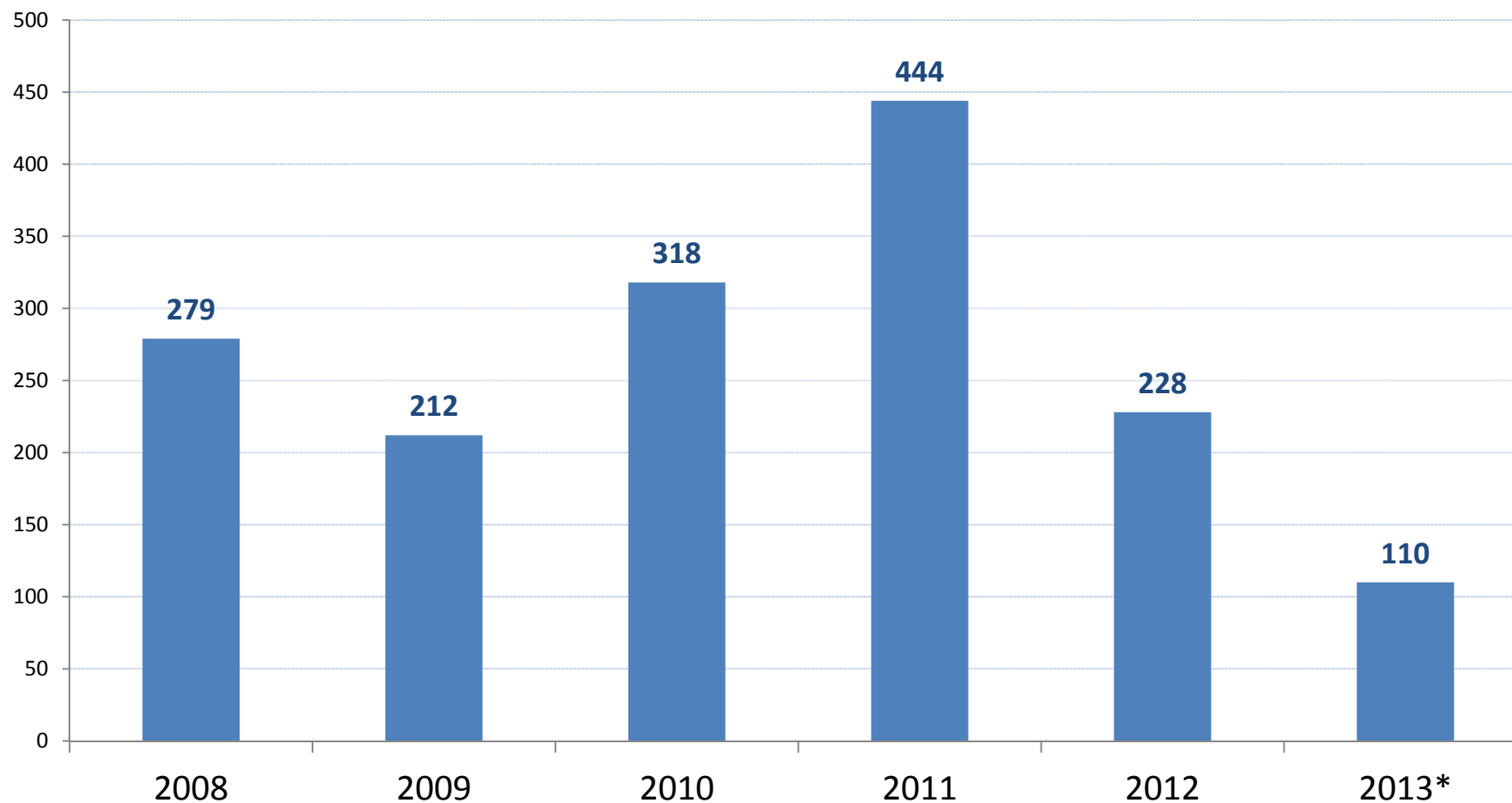
Project Costs





Performance Report Card Nuisance Crimes

TOTAL NUISANCE CRIME CASES



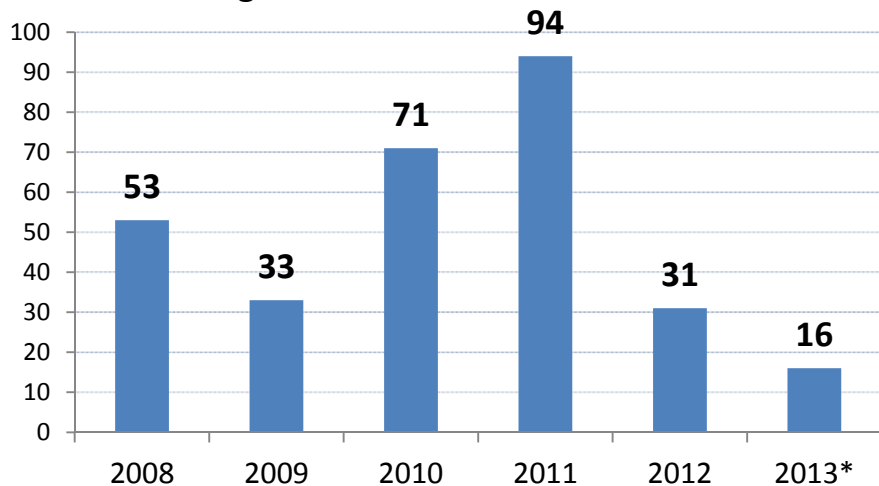
*Data through December 15, 2013

Nuisance Crimes include, urinating in public, drinking in public, trespass, and disorderly conduct

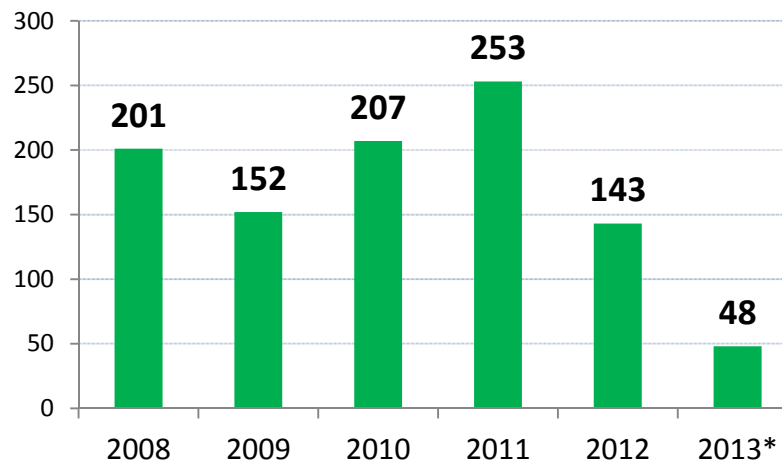


Performance Report Card Nuisance Crimes

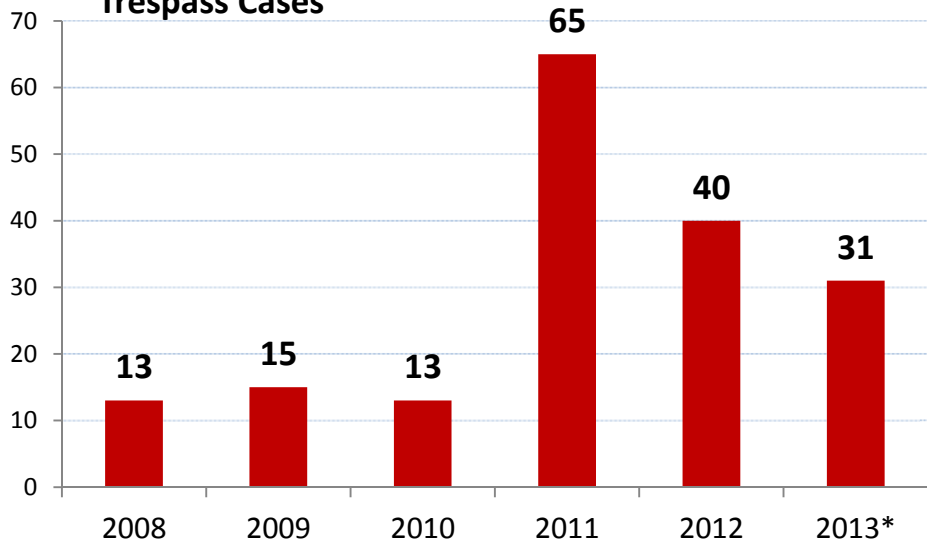
Urinating in Public Cases



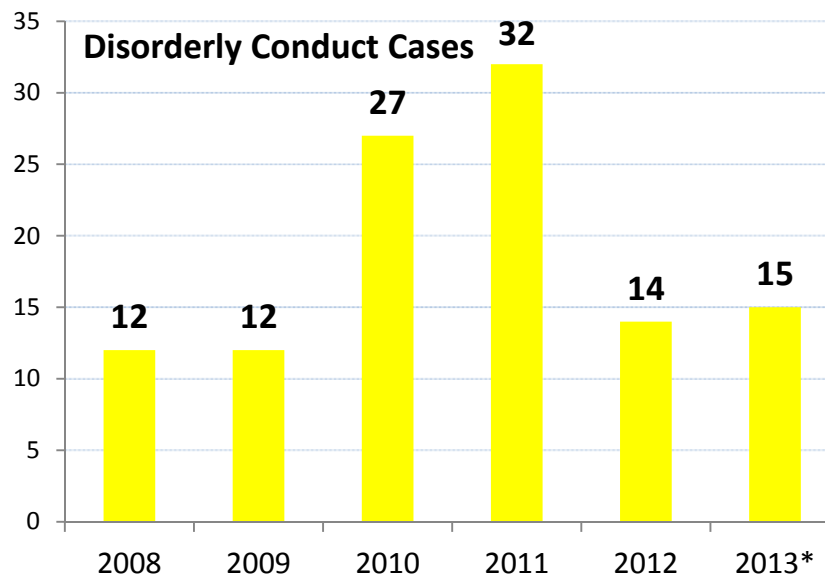
Drinking in Public Cases



Trespass Cases



Disorderly Conduct Cases

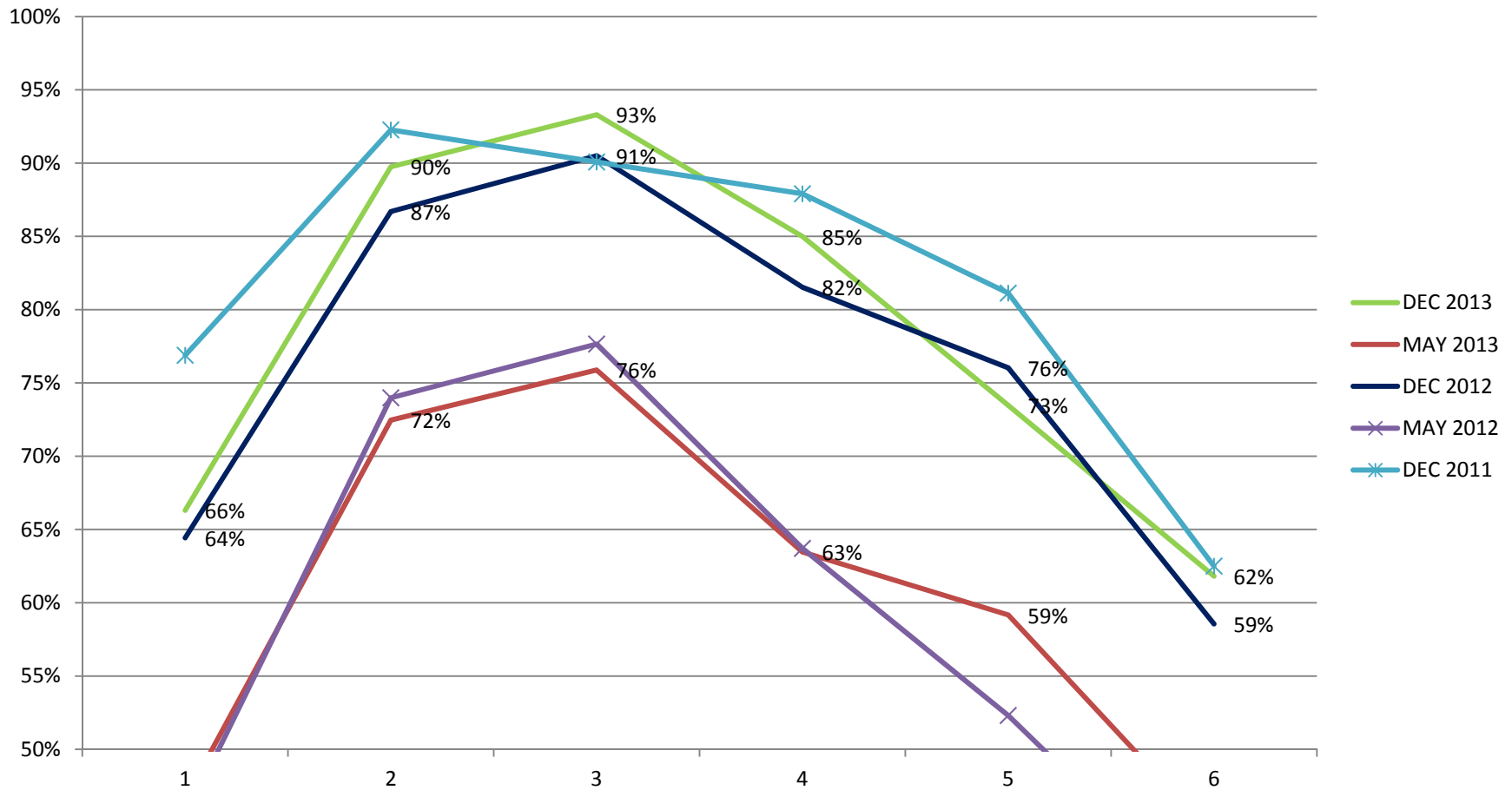


* Data through December 15, 2013



Performance Report Card Parking Occupancy

Occupancy by Zone





Operating Budget Calendar

2015 Budget Process

City Manager Presents 2015 Operating Budget to Council	October 28 (Tuesday)
Preliminary Budget Available on the Internet	October 29
Discussion of Utility Rates, Impact Fees, Lodging Tax	November 3 (Monday)
Council Review of Operating Budget	November 3
Election Day	November 4
Veteran's Day Holiday	November 11 (Tuesday)
Public Hearing on Operating Budget, Capital Budget and Ad Valorem Tax	November 18
Council Review and Discussion of Budget	November 18
First Reading Ad Valorem Tax Ordinance	November 18
Council Review of the Budget (Budget Balancing- Operating and Capital Budgets)	November 25
Final Reading and Passage of Ad Valorem Tax Ordinance	November 25
Thanksgiving (Holidays)	November 27-28
First Reading on Operating and Capital Budgets	December 9
Second and Final Reading and Adoption of Operating and Capital Budgets	December 16





2015-2020 Capital Facilities Plan

CALENDAR OF EVENTS

Review Status of Existing Projects in CFP	April
Proposed CFP Projects due from Departments	May 2
Present Preliminary CFP to City Council	July 15
Planning Commission Public Hearing on Preliminary CFP (City and School District)	August 4 (Monday)
City Council Public Hearing and Discussion on Preliminary CFP	October 14
First Reading on Capital Budget	December 9
Second and Final Reading and Adoption of Operating and Capital Budgets	December 16



City of Olympia

City Hall
601 4th Avenue E.
Olympia, WA 98501
360-753-8447

Finance Committee

Annual Transfer of Stormwater Funds for Sidewalk Improvements

Agenda Date: 5/14/2014

Agenda Number: 4.D

File Number: 14-0464

File Type: information

Version: 2

Status: In Committee

..Title

Annual Transfer of Stormwater Funds for Sidewalk Improvements

..Recommended Action

Committee Recommendation:

N/A

City Manager Recommendation:

Briefing only

..Report

Issue:

Provide a briefing to the Finance Committee on the cost sharing policy between Stormwater and Transportation on City transportation projects.

Staff Contact:

Rich Hoey, P.E., Public Works Director, (360)753-8495

Presenter(s):

Rich Hoey, P.E., Public Works Director, (360)753-8495

Background and Analysis:

In 2008 and 2009, the Finance Committee and City Council considered how much the Storm and Surface Water Utility should contribute to City transportation projects to address stormwater issues. On May 5, 2009, City Council adopted a cost sharing policy that was recommended by the Finance Committee, Utility Advisory Committee (UAC) and staff (Attachment 1). One aspect of the policy is the annual transfer of funds from the Utility to the Transportation Capital Fund to offset the additional expense of mitigating stormwater on Parks and Pathways sidewalk projects.

Neighborhood/Community Interests (if known):

During a recent Finance Committee meeting with Advisory Committees on the City's Capital Facilities Plan, the UAC Chair expressed concern regarding the annual transfer of stormwater funds for Parks and Pathways sidewalk projects. As an alternative to an annual allocation, the UAC Chair suggested that funding be transferred, as needed, to address identified stormwater needs related to new sidewalk projects. The actual amount would vary year to year.

Options:

Agenda Date: 5/14/2014

Agenda Number: 4.D

File Number: 14-0464

Briefing only. Staff will present an overview of the current cost sharing policy for Finance Committee discussion.

Financial Impact:

Approximately \$180,000 is transferred annually from the Storm and Surface Water Utility to the Transportation program for Parks and Pathways sidewalk projects .

Attachment(s):

2009 Cost Sharing Policy

CITY COUNCIL MEETING
Olympia, Washington
May 5, 2009

Cost Sharing Policy for Stormwater/Transportation on City Road Projects

**CITY MANAGER'S
RECOMMENDATION:**

Move to approve the proposed cost sharing policy for the Storm and Surface Water Utility and Public Works Transportation on City Transportation projects as recommended by the Finance Committee.

**FINANCE COMMITTEE
RECOMMENDATION:**

The Finance committee felt that the proposed division of costs for stormwater management associated with non-motorized transportation projects was prudent, manageable, and adaptive. We will evaluate, in the next two CFP's, how effectively it is integrated into the financing of future projects. Costs are assigned well, and this should be an effective strategy to mitigate stormwater costs.

For managing porous pavement, staff has done an excellent job of analyzing costs, options, and responsibilities. We will need to monitor this as porous pavement use expands, but the proposed policy is sound.

STAFF CONTACT:

Rich Hoey, Director of Water Resources, (360) 753-8495,
rhoey@ci.olympia.wa.us

ORIGINATED BY:

Public Works Department

**PRESENTERS AND
OTHERS NOTIFIED:**

D. Michael Mucha, Director of Public Works
David Riker, Director of Transportation, Public Works Department
Andy Haub, Engineering and Planning Manager

ATTACHMENTS:

1. Utility Advisory Committee (UAC) Memorandum
2. Cost Sharing Policy Analysis

**BUDGET IMPACT/
SOURCE OF FUNDS:**

The budget impact of the proposed cost sharing policy will vary depending on the scope of capital projects. Cost implications to the Storm and Surface Water (SSW) Utility and Transportation will be outlined as part of the annual Capital Facilities Plan.

**PRIOR COUNCIL/
COMMITTEE REVIEW:**

The Finance Committee reviewed the proposed cost sharing policy on April 14, 2009. See committee recommendation above.

On April 2, 2009, the Utility Advisory Committee (UAC) also reviewed the proposed cost sharing policy. The UAC was generally supportive of the recommendations while expressing concerns about potential impacts on utility rate payers. The UAC recommendation can be found in the attached memorandum (Attachment 1).

BACKGROUND:

As a result of higher-than-expected stormwater mitigation costs on sidewalk construction projects, the City Council, as part of the 2009 budget process, elected to make a one-time increase in the funding from the SSW Utility to the Transportation Line of Business for stormwater mitigation costs on transportation projects. Council also directed staff to analyze the roles and responsibilities of the SSW Utility and Transportation and make recommendations on the appropriate future allocation of costs for stormwater mitigation on capital projects. Staff's recommendations are found below.

ANALYSIS AND OPTIONS:

Following analysis of various options and financial implications, staff recommends the following allocations of costs associated with: 1) Transportation Projects Triggering Stormwater Mitigation and 2) Porous Pavements. Additional information on the analysis of options can be found in the attached table (Attachment 2). These cost allocation policies are planned to be incorporated in the upcoming update to the Stormwater Master Plan.

Transportation Projects Triggering Stormwater Mitigation

- Transportation continues to pay for stormwater mitigation costs on transportation projects that add new impervious surfaces.
- On sidewalk projects that add curb and gutter and concentrate runoff from existing roadways, thereby resulting in high stormwater mitigation costs (defined as 25 percent or more of the total project costs), the SSW Utility and Transportation staff will seek alternative designs and present options to City Council. These options will include use of SSW Utility funding for all stormwater mitigation costs exceeding the 25 percent threshold, and include an analysis of implications to the utility.
- Other less common transportation projects (e.g., adding a turn lane) that trigger stormwater upgrades will continue to be paid for by Transportation. Staff is separately recommending changes to the retrofit elements of the Stormwater Drainage Manual.

Looking back on prior sidewalk projects, the 25 percent threshold highlighted above would have been triggered on the Division Street sidewalk project (stormwater costs at 53 percent). All other projects appear to have been well below the threshold.

As for upcoming sidewalk projects, staff has identified the need for further scoping of the projects to better quantify the extent of required stormwater mitigation. Based on current information, early estimates suggest the stormwater costs for the two projects scheduled in 2009 (Boulevard Road) and 2012 (Henderson Boulevard) will be below the proposed 25 percent threshold. Conversely, current estimates for West Bay Drive in 2013 and 22nd Avenue/Eastside Street in 2015 reflect stormwater costs in excess of 25 percent. Staff will refine the scope of these projects over the next year and will be better able to assess potential financial impact and options in time for the 2011-2016 Capital Facilities Plan.

Porous Pavements

- With the exception of demonstration projects, Transportation will pay for newly installed porous pavements in roadways and sidewalks.
- The SSW Utility will pay for maintenance of the pavement for stormwater function (i.e., clean the surface to keep it porous).
- Transportation will pay for maintenance of the pavement for mobility function (e.g., filling potholes)
- As a joint facility, long-term rehab and replacement will be paid for through a cost-share between Transportation and the SSW utility. This cost share will be based on life cycle costs for “traditional” stormwater and transportation facilities.
- The SSW Utility and Transportation will jointly fund a porous pavement insurance fund designed to deal with expected failures of this new technology (\$25,000 from each program annually). This could be created through a percent contingency charge on all transportation and SSW Utility capital projects, or as a lump sum set-aside.

Option 1:

Approve the proposed cost sharing policy for the Storm and Surface Water Utility and Public Works Transportation on City Transportation projects.

Implications:

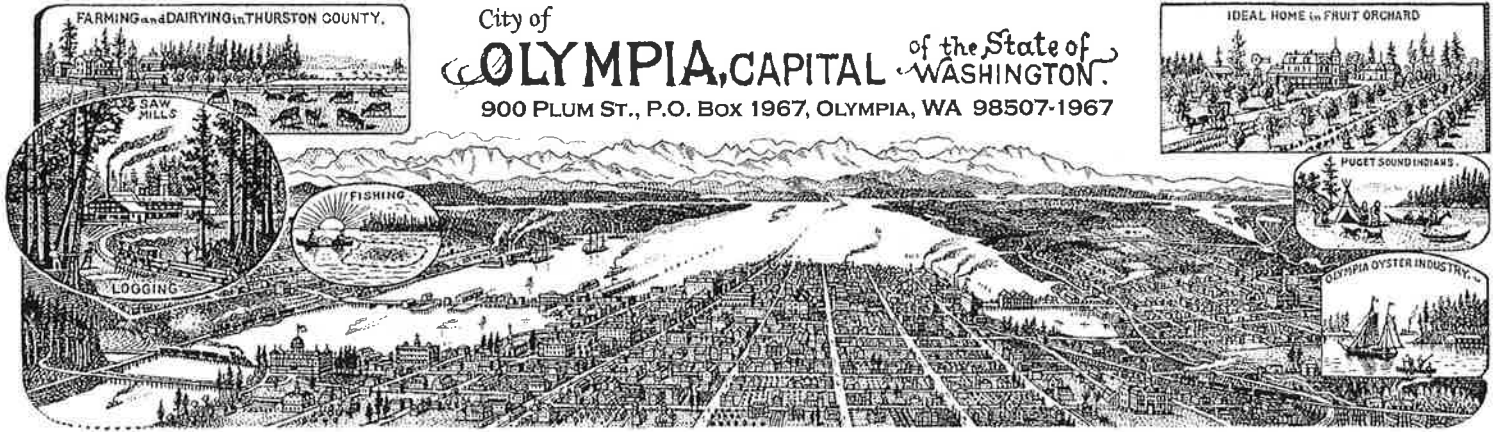
1. Provides greater clarity on roles and financial responsibilities between the SSW Utility and Public Works Transportation.
2. City Council will be presented with scope and financial options on sidewalk projects that have high stormwater mitigation costs.
3. Financial contribution from the SSW Utility to City Transportation projects may increase.
4. Proactively sets aside funding for failure of porous pavements.

Option 2:

Return to City Council with additional analysis.

Implications:

1. Staff provides analysis that better address Councils needs and concerns.



This letterhead is a replica of 1899 City of Olympia letterhead, which we are using in commemoration of the City's 150th Anniversary.

April 9, 2009

Councilmember Joe Hyer, Chair
Finance Committee
City of Olympia
PO Box 1967
Olympia, WA 98507-1967

Dear Finance Committee Members:

SUBJECT: Storm and Surface Water/Transportation Funding Recommendations

At the April 2, 2009, Utility Advisory Committee (UAC) meeting, the UAC reviewed the recommendations proposed jointly by City Storm and Surface Water (SSW) Utility and Transportation staff. As you are aware, the issue of use of SSW Utility funds for Transportation projects has come up several times over the past few years, most recently, in connection with the 2009 budget and transfer of SSW Utility funds for Transportation projects.

The UAC has previously expressed and still has concerns about any expenditure of SSW Utility funds for projects that are not SSW Utility-originated, especially given the relatively small size of the SSW Utility budget and the increasing pressures placed on the Utility by growth and additional regulatory requirements.

With regard to the recommendations put forward by staff, the UAC would like to thank and commend City staff from SSW and Transportation for their hard work and effort in putting together this proposal. We believe the recommendations as proposed are a reasonable and pragmatic approach to the issue and are consistent with previous discussions at UAC meetings.



COUNCILMEMBER CRAIG OTTAVELLI
COUNCILMEMBER RHENDA IRIS STRUB
COUNCILMEMBER KAREN MESSMER

COUNCILMEMBER JOAN MACHLIS
COUNCILMEMBER JOE HYER

MAYOR DOUG MAH
MAYOR PRO TEM JEFF KINGSBURY
CITY MANAGER STEVE HALL

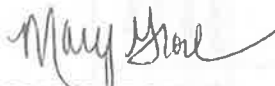


Councilmember Joe Hyer, Chair
Finance Committee
April 9, 2009
Page 2

We are particularly supportive of the involvement of SSW Utility staff in working with Transportation staff to help identify alternative designs for stormwater management related to Transportation projects. This involvement will hopefully result in both reduced costs and innovative approaches, garnering the very best bang for the buck for citizens and taxpayers, and achieving the goals of both the Transportation project and the SSW Utility. In order to realize the full benefit of this approach, the UAC believes it is necessary for the City to allow additional flexibility with regard to requirements to meet existing roadway standards, especially where retrofit for sidewalk construction and limited space are involved.

If you have any questions, I can be reached at 360.754.1361 (cell) or you can contact Emily Lardner, Vice-chair, at 360.705.3678 (home). Neither Emily nor myself are able to attend the April 14, 2009, Finance Committee Meeting due to previous commitments, but this letter should serve to represent the full endorsement of the UAC for these proposals.

Sincerely,



MARY GROEBNER
Chair
Utility Advisory Committee



EMILY LARDNER
Vice Chair
Utility Advisory Committee

MG/adst

\\Calvin\pw_directors_office\UAC\Correspondence\SSWTransFunds 04-2009.docx

cc: UAC Members
D. Michael Mucha, P.E., Director of Public Works
Jay Burney, Assistant Director of Public Works

****3/25/09****

TRANSPORTATION AND STORMWATER RESPONSIBILITIES – STORMWATER MITIGATION ON CAPITAL PROJECTS

Issue: Appropriate allocation of Transportation-related stormwater mitigation costs between Transportation and the Storm and Surface Water Utility.

Problem: Stormwater mitigation costs have increased in recent years as a result of more rigorous requirements under the 2005 City and State Drainage Manuals. In particular, on a select number of sidewalk projects that included installation of curb and gutter, stormwater-related costs have been a large component of overall project costs.

Water Resources Mission: To provide and protect nature's water for a healthy community. **Storm and Surface Water Utility Purpose:** To provide environmental management services to the public so that floods are minimized, water quality is improved, and aquatic habitats are protected and enhanced.

Transportation Mission: Shaping our community through better transportation choices.

PROJECT SCENARIO	DRAINAGE MANUAL REQUIREMENT	WHO PAYS CURRENTLY	PROPOSED CHANGE	RATIONALE	ANALYSIS			OTHER OPTIONS
					NATURAL	FINANCIAL	SOCIAL	
NEW IMPERVIOUS SURFACE								
Road expansion project generates new stormwater	Triggers stormwater detention and treatment	Transportation <i>(with \$150K provided annually by SWW Utility)</i>	None	New stormwater must be mitigated. Paid for by the project generating the stormwater.	Responsibly mitigates potential downstream environmental impacts.	Costs can be significant. Stormwater mitigation, however, is a typical cost for road expansion projects.	Adds potential downstream private property flooding.	Utility Funding
Sidewalk project generates new stormwater	Triggers stormwater detention and treatment	Transportation	None	New stormwater must be mitigated. Paid for by the project generating the	Responsibly mitigates potential downstream environmental impacts.	Limited impervious surfaces associated with sidewalks generally do not trigger large costs.	Adds potential downstream flooding. Concern over the	Utility Funding

PROJECT SCENARIO	DRAINAGE MANUAL REQUIREMENT	WHO PAYS CURRENTLY	PROPOSED CHANGE	RATIONALE	ANALYSIS			OTHER OPTIONS
					NATURAL	FINANCIAL	SOCIAL	
				stormwater.		Use of porous pavements can eliminate need for stormwater ponds.	costs of sidewalk projects and pace of projects.	
EXISTING IMPERVIOUS SURFACE								
Sidewalk projects that include installation of new curb and gutter concentrates previously dispersed and infiltrated stormwater	Triggers stormwater detention and treatment	Transportation	When stormwater costs exceed 25% of total project costs, staff will prepare design and funding options for City Council that include: 1) Potential innovative design options that lower costs; and 2) Use of SSW funding for stormwater costs exceeding 25%.	<ul style="list-style-type: none"> Triggers a process to explore design options that lower costs and still meet City goals for mobility and environmental protection. Cost share helps address high stormwater costs relative to the total costs of the project. 	New potential downstream impact needs to be mitigated.	Addition of curb and gutter has potential to significantly increase new sidewalk project costs. High stormwater costs are an issue with a handful of projects, not a majority.	Sidewalks are constructed at a slower pace than originally estimated.	Transportation Funding Utility Funding
Transportation project triggers stormwater upgrades to existing system (e.g., adding a bike lane or turn lane – something less than full reconstruction). <i>NOTE: These retrofits are rarely triggered.</i>	Above certain thresholds, requires stormwater retrofit (to current standards) for entire project area.	Transportation	Transportation continues to pay for retrofit costs with following changes: <ul style="list-style-type: none"> Incorporate annual inflationary increase on financial threshold. Set a cap on stormwater costs as a percentage of total project costs. To be addressed as part of the Drainage Manual Revision.	Changes consistent with no-backsliding provision of the NPDES Phase II permit.	Addresses new impacts and provides improvement on existing condition.	Sets upper boundary for stormwater retrofit costs. Threshold level will keep pace with inflationary – maintaining consistency on the types of projects that trigger retrofit.	Incremental improvement on existing stormwater management over time. Retrofit costs can limit number of transportation projects implemented.	Utility Funding

TRANSPORTATION AND STORMWATER RESPONSIBILITIES -- POROUS PAVEMENTS

Issue: Responsibility and allocation of cost for porous pavements between Transportation and the Storm and Surface Water Utility.

Problem: Porous pavements serve multiple functions (mobility and stormwater management) and are therefore managed by both Transportation and the SSW Utility. Appropriate allocation of responsibilities and costs is therefore challenging.

Water Resources Mission: To provide and protect nature's water for a healthy community. **Storm and Surface Water Utility Purpose:** To provide environmental management services to the public so that floods are minimized, water quality is improved, and aquatic habitats are protected and enhanced.

Transportation Mission: Shaping our community through better transportation choices.

PROJECT SCENARIO	WHO PAYS CURRENTLY	PROPOSED CHANGE	RATIONALE	ANALYSIS			OTHER OPTIONS
				NATURAL	FINANCIAL	SOCIAL	
Installation of new porous pavements	Transportation <i>(occasionally SSW Utility)</i>	None	Project proponents are responsible for mitigation of newly created stormwater runoff.	Use of porous pavements – if risks are managed – can be an improved environmental condition over pipes and ponds.	Porous pavements can save on initial project costs when compared with traditional stormwater management (i.e., pipes and ponds)	If working correctly, porous pavements manage flows within the ROW and avoid downstream impacts.	<ul style="list-style-type: none"> Do not install porous pavements. Difference in cost from traditional pavements paid by SSW Utility.
Rehab/Replacement of porous pavements	Unknown	Cost share using typical life cycle cost comparison for “traditional facilities”	The facility serves multiple functions. Both transportation and SSW Utility would typical incur rehab/replacement costs on traditional facilities.	Rehab/Replacement needed to support stormwater function.	Rehab and replacement of porous pavements is more expensive than traditional pavements. Least costs streets approaches (i.e., thin overlays) are	Rehab/Replacement needed to support mobility function.	Transportation funds 100% Utility funds 100%

PROJECT SCENARIO	WHO PAYS CURRENTLY	PROPOSED CHANGE	RATIONALE	ANALYSIS			OTHER OPTIONS
				NATURAL	FINANCIAL	SOCIAL	
Maintenance of porous pavements for stormwater function (i.e., cleaning)	Storm and Surface Water Utility <i>(Transportation currently does street sweeping)</i>	None	Stormwater utility rates (including those paid by Transportation) are intended to support O&M of the stormwater system.	Porous pavements must be regularly cleaned to ensure continued stormwater function.	not applicable. O&M costs are higher than traditional approaches.	Without backup systems, failure of porous pavements can create downstream flooding and environmental impacts.	<ul style="list-style-type: none"> • Paid by Transportation. • Do not maintain.
Maintenance of porous pavements for mobility function (e.g., pothole repair)	Transportation	None	Maintenance for mobility function is a typical responsibility of Transportation.	Structural integrity can affect stormwater function.	O&M costs are higher than traditional approaches.	Failure to maintain the roadway can affect mobility and lead to citizen complaints.	<ul style="list-style-type: none"> • Paid by SSW Utility. • Do not maintain.
Funding of a porous pavement failure	Unknown	Create an insurance fund to be equally funded by Transportation and the SSW Utility (\$25,000 each annually). May be created through a % contingency charge on all transportation and SSW Utility capital projects.	Porous pavements have significant risks and benefits. As a "joint facility", it is appropriate for an insurance fund to be funded jointly.	Porous pavements, if they fail, can create unmitigated downstream environmental impacts.	Creation of an insurance fund can reduce future budget and rate "shock" when porous pavements fail. Porous pavements have a higher risk of failure.	Porous pavements can have a greater risk of structural failure that affects mobility.	<ul style="list-style-type: none"> • No insurance fund. Deal with failures as they arise. • Funded 100% by either SSW Utility or Transportation.

City of Olympia

City Hall
601 4th Avenue E.
Olympia, WA 98501
360-753-8447

Finance Committee

Discussion of Regionalization/Partnerships in the Delivery of Services

Agenda Date: 5/14/2014

Agenda Number: 4.E

File Number: 14-0476

File Type: discussion

Version: 1

Status: In Committee

..Title

Discussion of Regionalization/Partnerships in the Delivery of Services

..Recommended Action

Committee Recommendation:

None

City Manager Recommendation:

Receive a briefing concerning current regional partnerships and shared services.

..Report

Issue:

The City's General Funding Operating Budget is not sustainable. In order to avoid additional cuts in programs and services, the City must consider all options to economize its work including regionalization and shared services.

Presenter(s):

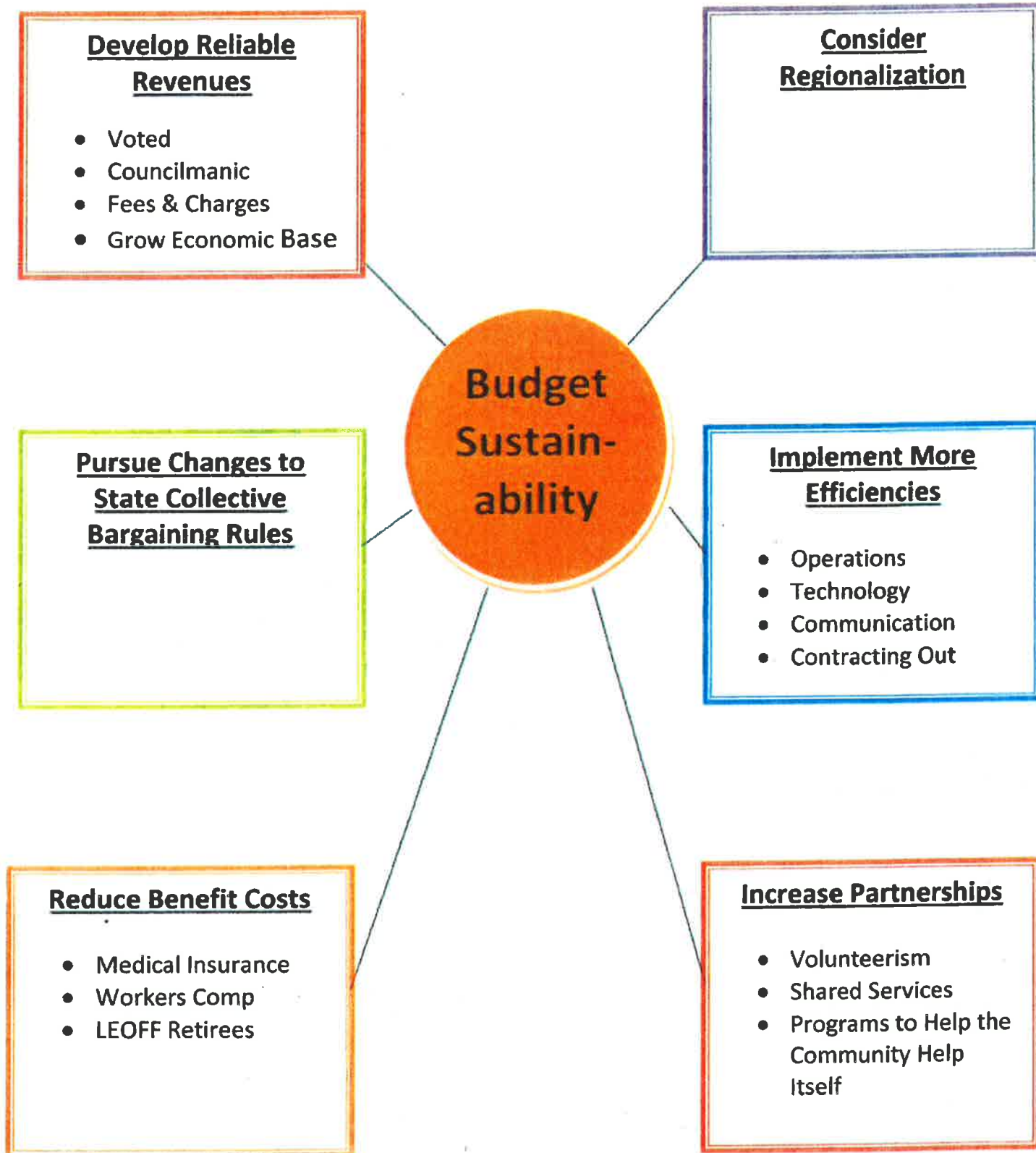
Steve Hall, City Manager 360.753.8370

Background and Analysis:

Since 2009, the City has had to reduce public services and programs to ensure a balanced budget. The main problem is the structure of local government funding. Some sources of City revenue are fixed (property tax - 1% increase), volatile (sales tax), or declining (private utility tax).

However, on the expense side, costs continue to rise at a rate of 3-5% or more. Health care, retirement costs, fuel, etc. are not fixed.

To become sustainable, the City is focusing on six main areas of change. One of those is the consideration of additional shared services, or regionalization. Some areas for regionalization may save money, others may not. Tonight's discussion is about the list of current shared or regional services (Attachment 2), and the possibilities for more.



SHARED SERVICES

Where Olympia Shares Responsibility, Coordinates, or
Contracts with Other Government Agencies to
Provide More Cost Effective/Regional Service Delivery

Shared Service	Department	Agency(ies) with Olympia
Fiber Optics Agreement	Administration	County, Tumwater, DES, DSHS, DOT, IT
Public Facilities District	Administration	Lacey, Tumwater
Human Services Review Council	Administration	Lacey, Tumwater, County
Special Events Coordination	Administration	State, Nonprofits
Joint Negotiations/Administration of CATV Franchises	Administration	Lacey, Tumwater
Hands On Children's Museum/East Bay Plaza	Administration	Port
Amtrak	Administration	Lacey, Tumwater, County, Intercity Transit
Trial Services	Court	County
Homeless Census	CP&D	Lacey, Tumwater, County
Permitting Inspection	CP&D	Lacey, Tumwater, County
Olympic Region Clean Air Agency – Building Permits	CP&D	Regionally
Fire Training Center	Fire	Lacey, Tumwater
Mechanical Repairs	Fire	Lacey 3, Tumwater, Medic One, North Olympia
Fleet Svcs - F.D. #3 Apparatus/Staff Cars	Fire	Lacey
Fleet Svcs - Medic Vans and Staff Cars	Fire	County
Fleet Svcs - F.D. #7 Apparatus	Fire	County
Fleet Svcs - F.D. Apparatus	Fire	Tumwater
Joint Employment Testing with Bates College	Fire	Numerous Fire Departments
Regional Command Training Center (CTC)	Fire	Lacey, Tumwater
Mutual Aid	Fire	Lacey, Tumwater
Hospital Preparedness	Fire	Lacey, Tumwater, Medic One, St. Peter Hosp.
Joint Training Venture (Pending)	Fire	Lacey
Regional Fire Training Center Business Model (2014)	Fire	Numerous partnerships
Fire Investigative Team	Fire	Lacey
OAR Facility	Parks	Olympic Area Rowers
Summer Nutrition Program	Parks	Olympia School District
Youth Fisheries Academy	Parks	US Fish and Wildlife
Camp Cascadia	Parks	Lacey, Tumwater
Teen Adventure Challenge	Parks	Lacey, Tumwater
Recreation Classes	Parks	Lacey
Volleyball Tournaments	Parks	Lacey
Youth Sport Competition (i.e., Hershey's)	Parks	Lacey, Tumwater (others in State)
Critical Incident / Officer Involved Fatality Team	Police	Lacey, Tumwater, County
Narcotics Task Force	Police	Lacey, Tumwater, County, State
Emergency Cold Weather Shelter	Police	Lacey, Tumwater, County
Forensic Services	Police	Lacey, Tumwater, Secret Service, ICAC (Internet Crimes Against Children)
School Resource Officer	Police	Olympia School District
Firing Range	Police	Lacey, Tumwater, Yelm, County SWAT, DuPont, Steilacoom, Liquor Control Board, Gambling Commission, TESC, Wash State Parks

Shared Service	Department	Agency(ies) with Olympia
Harbor Patrol	Police	TCSO, Coast Guard, Port of Olympia
SWAT Team	Police	Lacey, Tumwater, County
Child Abduction Team	Police	Lacey, Tumwater, County, State Patrol, FBI, Dept. of Corrections, TCOMM, Nat'l Center for Missing & Exploited Children, Prosecutors Office various victim advocacy and chaplain groups
Thurston County Narcotics Task Force	Police	Lacey, Tumwater, County, State Patrol
Records Management System	Police	Lacey, Tumwater, Yelm, Tenino
Pursuit Intervention Techniques (PIT) Training	Police	Lacey Uses our PIT Cars
Water Resources Mitigation (Smith Farm, Water Rights Replacement)	Public Works	Lacey, Yelm, Nisqually Tribe
Snow Removal	Public Works	State DES
Long-Line Road Striping	Public Works	County
Anti-Icing Solution Mix	Public Works	County
Shared Construction	Public Works	Tumwater
Bid on State Garbage Services	Public Works	State
Solid Waste Management Plan	Public Works	County
Guard Rail Maintenance	Public Works	County
Noxious Weed Control – Tansy	Public Works	County
Commute Trip Reduction	Public Works	TRPC
Transportation Advanced Planning	Public Works	TRPC
Traffic Signal Maintenance	Public Works	County, Tumwater, WSDOT
Grants	Public Works	Varies
Solid Waste Promotion – Web, Talkin' Trash	Public Works	County
Wastemobile and HazoHouse	Public Works	County
Radio Installation/Maintenance	Public Works	County
Regional Capital Project Coordination	Public Works	Varies
Brewery Water Supply Development	Public Works	Lacey, Tumwater
McAllister Wellfield Development	Public Works	Nisqually Tribe
Groundwater Protection	Public Works	County
Wastewater Treatment/Reclaimed Water Generation	Public Works	Lacey, Tumwater, County
Water Conservation Program	Public Works	Lacey, Tumwater, County
Water Quality Monitoring	Public Works	County
Stream Team	Public Works	Lacey, Tumwater, County
Emergency Response – Mutual Aid Agreements	Public Works	Lacey, Tumwater, County, and Neighboring Cities

INTERGOVERNMENTAL COMMITTEES

Agency	Purpose/Mission	Agencies with Olympia
Alliance for Healthy South Sound	Restoring and Protecting Ecological and Socio-economic Health of South Puget Sound	Thurston, Mason, Kitsap, Pierce Counties; Squaxin, Puyallup, Nisqually Tribes; Business Districts, cities, citizens
Capitol Lake Adaptive Management Plan (CLAMP)	Short and long-term planning for Capitol Lake	Tumwater, Port, Squaxin Island Tribe, State agencies, County
Communications Board (TCOMM911)	Emergency Dispatch Services	Thurston County and Cities, Fire Protection Districts, Regional Fire Authorities
Economic Development Council	Create a Vital and Sustainable Economy	County, Area Cities
EMSS (Medic 1)	Provide efficient and effective pre-hospital emergency medical services	Thurston County and Cities
Health and Human Services Planning Committee	To make a recommendation on future structure for human services support	County, Lacey, Tumwater
Intercity Transit Authority Board	Provide and promote public transportation	Lacey, Tumwater, Yelm (and UGAs)
Joint Animal Services	Manages and Operates Regional Animal Shelter	Lacey, Tumwater, County
Law & Justice Council	Develop regional recommendations regarding criminal justice issues and systems	Lacey, Tumwater, County
LOTT Clean Water Alliance Board of Directors	Provide wastewater transmission, treatment and discharge services	Lacey, Tumwater, County
Mayors Forum	Information sharing	Thurston County, cities, Port
Olympic Region Clean Air Agency	Regulate and enforce air quality issues	Clallam, Grays Harbor, Jefferson, Mason, Pacific, and Thurston Counties

Parking and Business Improvement Area Board	Provide annual work program and budget to Council, communicates with ratepayers, and implement improvement projects in downtown Olympia	
Regional Transportation Policy Board (Subcommittee of TRPC)	Advisory Board to TRPC on policies and programs relating to regional transportation issues	TRPC Members, WSDOT, Local Businesses, Citizens, District 22 Legislators
Solid Waste Advisory Committee	Solid Waste planning and program implementation	Thurston County
Thurston County HOME Consortium	Receives and administers federal funds	Lacey, Tumwater, Yelm, Tenino, Bucoda, Rainier, County
Thurston Regional Planning Council (TRPC)	Provides contracted and grant-supported land use and transportation planning services to member agencies	Thurston County cities, School Districts, Tribes, Port, Intercity Transit, LOTT, Port, EDC, TCOMM911, Timberland Library, Evergreen State College
Visitors and Convention Bureau	Promotes Thurston County	Thurston County, area cities
Water Resource Inventory Area Committee (WRIA-11) Nisqually	Develop local solutions to watershed issues	Nisqually Tribe, Lacey, Yelm, Roy, and Etonville, Thurston County, Pierce County, Lewis County, numerous other agencies