



# City of Olympia

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8447

## Meeting Agenda Finance Committee

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Wednesday, April 9, 2014

5:00 PM

Room 207

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1. **ROLL CALL**

2. **CALL TO ORDER**

3. **APPROVAL OF MINUTES**

3.A [14-0321](#) Approval of March 12, 2014 Finance Committee Meeting Minutes

Attachments: [Minutes](#)

3.B [14-0291](#) Approval of March 13, 2014 Finance Committee Meeting Minutes

Attachments: [Minutes](#)

4. **COMMITTEE BUSINESS**

4.A [14-0316](#) Report from The Washington Center on Operations and Capital Campaign

4.B [14-0356](#) Meet with Economic Development Council to Discuss Business & Occupation Tax

4.C [14-0354](#) Police Annex Demolition Update

4.D [14-0347](#) Cable TV Utility Tax

5. **ADJOURNMENT**

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# City of Olympia

City Hall  
601 4th Avenue E  
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## Meeting Minutes - Draft Finance Committee

Information: 360.753.8447

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**Wednesday, March 12, 2014**

**5:00 PM**

**Room 207**

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### 1. ROLL CALL

**Present:** 2 - Chair Jim Cooper and Committee Member Cheryl Selby

**Excused:** 1 - Committee Member Nathaniel Jones

### 2. CALL TO ORDER

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

### 3. APPROVAL OF MINUTES

#### 3.A 14-0198 Approval of February 13, 2014 Finance Committee Meeting Minutes

**Committee Member Selby moved, seconded by Chair Cooper, to approve the minutes. The motion carried by the following vote:**

**Aye:** 2 - Chair Cooper and Committee Member Selby

**Excused:** 1 - Committee Member Jones

### 4. COMMITTEE BUSINESS

Committee Member Jones arrived at 5:10 p.m.

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

#### 4.A 14-0233 Asset Management in Park Maintenance

Parks, Arts & Recreation Associate Director David Hanna, Parks Program & Planning Supervisor Gary Franks, and Administrative Services Information Services Supervisor David Kuhn presented an overview of the asset management system (Vue Works) which is currently being implemented by the Parks Department. The initial phase includes an asset management pilot implementation at Yauger Park and implementation of the work order management portion of Vue Works.

**The report was received.**

#### 4.B 14-0237 Update on Building Repair and Replacement Fund (029)

Public Works Deputy Director Debbie Sullivan briefed the Committee on the condition

rating of major City-owned buildings and anticipated maintenance costs through 2021. She handed out a cash-flow projection of major maintenance needs for medium and high priority items through 2020. The projection indicates a funding deficit of \$10.2 million over existing funding practices. It was noted that low priority items would add an additional \$5 million.

Ms. Sullivan announced to the Committee that the City is in the process of receiving a grant of \$183,000 to add solar panels to City Hall.

Ms. Sullivan updated the Committee on the Police Annex removal project. Asbestos has been found in the old Court Services building. The project anticipated moving jail staff showers and lockers to the old Court Services building. Removal of the asbestos would add an estimated \$90,000 to the previous cost projection of \$200,000 for the project. As a result the project has been put on hold and staff is considering options for relocation of the jail staff showers and lockers.

**The report was received.**

**4.C 14-0229 Approval of 2013 Year End Financial Review and Adoption of Ordinance Appropriating Fund Balance for Various Purposes**

Administrative Services Finance Manager Dean Walz provided an update of the amount of fund available for assignment of fund balance. The information in the staff report was based on preliminary 2013 financial information. 2013 is now closed and we know the actual amount available after maintaining the 10 percent reserve plus an additional \$250,000. The proposed assignments of fund balance to the parking special account, information technology and PSE-LED light conversion as indicated in the staff report were not changed. The amount proposed for facilities major repair and maintenance is changed to \$1,336,300 from \$1,450,300.

Chair Cooper asked about deferred transfers from the General Fund. Mr. Walz provided a handout showing General Fund transfers and deferred transfers for the period 2003 - 2013 to the arts fund, LEOFF 1 long-term-care account, fire equipment reserve fund and facilities major repair & maintenance fund. Committee Member Selby indicated she would like to see the \$1 per capita reinstated into the regular budget.

Community Development & Planning Department Program & Planning Supervisor Karen Kenneson explained how the parking special account is used.

Committee Member Jones and Chair Cooper indicated they would like to see the additional funding of information technology funded in the regular budget in the future. Committee Member Jones also requested that an information technology plan be brought back to the Committee.

The Committee asked about the status of remaining funds for City Hall public art. Assistant City Manager Jay Burney indicated \$180,000 is remaining. The Committee referred to the Arts Advisory Committee for consideration and recommendation to

transferring \$100,000 of the remaining City Hall public art funds to the municipal arts fund.

**Committee Member Selby moved, seconded by Chair Cooper, to assign General Fund, fund balance and recommend to the City Council approval of an ordinance appropriating the following amounts:**

**\$88,880    Parking Special Account**  
**200,000    Information Technology**  
**325,000    PSE-LED Light Conversion**  
**1,336,300    Facilities Major Repair & Maintenance, with up to \$500,000 set aside for the isthmus project.**

**\$1,950,180    Total**

**The motion carried by the following vote:**

**Aye:**            3 - Chair Cooper, Committee Member Jones and Committee Member Selby

## **5.    ADJOURNMENT**

The meeting adjourned at 6:50 p.m.



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## Meeting Minutes - Draft Finance Committee

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Thursday, March 13, 2014

5:30 PM

Olympia Center - 222 Columbia St  
NW - Room 102

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### Special Finance Committee Meeting

#### 1. ROLL CALL

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

#### OTHERS PRESENT

Administrative Services Deputy Director Dean Walz  
Assistant City Manager Jay Burney  
Public Works Transportation Director Mark Russell  
Public Works Water Resources Engineering and Planning Supervisor Andy Haub  
Public Works Transportation Senior Program Specialist Michelle Swanson  
Community Planning and Development Director Keith Stahley  
Parks Arts and Recreation Associate Planner Jonathon Turlove  
Planning Commissioners Kim Andresen and Chair Jerome Parker  
Parks and Recreation Advisory Committee (PRAC) Chair Jim Nieland  
Bicycle and Pedestrian Advisory Committee (BPAC) Co-chairs Clark Gilman and Anne  
Fritzel  
Arts Commission member Erin McGown  
Utility Advisory Committee (UAC) Chair Thad Curtz

#### 2. CALL TO ORDER

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

#### 3. COMMITTEE BUSINESS

**14-0247** Oral Report - Status Reports and Updates (Meeting with Advisory  
Boards to Discuss Capital Facilities Planning)

Mr. Burney distributed a recommendation letter packet from advisory committee  
chairs for the Capital Facilities Plan (CFP).

Committee member Jones spoke about the excellent feedback provided by advisory  
committee chairs and how information in past letters has been used and integrated.

Committee member Selby suggested that Council, chairs, and staff were the three legs of a 3-legged stool.

Mr. Walz distributed and explained the CFP project funding schedule for 2014. He said the utility tax percentage will diminish due to falling revenue from the phone tax. He highlight some changes to the CFP and described the department submittal process, internal staff review, and how appropriation is determined. He discussed revenue sources, including grants.

Mr. Burney outlined known funds and allocation of those funds.

Chair Cooper asked chairs to provide an overview of their letters and give an update of their concerns.

Chair Curtz addressed how Utilities does budgeting and the possibility of changing from a six-year window, which he believes is too short sighted, to a twenty-year window. There has been a shift in funding for aquatic habitat, and policy documents underscore it is equally as important as water quality and stormwater flow. He discussed the set threshold for transportation and impervious surface issues. A sub-committee will be formed to address urban forestry and produce a final draft suggesting what the City can do to restore the urban forestry program. He recommended that Olympia follow the example of many cities in Washington that consider the needs of the forest as part of the capital planning process.

Chair Parker spoke about the central theme in the Planning Commission recommendations and the need to align the CFP more closely with the Comprehensive Plan (CP). He described how programs have their own inertia even though the emerging focus is on more density and less sprawl and supports linking proposals to funding. He discussed the unsatisfactory resolution on the Olympia School District and the need for a better methodology. The issue of using school portables was discussed and how the money does not come from the CFP. Impact fees are received after the budget has been determined and this sequence raises questions about transparency, which was better in the past. School District impact fees are on the agenda for Council. There were questions about a twenty-year cycle versus the current six-year cycle for CFP. The CP is a twenty-year horizon which contains the CFP.

Co-Chair Fritzel spoke about the limited progress and frustration on bike facilities. She is excited about the bicycle corridors which will create significant changes to stormwater. Currently BPAC is looking for small but significant changes that can be done with limited funding.

Co-Chair Gilman expressed appreciation for current funding and the problem with building bike infrastructure only on new streets which may not be where it is needed.

Chair Kurtz spoke about transportation funding continuing to go towards infrastructure for automobiles and discussed the proposal for Legion Way to become an east/west bike corridor.

BPAC will develop a connectivity plan and has had some initial help from staff. Ms. Swanson discussed the requirements for bike boulevards.

Chair Nieland discussed the overlap areas between Parks and other groups. He is waiting to hear back on an urban forestry project. The Olympia Center is a critical component of the Parks Department. The parks maintenance problems were addressed and a review of facilities that require heavy maintenance due to deterioration was outlined. When deferred maintenance is not funded, serious problems arise. Special interests advocating for new parks seem to trump required and deferred maintenance funding. One example of small investments for a minor project is McGrath Woods. LBA park proposal is very expensive but could address the need for more playing fields because there is not much land available to serve this need and heavy demands are already placed on existing parks. Because maintenance funding has been reduced, this creates even greater deferred maintenance problems. He explained why the Sunrise dog park was closed and how the experience led to developing criteria for a dog park. Recent repairs to the Garfield Trail were performed by volunteers but current restrictions on volunteers are prohibiting wider participation by interested individuals and groups. He suggests that street trees be considered part of City infrastructure.

Mr. Burney explained that volunteer restrictions will be loosened and become more consistent with other municipalities.

Mr. Walz gave a history on the bonds for City purchase of isthmus land and the Percival Landing improvements.

Chair Parker spoke about the skepticism of the public when the CFP is not adhered to because of an incomplete representation of the funding reality. The possibility for school districts to provide playing fields to park service was discussed and the need for greater cooperation was acknowledged. The CFP is a snapshot in time but implementation must be tied to solving past and future problems.

Other Discussion:

The public needs to know the real budget and the problems a lack of funding for street, parks, and building maintenance causes. It was agreed that the City needs to do a better job of communicating facts, perhaps creating an annual report on the budget. Liability issues could be dealt with at the neighborhood level by informing the community on the basis of affects to neighborhoods.

Mr. Stahley expressed concern about the impending Percival Landing crisis due to deferred maintenance.

Mr. Turlove explained that existing revenue streams for parks are completely out of scale with the wishes and needs of the population.

Commissioner McGowan described the Music Outloud project.

Chair Cooper described the upcoming project which dedicates a sidewalk block to a musician and becomes a venue for public entertainment in the area during the summer. The results of the Art Space survey will be coming soon. The City entry signs have the old logo and would be another project which coincides with the "eight gateways" part of the CP.

The 1 percent for the Arts funding has not been allocated since 2009.

Mr. Walz pointed out the feature "Budget 365" on the City website.

**The discussion was completed.**

#### **4. ADJOURNMENT**

The meeting adjourned at 7:24 p.m.



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## Finance Committee

### Report from The Washington Center on Operations and Capital Campaign

**Agenda Date:** 4/9/2014

**Agenda Number:** 4.A

**File Number:** 14-0316

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**File Type:** report

**Version:** 1

**Status:** In Committee

**..Title**

Report from The Washington Center on Operations and Capital Campaign

**..Recommended Action**

**City Manager Recommendation:**

Receive information and provide comment to The Washington Center

**..Report**

**Issue:**

Status update and discussion of The Washington Center operations , and capital campaign.

**Staff Contact:**

Dean Walz, Fiscal Services Director, Administrative Services Department,  
360.753.8465

**Presenter(s):**

Jill Barnes, Executive Director, The Washington Center for the Performing Arts

**Background and Analysis:**

The City owns The Washington Center. It is operated by contract through a nonprofit organization directed by a volunteer Board of Directors. The economic recession has created budget challenges for the Center and lead the Board to embark on a revised business model for the Center. The Finance Committee requested that the Center periodically update the Committee on the revised business model.

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

The Washington Center for the Performing Arts provides a venue for dozens of local performing arts organizations. Ensuring success of the Center will allow these groups to continue and to thrive.

**Options:**

Provide feedback to the Center

**Financial Impact:**

N/A

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## Finance Committee

### Meet with Economic Development Council to Discuss Business & Occupation Tax

Agenda Date: 4/9/2014

Agenda Number: 4.B

File Number: 14-0356

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File Type: report

Version: 1

Status: In Committee

**..Title**

Meet with Economic Development Council to Discuss Business & Occupation Tax

**..Report**

**Presenter(s):**

Steve Hall, City Manager, 360.753.8447

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## Finance Committee

### Police Annex Demolition Update

**Agenda Date:** 4/9/2014

**Agenda Number:** 4.C

**File Number:** 14-0354

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**File Type:** recommendation

**Version:** 1

**Status:** In Committee

**..Title**

Police Annex Demolition Update

**..Recommended Action**

**City Manager Recommendation:**

Receive an update from staff on the proposed relocation of lockers and showers for jail staff and the demolition of the Police Annex building. Recommend to the full Council the appropriation of \$200,000 from the New City Hall project fund to fund the improvements.

**..Report**

**Issue:**

Update on the cost estimates and plan for the demolition of the Police Annex building.

**Staff Contact:**

Jay Burney, Assistant City Manager, 360.753.8740

Debbie Sullivan, Deputy Director, Public Works Department, 360.753.8494

**Presenter(s):**

Jay Burney, Assistant City Manager, 360.753.8740

**Background and Analysis:**

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 that 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 that they were looking at other options and would return to Finance Committee if an adequate alternative were found.

Staff has determined that 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, which would allow the Police Annex building to be demolished. The total project cost is \$200,000, which could be funded by funds set aside in the New City Hall project fund for needed improvements at the Justice Center anticipated as a result of the consolidation of buildings. Staff recommends this funding approach.

**Agenda Date: 4/9/2014**

**Agenda Number: 4.C**

**File Number: 14-0354**

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

N/A

**Options:**

1. Recommend to the full Council the appropriation of \$200,000 from the New City Hall project fund to fund the relocation of showers and lockers for jail staff and the demolition of the Police Annex building.
2. Do not recommend the appropriation and provide guidance to staff on next steps.

**Financial Impact:**

Funding for this project will be appropriated from the remaining fund balance of the New City Hall project fund. These costs were anticipated and set aside within the City Hall Project budget for this purpose.

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## Finance Committee

### Cable TV Utility Tax

Agenda Date: 4/9/2014

Agenda Number: 4.D

File Number: 14-0347

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**File Type:** discussion

**Version:** 1

**Status:** In Committee

**..Title**

Cable TV Utility Tax

**..Recommended Action**

**City Manager Recommendation:**

Discuss issue and give direction to staff.

**..Report**

**Issue:**

Discussion on revenue and impact of a utility tax on cable TV services .

**Staff Contact:**

Dean Walz, Fiscal Services Director, Administrative Services Department,  
360.753.8465

**Presenter(s):**

Dean Walz

**Background and Analysis:**

During the 2014 budget deliberations the Council discussed a possible revenue enhancement with a utility tax on cable TV service. At the March 12, 2014 Finance Committee meeting, the Committee requested this topic. There was interest at the meeting to consider using revenues from this tax for facility major repairs and maintenance.

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

None to be presented.

**Options:**

- 1) Consider options and direct staff regarding further research and analysis .
- 2) Forward recommendation to the City Council
- 3) Do not continue consideration of this tax at this time

**Financial Impact:**

Estimated annual revenue per 1% of tax of \$145,000. Estimated average impact per account \$0.73 per month for each 1% of tax.

**Agenda Date: 4/9/2014**  
**Agenda Number: 4.D**  
**File Number: 14-0347**

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