



# City Council

May 4, 2021

Approval Joint Recommendation of  
City Manager & Finance Committee  
2020 Year-End General Fund Funds &  
Use of American Rescue Plan Funding

# Agenda

- ▶ American Rescue Plan Review
  - Economic Recovery Proposal
- ▶ EOY General Fund Financial Status
- ▶ OPARD EOY Financial Position & Exigent Declaration
- ▶ Unfunded Items
- ▶ Motion Options

**American Rescue Plan**

**&**

**Olympia Economic Recovery Proposal**

# American Rescue Plan (ARP) Olympia's Allocation

- ▶ Olympia - \$10.06 Million
- ▶ Distributed over 2 years
  - \$5.03 million by May 2021
  - \$5.03 million by May 2022
- ▶ Spend by December 31, 2024

# ARP con't – Use of Funds

- ▶ ARP expenditures must be cost incurred **by City**
- ▶ 4 Focus Areas:
  1. Respond to **public health emergency** (COVID-19) or **negative economic impacts**
  2. Provide **premium pay to eligible workers** or grants to eligible employers who employ eligible workers
  3. Provide government services impacted by **revenue reductions in 2020**
    - a. Lost, delayed, decreased as result of COVID-19
  4. Make **investments in water, sewer**, or broadband infrastructure
- ▶ Regulations/guidance for funds – pending from by Treasury Dept

# ARP – Initial Proposal for \$10.06 Allocation

## City of Olympia – Proposal for ARP \$10.06 Million

<b>Public Health/Neg Economic Impact</b>	
Economic Recovery Plan	\$2.08 M
Utility Delinquencies	\$1.30 M
To be determined	\$5.18 M
<b>Revenue Reduction</b>	
2020 Revenue Loss	\$1.50 M
<b>Total</b>	<b>\$10.06 M</b>

# Economic Recovery Proposal

## *External Expenditures/Partnerships*

<b>External Expenditures/Partnerships</b>		
<b>Contracting Entity</b>	<b>Task</b>	<b>Amount</b>
Enterprise for Equity	BIPOC Micro- Business and Entrepreneur Support	\$ 40,000
Olympia Downtown Alliance	COVID Economic Recovery Downtown Partnership (Two year agreement, \$100k per year)	\$ 200,000
	* Creative District Development work and management	
	* Downtown Business Recruitment Strategy and Implementation	
	* Placemaking Initiatives	
	* CPTED Improvements	
	* Downtown "Open for business" marketing	
PBIA/Olympia	Project Match/Support	\$ 30,000
	<b><i>Subtotal - External Expenditures/Partnerships</i></b>	<b><i>\$ 270,000</i></b>

# Economic Recovery Proposal

## *Internal Externals*

<b>Internal Expenditures</b>		
<b>Department/Program</b>	<b>Task</b>	<b>Amount</b>
Public Works	Downtown Clean 2.0 Vegetation Management	\$30,000
Homeless Response	Commerce/Employment Centers Encampment Waste Management and Clean-Up	\$50,000
Economic Development	Alley Closure Project and CPTED/Lighting improvements	\$55,000
CPD	Staffing support for CPD to capture increased demand for construction development activity	\$150,000
Economic Development	City of Olympia Economic Resiliency Plan/Economy Chapter Comp Plan Update	\$100,000
ARCH	Tribal Partnership projects, Creative District, Placemaking	\$50,000
	<b><i>Subtotal - Internal Expenditures</i></b>	<b><i>\$435,000</i></b>

# Economic Recovery Proposal

## Total Olympia Investment

<b>Summary Olympia Recovery Efforts</b>	
Olympia Specific - External	\$270,000
Olympia Specific - Internal	\$435,000
Olympia Investment to Regional Work	\$1,375,000
<b><i>Grand Total - Olympia Recovery Efforts</i></b>	<b><i>\$2,080,000</i></b>

## THURSTON STRONG RECOVERY + RESET PROGRAM (UPDATED 04-20-2021)

- Regional Investment amounts:
- Thurston County: \$9,010,000
- Olympia: \$1,375,000
- Lacey: \$1,305,000
- Tumwater: \$350,000

Initiative	Total Allocation
Thurston Works Jobs Program	\$2,200,000
Thurston Worker Training	\$1,800,000
Thurston Business Relaunch (e.g. Shuttered Venue, Restaurant, Gaps)	\$2,200,000
Minority Enterprise Investment	\$3,520,000
Thurston Ag Market Reset	\$2,100,000
Tourism-Rec-Ent. Recovery	\$100,000
Business Resiliency Training	\$120,000
Education to Economic Resiliency Task Force Support	\$100,000
Economic Development District	\$100,000
Thurston Strong Support	\$120,000
<b>Total Regional Investment</b>	<b>\$12,140,000</b>

Additional Request for "Clean and Safe DT work"	
2-year Clean Team Expansion (includes Pressure washing crew)	\$200,000
Downtown Ambassador Expansion	Range \$90-\$446k
Ambassador Expansion Scenarios	
A. Two 40-hour teams of 2 (expand "evening ambassadors" from CDBG funding of 24 to 40 hours); create "Lead" Position	\$90,000
B. Three 40-hour teams of 2; create "Lead" Position	\$268,000
C. Three 40-hour teams of 2 + Two 40-hour "Evening clean team/ambassadors hybrids", "lead"	\$446,000



**Questions?**

**ARP**

**or**

**Economic Recovery Proposal**

# Economic Development Available Resources

- ▶ 2020 Economic Development Recovery “seed \$” - \$1.55 Million
  - \$1.55 M recovered from CARES
- ▶ *Capital* Economic Development Current Reserves ~ \$2.6 M
  - PLUS \$1.55 M of original “seed \$” recovered from CARES
- ▶ Options:
  1. Return \$1.55 M to Economic Development Capital Reserve = \$4.1M in Reserve;  
OR
  2. Leave \$1.55 M in fund balance and assess 2021 economic status



**2020 Year-End  
General Fund  
Financial Position**

# EOY – Financial Status

- ▶ General Fund fund balance - \$3,983,778
- ▶ Already Accounted for:
  - Carryover Requests (pending purchase orders; contractual obligations)
  - Reserve additions:
    - Repaid \$1.49M used balancing 2021 General Fund
    - Added \$124K to Emergency Reserve
    - Added \$395K to Budget Revenue Stabilization Reserve

# Proposed Allocation of EOY Funds – Slide #1

2020/2021 EOY GENERAL FUND FUND ALLOCATION RECOMMENDATION				2020/2021 Funds	\$3,983,778
Row ID	Department	Exp Description	Expenditure	OT/OG*	Allocation
1	CPD	Squaxin Interpretive Sign/Display	25,000	OT	25,000
2	CPD	Housing Market Study Update	50,000	OT	50,000
3		<b><i>Subtotal Community Planning &amp; Development</i></b>			<b>75,000</b>
4	FIN	Budgetary Software Licenses (Workiva)	11,250	OG	11,250
5	FIN	Business Accountant Add'l - CP&D	12,000	OG	12,000
6		<b><i>Subtotal Finance</i></b>			<b>23,250</b>
7	GEN CITY	2021 Expenditure Reductions (excludes vacancies)	952,688	OT	952,688
8	GEN CITY	ERP Financial Software Contribution	200,000	OG	200,000
9	GEN CITY	1% COLA - Independent Employees (Retro Jan - Jun 2021)	120,000	OT	120,000
10		<b><i>Subtotal General City</i></b>			<b>1,272,688</b>

# Proposed Allocation of EOY Funds – Slide #2

Row ID	Department	Exp Description	Expenditure	OT/OG*	Allocation
11	OCM - Strategic Initiatives	Police Auditor - Add'l Funding	70,000	OG	70,000
12	OCM - Strategic Initiatives	Public Safety Plan	100,000	OT	100,000
13	OCM - Strategic Initiatives	Demonstration Review	100,000	OT	100,000
14	OCM - Strategic Initiatives	Data Visualzation	50,000	OT	50,000
15	OCM - Housing/Homeless Response	Interfaith Works Commitment	250,000	OT	250,000
16	OCM - Housing/Homeless Response	Homeless Response Support	150,000	OT	150,000
17	OCM - Housing/Homeless Response	Homeless Scattered Site Support	300,000	OT	300,000
18		<b><i>Subtotal Office of City Manager</i></b>			<b><i>1,020,000</i></b>

# Proposed Allocation of EOY Funds – Slide #3

Row ID	Department	Exp Description	Expenditure	OT/OG*	Allocation
19	OFD	Regional Fire Authority Study	150,000	OT	150,000
20	OFD	Basic Life Support Transport Financial Study	50,000	OT	50,000
21		<b><i>Subtotal Olympia Fire Department</i></b>			<b><i>200,000</i></b>
22	OPD	OPD Guild 2020 Retro Pay	190,000	OT	190,000
23	OPD	Critical Response Unit Expansion Pilot	250,000	OT	250,000
24		<b><i>Subtotal Olympia Police Department</i></b>			<b><i>440,000</i></b>
25	OFD/OPD	Public Safety Asset Management	200,000	OG	200,000
26		<b><i>Subtotal Public Safety</i></b>			<b><i>200,000</i></b>

# Proposed Allocation of EOY Funds – Slide #4

Row ID	Department	Exp Description	Expenditure	OT/OG*	Allocation
27	PW	Building Repair & Maintenance	500,000	OG	500,000
28	PW	Snowplows - plows, not trucks	50,000	OT	50,000
29		<b><i>Subtotal Public Works</i></b>			<b>550,000</b>
30		<b><i>Department Grand Totals</i></b>			<b>3,780,938</b>
31		Remaining to Unallocated Fund Balance Reserve			<b>202,840</b>
32		<b>Grand Total</b>			<b>3,983,778</b>
	*OT = One time expenditure				
	OG - On-going expenditure				



**OPARD General Fund  
Financial Position**

**&**

**Exigent Circumstances Declaration**

# OPARD Exigent Circumstances Declaration

- ▶ City Agreement with OMPD Advisory Committee
  - 2 sections allow for use of exigent circumstances declaration
    - Commitment of 11% of General Fund Revenues
    - 2nd ½ of 1% of Non-Voted Utility Taxes
      - If 2nd ½ 1% does not occur, then allocation of \$500K out of EOY Funds, absent an exigent financial circumstance
- ▶ Resolution M-2116 – Declaration of Exigent Circumstances
  - Transfer of \$423K – 2nd ½ of 1% Non-Voted Utility Taxes
- ▶ Also, transfer of \$300K
  - Voted Utility Taxes for Parks Maintenance (allowed use)

# OPARD GEN FUND EOY FINANCIAL POSITION

<b>OPARD General Fund Resources</b>	<b>2020 Actuals</b>
General Fund Revenue(11%)	5,362,441
OPARD Program Revenue	1,037,134
OMPD Property Taxes	2,347,860
<b><i>Total OPARD Resources</i></b>	<b>8,747,435</b>
<b>OPARD General Fund Expenditures</b>	<b>2020 Actuals</b>
Expenditures	8,275,407
<b><i>Total OPARD Expenditures</i></b>	<b>8,275,407</b>
<b>Variance Resources vs Expenditures</b>	<b>472,028</b>
OPARD Expenditure Restoration*	(255,265)
<b>Remaining EOY OPARD Funds**</b>	<b>216,763</b>
*Part of the \$952K in recommended 2021 expenditure restoration	
*~\$323K less \$68.5 in associated revenue	



**Unfunded Items**  
**Consideration for 2022 Budget**

# Unfunded Items- \$676K

UNFUND ITEMS - \$676K		
1	Climate Plan Support .5 FTE	\$60K
2	OFD Asset Management	\$100K
3	OPD Asset Management	\$100K
4	Public Works Facility Support to OFD – one-time	\$55K
5	Public Works Facility Support to OFD – on-going	\$211,811
<b>6</b>	<b>Total</b>	<b>\$676,811</b>

# Motion Options

1. Move to approve joint recommendations of City Manager and Finance Committee for appropriating year-end funds and the proposal for use of American Rescue Plan (ARP) funding, and direct staff to include these appropriations in a future Quarterly Budget Amendment.
2. Move to approve joint recommendations of City Manager and Finance Committee for appropriating year-end funds and the proposal for use of American Rescue Plan (ARP) funding, as amended, and direct staff to include these appropriations in a future Quarterly Budget Amendment.
3. Do not approve joint recommendation of City Manager and Finance Committee for appropriating year-end funds and the proposal for use of America Rescue Plan (ARP) funding and request additional information at a future Finance Committee meeting.



# Questions?

Approval Joint Recommendation of  
City Manager & Finance Committee  
2020 Year-End General Fund Funds &  
Use of America Rescue Plan Funding