



# Meeting Agenda

## Finance Committee

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8244

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Monday, June 15, 2026

4:30 PM

Council Chambers, Online and Via  
Phone

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### Register to Attend:

[https://us02web.zoom.us/webinar/register/WN\\_TE716c\\_zRXaBXultIB3l-w](https://us02web.zoom.us/webinar/register/WN_TE716c_zRXaBXultIB3l-w)

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **APPROVAL OF AGENDA**

4. **PUBLIC COMMENT**

*(Estimated Time: 0-15 Minutes)*

*During this portion of the meeting, community members may address the Committee for up to two (2) minutes regarding the Committee's business meeting topics.*

5. **APPROVAL OF MINUTES**

5.A [26-0464](#) Approval of May 18, 2026 Finance Committee Meeting Minutes

Attachments: [Minutes](#)

6. **COMMITTEE BUSINESS**

6.A [26-0455](#) Briefing on the Capital Facilities Project Process

6.B [26-0454](#) Briefing on Property Tax Levy History, Current Structure, and Limitations

6.C [26-0460](#) Update on the 2026 Finance Committee Work Plan

7. **REPORTS AND UPDATES**

8. **ADJOURNMENT**

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City Hall  
601 4th Avenue E.  
Olympia, WA 98501  
360-753-8244

## Finance Committee

### Approval of May 18, 2026 Finance Committee Meeting Minutes

**Agenda Date:** 6/15/2026  
**Agenda Item Number:** 5.A  
**File Number:**26-0464

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**Type:** minutes **Version:** 1 **Status:** In Committee

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**Title**

Approval of May 18, 2026 Finance Committee Meeting Minutes



# Meeting Minutes - Draft

## Finance Committee

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8244

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**Monday, May 18, 2026**                      **4:30 PM**      **Council Chambers, Online and Via  
Phone**

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**Register to Attend:**

[https://us02web.zoom.us/webinar/register/WN\\_pVq3XN3sRAeCDKE07CYDpw](https://us02web.zoom.us/webinar/register/WN_pVq3XN3sRAeCDKE07CYDpw)

**1. CALL TO ORDER**

The meeting was called to order at 4:31 pm.

**2. ROLL CALL**

**Present:** 3 - Chair Clark Gilman, Committee member Kelly Green and Committee member Robert Vanderpool

**3. APPROVAL OF AGENDA**

The agenda was approved.

**4. PUBLIC COMMENT**

No one spoke.

**5. APPROVAL OF MINUTES**

**5.A** [26-0328](#) Approval of April 20, 2026 Finance Committee Meeting Minutes

The minutes were approved.

**6. COMMITTEE BUSINESS**

**6.A** [26-0355](#) Budget Spotlight: Expenditure Approval Process

Finance Director Michael Githens provided an overview of the City's expenditure approval process, including the internal controls and review pathways that financial documents follow from initiation through final Council approval.

Committee members asked questions about discrepancy red flags.

**The discussion was completed.**

**6.B**      [26-0356](#)            2027 Budget Process and Preparation Update

City Manager Jay Burney presented an overview of the 2027 budget process. He outlined changes to the yearly budget process including not using a standalone Budget Review Team and instead the entire Executive Team will consider enhancements and be engaged in the 2027 budget decision making. He noted that this change will create better visibility to the process for the Executive Team and will allow recommended changes based on the City's Focus Areas. Committee members asked questions about how priorities are chosen.

**The discussion was completed.**

**6.C**      [26-0361](#)            Preliminary 2025 Year-End Estimates Update

Senior Accounting and Budget Manager Joan Lutz shared 2025 year end estimates and noted that the audit is not yet complete. She estimated the General Fund has \$2.49 Million above reserve.

Committee members asked clarifying questions about the budget for the 900 Plum Street transition and when it will be finalized.

**The discussion was completed.**

**6.D**      [26-0362](#)

FCS Consulting President John Ghilarducci presented a methodology for Parks Impact Fees. He clarified that these impact fees are only for capital projects and projects that affect the whole system rather than a single park. He discussed the City's current fee schedule and steps for scaling.

The methodology proposed is to add a higher charge for larger square footage up to a limit. He compared the proposed costs to other cities and mentioned the alternative methodology would be based on number of bedrooms.

Committee Members asked clarifying questions about whether other Washington cities are moving to this method.

**Committee member Green moved, seconded by Committee member Vanderpool, to approve the recommended New Park Impact Fee Methodology, as required by State law, and forward to the full City Council for approval.**

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

**Aye:**            3 - Chair Gilman, Committee member Green and Committee member Vanderpool

**7.        REPORTS AND UPDATES**

Finance Director Githens provided an update on the audit status and the quarterly financial report.

**8. ADJOURNMENT**

The meeting adjourned at 6:09 p.m.



## Finance Committee

### Briefing on the Capital Facilities Project Process

**Agenda Date:** 6/15/2026  
**Agenda Item Number:** 6.A  
**File Number:**26-0455

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**Type:** information **Version:** 1 **Status:** In Committee

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#### **Title**

Briefing on the Capital Facilities Project Process

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred a committee.

##### **City Manager Recommendation:**

Receive a briefing on the Capital Facilities Project process.

#### **Report**

##### **Issue:**

Whether to Receive a briefing on the Capital Facilities Project process.

##### **Staff Contact:**

Joan Lutz, Senior Finance and Budget Manager, 360.753.8760.

##### **Presenter(s):**

Joan Lutz, Senior Finance and Budget Manager.

#### **Background and Analysis:**

The City of Olympia's Capital Facilities Plan (CFP) is the financial plan for capital projects over the next six years. Development of the CFP starts with the Comprehensive Plan and the respective Master Plans. The culmination of all the plans provides a structured and transparent approach for identifying, evaluating, prioritizing and delivering capital investments across all departments. This process ensures alignment with Council priorities, long-range planning efforts and available funding resources. Each project undergoes coordinated review by Public Works, Parks and other relevant departments to ensure cost estimates, operational considerations, and long-term maintenance needs are clearly understood.

Departments initiate project proposals based on the master plan, asset condition assessments, regulatory compliance needs, safety considerations, capacity expansion requirements, and community objectives. Staff prepare preliminary scopes, schedules, and cost estimates that serve as the foundation for financial planning working with project managers to validate assumptions, refine

estimates and identify potential funding sources such as utility rates, real estate excise tax (REET), grants and voter-approved revenues.

Projects are evaluated using criteria that include alignment with adopted plans, risk mitigation, equity considerations, financial feasibility, and resource availability. Funding capacity is reviewed across the six-year Capital Facilities Plan, confirming that projects can be supported within existing revenues or identifying where additional funding strategies may be needed. This helps ensure the City's long-term financial health and compliance with state budget requirements.

The CFP process includes multiple review points for the Finance Committee, City Council as well as related Council and Advisory Committees. Committee briefings provide an opportunity to understand funding assumptions, major cost drivers, and timing considerations before the full CFP is brought forward for adoption as part of the annual budget process or subsequent amendments. Public transparency is supported through publishing the CFP document as well as the Comprehensive Plan and the respective Master Plans, project webpages, and communication during project design and implementation phases.

Once the CFP is approved, projects move into design, permitting and construction. Staff monitor expenditures, adjust forecasts, and support responses to bid results, inflationary cost changes, and scheduling adjustments. This ongoing monitoring ensures projects remain aligned with budget authority and that Council receives timely and accurate financial updates.

**Climate Analysis:**

This agenda item isn't expected to have an impact to greenhouse gas emissions.

**Equity Analysis:**

This agenda item is not expected to further impact known disparities in our community.

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

Members of the community may have an interest in this agenda item as it deals with City finances, transparency and fiscal governance.

**Financial Impact:**

There is no financial impact associated with this agenda item.

**Options:**

1. Receive a briefing on the Capital Facilities Project process.
2. Do not receive a briefing on the Capital Facilities Project process.
3. Receive a briefing on the Capital Facilities Project process at another time.

**Attachments:**

None



## Finance Committee

### Briefing on Property Tax Levy History, Current Structure, and Limitations

**Agenda Date:** 6/15/2026  
**Agenda Item Number:** 6.B  
**File Number:**26-0454

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**Type:** information **Version:** 1 **Status:** In Committee

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#### **Title**

Briefing on Property Tax Levy History, Current Structure, and Limitations

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Receive a briefing on Property Tax Levy history, current structure, and limitations.

#### **Report**

##### **Issue:**

Whether to receive a briefing on Property Tax Levy history, current Structure, and limitations.

##### **Staff Contact:**

Joan Lutz, Senior Finance and Budget Manager, 360.753.8760.

##### **Presenter(s):**

Michael Githens, Finance Director

#### **Background and Analysis:**

The City of Olympia relies on its ad valorem (property tax) levy as a foundational revenue source that supports general government functions, including police, fire, parks, transportation and administrative services. Since property tax is both highly regulated under Washington State law and sensitive to economic changes, it is important to understand how the levy has evolved, how it operates today, and what legal constraints shape future budget planning.

Washington State's property tax system is based on a budget-driven levy structure rather than a rate-driven system. This means that the City adopts the total property tax amount to be collected each year, subject to state limitations and then calculates back to a rate amount.

Significant legislation occurred with the statewide adoption of the 1% annual levy-increase limit, which caps growth in the City's regular property tax levy to 1% over the highest levy amount from the previous year, unless voters approve a larger increase. Although additional revenue from new

construction, improvements, and state-assessed utility property is allowed, the 1% limitation has historically constrained the City's ability to keep up with inflation driven costs for personnel, maintenance, equipment and services.

Over time, this structural limitation has prompted the City to increasingly rely on voter-approved levies, bonds, fees, and other revenue sources (such as sales tax as well as business and occupation tax) to maintain public services and invest in infrastructure.

Each year, staff prepare and present levy calculations to the City Council as part of the budget process, ensuring compliance with statutory deadlines and coordination with Thurston County for assessment, certification and distribution of collected revenues.

Property tax remains one of the City's most stable revenue sources. However, its limited annual growth creates ongoing pressure on the General Fund, which supports many labor-intensive services that rise in cost faster than the levy limits allow. This dynamic is a key driver of the City's long-term budget forecasting, financial sustainability strategies and consideration of supplemental revenue tools.

Several state-imposed constraints, such as annual 1% levy increase, statutory rate caps, constitutional limits, prorationing and reliance on new construction, requires careful financial planning, especially as community expectations for services increase and cost pressures outpace levy growth. Understanding these constraints enables the Finance Committee to evaluate future budget strategies, revenue options and the potential need for voter-approved funding measures.

**Climate Analysis:**

This agenda item isn't expected to have an impact to greenhouse gas emissions.

**Equity Analysis:**

This agenda item is not expected to further impact known disparities in our community.

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

Members of the community may have an interest in this agenda item as it deals with City finances, transparency, and fiscal governance.

**Financial Impact:**

There is no financial impact associated with this agenda item.

**Options:**

1. Receive a briefing on Property Tax Levy history, current structure, and limitations.
2. Do not receive a briefing on Property Tax Levy history, current structure, and limitations.
3. Receive a briefing on Property Tax Levy history, current structure, and limitations at another time.

**Attachments:**

None



## Finance Committee

### Update on the 2026 Finance Committee Work Plan

**Agenda Date:** 6/15/2026  
**Agenda Item Number:** 6.C  
**File Number:**26-0460

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**Type:** discussion **Version:** 2 **Status:** In Committee

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#### **Title**

Update on the 2026 Finance Committee Work Plan

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to committee.

##### **City Manager Recommendation:**

Receive an update on the 2026 Finance Committee work plan.

#### **Report**

##### **Issue:**

Whether to receive an update on the 2026 Finance Committee work plan.

##### **Staff Contact:**

Joan Lutz, Senior Budget and Finance Manager, 360.753.8760

##### **Presenter(s):**

Michael Githens, Finance Director

#### **Background and Analysis:**

Discussion of the 2026 Finance Committee Work Plan began in November 2025, and the plan was forwarded to Council in early 2026. Since its adoption, several adjustments have been made in response to shifting project timelines, evolving priorities, and emerging issues.

This mid-year review provides the Committee with an opportunity to assess progress to date, evaluate priorities for the remainder of the year, and consider any desired modifications to the work plan. It also allows staff to gather direction and additional information on future work plan items to support scheduling, planning, and presentation development.

#### **Climate Analysis:**

This agenda item isn't expected to result in an impact to greenhouse gas emissions.

#### **Equity Analysis:**

This agenda item is not expected to further impact known disparities in our community.

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

Members of the community may have an interest in this agenda item as it deals with City finances, transparency, and fiscal governance.

**Financial Impact:**

There is no financial impact associated with this agenda item.

**Options:**

1. Receive an update on the 2026 Finance Committee work plan.
2. Do not receive an update on the 2026 Finance Committee work plan.
3. Receive an update on the 2026 Finance Committee work plan at another time.

**Attachments:**

2026 Finance Committee Work Plan