



# Meeting Agenda

## 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**

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

Attachments: [Minutes](#)

**6. COMMITTEE BUSINESS**

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

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

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

**6.D** [26-0362](#) Approval of a Park Impact Fee Methodology Recommendation, as Required by State Law

Attachments: [Residential Scaling for Park Impact Fees Memo](#)

**7. REPORTS AND UPDATES**

**8. ADJOURNMENT**

*The City of Olympia is committed to the non-discriminatory treatment of all persons in employment and the delivery of services and resources. If you require accommodation for your attendance at the City Council Committee meeting, please contact the Council's Executive Assistant at 360.753.8244 at least*

*48 hours in advance of the meeting. For hearing impaired, please contact us by dialing the Washington State Relay Service at 7-1-1 or 1.800.833.6384.*



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

## Finance Committee

### Approval of April 20, 2026 Finance Committee Meeting Minutes

**Agenda Date:** 5/18/2026  
**Agenda Item Number:** 5.A  
**File Number:**26-0328

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

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**Title**

Approval of April 20, 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, April 20, 2026

4:30 PM

Council Chambers, Online and Via  
Phone

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### Register to Attend:

[https://us02web.zoom.us/webinar/register/WN\\_YGjc5GLOQkKWj7wugHD-2w](https://us02web.zoom.us/webinar/register/WN_YGjc5GLOQkKWj7wugHD-2w)

#### 1. CALL TO ORDER

The meeting was called to order at 4:30 p.m.

#### 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 - None

#### 5. APPROVAL OF MINUTES

5.A [26-0299](#) Approval of March 16, 2026 Finance Committee Meeting Minutes

The minutes were approved.

#### 6. COMMITTEE BUSINESS

6.A [26-0296](#) Budget Spotlight: Cost Allocations

Senior Budget & Finance Manager Joan Lutz presented the monthly budget spotlight presentation on cost allocation. The presentation included an explanation of how and why the City maintains a cost allocation plan to ensure General Fund costs are recovered fairly and equitably from supported funds.

Committee members asked clarifying questions.

The report was received.

6.B [26-0266](#) Briefing on the City Building Electrification Plan, Facility Condition Assessment and Future Funding Strategies

Public Works Director Mark Russell and Facilities Manager Eli Cole presented information on the City Building Electrification Plan, the Facility Condition Assessment, and future funding strategies. The presentation summarized work completed in partnership with a consultant, reviewed the results of the recent facility assessment, and outlined the gap between projected facility maintenance needs and existing funding levels.

Committee members asked clarifying questions.

**The discussion was completed.**

**6.C** [26-0297](#)

Deputy Public Works Director Thanh Jeffers and Fleet Operations Supervisor Jaime Mastache presented information on the City's Fleet Electrification Plan and Electric Vehicle Charging Recommendations. The presentation included an overview of the current fleet and progress toward electrification, as well as a discussion of current and anticipated market conditions affecting electric vehicle adoption, particularly for heavy-duty and emergency response vehicles. Staff also reviewed projected electric vehicle charging infrastructure needs.

Committee members asked clarifying questions.

**The discussion was completed.**

**7. REPORTS AND UPDATES**

City Manager Jay Burney and Finance Director Michael Githens provided the Finance Committee with an update on the new Monthly Financial Report Power BI Dashboard. Director Githens reviewed the dashboard's new features and demonstrated the dynamic analysis capabilities available through the tool. Staff noted that the new report will be presented to the full City Council at a future meeting and will also be made available on the City's website for public access.

In addition, Director Githens provided the Finance Committee with an update on the Annual Comprehensive Financial Report process.

**8. ADJOURNMENT**

The meeting adjourned at 6:54 p.m.



## Finance Committee

### Budget Spotlight: Expenditure Approval Process

**Agenda Date:** 5/18/2026  
**Agenda Item Number:** 6.A  
**File Number:** 26-0355

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

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#### **Title**

Budget Spotlight: Expenditure Approval Process

#### **Recommended Action**

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

Not referred to a committee.

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

Receive a Budget Spotlight briefing regarding the Expenditure Approval Process on the path that approval documents take to the Consent Agenda Calendar.

#### **Report**

##### **Issue:**

Whether to receive a Budget Spotlight briefing regarding the Expenditure Approval Process and the path that approval documents take to the Consent Agenda Calendar.

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

Mike Githens, Finance Director, 360-753-8465

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

Mike Githens, Finance Director

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

The City of Olympia places routine and recurring action items, such as approval of payroll and accounts payable expenditures, on the City Council Consent Calendar for consideration and formal action. These items represent standard operational financial transactions required to support the ongoing delivery of City services and obligations. All expenditures included in those Consent Calendar agenda items require approval by the City Council, the City's governing legislative body, prior to final authorization.

Prior to reaching the Consent Calendar, all payments undergo a comprehensive, multi-step review and verification process designed to ensure accuracy, legitimacy, and compliance with applicable City policies, contractual requirements, and legal standards. This process includes departmental review, Finance Department verification, and internal controls intended to safeguard public funds and ensure

proper documentation and authorization.

The purpose of this presentation is to provide 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. This transparency helps ensure the City Council and the public understand how routine financial transactions are managed, reviewed, and presented for formal action.

**Climate Analysis:**

This agenda item is expected to result in no impact to greenhouse gas emissions.

**Equity Analysis:**

One of the goals of the City's budget process is to ensure that city services are provided equitably to our residents and business communities, as well as the greater Olympia community. 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 transparency, City finances and fiscal governance.

**Financial Impact:**

There is no financial impact associated with this agenda item.

**Options:**

1. Receive a Budget Spotlight briefing regarding the Expenditure Approval Process on the path that approval documents take to the Consent Agenda Calendar.
2. Do not receive a Budget Spotlight briefing regarding the Expenditure Approval Process on the path that approval documents take to the Consent Agenda Calendar.
3. Receive a Budget Spotlight briefing on the Expenditure Approval Process on the path that approval documents take to the Consent Agenda Calendar at another time.

**Attachments:**

None



## Finance Committee

### 2027 Budget Process and Preparation Update

**Agenda Date:** 5/18/2026  
**Agenda Item Number:** 6.B  
**File Number:**26-0356

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

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**Title**

2027 Budget Process and Preparation Update

**Recommended Action**

**Committee Recommendation:**

Not referred to a committee.

**City Manager Recommendation:**

Receive an update on the 2027 Budget process and preparation.

**Report**

**Issue:**

Whether to receive an update on the 2027 Budget process and preparation.

**Staff Contact:**

Mike Githens, Finance Director, 360-753-8465

**Presenter(s):**

Jay Burney, City Manager

**Background and Analysis:**

Olympia budgets on an annual basis with the fiscal year beginning January 1 and ending December 31. The operating budget process is roughly an eight-month long process culminating with the City Council approving the next year's budget in December.

The internal development process for the 2027 Budget is being updated based on feedback from the Executive Team to involve the entire Team in the early background, forecasting, assumptions and overall process for the development of the City Manager's recommended Budget. These changes in process will be presented.

This will also be an opportunity for the Finance Committee to discuss areas of interest they have related to budget development and what areas of focus the Committee may want to have further discussion with the entire City Council about budget priorities.

**Climate Analysis:**

This agenda item is expected to result in no impact to greenhouse gas emissions.

**Equity Analysis:**

One of the goals of the City's budget process is to ensure City services are delivered equitably to residents, businesses, and the broader Olympia community. This agenda item is not anticipated to create or further impact known disparities within the community.

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

Community members may have an interest in this agenda item as it relates to transparency, City finances, and fiscal governance.

**Financial Impact:**

There is no financial impact associated with this agenda item.

**Options:**

1. Receive an update on the 2027 Budget process and preparation.
2. Do not receive an update on the 2027 Budget process and preparation.
3. Receive an update on the 2027 Budget process and preparation at another time.

**Attachments:**

None



## Finance Committee

### Preliminary 2025 Year-End Estimates Update

**Agenda Date:** 5/18/2026  
**Agenda Item Number:** 6.C  
**File Number:**26-0361

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

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**Title**

Preliminary 2025 Year-End Estimates Update

**Recommended Action**

**Committee Recommendation:**

Not referred to a committee.

**City Manager Recommendation:**

Receive an update on the estimates for ending balances at 2025 year-end.

**Report**

**Issue:**

Whether to receive an update on the estimates for ending balances at 2025 year-end.

**Staff Contact:**

Mike Githens, Finance Director, 360-753-8465

**Presenter(s):**

Joan Lutz, Senior Budget and Finance Manager

Mike Githens, Finance Director

**Background and Analysis:**

As the year-end financial close process for the fiscal year ending December 31, 2025 progresses, staff are able to provide preliminary estimates of ending fund balances and overall financial performance.

This update will provide information on revenue and expenditure trends, notable variances from budget assumptions, and projected ending balances across key funds. The discussion will also help inform ongoing financial planning, reserve monitoring, and future budget development considerations.

**Climate Analysis:**

This agenda item is expected to result in no impact to greenhouse gas emissions.

**Equity Analysis:**

One of the goals of the City's budget process is to ensure that city services are provided equitably to our residents and business communities, as well as the greater Olympia community. 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 transparency, City finances and fiscal governance.

**Financial Impact:**

There is no financial impact associated with this agenda item.

**Options:**

1. Receive an update on the preliminary 2025 year-end estimates.
2. Do not receive an update on the preliminary 2025 year-end estimates.
3. Receive an update on the preliminary 2025 year-end estimates at another time.

**Attachments:**

None



## Finance Committee

### Approval of a Park Impact Fee Methodology Recommendation, as Required by State Law

**Agenda Date:** 5/18/2026  
**Agenda Item Number:** 6.D  
**File Number:**26-0362

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

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#### **Title**

Approval of a Park Impact Fee Methodology Recommendation, as Required by State Law

#### **Recommended Action**

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

Not referred to a committee.

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

Move to approve the recommended New Park Impact Fee Methodology, as required by State law, and forward to the full City Council for approval.

#### **Report**

##### **Issue:**

Whether to approve the recommended New Park Impact Fee Methodology, as required by State law, and forward to the full City Council for approval.

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

Laura Keehan, Director of Parks Planning & Maintenance, Parks Arts and Recreation, 360.570.5855  
Tammy LeDoux, Finance & Policy Coordinator, Parks Arts and Recreation, 360.753.8053

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

John Ghilarducci, Principal, FCS Group  
Laura Keehan, Director of Parks Planning & Maintenance  
Tammy LeDoux, Finance & Policy Coordinator

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

In 2023, the Washington Legislature adopted Senate Bill 5258, amending RCW 82.02.060 to require impact fee schedules to reflect the proportionate impact of different housing unit types. The law requires lower impact fees for smaller housing units based on square footage, number of bedrooms, or trips generated. The City must adopt a compliant methodology within six months of adoption of the Comprehensive Plan, requiring implementation by June 30, 2026.

The City hired FCS Group to scale the current park impact fees to comply with this recent change in State law. An update of the fees is not included as a part of this study as this change is only to the

methodology and is intended to be revenue neutral. The next park impact fee rate study will be completed in the Fall of 2028 after the next Parks Plan is adopted.

Staff recommends using habitable square footage as the basis for scaling park impact fees. This approach is commonly used by jurisdictions across Washington and is supported by reliable data correlating housing size with occupancy levels. It is also the most straightforward methodology to administer and avoids ambiguity associated with determining bedroom counts. Trip generation is used for transportation impact fees.

This item will be presented to full the full City Council on June 2, 2026. Once direction from the City Council has been received, staff will prepare the ordinance for approval at their June 16, 2026, business meeting.

### **Background**

An impact fee is:

- A payment of funds imposed upon new development as a condition of development approval.
- Intended to help fund public facilities needed to serve growth and development.
- Assessed only for facilities that are reasonably related to, and necessitated by, the additional demand created by new development.
- Limited to a proportionate share of the cost of system improvements that reasonably benefit the new development.
- Required to be spent in conformance with the Capital Facilities Plan element of the Comprehensive Plan.
- Subject to a statutory requirement that funds generally be expended within ten years of collection.

The City began collecting park impact fees in 1992. Current fee rates are based on the 2022 Park Impact Fee Rate Study and are calculated using the Capital Investment Strategy project list and level-of-service standards identified in the *2022-2028 Parks, Arts & Recreation Plan*.

The Parks, Arts and Recreation Department updates the Parks Plan every 6 years and will update the park impact fee rates after the adoption of a new plan. Annually, the Department also evaluates the fee for inflationary increases.

The collection of park impact fees is a critical piece to the success of the Olympia Parks system. As described in the *2022 Parks, Arts and Recreation Plan*, Parks began shifting from acquisition to development, and this revenue is our primary source of match funding for grants.

Recent projects that were funded with impact fees include:

- *Grass Lake Nature Park* - construction of trails
- *Woodruff Park and Lions Park* - development of spraygrounds
- *Jolene Unsoeld (Yelm Highway) Community Park* - design and upcoming construction
- *Three off-leash dog parks* - construction
- *West Bay Park Master Plan* - completion
- *Rebecca Howard Park* - development planning and upcoming design work
- *Marj Yung (Kaiser Woods) Park* - design and upcoming construction

**Climate Analysis:**

Park impact fees pay for park facilities to serve new residential development at urban densities and infill, which is consistent with the City's Comprehensive Plan and is a key climate mitigation strategy.

**Equity Analysis:**

This new methodology is designed to fairly fund park infrastructure while reducing the cost burden on smaller-sized dwelling units, to support community needs and housing affordability. Also, dwelling units that meet affordable housing criteria are given an 80% discount on their park impact fees in Olympia.

Parks play an important role in the community as places that are free and accessible to the public for social connection and gathering, physical and mental health, and preservation and connection with nature.

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

Olympians have shown a strong level of community support for Parks, Arts and Recreation services, as demonstrated by two voted funding measures and strong participation in the development of the Parks Plan. The YES Olympia Parks Coalition was heavily involved in the formation of the Olympia Metropolitan Park District and members continue to take a strong interest in the parks system.

The Olympia Master Builders (OMB) and housing community may have interest in this proposed methodology change for park impact fees. Staff has informed the OMB about the proposed park impact fee methodology change.

**Financial Impact:**

Annual park impact fee revenue varies with development activity. Collections totaled approximately \$778,877 in 2023, \$461,990 in 2024, and \$988,134 in 2025. The proposed scaling methodology is intended to be revenue-neutral overall.

While the Department has other dedicated funding sources, those revenues primarily support operations, land acquisition, or debt service. Park impact fees remain an important funding source for development of new parks and park amenities needed to serve growth.

**Options:**

1. Move to approve the recommended New Park Impact Fee Methodology, as required by State law, and forward to the full City Council for approval.
2. Direct staff to prepare methodology based on a different basis, such as the dwelling unit's number of bedrooms or trip generation. This will require additional time to prepare and will be challenging for staff to administer at time of building permit.
3. Provide other direction. This could delay compliance with State law.

**Attachments:**

Residential Scaling for Park Impact Fees Memo

May 11, 2026

**To:** Tammy LeDoux, Parks Finance and Policy Coordinator  
Laura Keehan, Director of Parks Planning & Maintenance  
**From:** John Ghilarducci  
Luke Nelson

**Re: Residential Scaling for Park Impact Fee**

This memorandum summarizes the methodology used to scale the City's current park impact fee. It is accompanied by the spreadsheet reviewed with City staff on March 19, 2026, containing supporting calculations and data sources.

## INTRODUCTION

### Background

In 2026, the City of Olympia (City) contracted with FCS to scale its current park impact fee to comply with recent changes in state law. A fee update was not included as a part of this study.

### Legal Basis

Impact fees are enabled by state statutes, authorized by local ordinance, and constrained by the United States Constitution. They allow cities to recover some of the cost of expanding public facilities necessitated by growth. These fees allow "growth to pay for growth" in a fair and equitable manner. In Washington, impact fees are enabled by RCW 82.02.050 through 82.02.110 and are permitted for:

- Public streets and roads
- Publicly owned parks, open space, and recreation facilities
- School facilities
- Fire protection facilities

In 2023, two new laws affecting the imposition of impact fees were passed. First, Senate Bill 5258 added language to RCW 82.02.060 requiring that "the [impact fee] schedule shall reflect the proportionate impact of new housing units, including multifamily and condominium units, based on the square footage, number of bedrooms, or trips generated, in the housing unit in order to produce a proportionally lower impact fee for smaller housing units." Second, House Bill 1337 amended RCW 36.70A to add that an impact fee on an accessory dwelling unit may not be charged more than 50 percent of the corresponding impact fee charged for the principal unit. This change is already reflected in City code, OMC 15.04.040A.

## SCALING CALCULATION

### Current Fee Structure

The City’s current park impact fee is charged separately to single-family, multi-family, accessory dwelling units (ADUs), and mobile homes. As a first step in scaling the fee, it is necessary to calculate a consistent fee per square foot for all residential types. To do that, FCS used housing data from the US Census Bureau to find the percentage of single-family, multifamily, and mobile dwellings within the City. These were multiplied by the corresponding dwelling unit fees being charged and then added together to give a blended residential fee.

Based on housing data, 58% of dwelling units within the City are single-family, 2% are mobile homes, and 40% are multi-family. The City currently charges impact fees ranging from \$4,709 and \$6,995 for different types of dwelling units within the City. This leads to a blended impact fee of \$6,535.26, as shown in **Exhibit 1** below.

**Exhibit 1. Current Impact and Equivalent Blended Fee**

<b>Current Park Impact Fee</b>	
Single-Family Dwelling Unit	\$ 6,995.00
Multi-Family Dwelling Unit	5,991.00
Downtown Multi-Family Dwelling Unit	4,709.00
Mobile Home	5,230.00
<b>Blended Impact Fee per DU</b>	<b>\$ 6,535.26</b>

### Housing Characteristics

In order to scale the blended fee calculated above, the average occupancy and size of dwelling units within the City must be estimated. To find the average occupancy for the City, we use the same data from the US Census Bureau to find the number of people living in different dwelling unit types and the total number of each type of dwelling unit. By dividing the total number of people by the number of dwelling units, we find that the average occupancy for the City is 2.05 residents per dwelling unit.

The City estimates that the average size of single family residences and mobile homes is 2,225 square feet. According to Rentcafe.com, the average size of multifamily dwelling units is 841 square feet. By multiplying these average sizes for each dwelling unit type by the proportion of units within the City, we find that the average dwelling unit size within the City is approximately 1,666 square feet. **Exhibit 2** summarizes the calculation of the average dwelling unit size within the City.

**Exhibit 2. Average Dwelling Unit Size**

Single Family / Mobile Home Portion		Multifamily Portion		Average DU Size (Sq Ft)
Single Family Home Size	2,225	Multifamily Home Size	841	
Proportion of SFR / Mobile Homes	60%	Proportion of MFRs	40%	
SFR Proportion of Average (Sq Ft)	1,331	SFR Proportion of Average (Sq Ft)	335	1,666

**Scaled Fee**

Using the housing characteristics and blended impact fee above, an impact fee per square foot and estimated fee per single resident can be found by dividing the blended fee by the average home size and occupancy. This leads to an impact fee per square foot of \$3.92, as shown in **Exhibit 3**.

**Exhibit 3. Scaled Impact Fee**

Park Impact Fee	
Impact Fee per Occupant	\$3,187.93
Impact Fee per Sq Ft	\$3.92

**Minimum and Maximum Fees**

FCS recommends setting a minimum and maximum fee as a means to maintain the proportionality of the fee to the impact of residential development. These should be set at the points where (1) dwelling unit size is equivalent to the average home size of one resident (minimum fee) and (2) the correlation between square footage and occupancy no longer holds (maximum fee).

The average home size for one resident can be found using the housing statistics provided above. Dividing the average home size by the average occupancy leads to 813 square feet per resident. FCS recommends setting the minimum fee based on this dwelling unit size.

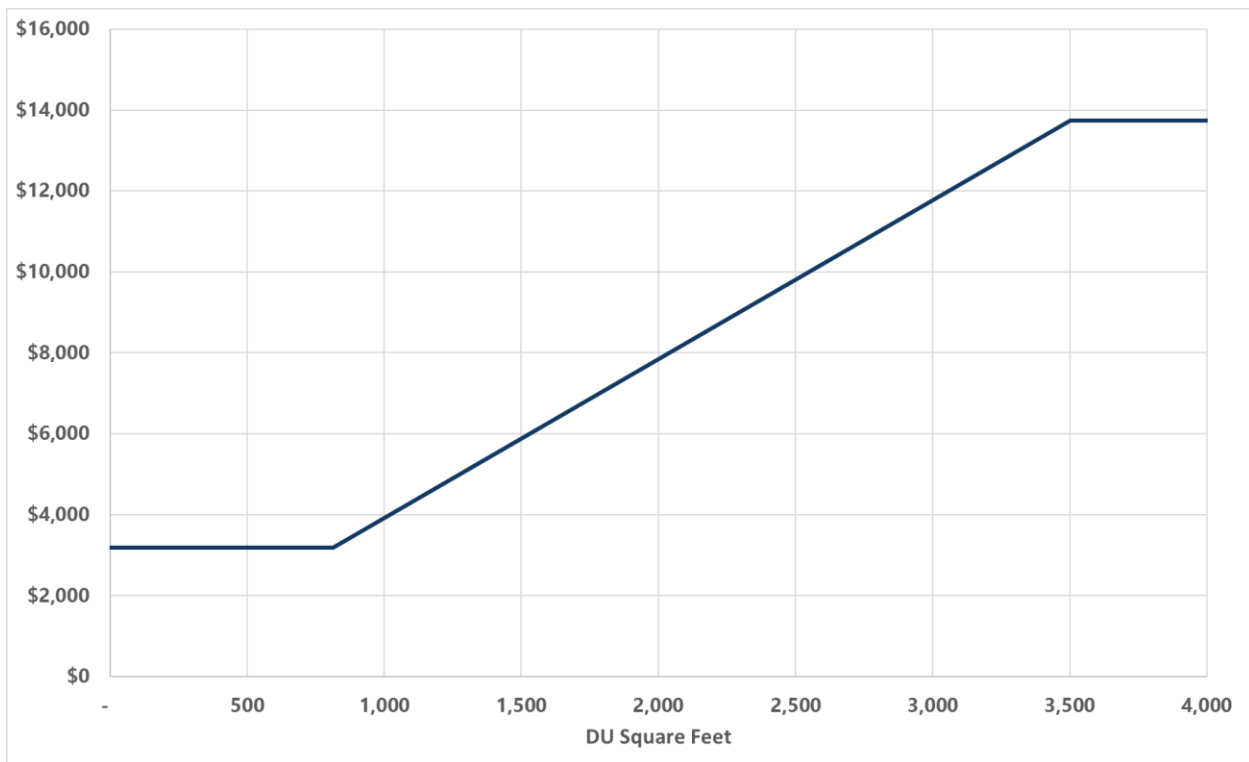
The maximum fee for each service should be implemented where a larger residence no longer suggests a higher occupancy. To find the point where the correlation between size and occupancy no longer holds, FCS ran a regression analysis on 2023 American Housing Survey data for the Seattle metro area. The fitted curve reaches its maximum at approximately 3,500 square feet, suggesting any additional square feet are not associated with additional occupants. FCS recommends multiplying this maximum square footage by the fee per square foot calculated above to find the suggested maximum charge. The minimum and maximum impact fees are summarized in **Exhibit 4**.

Exhibit 4. Impact Fee Schedule

Park Impact Fee	
Impact Fee per Sq Ft	\$3.92
Minimum DU Size (Sq Ft)	813
Minimum Fee	\$3,187.93
Maximum DU Size (Sq Ft)	3,500
Maximum Fee	\$13,720.00

These fee schedules can be charted on a graph to show the minimum and maximum as horizontal lines before the minimum square footage and past the maximum square footage with the impact fee per square foot representing the slope of a line connecting the two points. This is shown in **Exhibit 5**.

Exhibit 5. Impact Fee Graph



## IMPLEMENTATION

### Setting Scaled Impact Fees

The scaling calculated above is intended to be revenue-neutral in aggregate. The scaled fee represents the maximum defensible fee the City can adopt without revisiting the applicable calculation methodology. As such, the City is free to adopt a scaled fee up to that provided in this report.

### Accessory Dwelling Units

In addition to principal residences, the City currently charges impact fees on accessory dwelling units (ADUs). Amended by HB 1337, RCW 36.70A.681 (2) limits the impact fees on ADUs to “50 percent of the impact fees that would be imposed on the principal unit.” This limit has been incorporated into City code, OMC 15.04.040A (ORD 7444), as of December 2025. FCS recommends that, when charging a fee on an ADU, the City calculate the scaled fee on both the ADU and principal residence. If the methodology above finds a fee for the ADU above half of the fee for the principal residence, the fee must be lowered to comply with the new law. In other words, the impact fee for an ADU should be the lesser of the calculated size-based fee or one half the (scaled) fee for the principal residence.

### Habitable vs Non-Habitable Square Footage

Statute does not specify the type of square footage that should be charged an impact fee. However, at the time of development, the staff member who calculates the impact fee for the developer is typically also collecting a lot of information about the development—including square footage—for other purposes. FCS encourages cities and counties to use the version of building square footage that they are already collecting for impact fee purposes as well.