

Ordinance No. _____

AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, ADOPTING THE CITY OF OLYMPIA'S 2026 OPERATING, SPECIAL, AND CAPITAL BUDGETS AND 2026-2031 CAPITAL FACILITIES PLAN; SETTING FORTH THE ESTIMATED REVENUES AND APPROPRIATIONS.

WHEREAS, the tax estimates and budget for the City of Olympia, Washington, for the 2026 calendar year have been prepared and filed as provided by the laws of the State of Washington; and

WHEREAS, the Olympia City Manager submitted to the City Council a recommended "Capital Facilities Plan", herein referred to as "CFP", for the fiscal years 2026 through 2031; and

WHEREAS, the preliminary budget was printed for distribution and notice published in the official paper of the City of Olympia, setting the time place for hearing on the budget and stating that all taxpayers requesting a copy from the City Clerk would be furnished a copy of the preliminary budget to review; and

WHEREAS, the CFP projects the proposed locations and capacities of expanded or new capital facilities needed to serve growth projected in the City's comprehensive plan, along with a six-year plan that will finance such capital facilities and the anticipated capital expenditures required to construct them for said period; and

WHEREAS, the Olympia City Council held public hearings on the preliminary budget on November 3, 2025 and November 18, 2025, as required by law, and has considered the public testimony presented; and

WHEREAS, the Olympia School District's Capital Facilities Plan and the Thurston County School District's Capital Facilities Plan are being incorporated as a component of the City's CFP to allow for the collection of school impact fees; and

WHEREAS, the CFP element of the Comprehensive Plan Goals and Policies is included in the CFP; and

WHEREAS, the City Council has held public hearings and reviewed the recommended CFP along with the CFP Goals and Policies and has made revisions thereto; and

WHEREAS, the revisions made by the City Council have been incorporated into the recommended CFP; and

WHEREAS, the CFP meets the requirements of the Washington State Growth Management Act, including RCW 36.70A070(3);

NOW, THEREFORE, THE OLYMPIA CITY COUNCIL ORDAINS AS FOLLOWS:

Section 1. The 2026 Estimated Revenues and Appropriations for each Fund are as follows:

Operating Budget

FUND	USE OF FUND BALANCE	ESTIMATED REVENUE	APPROP	ADDITION TO FUND BALANCE
General, Regular Operations		\$121,777,100	\$121,777,100	
General, Special Sub-Funds				
Special Accounts	\$963,552	\$2,285,341	\$3,248,893	
Development Fee Revenue		\$9,263,246	\$9,220,030	\$43,216
Parking		\$2,103,734	\$2,085,959	\$17,775
Post Employment Benefits	\$3,800	\$1,100,000	\$1,103,800	
Washington Center Endowment		\$30,000	\$30,000	
Washington Center Operating	\$7,145	\$655,000	\$662,145	
Municipal Arts	\$203,980	\$57,970	\$261,950	
Total General Fund	\$1,178,477	\$137,272,391	\$138,389,877	\$60,991
Non-Voted General Obligation Debt		\$4,493,493	\$4,493,493	
Voted General Obligation Debt		\$1,051,000	\$1,051,000	
Water Utility O&M	\$2,906	\$17,944,458	\$17,947,364	
Sewer Utility O&M	\$124,768	\$27,948,405	\$28,073,173	
Solid Waste Utility	\$421,773	\$18,001,844	\$18,423,617	
Stormwater Utility	\$200,553	\$9,044,229	\$9,244,782	
Water Rev Bond Redemption		\$2,447,505	\$2,447,505	
Sewer Bond Redemption		\$595,155	\$595,155	
Storm/Surface Water Debt		\$123,649	\$123,649	
Equipment Rental	\$178,224	\$3,791,406	\$3,969,630	
Facilities Internal Service		\$6,003,573	\$6,000,177	\$3,396
Fire Fleet		\$2,591,742	\$2,521,432	\$70,310
Subtotal Other Operating Funds	\$928,224	\$94,036,459	\$94,890,977	\$73,706
Total Operating Budget	\$2,106,701	\$231,308,850	\$233,280,854	\$134,697

Special Funds Budget

FUND	USE OF FUND BALANCE	ESTIMATED REVENUE	APPROP	ADDITION TO FUND BALANCE
HUD Fund		\$461,000	\$430,657	\$30,343
Lodging Tax Fund	\$663,779	\$1,250,000	\$1,913,779	
Parking Business Improvement Area	\$22,805	\$0	\$22,805	
Farmers Market Repair		\$10,000	\$10,000	
Hands On Children's Museum		\$795,000	\$563,689	\$231,311
Home Operating Fund	\$1,446,129	\$3,704,544	\$5,150,673	
Cultural Access Tax Fund	\$331,045	\$3,467,125	\$3,798,170	
Equipment Rental Replacement	\$660,441	\$5,964,559	\$6,625,000	
Unemployment Compensation Fund		\$150,248	\$150,248	
Insurance Trust Fund	\$1,810,266	\$3,638,630	\$5,448,896	
Workers Compensation Fund		\$2,947,000	\$2,553,956	\$393,044
Total Special Funds Budget	\$4,934,465	\$22,388,106	\$26,667,873	\$654,698

Capital Budget

FUND	USE OF FUND BALANCE	ESTIMATED REVENUE	APPROP	ADDITION TO FUND BALANCE
Impact Fees	\$419,950	\$0	\$419,950	
SEPA Mitigation Fee Fund	\$845,000	\$0	\$845,000	
Parks & Recreational Sidewalk, Utility	\$3,119,096	\$3,286,667	\$6,405,763	
Transportation Benefit District	\$90,196	\$1,590,000	\$1,680,196	
Water Infrastructure Improvement Gra		\$85,000	\$0	\$85,000
Sewer Infrastructure Improvement Gra		\$55,000	\$0	\$55,000
TBD Sales Tax	\$1,149,000	\$3,300,000	\$4,449,000	
Real Estate Excise Tax Fund	\$1,552,700	\$2,800,000	\$4,352,700	
Capital Improvement Fund		\$0	\$0	
Home Capital Fund	\$2,871	\$2,200,000	\$2,202,871	
Transportation Capital Improvement		\$10,743,207	\$10,738,333	\$4,874
Fire Equipment Capital Fund		\$1,017,804	\$282,469	\$735,335
Facilities Capital Improvement Fund		\$5,683,391	\$4,744,675	\$938,716
Parks Capital Improvement Fund		\$47,428,945	\$46,872,500	\$556,445
Water CIP Fund		\$6,342,666	\$5,822,666	\$520,000
Sewer CIP Fund	\$35,763	\$9,360,354	\$9,396,117	
Waste ReSources CIP Fund		\$60,000	\$60,000	
Storm Water CIP Fund	\$40,000	\$1,955,463	\$1,995,463	
Total Capital Budget	\$7,254,576	\$95,908,497	\$100,267,703	\$2,895,370
Total City Budget	\$14,295,742	\$349,605,453	\$360,216,430	\$3,684,765

Section 2. Administration. The City Manager shall administer the budgets and in doing so may authorize adjustments within the funds set forth in Section 1 above, to the extent that such adjustments are consistent with the budget approved in Section 1 above.

Section 3. Salaries and Compensation. The salaries and compensation for the City of Olympia employees for the calendar year 2026 shall be as set forth in the “Supplementary Information” section of the 2026 Adopted Budget document, or as the same may be amended by the City Manager as part of their administration of the budget pursuant to Section 2 above.

Section 4. Benefit Cost Sharing. The City Manager is authorized to modify and establish benefit cost sharing for City employees; and such programs may be based, in part, on the employee’s start date with the City.

Section 5. Capital Facilities Plan. That certain document entitled the “Capital Facilities Plan”, covering the years 2026 through 2031, a copy of which will be on file with the Office of the Finance Director and available on the City’s web site, is hereby adopted as the Capital Facilities Plan for the City of Olympia and is incorporated herein as though fully set forth.

Section 6. City Manager Authorization. Upon appropriation by the City Council of funds therefore, the City Manager shall be authorized to prepare plans and specifications to take bids, and to make expenditures for the projects set forth in the CFP during the year for which said projects are scheduled; provided, however, that any award of bids and execution of contracts for construction shall be approved as provided in OMC Chapter 3.16.

Section 7. Change in Funding Source and Construction Schedule. It is anticipated that the funding source and the construction schedule for projects identified in the CFP may be changed over the next year. Such changes shall not constitute an amendment to the Comprehensive Plan for purposes of RCW 36.70A.130.

Section 8. Office of Finance Director Authorization. The Finance Director is hereby authorized to bring forward into fiscal year 2026 all appropriations and allocations not otherwise closed, completed, or deleted from the prior fiscal years' Capital and Special Fund budgets.

Section 9. Severability. The provisions of this Ordinance are declared separate and severable. If any provision of this Ordinance or its application to any person or circumstances is held invalid, the remainder of this Ordinance or application of the provision to other persons or circumstances shall be unaffected.

Section 10. Ratification. Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and affirmed.

Section 11. Effective Date. This Ordinance shall take effect January 1, 2026 after passage and publication as provided by law.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

Mark Barber
CITY ATTORNEY

PASSED:

APPROVED:

PUBLISHED: